

**PROTECTING PEOPLE  
AND PLACES**



Health and Safety Executive  
**Annual Report and Accounts  
2024/25**

HC 1407





# Health and Safety Executive Annual Report and Accounts 2024/25

**For the period 1 April 2024 to 31 March 2025**

Health and Safety Executive is a Crown Non-Departmental Public Body  
and is sponsored by DWP.

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

Ordered by the House of Commons to be printed on 20 November 2025.

HC 1407



© Crown copyright 2025

This publication is licensed under the terms of the Open Government Licence v3.0 except where otherwise stated. To view this licence, visit [nationalarchives.gov.uk/doc/open-government-licence/version/3](https://nationalarchives.gov.uk/doc/open-government-licence/version/3).

Where we have identified any third party copyright information you will need to obtain permission from the copyright holders concerned.

This publication is available at [www.gov.uk/official-documents](https://www.gov.uk/official-documents).

Any enquiries regarding this publication should be sent to us at:

Email:

[accessibility@hse.gov.uk](mailto:accessibility@hse.gov.uk)

Post:

HSE Head Office  
Health and Safety Executive, Redgrave Court  
Merton Road, Bootle,  
Merseyside, L20 7HS

ISBN 978-1-5286-6022-8

E03463760 11/25

Printed on paper containing 40% recycled fibre content minimum.

Printed in the UK by HH Associates Ltd on behalf of the Controller of His Majesty's Stationery Office.

# Contents

---

## Performance

- 6 Performance: overview
- 6 Summary statement from HSE's Chair and Chief Executive
- 10 Our performance in 2024/25
- 12 Performance: analysis
- 41 Sustainability

## Accountability

- 48 Corporate governance report
- 48 The Directors' report
- 50 Statement of Accounting Officer's responsibilities
- 51 Governance statement
- 73 Remuneration and staff report
- 88 Parliamentary accountability report
- 90 The Certificate and Report of the Comptroller and Auditor General to the Houses of Parliament

## Financial statements

- 96 Financial statements
- 100 Notes to the Accounts

# Performance

---

## Performance: overview

This section provides a summary of what the Health and Safety Executive (HSE) does, our purpose and how we have performed during the year.

## Summary statement from our Chair and Chief Executive

What we do matters. It matters to everyone in Great Britain. We are dedicated to protecting people and places and helping everyone lead safer and healthier lives.

In our 50th 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 for 2024 to 2025.

As a proportionate regulator we play our role in the government's growth mission. We develop policies, being mindful of the impact on growth wherever possible, with any potential negative growth impacts mitigated or avoided.

We have invested significant effort in evolving our regulatory processes and structures to ensure our focus remains on tackling higher-risk activities efficiently and effectively. This year we have delivered significant programmes of work that build upon that positive foundation. This is helping 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 the year we have further developed our new case management system and have rolled the inspection service out to colleagues, with a further roll-out due in 2025. Continuing to modernise the tools our people use to deliver critical work ensures that we maximise our reach, impact and productivity to achieve our mission.

In addition to changes to our internal structure, we delivered the majority of our Business Plan objectives and deliverables. A significant achievement was fully establishing the Building Safety Regulator (BSR) for England. We have delivered a range of services that will improve the safety of residents in newly constructed and existing higher-risk buildings. This includes the regulatory regime for occupied higher-risk buildings, building assessment certification and delivering consistent standards within the building control profession. This is all part of our work to help create a built environment where everyone is competent and takes responsibility to ensure buildings are of high quality and people feel safe.

On 30 June the government announced the establishment of a new Ministry of Housing, Communities and Local Government (MHCLG) Executive Agency, with the intention that this will take on the functions of BSR from HSE in due course. Establishing a new regulator has been complex, challenging and rewarding. Protecting residents, and making sure there is never another tragedy like Grenfell, has always been our priority. Work to set up BSR has taken a huge amount of effort from everyone in HSE and we can be proud of our achievements in setting up a new regulator from scratch.

Our work has put residents' safety at the heart of the new regulatory regime, and we are already making buildings safer.

This year, we have also 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. This included assessing safety cases, such as for repurposing offshore installations for carbon capture and storage. At the same time, we continue to recognise the importance of maintaining our role in regulating major hazards in existing energy industries.

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 focused on those most at risk and raising awareness among workers.

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

We're a leading voice, but it is important to recognise that we do not act alone. This year we renewed our focus on collaboration with partners in industry, wider government and other stakeholders. It included our first Prevention Summit, which brought together industry leaders to collaborate on solutions for preventing work-related health issues. In major hazard sectors, we delivered a successful Process Safety Leadership Principles programme where we engaged with industry to collectively identify areas of improvement. 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.



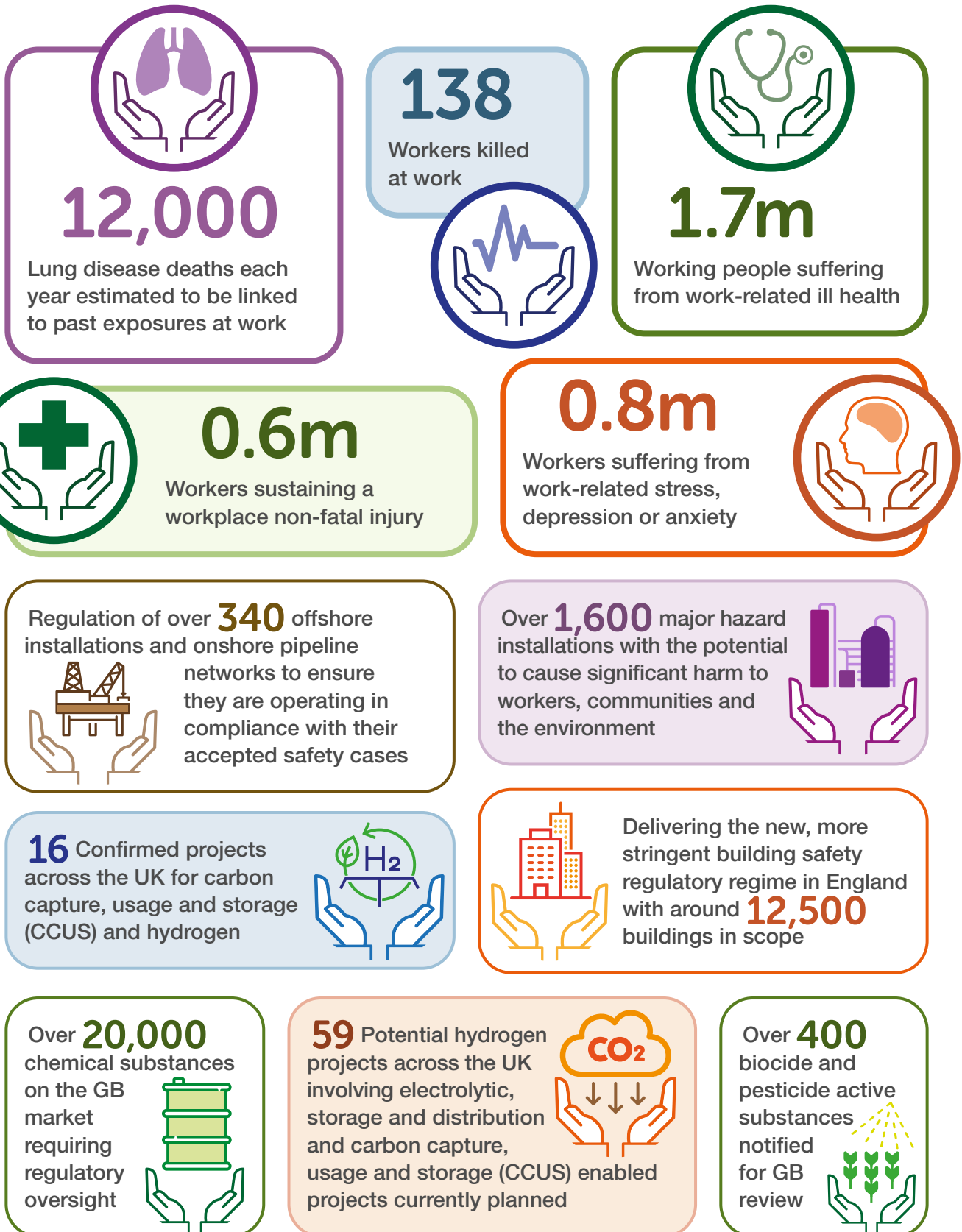
**Sarah Newton**  
Chair



**Sarah Albon**  
Chief Executive and Accounting Officer

## Performance: summary

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



<sup>1</sup> Health and safety statistics - HSE ([www.hse.gov.uk/statistics](https://www.hse.gov.uk/statistics))

## Who we are

The Health and Safety Executive (HSE) is Great 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 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 those responsible to account for their failures, and secure justice for victims and their families, making people and places safer.

This was the third year of our ambitious strategy, Protecting People and Places: HSE strategy for 2022 to 2032<sup>2</sup>. Our role has evolved beyond worker protection and includes significant public assurance responsibilities. We work to ensure people feel safe where they live, where they work, and in their environment.

The strategy has set five 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 six strategic themes which 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.

---

2 HSE strategy 2022 to 2032 - HSE ([www.hse.gov.uk/aboutus/the-hse-strategy.htm](https://www.hse.gov.uk/aboutus/the-hse-strategy.htm))

## Our performance in 2024/25

### Enforcement action

Completed **246** criminal prosecutions with a 96% conviction rate



Over **£33** million awarded in fines

Issued over **4,400** notices including approximately:

**3,200** Improvement Notices

**1,200** notices prohibiting work activity placing people at risk of death or serious injury

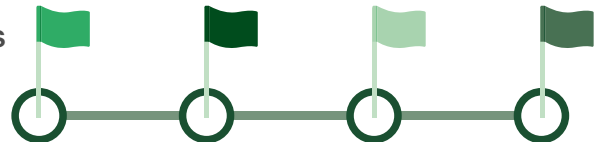


Completed **86%** of fatal investigations within 12 months of receiving primacy, against our target of **80%**



### Business Plan delivery

Delivered on **100%** of the commitments or milestone achievements set out in the Business Plan for the year



Over **13,200** inspections completed including:

Over **7,000** inspections focusing specifically on work-related health. In addition, we delivered a campaign focusing for the first time on violence and aggression experienced at work, and associated work-related stress



Major hazard safety cases: **81%** achieved within due date

More than **2,700** inspections undertaken following receipt of intelligence (including concerns raised by members of the public)

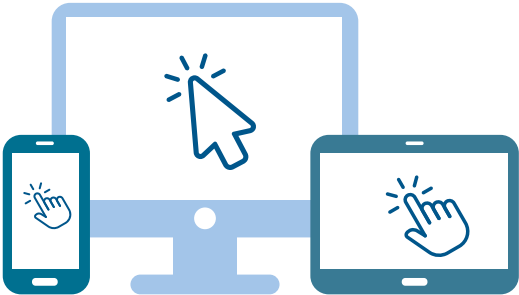


Asbestos: over **600** inspections under duty to manage and over **700** inspections of asbestos contractor licence compliance checks

## Business Plan delivery

Ensuring the safe and sustainable use of pesticides and biocides by completing evaluations and authorisations within the required timescales for:

**168** biocide products and **780** plant protection products



Giving advice and guidance on health and safety throughout the year, our website was visited by **2.6** million users with **20.2** million page views and a ‘usefulness’ rating of **76%**

### Dutyholder feedback

**77%** 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



### Responding to customers

Received over **3,700** FOI requests and responded to **91%** within deadlines (against a target of 90% or greater)

Received **99,600** contacts and handled over **25,000** concerns from members of the public about workplaces and activities

**£310 million**



Total expenditure for year

**£126 million**



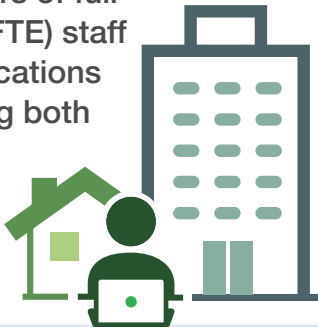
Income and cost recovery

**£206 million**

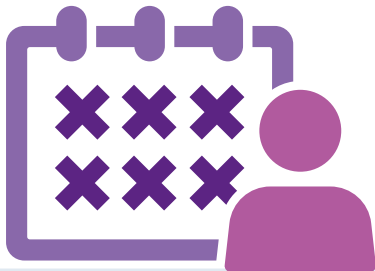


Government funding

**2,986** members of full-time equivalent (FTE) staff across various locations in the UK, working both at home and the office throughout the year



Sickness absence increased to **7.2** days per full-time equivalent (FTE) against target of 6.5 days per FTE<sup>3</sup>



3 Our year-end performance of 7.2 days compared favourably with the wider cross-Civil Service benchmark (7.8 days for the year). For a more detailed narrative go to the Average working days lost section on page 31.

## Performance: analysis

The following section provides a summary for each of our performance measures (or deliverables) within our Business Plan. They are grouped by our five 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 examples that illustrate the real-world impact our work delivers.



## Objective 1: 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 2024/25 we worked with partners in business and government on our shared objective of preventing ill health at work and, for the first time, delivered dedicated activity focused on this area.

Our targeted interventions extended across a range of work-related risks to health, and multiple higher-risk sectors. Our goal is to enable and educate employers to:

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

This year saw a significant shift in our planned inspections, and we delivered around 95% of our key performance indicators (KPIs), primarily aiming these inspections at preventing ill health. This led to a marginal increase in the time spent on inspections where we found non-compliance. As we transitioned to a functional delivery model, more time than planned was spent training inspectors, including in addressing the range of health risks across broader targeting of sectors.

Embedding this capability is constantly developing through further support and consolidation by operational managers, but both of these factors impacted on the resources available to deliver 14,000 proactive inspections.

### Key achievements and interventions

Our range of interventions extend across multiple hazards and industry sectors, some examples of our work this year are outlined in this section.

#### Changing culture around ill health: Prevention Summit 2024

The inaugural summit brought together industry leaders to collaborate on solutions for preventing work-related health issues, focusing on principles like preventing illness, protecting workers from risks, and leading industry-wide change. The summit included keynote speeches, roundtable discussions, and sessions on managing health risks.

The event generated strong commitment from industry leaders, with more than 90% of delegates pledging to collaborate across sectors to reduce work-related ill health.

#### Tackling the legacy of asbestos: building the asbestos evidence base

Developing the research base on asbestos was a central theme in the recommendations from the Work and Pensions Select Committee report on our approach to asbestos management in 2022.

We hosted an Asbestos Research Summit in February 2025 to bring together the evidence and knowledge which exists nationally and internationally.

A wide range of experts and stakeholders helped us to decide on the most informative research to put into practice. Sir Stephen Timms, Minister of State for Social Security and Disability, joined those attending the summit in recognition of its important contribution to our work on asbestos.

### Tackling the legacy of asbestos: improved guidance and clearer communication

We launched new guidance and communication solutions to help people reduce asbestos risk and protect people from harm. This was a major part of our response to the Work and Pensions Select Committee. We developed and tested the improvements with workers and business leaders before launching them, including:

- videos for workers to raise awareness of the risks;
- updated images of asbestos to help people recognise it;
- improved guidance on the duty to manage asbestos, clarifying a suite of complex guidance;
- advice for workers on how to protect themselves.

### Inspections of duty to manage asbestos

We visited 303 schools, 56 local authority head offices and 230 local authority premises.

We found that around 1 in 10 dutyholders had failings in their systems for managing asbestos, requiring us to serve them with Improvement Notices.

Beyond the public sector, we found asbestos management and controls to be an issue at construction sites and premises targeted for health-focused inspections. We identified asbestos-containing materials in just over 1 in 4 sites (1,911 premises) resulting in serving 138 Improvement Notices.

### Licensed removal of asbestos in construction

Our work to ensure the safe management of asbestos in construction activities has remained a priority this year, as has our role in assuring the public that the asbestos licensing regime remains effective.

We carried out 713 inspections of licensed asbestos removal contractors and continued to assess new applicants and existing licence holders renewing their licences. All necessary assessments were completed to a high standard and to expected timescales.

### Musculoskeletal disorders

The number of musculoskeletal disorders (MSDs) being reported remains a significant concern. Reports span a wide range of industries, but particularly construction, healthcare and manufacturing. We assessed MSDs during almost 3,000 inspections. We know that more work is needed to influence dutyholders to tackle the risks and

improve controls in specific sectors, rather than depending on risk mitigation such as training and rotating workers through hazardous tasks.

### Noise induced hearing loss

We completed over 1,700 assessments of compliance with controlling noise and the risk of hearing loss, and served over 100 Improvement Notices.

We found that while personal protective equipment (PPE) for protecting workers' hearing was mostly being provided, more can be done to ensure compliance is sustained. This includes ensuring PPE is compatible when worn and improving the effectiveness of instructions, training and supervision in workplaces.

### Health surveillance

Health surveillance is legally required, and a critical element of a health management system used to identify ill health caused by work, for workers who remain exposed to health risks even after controls are in place. This is because control measures may not always be entirely reliable in preventing exposure, despite appropriate checking, training and maintenance. Health surveillance means work-related disease can be identified as early as possible, so the risk for the affected individual can be managed. It also protects similarly exposed workers by requiring a review of the risk assessment and controls where work-related disease is identified.

During inspections we carried out over 2,000 assessments of compliance where health surveillance was required. We identified gaps in health surveillance being carried out, and further issues with actions being taken in response to findings of health surveillance. We will highlight these issues in future interventions.

### Respirable crystalline silica

There is a well-established regulatory framework under the Control of Substances Hazardous to Health (COSHH) Regulations 2002 (as amended), which already requires employers to prevent workers' exposure to respirable crystalline silica (RCS) to avoid diseases such as silicosis developing due to unsafe working practices.

We have prioritised research into the nature and causes of poor compliance and inadequate dust control, including with fabricators of engineered stone worktops. There is currently no evidence that silicosis from exposure to engineered stone is different to silicosis from any other stone exposure.

In January 2025, we published guidance for installers of engineered stone worktops, their managers and supervisors, to remind them of the steps they must take to control the exposure risk. This guidance covers training, and effective processes, pre-installation, on-site installation, and post-installation.

We continued to engage with the stone industry supply chain, the Trades Union Congress (TUC) and trade unions to ensure standards for controlling exposure are being met.

## Work-related stress: research programme

Work-related stress is strongly linked to poor mental health outcomes; in 2023, almost half of all cases of work-related ill health in the UK were caused by stress.

There remains little evidence of employers implementing effective measures to prevent work-related stress. We have commissioned a research programme to provide robust evidence on the following questions:

- What interventions are effective for preventing and reducing work-related stress?
- How is work-related stress defined and identified by organisations and medical professionals?
- What are the enablers and barriers to organisations effectively reducing the risk of work-related stress?

Results from this programme of research are due in 2026 and will be used to inform strategic planning and intervention design, and improve guidance on work-related stress.

## Work-related stress: Working Minds campaign

Our Working Minds campaign continued to grow this year, helping businesses to 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.

Developing and enhancing partnerships is an essential part of our 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.

## Supporting the government's health and work agenda: guidance for disabled workers and workers with long-term health conditions

This year we launched easy read versions of our online guidance and principles for supporting disabled workers and workers with long-term health conditions. The guidance has been viewed by over 26,000 users since it was first released in 2022.

We have raised awareness of the principle-based guidance through communications, and by engaging with stakeholders to promote opportunities for businesses to share them through their own networks.

Our user-centred website content has achieved a 91% user satisfaction rating, supporting an enabling culture in workplaces.

## Milestones and KPI statuses against objective 1

| Reduce work-related ill health, with a specific focus on mental health and stress                                                                                                                               | Status       |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|
| Establish a programme of work with external providers to build evidence base for mental ill health                                                                                                              | met<br>✓     |
| Deliver a Prevention Summit to motivate stakeholders to take action needed nationally to prevent exposure to health risks                                                                                       | met<br>✓     |
| Deliver 14,000 proactive inspections <sup>4</sup>                                                                                                                                                               | not met<br>✗ |
| Deliver and evaluate interventions targeting risks to workers from failure to manage asbestos, MSDs and noise                                                                                                   | met<br>✓     |
| Deliver and evaluate targeted interventions to key health risks including respiratory diseases, legionella outbreaks, lead poisoning, asphyxiation from using dichloromethane and causes of work-related stress | met<br>✓     |
| Work with the DWP and DHSC Joint Work and Health Directorate to support health and work                                                                                                                         | met<br>✓     |

<sup>4</sup> Focusing on health in all proactive inspections led to a slight increase in the average time spent on those inspections where we found non-compliance as well as additional training for inspectors. Both of these factors reduced the amount of time available to carry out inspections which meant we achieved 13,200 inspections against the 14,000 target. The infrastructure is now in place to ensure we deliver 14,000 proactive inspections going forward.



## Objective 2: increase and maintain trust to ensure people feel safe where they live, where they work, and in their environment

---

Our role has broadened beyond worker protection to encompass public safety assurance on a wide range of issues, and our strategic objectives reflect this. We have continued to work to achieve the right regulatory balance between supporting safe business practices and protecting people and their environment.

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

### Key achievements and interventions

Our range of interventions extend across the built environment, gas and chemicals regulation. Some examples of our work this year are outlined in this section.

#### BSR: The Building Safety Conference

The Building Safety Conference 2024 successfully reached 1,500 industry attendees, delivering 37 sessions across a balanced audience demographic between Principal Accountable Persons, construction and building control sectors.

Of attendees who responded, 98% rated the conference positively, with 63% reporting better understanding of BSR's role and 70% feeling more positive towards the regulator. Most importantly, 47% of delegates committed to specific behaviour changes, focusing on improved resident engagement, enhanced competency training, wider industry collaboration and updated safety case procedures.

#### BSR: launching the Building Assessment Certification service

We exceeded our target to direct 1,444 Principal Accountable Persons to apply for their Building Assessment Certificate (BAC) by submitting their safety cases for assessment.

We made 26 decisions on BACs submitted, with 18 approvals and 8 refusals. We continue to progress decisions on the year 1 tranche of higher-risk buildings that were called in last year and direct buildings in tranche 2 this year.

#### BSR: Mandatory occurrence reports

We received 1,178 mandatory occurrence reports this year. Of these, approximately 60% were reported to relate to fire spread and 34% related to structural failure; 497 mandatory occurrence reports were raised and closed in year.

Of the 1,178 reports received, we selected 332 occurrences for investigation to establish if suitable actions were being undertaken by the Accountable Persons. The investigations completed to date found that enforcement action was justified and taken in 21 cases. Further enforcement action has been taken as part of ongoing investigations into how Principal Accountable Persons/Accountable Persons are managing building safety risks.

### **BSR: engagement with residents**

We continued to engage with residents, considering their lived experience in all we do. Our Residents' Panel has provided critical insight, informing policy, communications, and guidance development.

The ongoing Your Home, Your Safety campaign used accessible materials and targeted outreach to help raise awareness of the regulator and residents' rights. We also continued to focus effort on the problems experienced by directors of resident-managed high-rise residential buildings.

We have received over 20,000 enquiries relating to building safety this year, including around 1,300 safety concerns raised by residents. Over 300 of these cases resulted in a full investigation, leading to remedial action and enforcement where necessary. We remain committed to listening and ensuring residents are informed, empowered, and central to the delivery of a safer built environment.

A statement in line with Section 20 of the Building Safety Act 2022 detailing our extensive engagement with residents can be found on GOV.UK's website ([www.gov.uk/government/publications/building-safety-regulator-annual-statement-of-resident-engagement](https://www.gov.uk/government/publications/building-safety-regulator-annual-statement-of-resident-engagement)).

### **Chemical regulation**

We continued to deliver effective chemicals regulation, exceeding our 2024/25 objective to deliver 95% of planned permissions for biocides and pesticides, authorisation opinions under UK REACH and Classification, Labelling and Packaging (CLP) opinions or technical reports to legislative timescales.

We issued approvals for new pesticidal active substances and products, including Bixlozone, which controls problem grasses and broad-leaved weeds, and Pydiflumetofen, a fungicide which controls diseases in cereals and oilseed rape crops. The approvals were welcomed by industry, who had limited options to control such diseases and weeds. The decision on these chemicals was made more quickly than in the EU, giving British farmers earlier access to these substances and products.

We have continued to review chemicals that no longer meet the relevant human health and environmental protection standards – taking action to remove three pesticide active substances (Famoxidone, Mancozeb and Indoxacarb) from the Great Britain market during 2024. We also commenced the renewal assessment of the pesticide active substance Glyphosate.

In addition to processing industry applications, we took proactive action on priority chemicals. We have taken forward restrictions under UK REACH for lead in ammunition

and Per- and polyfluoroalkyl (PFAS) in firefighting foams. A restriction is a powerful regulatory tool which limits the manufacture, supply and use of chemicals that pose the greatest risk to human health and the environment.

As part of enforcing compliance with Official Control Regulations (OCR), we delivered 526 controls (against a target of 450) across pesticides supply chains.

### **UK REACH: proposals for restriction of lead in ammunition**

We successfully reviewed all the available evidence and formulated proposals under UK REACH (Registration, Evaluation, Authorisation and Restriction of Chemical regulations) for restriction of lead in ammunition, publishing a final Agency Opinion in December.

The proposals aim to stop the release of around 7,000 tonnes of lead to the environment from shooting per year, while still enabling competitive athletes to train for the Olympic and Paralympic Games.

In line with the UK REACH process, this work has been sent to the Secretary of State for Defra and Scottish and Welsh ministers to decide whether to bring a restriction under UK REACH into law. HSE will continue to support and answer questions from the decision makers.

### **Domestic gas safety: engineer competence checks**

With over 20 million households in the UK relying on gas appliances, it is crucial that the engineers installing, repairing and servicing them are working to the highest standard.

Gas safety legislation requires any person who carries out gas work to be competent. Functioning within this gas safety regulatory framework, we worked with a commercial partner, Capita Business Services Ltd, to operate the Gas Safe Register (GSR). GSR is the official list of engineers and businesses who are qualified to conduct gas work in the UK, Isle of Man, Guernsey and Jersey. The Register can be searched by anyone free of charge.

Gas Safe Register carried out over 55,000 risk-based competency checks on registered businesses during the year. These checks help people feel safe in their homes, by providing assurance to UK consumers that the registered engineers they employ are undertaking gas work competently and safely.

## Milestones and KPI statuses against objective 2

| Increase and maintain trust to ensure people feel safe where they live, where they work, and in their environment                                                     |  | Status       |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|--------------|
| Deliver a BSR industry conference focused on taking ownership and leadership to change culture and improve standards                                                  |  | met<br>✓     |
| Launch the Building Assessment Certification service                                                                                                                  |  | met<br>✓     |
| Develop triage and incident selection criteria to enable BSR to respond effectively to relevant residents' complaints and mandatory occurrence reports                |  | met<br>✓     |
| Deliver 90% of operational activities to service level agreements <sup>5</sup>                                                                                        |  | not met<br>✗ |
| Development of pre-consultation impact assessment to reform the chemicals regulatory framework                                                                        |  | met<br>✓     |
| Deliver 95% of planned permissions for biocides and pesticides, authorisation opinions under UK REACH and CLP opinions or technical reports to legislative timescales |  | met<br>✓     |
| Finalise restriction opinions under UK REACH for lead in ammunition                                                                                                   |  | met<br>✓     |
| Deliver a programme of 50,000 domestic gas safety engineer competence checks through our commercial partner                                                           |  | met<br>✓     |

<sup>5</sup> While the Planning Gateway One target of 90% within service level agreements (SLAs) was exceeded at 99% performance, the building control assessment challenges meant that we did not meet 90% within SLAs overall. The overriding reason for delays in processing within SLAs is due to the quality of applications received from industry. BSR have worked with ministers to secure additional funding to establish an Innovation Unit that is bringing in resource to prioritise new build high-rise residential buildings to ensure they are approved within the SLAs of 8 and 12 weeks. As part of an increased separate funding bid and settlement in the last Spending Review (SR), BSR will continue to recruit into key roles in the division to increase its competency and capacity in a number of areas.



## Objective 3: enable industry to innovate safely to prevent major incidents, supporting the move towards net zero

We are committed to enabling industry to innovate safely to prevent major incidents, supporting the move towards net zero, and continue to play a significant part in the safe delivery of the government's commitment to achieve net zero by 2050. The acceleration of the emergence of new and emerging technologies in low carbon energy production, novel energy use and energy efficiency presents new risks and challenges.

Throughout 2024/25 we have brought together all aspects of our expertise, in science and research, policy making and regulatory experience, to consider new technologies and challenges and develop solutions.

### Key achievements and interventions

Our achievements involve new ways of working, collaborating both internally and with other regulators and departments to find solutions and support the key government mission to make Britain a clean energy superpower. Some examples of our work this year are outlined in this section.

#### Enabling carbon capture and storage

We have enabled a leading oil and gas company to safely start the UK's first carbon dioxide (CO<sub>2</sub>) injection test, which could lead to the development of the largest carbon capture and storage (CCS) field in Europe. A multidisciplinary team engaged with the operator and undertook offshore inspections of the injection facility on repurposed gas and drilling platforms to understand the complexity of the proposals, advise on regulatory expectations and enable the operator to unlock their own solutions.

#### Safe use of hydrogen gas

We have been supporting the Department for Energy Security and Net Zero (DESNZ) programme on decarbonisation of heat, assessing the evidence and regulatory framework required for the safe distribution, storage and use of hydrogen gas in domestic, industrial, and commercial premises. This work feeds into government policy decisions and reviewing the safety demonstration underpinning the H100 Fife hydrogen trial.

We have also been developing and delivering research programmes for hydrogen and CCS to support policy development and regulatory activity. Findings from this research has enabled work to amend legislation to regulate offshore hydrogen production and carbon capture and built understanding of the risks and potential control measures for the deployment of new energy technologies.

All these projects have involved new ways of working, collaborating both internally and with other regulators and departments to find solutions and support the key government mission to make Britain a clean energy superpower.

### Research capability for liquid hydrogen

Over the past decade our scientists have developed a world-leading research capability to establish the evidence base for the safe use of hydrogen as a fuel/energy vector, in order to support the safe transition to net zero 2050. In line with the stated business objective for 2024/25, this year the focus has been on developing and delivering research concerning the use of liquid hydrogen.

Significant research projects include:

- the ongoing international project ELVHYS (enhancing safety of liquid and vaporised hydrogen transfer technologies in public areas for mobile applications) following on from the international PRESLHY project (2017 to 2021);
- completion of the UK Research Innovation (UKRI) funded collaboration ZEST (Zero Emission Sustainable Transport), an aviation focused liquid hydrogen project delivered in collaboration with UK industry and academia;
- the collaborative international MULTHYFUEL project, addressing the issues of hydrogen vehicle refuelling on conventional refuelling station forecourts alongside petrol and diesel.

### Reducing our own carbon footprint

Our work to reduce our own carbon footprint is covered in the Sustainability section on pages 41–47.

## Milestones and KPI statuses against objective 3

| Enable industry to innovate safely to prevent major incidents, supporting the move towards net zero                                                                                                                       | Status   |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|
| Provide health and safety expertise and support to net zero programmes including the DESNZ Clean Heat Programme                                                                                                           | met<br>✓ |
| Undertake work to amend health and safety legislation to ensure it is fit for purpose to regulate offshore hydrogen production and carbon capture                                                                         | met<br>✓ |
| Develop the evidence base for hydrogen and carbon capture and storage to support policy development and regulatory activity                                                                                               | met<br>✓ |
| Review HSE's activities as a statutory consultee to the planning system in relation to new net zero technologies                                                                                                          | met<br>✓ |
| Deliver a programme of interventions to support the development of new, emerging and growing net zero technologies, and pilot projects on electric vehicle charging and on maintaining ageing assets in the national grid | met<br>✓ |
| Develop a research capability for liquid hydrogen                                                                                                                                                                         | met<br>✓ |
| Develop governance structure and reporting arrangements to co-ordinate internal sustainability activities                                                                                                                 | met<br>✓ |
| Achieve our Greening Government Commitments against agreed baseline                                                                                                                                                       | met<br>✓ |



## Objective 4: 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.

### Key achievements and interventions

Our achievements involve widening our new risk-based decision model and delivering on major hazard interventions. Some examples of our work this year are outlined in this section.

#### Developing our regulatory processes

Following its introduction last year, we have widened our new risk-based decision model this year. It is for targeting investigations based on risk, rather than solely on incident outcome, to include both the concerns handling process, and non-fatal reports under RIDDOR (Reporting of Injuries, Diseases and Dangerous Occurrences Regulations). We will continue to evaluate and enhance these processes to improve our ability to target the right risk, using the right resource at the right time.

#### Investigating fatal and non-fatal incidents

Timely completion of our investigations of fatal incidents continues to be one of our highest priorities.

In 2024/25 we completed 86% of fatal investigations within 12 months of primacy of the incident, exceeding our target of 80%.

We completed 95% of non-fatal investigations within 12 months, exceeding our target of 90%.

#### Enforcement and prosecutions

We used a range of enforcement powers to secure compliance with health and safety law, including issuing over 4,400 notices. Prosecutions were commenced in cases involving a serious breach of the law where HSE's Enforcement Policy Statement and the Code for Crown Prosecutors were met.

Examples of such cases could include:

- matters where a death has resulted from a failure to comply with the law;
- where there have been repeated breaches which give rise to significant risk;
- where there has been persistent and significant poor compliance.

We completed 246 criminal prosecutions with fines over £33 million being awarded to government for this activity.

Prosecutions provide justice for families and important learnings for industry. Details of our prosecutions can be found on our website ([www.press.hse.gov.uk/category/prosecution/](https://www.press.hse.gov.uk/category/prosecution/)).

The following are examples of prosecutions, under the Health and Safety at Work Act 1974 (HSWA), which concluded during 2024/25.

### **Dodwell Farm Limited**

The company was fined £133,000 after a man was left seriously injured when he fell through a barn roof in Southampton.

On 9 February 2023, he had been helping his friend repair a fire-damaged storage barn. He was at the top of a sloped roof fixing new panels to timbers, but they were not strong enough to hold his weight. He fell through to the hard surface about 10 metres below. The injuries he sustained were severe and resulted in an extended period in hospital.

Our investigation found that safety measures such as barriers, netting or access equipment were not in place. Dodwell Farm Limited had failed to take appropriate precautions to ensure the safety of workers, and others affected by the work, when replacing the barn roof.

### **Warmsworth Stone Limited**

The company and its director were fined a total of just under £20,000 after repeatedly failing to protect workers from exposure to respirable crystalline silica (RCS).

We carried out several inspections on Warmsworth Stone Limited, which produces carved stone masonry products using limestone, sandstone, granite and marble. Following these inspections, the company was served with seven Improvement Notices, which covered several failures including exposure to stone dust, control of legionella bacteria and inadequate welfare facilities.

When our inspectors returned in September 2023, five of the Improvement Notices had still not been complied with despite the company being given an extension to do so following another visit in August.

The company had shown reckless disregard of several health and safety issues including the assessment and control of respirable dust. The standard of the company's health and safety management was far below what is required by health and safety law, leading to our proactive prosecution.

## **Delivering 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%.

### **Tata Chemicals Europe Limited**

In June 2024 Tata Chemicals Europe Limited, a chemical plant in Cheshire, was fined over £1 million and £60,603 in costs.

A 37-year-old father of four died just over a month after his foot slipped into a trough containing milk of lime while working at the site in 2016. Chemical and thermal burns later caused a fatal hemorrhage.

We found failings in permits to work when the man was tasked with working in a plant with chemical product flowing through it.

### **BioDynamic (UK) Limited**

In November 2024, BioDynamic (UK) Limited was fined £304,500 as well as being ordered to pay costs of £229,988.

In 2017, an explosion occurred at the BioDynamic anaerobic digestion site, near Nottingham. Two employees suffered life-changing injuries as the result of an explosion while they were working on a blocked pipeline.

We found that inadequate risk assessment and a failure to provide a safe system of work had caused the incident. Early in the investigation we prohibited work on the biodigesters and took action on several other safety issues. We investigated jointly with the Environment Agency. The fine and costs quoted are for both health and safety and environmental offences.

### **Merchant Vessel Ruby**

In November 2024 we supported the government's response to concerns about an ammonium nitrate cargo on board the Merchant Vessel Ruby in Great Yarmouth harbour. Our experts gave advice to officials in the Department for Transport, and visited the port to regulate the offloading of the potentially hazardous cargo. The vessel was successfully made safe and was able to proceed to another port for repair.

## **Dutyholder feedback**

Using surveys, we have sought feedback on how we conduct our inspections from a sample of those we have visited this year:

- 77% of respondents said they had acted as a result of a visit (81% in 2023/24);
- 91% of respondents considered the outcome of the visit proportionate to the risks identified (91% in 2023/24);
- 96% considered the activities inspected were appropriate to the risk (92% in 2023/24);
- 96% considered the inspection was conducted in an efficient and effective manner (93% in 2023/24).

## Milestones and KPI statuses against objective 4

| Maintain Great Britain's record as one of the safest countries to work in                                                         | Status       |
|-----------------------------------------------------------------------------------------------------------------------------------|--------------|
| Implement initial phase of a new risk-based decision model for non-fatal safety RIDDORs                                           | met<br>✓     |
| Implement revised concerns handling process using a risk-based decision model                                                     | met<br>✓     |
| Deliver 90% of major hazard interventions within agreed timescales                                                                | met<br>✓     |
| Complete 80% of fatal investigations within 12 months of primacy                                                                  | met<br>✓     |
| Complete 90% of non-fatal investigations within 12 months of incident date                                                        | met<br>✓     |
| Achieve an average increasing rate of enforcement action as investigations progress through the formal review points <sup>6</sup> | not met<br>✗ |
| Deliver enforcement outcomes associated with inspection within expected ranges                                                    | met<br>✓     |
| Achieve 85% investigation of standard concerns within agreed timescales <sup>7</sup>                                              | met<br>✓     |

<sup>6</sup> We have been transitioning towards a new way of selecting non-fatal incidents for investigation to better improve our targeting based upon risk. Alongside embedding improvements to our professional practice in conducting investigations, this is expected to improve our performance against these measures.

<sup>7</sup> Combined performance for standard and gas concerns investigated within timescales is 91%.



## Objective 5: 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 and the difference we make. We continued to strive to ensure that HSE is a great place to work – building a more diverse and inclusive workplace, where everyone feels valued, and treated with dignity and respect to support the delivery of our strategic objectives.

### Key achievements and activity

Our achievements involve developing our approach to strategic workforce planning and introducing new policies to support managers and colleagues. This section gives a summary of major activities carried out throughout the year.

#### Our People Strategy and strategic workforce plan

This year we have made significant strides in developing our approach to strategic workforce planning. This is a two-year deliverable of an overall People Strategy objective to ‘develop a workforce plan to identify current and future capability requirements’, with completion targeted for March 2026. Over the past year, we have developed a clear framework and started integrating strategic workforce planning into our Divisional planning.

#### Regulatory training

We have committed to conducting a thorough review, and to design a revised approach to health and safety regulatory training and routes of entry.

Important improvements we are making include:

- transforming a single, inflexible programme into multiple, flexible pathways;
- reducing both the cost and the time taken for competence and deployment;
- enhancing recruitment flexibility by taking account of acquired prior learning and being consistent with how we currently recruit and train specialist inspectors.

#### Our health, safety and wellbeing

We operate a Health and Safety Committee which is chaired by the Chief Executive, with three supporting sub-committees for the key areas of risk; these are experimental (laboratory) activities, internal hazards, and external hazards.

The maturity of these Risk Committees has provided a level of challenge and support which has enabled the Health, Safety and Wellbeing (HSW) team, and Divisions, to identify synergies across the organisation and to develop core risk assessments for our work activities.

At an operational level we have continued to provide support to line managers and colleagues through the delivery of training in stress awareness, personal safety, exposure to trauma and risk assessment. We have worked collaboratively with our suppliers to ensure the HSW products and services available to colleagues enable them to undertake work activities in an efficient way. An example of this is the online ordering system for the provision of personal protective equipment.

## Diversity and inclusion

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

Our activity is focused on developing an inclusive workplace through each of the three aims of the Public Sector Equality Duty (PSED):

- eliminate unlawful discrimination;
- advance equality of opportunity;
- foster good relations.

To support to managers and colleagues, this year we have:

- introduced a miscarriage policy which supports those employees (and their partners) who suffer a loss before 24 weeks of pregnancy, alongside supporting line managers who will also be supporting those employees who have been affected;
- introduced an extensive workplace adjustment policy and a revised Workplace Adjustment Passport;
- built in a requirement to complete an equality impact analysis into a number of our processes, new projects and change activity;
- maintained our status as a Disability Confident Leader at level 3 of the Disability Confident scheme. This demonstrates our commitment to continuous improvement in supporting our disabled colleagues, fostering inclusivity and disability awareness throughout HSE;
- offered flexible working arrangements to accommodate diverse needs. These include hybrid working, flexible working hours and other workplace adjustments to support colleagues with various responsibilities or health conditions;
- actively participated in or marked International Workers Memorial Day, Ramadan, World Mental Health Day, Speak Up Week, Pride Month, Black History Month, International Day of Disabled People, Carers Rights Day, Disability History Month, International Men's Day, Diwali, Holocaust Memorial, World Menopause Day, Transgender Day of Visibility and International Women's Day;
- continued to encourage all colleagues to be an active diversity ally by providing training, resources and promoting key diversity and inclusion initiatives that promote understanding, advocacy and inclusive behaviours.

We will continue to measure our success and progress internally against a range of metrics, such as the annual Civil Service People Survey and external benchmarking (against Civil Service and wider industries). Our People Survey engagement index in 2024 was 58%, an improvement on the index in 2023 (55%). 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 continued to deliver a series of vacancy holder workshops across the organisation. This supported the upskilling of our vacancy holders, implemented best practice approaches to recruitment campaigns and further strengthened our commitment to adherence to the Civil Service Commission recruitment principles.

We have successfully filled 86% of recruitment campaigns, with 39.5% filled from internal sources. Our campaign success rate has increased from 50% to 86%, which is higher than most government departments.

We continued to implement our talent attraction strategy, a process that will continue into 2025/26. We've taken action to promote equity, diversity and inclusion by enhancing our use of social media campaigns, defining our brand offering and why HSE is a great place to work, and offering hybrid/flexible working options and competitive employee benefits.

We have increased followers of our recruitment-specific social media by 22,906, from 55,564 to 76,470. This should help attract a wider range of candidates, particularly those from diverse backgrounds.

## Pay reform

In June 2024 we implemented a reformed and simplified pay structure, reducing from 59 to 17 pay ranges across five job families. This new structure, where disciplines are housed within job families with similar market pay rates and skillsets, linked to roles and disciplines rather than the division to which staff are located, will help us improve pay equality, fairness and transparency.

We have reduced the overall gender pay gap (GPG) by 2.1%. On 31 March 2024, our mean gender pay gap was 15.9% and our median was 17%, down from 18% and 21.20% respectively, from 2023.

We have seen positive progress towards our goal of gender parity in band 3 and at Senior Civil Service (SCS) level in particular. We have achieved increases of females represented by 0.77% and 9.03% respectively. We have also increased female representation in non-standard civil service roles by 1.17%.

Implementation of the simplified pay system will help to achieve greater female representation in non-standard roles. This will be captured in the GPG analysis report for 2025.

## Average working days lost

Across 2024/25 our average working days lost (AWDL) per FTE was 7.24 days, against a target of 6.5 days or less. It has increased by 1.08, from 6.16 in 2023/24, but compares favourably with the cross-Civil Service benchmark of 7.8 days for the year.

AWDL is comprised of short and long-term absences. Long-term absences increased in 2024/25 from 3.62 to 4.43 and short-term absences increased from 2.54 to 2.81.

Mental health remains our largest cause of long-term absence at 54%, a slight decrease from 2023/24 where it was 55%. Respiratory conditions continue to be the main cause of short-term absence.

We had a number of cases in 2024/25 involving complex situations across a range of HR policies, which has resulted in extended timelines to resolve these long-term absences.

We continued to provide support to managers in relation to attendance issues. A number of absences have involved employees with a neurodiversity, and this year, we rolled out neurodiversity training to support managers and employees.

We are working on refreshed guidance on supporting attendance which will be launched in 2025; this will help our people to stay in work.

## Milestones and KPI statuses against objective 5

| Ensure HSE is a great place to work, and we attract and retain exceptional people                                                               | Status       |
|-------------------------------------------------------------------------------------------------------------------------------------------------|--------------|
| Use of social media platforms to expand and diversify the applicant pool                                                                        | met<br>✓     |
| Design revised approach to health and safety regulatory training                                                                                | met<br>✓     |
| Develop workforce plan for future capability                                                                                                    | met<br>✓     |
| Simplify pay system                                                                                                                             | met<br>✓     |
| Deliver improvements in the health, safety and wellbeing (HSW) survey scores                                                                    | met<br>✓     |
| Embed diversity and inclusion and ensure that the percentage of staff who have personally experienced bullying or harassment does not exceed 8% | met<br>✓     |
| Ensure average working days lost does not exceed 6.5 days per FTE <sup>8</sup>                                                                  | not met<br>✗ |
| Achieve engagement index of 57% (55% in 2023)                                                                                                   | met<br>✓     |
| Deliver 90% of HR performance metrics                                                                                                           | met<br>✓     |

<sup>8</sup> Our year-end performance of 7.2 days compared favourably with the wider cross-Civil Service benchmark (7.8 days for the year). For a more detailed narrative go to the Average working days lost section on page 31.



## Enabling activities

Underpinning our strategic objectives are a series of critical activities that form the foundations for our transformation over the next decade.

### Key achievements and activity

Our achievements involve developing a new digital service for pesticides permissioning, conducting a comprehensive skills gap identifying key priority areas for development, and improving video conferencing in 13 offices. An outline of the progress made in 2024/25 on key elements is given in this section.

#### Digital services development

A new digital service for pesticides permissioning is in development. Due to identified digital resource constraints across our change portfolio, a decision was made to pause this project from January 2025 onwards. Continuation of the project will be considered as part of ongoing portfolio planning and priority discussions with our Portfolio Board.

We have developed a new Inspection and Enforcement service. In November 2024, 100 frontline colleagues were introduced to the service during the private Beta phase of the project. The new service has been well received, and we are now working to train staff, and will roll the service out to all colleagues in the Inspection Division later in 2025/26.

#### Change capability development

To address change capability gaps, we have conducted a comprehensive skills gap analysis. We also developed a capability assessment tool, which is aligned with cross-government frameworks for change skills. Our initial gap analysis identified key priority areas for development across change and digital teams.

#### Benefit realisation

Following publication of the Benefits Management Approach, we undertook a series of additional actions in 2024/25 to embed this into tracking and reporting.

We have deployed a two-pronged approach – firstly, to focus on the realisation of benefits on closed projects and, secondly, to drive compliance with benefits within live projects.

We have built benefits reporting into all our appropriate project management templates and portfolio monitoring and reporting, including monthly and quarterly performance deep dives.

## Office IT refresh

In 2024/25, we have improved video conferencing facilities at 13 offices, with 84 new installations and 20 refurbishments. This has standardised the use of Microsoft Teams equipment across our estate, making them simpler to manage from a service perspective and easier for colleagues to use.

## Welsh Language Scheme

In September 2024, our refreshed Welsh Language Scheme and accompanying four-year Action Plan were published on our website.

In line with the Welsh Language Act (1993), we are obliged to treat Welsh and English equally where it is appropriate and reasonably practicable to do so. The Welsh Language Scheme sets out our commitment to providing services inclusive to Welsh speakers. The Action Plan sets out how we will fulfil those commitments.

## Website modernisation

We completed the first year of our three-year website modernisation project focused on improving accessibility, quality of content, ease of search and navigation plus decluttering outdated materials.

Work during this year delivered the two recommendations in the Public Bodies Review of HSE, which called for us to ‘improve the look and accessibility of hse.gov.uk’ and ‘create a plan for a review of our entire website’.

Improvements delivered to date are having a positive impact and we:

- now rank third out of 236 government or arm’s-length body websites when it comes to quality of content, code and accessibility according to an independent report<sup>9</sup>;
- created and iterated guidance for strategic priority topic areas, including asbestos, chemicals, building safety and radiation;
- successfully deployed improved designs for our homepage and webpages, decluttered content and enhanced the overall accessibility of the website, achieving positive results as well as improving our presence on GOV.UK.

## Training and events

Customer demand for our training and events was higher than initially projected, particularly in relation to tailored and bespoke courses delivered at dutyholders’ premises, and products developed and delivered in partnership with stakeholders, for example NEBOSH (National Examination Board in Occupational Safety and Health).

We launched a number of new offerings at the start of 2024/25, most notably a suite of courses to support the Building Safety Regulator, which have generated significant interest, with 27,308 delegates attending.

---

<sup>9</sup> Source: Sitemorse Q1/2025 report on government and public bodies websites at: <https://sitemorse.com/index/report-table.html?rt=2209>.

Our training and events are a powerful proactive intervention, helping to protect people and places. By building competence through training, dutyholders are better equipped with the skills, knowledge and confidence to understand and comply with legislation and go on to prevent incidents and ill health, as well as innovate safely.

## Establishing impact measurement strategies

For us to know we are delivering our mission we need to understand the impacts our interventions are having, such as how the work we are doing is protecting people and places.

Our science commissioning processes, and quality management system, ensure that our Science, Engineering, and Analysis (SEA) projects are strategically aligned and high quality but, in the past, there has been no mechanism for measuring their impact. As a result, we have now established what 'impact' means for our projects and developed a mechanism for documenting this impact. We now collect details of the planned benefits during commissioning. This helps us decide on which projects to approve. Then we collect details of impact again from the end-user after the project. This gives us the best possible picture of how the project will help to protect people and places.

## Complaints handling

According to 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 2024/25 there were 29 complaints assessed (compared to 24 complaints assessed in 2023/24), none of which were upheld.

**Table 1 Complaints received by the PHSO about HSE in 2024/25**

| Complaints received by PHSO                                        | Cleared at triage* | Currently being assessed | At early consideration | Cases partially upheld | Cases fully upheld |
|--------------------------------------------------------------------|--------------------|--------------------------|------------------------|------------------------|--------------------|
| 25                                                                 | 29                 | 0                        | 0                      | 0                      | 0                  |
| * Includes 4 complaints received in 2023/24 and triaged in 2024/25 |                    |                          |                        |                        |                    |

During the last business year our complaints team was subject to a comprehensive review by the Internal Assurance team. The findings of the review were extremely positive, and highlighted:

- clear performance targets and tools to track it – performance is managed continually by the central complaints team and reported regularly as part of a monthly performance report to the Executive Committee, supported by feedback to individual Divisions;
- alignment with PHSO standards – the complaints team work closely with PHSO on specific cases and engage regularly with the Cross Government Complaints Forum;

- embedding a quality improvement culture and linking this to our governance mechanisms. As a result of a recommendation from the review, Divisions are now provided with detailed biannual updates on complaint handling performance in their business area, which is driving improved performance and engagement. Continuous improvement was further supported by a series of workshops delivered by the complaints team in the last year.

We responded to 71% of complaints within the published deadlines, against a target of 80%. This is essentially unchanged from the previous year, despite a 61% increase in volumes.

Overall, we saw a rise in complaints from 156 in the year 2023/24 to 252 in 2024/25. Much of this increase has been due to taking on the role of Building Safety Regulator, and also taking forward complaints about Approved Inspectors of building work, which were previously handled by CICAIR (Construction Industry Council Approved Inspectors). These complaints peaked late in 2024 and declined in the first three months of 2025.

The overall healthy and robust state of the complaints process has also been reflected in the fact that in the last 12 months our Ombudsman, PHSO, has taken no HSE complaints forward for investigation.

### Freedom of Information

As a public authority, we have responded to 5,169 requests for information falling within scope of the following information rights legislation – the Freedom of Information Act (FOI), the Environmental Information Regulations (EIR) and the Data Protection Act (DPA).

We processed 91% of these requests within the statutory deadline for response against a target of 90%. Making up the 5,169 requests were 3,707 FOI requests, 324 EIR requests and 1,138 DPA requests. Full statistical data relating to our response to requests for information under information rights legislation can be found in GOV.UK's Freedom of Information statistics.

## Milestones and KPI statuses against critical activities

| Enabling activities                                                                                                                        | Status       |
|--------------------------------------------------------------------------------------------------------------------------------------------|--------------|
| Undertake a skills gap analysis to improve change capability                                                                               | met<br>✓     |
| Implement integrated approach to benefits realisation tracking and reporting                                                               | met<br>✓     |
| Undertake office IT technical refresh                                                                                                      | met<br>✓     |
| Implement a programme of work to modernise the look of our website, make our content more accessible and improve our portfolio of guidance | met<br>✓     |
| Publication of HSE's new Welsh Language Scheme                                                                                             | met<br>✓     |
| Engage 20,000 delegates through training and events                                                                                        | met<br>✓     |
| Establish impact measurement strategies                                                                                                    | met<br>✓     |
| Develop framework of compliance indicators and report periodically to Executive Committee                                                  | met<br>✓     |
| Achieve 90% of enabling corporate service performance measures <sup>10</sup>                                                               | not met<br>✗ |

<sup>10</sup> While improvements were made on a number of targets, we did not achieve the 90% composite target due to missing the 20% or less target for RED rated projects (achieved 50%), and achieving 89% against a 90% target for a prosecution charging decision with 12 weeks.



## Financial performance

### 2024/25 Financial outturn

Total operating expenditure for HSE was £310 million and is disclosed in Table 2 with comparators against the previous four financial years. This expenditure was partly funded through income of £126 million, with the balance of funding provided by government.

We have delivered our objectives for the year, as measured by the milestones in our Business Plan, within the budget we agreed with DWP.

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

|                                                    | 2020/21<br>£m | 2021/22<br>£m | 2022/23<br>£m | 2023/24<br>£m | 2024/25<br>£m |
|----------------------------------------------------|---------------|---------------|---------------|---------------|---------------|
| Staff costs                                        | 157           | 170           | 170           | 192           | 200           |
| Estates and accommodation                          | 36            | 35            | 33            | 35            | 37            |
| IS/IT                                              | 14            | 12            | 15            | 25            | 19            |
| Depreciation                                       | 8             | 7             | 9             | 9             | 10            |
| Other costs                                        | 30            | 46            | 34            | 52            | 44            |
| <b>Total operating expenditure<br/>(per SoCNE)</b> | <b>245</b>    | <b>270</b>    | <b>261</b>    | <b>313</b>    | <b>310</b>    |

Our expenditure has increased across the five-year period as the organisation has grown with the continuing development of the Building Safety Regulator, and the addition of chemical regulation previously undertaken in the EU. We have effectively managed inflationary pressures within our cost base, mainly impacting our estate where we have two Private Finance Initiative (PFI) contracts both linked to inflation, with other cost savings and efficiencies.

The reduction in operating expenditure in 2024/25 reflects:

- the reduced reliance on external delivery partners in the development of digital systems – except where capitalised, these costs were included in IS/IT in 2023/24;
- a lower charge for remeasurement of the PFI liability following RPI uplift. This is a notional charge each year which reflects the inflationary increase to each of HSE's two PFI contracts. The charge was £6.4 million in 2024/25 and £17.3 million in 2023/24.

Staff costs have increased in line with net recruitment (our FTEs have increased by 64 across the year) to deliver the new functions. Income increased by £21 million to £126 million in 2024/25. Within this, there has been a notable reduction in the costs recovered from prosecutions. This follows an investment to increase the size of our internal legal team, which has reduced the costs of external agents.

## Statement of financial position

The level of trade receivables at 31 March 2025 has increased by £7 million to £29 million since 31 March 2024. The level of accrued income was also £12 million higher. These increases are mainly due to the delivery of new Building Safety Regulator services and associated recognition of revenue.

The value of debt greater than 6 months old was £18.7 million, an increase of £2.7 million from 2023/24. We have reassessed the collectability of debt balances using both past collection rates and our expectations about future recoverability. The level of impairment has increased from £10.7 million to £11.7 million in the past year, which reflects the increase in debt and accrued income balances.

We continue to apply our debt strategy, which is aligned with the Government Functional Standard.

## Financial outlook

Over the past decade we have reduced our reliance on central government funding, with over £100 million of savings since 2010/11, as recognised in the 2023 Public Bodies Review ([www.gov.uk/government/publications/health-and-safety-executive-public-bodies-review/public-bodies-review-of-the-health-and-safety-executive-hse](https://www.gov.uk/government/publications/health-and-safety-executive-public-bodies-review/public-bodies-review-of-the-health-and-safety-executive-hse)).

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.

## Financial challenges

Our 2025/26 business planning has been focused on addressing considerable financial challenges including:

- £7 million efficiency challenge set as part of Spending Review 2021 (SR21);
- inflationary pressures across all services, including two PFI agreements, which are increased annually based on inflation;
- loss of tenants within the estate;
- supporting effort and response to the COVID-19 pandemic inquiry;
- pay-related pressures due to the 2022 and 2023 pay awards funded below Cabinet Office Pay Remit level.

All our known cost pressures are planned to be managed through a combination of cost recovery income (both new and existing regimes), productivity efficiencies, and overhead efficiencies. We recognise the challenge of continuing to try to drive efficiencies across our operations while still delivering similar outcomes and impact, and we will need to continue to prioritise within increasingly constrained resources.

## Sustainability

This report provides a summary of our sustainability performance across operations and our delivery against the final year of the current Greening Government Commitments for 2021 to 2025.

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 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 following sections. We are assessing the requirements of the new Greening Government Commitments for 2025 to 2030 and have undertaken a detailed gap analysis against the Task Force on Climate-related Financial Disclosures (TCFD) to ensure we have the necessary reporting systems in place to satisfy all future reporting requirements.

Our Protecting People and Places strategy for 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 following activities.

### Greening Government Commitments

We continue to support the government's commitment to reduce its impact on the environment. Emission reduction targets were negotiated and agreed with all government departments and are published within the Greening Government Commitments 2021 to 2025 publication. These were not assigned to arm's-length bodies, but we have adopted the same numerical targets as the overall government ones.

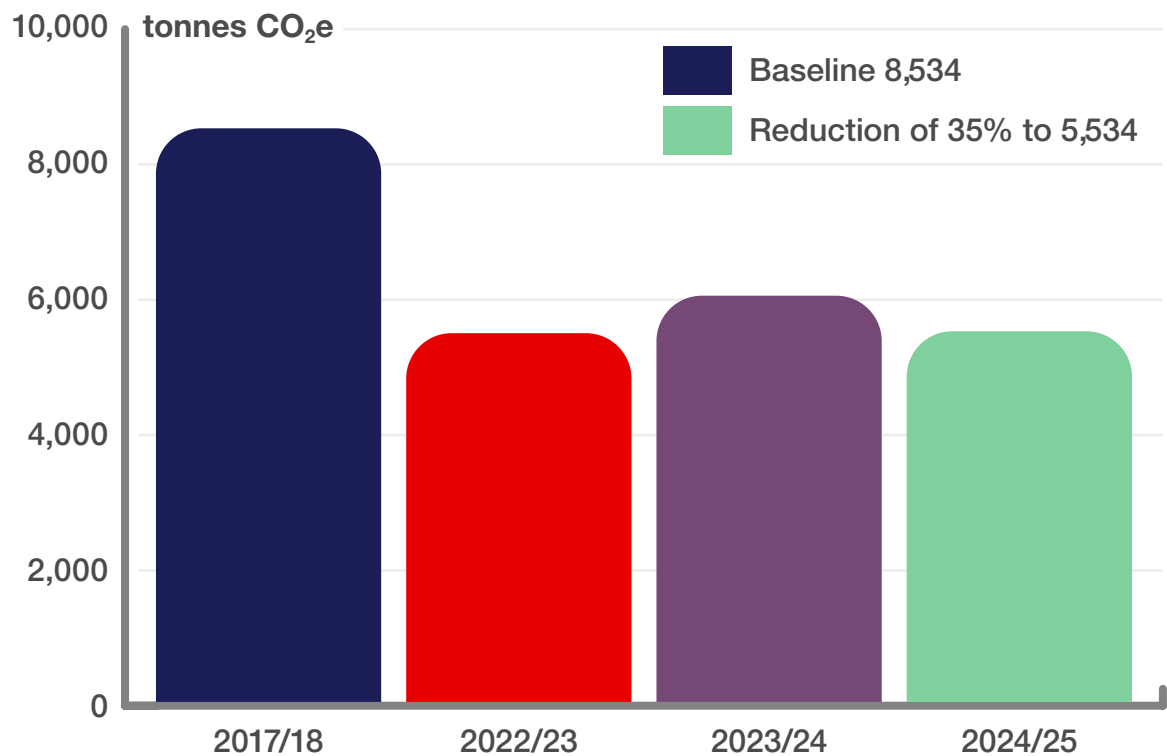
We have delivered against all the relevant commitments as shown in Table 3. Total greenhouse gas emissions have reduced by 35% compared to the 2017/18 baseline. It should be noted that these figures include the impact of HSE becoming the Building Safety Regulator (BSR) and the associated growth in staff numbers to deliver its functions, which was not included in the original baseline.

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

Table 3 HSE total greenhouse gas emissions

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | 2017/18      | 2022/23      | 2023/24      | 2024/25      | % Reduction to 2017/18 baseline |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|--------------|--------------|--------------|---------------------------------|
| <b>Reduce greenhouse gas emissions (tonnes CO<sub>2</sub>e)</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | <b>8,534</b> | <b>5,506</b> | <b>6,060</b> | <b>5,534</b> | <b>35%</b>                      |
| Direct greenhouse gas emissions – scope 1 (tonnes CO <sub>2</sub> e)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | 2,936        | 2,391        | 2,528        | 2,381        | 19%                             |
| Energy indirect emissions – scope 2 (tonnes CO <sub>2</sub> e)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | 3,802        | 1,902        | 2,229        | 1,935        | 49%                             |
| Other greenhouse gas emissions – scope 3 (tonnes CO <sub>2</sub> e)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | 1,795        | 1,213        | 1,303        | 1,218        | 32%                             |
| Reduce the distance travelled on domestic business travel flights by 30% (miles)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | 2,125,914    | 725,766      | 652,305      | 680,659      | 68%                             |
| Report distance travelled on international flights (miles)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | 2,991,642    | 715,853      | 824,722      | 738,941      | 75%                             |
| Continue to reduce the amount of waste generated by 15% from baseline (tonnes)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | 440          | 304          | 278          | 290          | 34%                             |
| * Reduce waste sent to landfill to less than 5% of overall waste (tonnes)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | 2%           | 0%           | 0%           | 0%           | 100%                            |
| Increase recycling to at least 70% (tonnes)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | 94%          | 85%          | 97%          | 100%         | N/A                             |
| Continue to reduce water consumption by at least 8% from baseline figure (m <sup>3</sup> )                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | 27,692       | 27,177       | 20,198       | 19,674       | 29%                             |
| Reduce the amount of paper used by 50% (reams)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | 10,870       | 3,750        | 3,698        | 5,128        | 53%                             |
| <p>* Note: the retained estate at Buxton is excluded from the Greening Government Commitments targets for waste sent to landfill due to the nature of the experiments undertaken on site.</p> <p>We are currently unable to report on the usage of gas due to the limitations of current available data. International air travel includes 365,676 miles (49%) long haul and 373,265 miles (51%) short haul, with 499,550 miles (68%) on economy flights and 239,391 miles (32%) premium economy.</p> <p>HSE does not calculate internal carbon prices or monetary values of GHG emissions as these are considered immaterial in value.</p> |              |              |              |              |                                 |

Reduction in greenhouse gas emissions from 2017 to 2025



The gross expenditure on the purchase of energy in 2024/25 was £3.908 million (this includes £3.044 million in electricity and £0.864 million in gas) and we did not have any accredited offset purchases. 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 2024/25 was £6.246 million including £0.476 million directly related to BSR travel. Excluding BSR travel cost, the figure of £5.77 million represents a significant real term reduction compared to £7.115 million incurred in the baseline year of 2017/18. The distance travelled on domestic flights has marginally increased from last year reflecting the increased staffing and travel associated with BSR.

The following section describes our activities and progress in developing policies.

Mitigating climate change: working towards net zero by 2050

We have completed the conversion of our headquarters building at Redgrave Court to LED lighting and are progressing a phased change over at our Buxton Laboratory and buildings on the retained estate.

Working with the PFI building providers, we have identified new building management systems to be implemented in 2025/26. These will provide better quality monitoring information and enable the remote regulation of heating and lighting to the various locations which will deliver gas and electricity savings.

We have significantly reduced the number of vehicles to 20 across HSE with any replacement vehicles purchased being zero emission by tailpipe. We expect all our vehicles to be electric by 2027, except for three specialist vehicles at our laboratory

in Buxton where use of electronic vehicles is not appropriate on safety grounds, for example carrying explosives.

In response to the Buxton net zero report we continue to review the business case for solar PV and battery storage.

Our 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.

We have also closed our Data Centre in Basingstoke, removing all the associated servers and moving the service to the Cloud.

We use both contractors and suppliers who perform their services in accordance with government policies. Where procurement of replacement goods is unavoidable, we seek to buy goods that comply with Government Buying Standards. HSE seeks to dispose of retired goods in accordance with the relevant environmental regulations.

### 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 34% from our 2017/18 baseline to total waste arising of 290 tonnes, which included:

- total waste recycled was 140 tonnes of which 11 tonnes was composted or sent to anaerobic digestion;
- total waste incinerated with energy recovery was 146 tonnes;
- total waste to landfill was 1 tonne (no hazardous waste has been sent to landfill in the year).

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 receive food waste reports and have now agreed that our facilities management providers will provide improved reporting in accordance with the Simpler Recycling in England requirements so we can further reduce food waste. We have almost eliminated other working lunches and catering through policy change other than for a small number of exceptional circumstances.

The amount of paper used through printing has significantly reduced in recent years and we have now closed our in-house print unit. Any essential printing is now delivered through the Crown Commercial Service framework (Print Marketplace) which supports the local supply chain and ensures the lowest associated CO<sub>2</sub> equivalent. Paper usage has increased in 2024/25 which is mainly related to the Building Safety Regulator function and includes some hard copy paper requirements for support from other regulators. These are being critically reviewed with alternative digital options being explored.

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

## Financial information on waste disposal

Financial information on waste disposal (including waste disposal contracts, specialist waste arising and the purchase of licenses for waste) is not readily available from our current systems. We are tendering for a new waste contract for locations other than the Private Finance Initiative (PFI) buildings in Bootle and Buxton. This will support the future sustainability reporting requirements against the various categories.

## Procuring sustainable products and services

We are committed to doing business with suppliers that can demonstrate their commitment to sustainability. We consider and score the sustainable policies of bidders during the evaluation process. Contract specific environmental considerations will be included in the invitation to tender (ITT) specification (as appropriate) and these will form part of the evaluation criteria and be scored accordingly. Find out more on our website: [www.hse.gov.uk/sellingtohse/how-purchasing-is-organised.htm#sus](https://www.hse.gov.uk/sellingtohse/how-purchasing-is-organised.htm#sus).

We do not currently record expenditure on finite resources but will seek to include this as a requirement in relevant future procurement activity.

## Nature recovery and biodiversity action planning

We do not currently have an organisational climate change adaptation strategy across estates and operations, a risk assessment to understand risks and target areas that need greater resilience, or an action plan in response to risks. These will be developed as part of the ongoing work alongside the HSE Sustainability Strategy.

## Reducing environmental impacts from ICT 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, platform and infrastructure as services) which significantly reduces the direct energy costs from HSE offices.

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

## Reducing our water use

We ensure water usage is measured and monitored at all the relevant sites. It has reduced by 29% compared to baseline.

## Nature recovery: making space for plants and wildlife

Derbyshire Wildlife Trust (DWT) has produced a 'Vision for Nature Recovery' report for the Buxton site. This supports our approved National Lottery Heritage Funded works on the Buxton estate. Managed by DWT's Species Survival Project Team, work to date

includes woodland tree thinning and planting, bracken control, rhododendron removal, and a pollinator survey.

We will be working with both Derbyshire Wildlife Trust and Moors for the Future in 2025 to 2026 to develop a Moorland Restoration Plan for Turncliffe Common.

### **Taskforce on Climate-Related Financial Disclosures (TCFD): compliance statement**

We are adopting the TCFD-aligned disclosure in a phased approach consistent with the TCFD-aligned disclosure application guidance. We acknowledge there is further work to be done in this area and plan to implement changes to our approach to risk management. We have completed a detailed gap analysis on metrics and targets to better assess and manage the relevant climate-related risks.

#### **Governance**

We recognise the importance of incorporating environmental, social and governance factors into our decision-making processes.

The Director of Finance and Corporate Services is the Senior Responsible Owner (SRO) for sustainability. As a member of the HSE Executive Committee they have ultimate accountability and responsibility for compliance and the achievement of targets. Issues are escalated to the Executive Committee on an ad-hoc basis when risks or opportunities arise.

The HSE Sustainability Steering Group is chaired by the SRO and includes representation from the main functions with potential for identifying, and assessing, climate-related risks and opportunities. Issues are escalated to the Executive Committee.

We are represented by our Deputy Director of Finance on the DWP Arm's Length Body Sustainability Working Group which meets quarterly. This provides a wider view on emerging issues and options for mitigation as well as best practice across government and the private sector.

#### **Climate risk management**

HSE successfully delivered against all the relevant commitments in the Government Greening Commitments (GGCs) 2021 to 2025 and will be developing a climate strategy for 2025/26 and embedding a climate risk register to monitor and assess climate-related risks that could affect operations.

The Executive Committee and HSE Board have agreed to refresh our approach to corporate risk management in 2025/26, which includes embedding the identification, assessment and management of climate-related risks. This will mean ensuring all decision papers include an assessment of this type of risk, including materiality and options to mitigate the impact. In line with the new Risk Management Framework, identified climate risks will be assessed and categorised on their potential impact and likelihood and also prioritised based on their materiality to the organisation. It would also include monitoring emerging trends or changes in regulations. High-priority risks,

particularly those with significant financial, operational, or reputational impact, will be given immediate attention. As required by the framework, climate risks will be reviewed regularly.

We work with DWP and other arm's-length bodies, through the Arm's Length Body Sustainability Working Group, to collectively review risks and assess the impact (if any) on HSE's people, premises, providers, and processes.

### **Metrics and targets**

Our performance against the Government Greening Commitment (GGC) metrics is shown on page 42. HSE's methodologies to calculate the metrics are aligned with the existing reporting framework and we will align our reporting to the new GGC 2025 to 2030 metrics. Our Sustainability Steering Group is also considering other key metrics specific to HSE which support the management of material risks. Our 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.



**Sarah Albon**

Chief Executive and Accounting Officer  
Health and Safety Executive

14 November 2025

# Accountability

## 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 Accounting Officer'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 Committee (ExCo).

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

### HSE Board

#### Non-executives at 31 March 2025



**Sarah Newton**  
Chair of the  
Board



**Chyrel Brown**



**David Coats**



**Martin Esom**



**Debbie Gillatt**



**Chris Johnson**



**Cathie  
Mackay**



**Ged Nichols**



**Gina Radford**



**Ken Rivers**



**Claire Sullivan**

### Executives at 31 March 2025



**Sarah Albon**  
Chief Executive



**Rick Brunt**  
Engagement and  
Policy



**Andrew Curran**  
Science



**Michael Jennings**  
Legal



**Jane Lassey**  
Regulation



**Clare Millington-Hume**  
Human Resources



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



**Angela Storey**  
Transformation



**Philip White**  
Building Safety  
and Construction

### Diversity of the Board and Executive

Due to the relatively small size of our Board, ExCo and SCS groups, we have opted not to share detailed diversity data without compromising individual privacy. It is also important to note that the current composition of our leadership does not fully reflect the broader diversity present across HSE (workforce equality data 2023 to 2024). We recognise we need to improve diversity of representation at senior grades, and we are committed to making meaningful progress in this area, as we believe diversity is essential to foster innovation and creating an inclusive culture. To support this, we are investing in initiatives that promote the development of our diverse talent and working to build a more diverse pipeline into senior grades/roles. We will continue to review and improve, where appropriate, our diversity data.

SCS diversity as at 31 March 2025 is as follows:

- 29% responded 'Yes' to SEB self-assessment (lower socio-economic background);
- gender distribution:
  - 47% female;
  - 53% male;
- average age is 54 years old.

### Managing conflicts of interest

Members of the HSE Board and ExCo are asked to declare any potential conflicts of interest at each meeting, and this is recorded in the minutes, along with any action taken. No members had company directorships or other significant interests conflicting with their management responsibilities.

## Personal data-related incidents

Information on personal data-related incidents can be found in the report of HSE's Data Protection Officer on page 69.

## Statement of Accounting Officer's responsibilities

Under paragraphs 10(1) of Schedule 2 of the Health and Safety at Work etc Act 1974, HSE 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, the Accounting Officer is required to comply with the requirements of the Government Financial Reporting Manual (FReM) and in particular 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, and 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.

The responsibilities as Accounting Officer, including responsibilities for the propriety and regularity of the public finances for which the Accounting Officer is answerable, for keeping proper records and for safeguarding the HSE's assets, are set out in Managing Public Money published by HM Treasury.

## Accounting Officer's statement

As the Accounting Officer, I have taken all the 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. So far as I am aware, there is no relevant audit information of which the auditors are unaware.

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

This Governance statement sets out HSE's governance, risk management and internal control arrangements which have operated in 2024/25.

As the Accounting Officer, I have maintained effective governance arrangements during 2024/25 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 2024/25.

### Governance within HSE

The chart at Figure 1 sets out the structure of our senior committees as at 31 March 2025. This structure and board/sub-committee terms of reference and membership is kept under regular review.

Figure 1 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 Board is independently led by a non-executive Chair who ensures its ongoing effectiveness and that it meets the high standards of regularity and propriety expected of an arm's-length public body. The Chair is also responsible for ensuring that the Board both supports the Chief Executive Committee members and holds them to account for HSE's performance, taking collective responsibility for HSE's overall success.

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

In exercising effective governance in HSE during 2024/25, the Board focused on overseeing progress and assurance on the delivery of strategic objectives set out in the Business Plan 2024/25, 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 an Annual General Meeting both in-person and virtually to highlight performance and future plans, as well as addressing stakeholder questions;
- holding a number of planning sessions to develop the 2025/26 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 2024/25 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 2024/25 the Board were involved in:

- ensuring 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.

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

### **Remuneration Committee (RC)**

The Remuneration Committee is chaired by Claire Sullivan, Non-Executive Director, and provides assurance to the Board on 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 also provides challenge and support to executive directors on HSE's reward strategies.

### **Audit and Risk Assurance Committee (ARAC)**

The Audit and Risk Assurance Committee 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 assurance activities. 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 2024/25 included:

- the integrated approach to assurance planning and reporting which brings together all the planned assurance activities, including the outcomes of the broad range of assurance activity undertaken, irrespective of provider;
- 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 and the key risks being managed to deliver HSE's strategic objectives;
- a risk mitigation deep dive for three areas (cyber security, sustainability and climate change disclosures, and regulatory queries and disputes);
- risk mitigation deep dive to assess the action taken by HSE to address control weaknesses identified during an Information Commissioners Office audit;
- follow-up risk mitigation deep dives into the concerns handling review to improve consistency and efficiency of HSE's approach to escalated concerns, and 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 2023/24 and recommending approval to the Accounting Officer following assurances from the National Audit Office;
- regular reviews of reports on whistleblowing and internal complaints handling, and counter fraud, bribery and corruption including forward strategy.

### **Finance and Performance Committee**

The Finance and Performance Committee is chaired by Non-Executive Director Debbie Gillatt. The Committee's key purpose is to support the HSE Board to meet its obligations in relation to financial and performance management and people capability risk.

### **Science Quality and Assurance Group (SQAG)**

The Science Quality and Assurance Group 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.

### **Building Safety Regulator (BSR) Advisory Committee**

The Building Safety Regulator Advisory Committee is chaired by Sarah Newton, Chair of the HSE Board, and is responsible for providing specific BSR expert advice to the 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 Department for Work and Pensions (DWP) Ministers that BSR is meeting its strategic ambitions.

The Building Safety Regulatory 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 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.

### 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.

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 2024/25

**Table 4 Board and committee attendance by member and eligibility**

| Name of board/<br>committee member<br>(and term of office<br>held) | HSE Board  | Audit<br>and Risk<br>Assurance<br>Committee | People and<br>Remuneration<br>Committee | Science<br>Quality and<br>Assurance<br>Group | Finance and<br>Performance | Executive<br>Committee | Building<br>Safety<br>Regulator<br>Advisory<br>Committee |
|--------------------------------------------------------------------|------------|---------------------------------------------|-----------------------------------------|----------------------------------------------|----------------------------|------------------------|----------------------------------------------------------|
|                                                                    | 8 meetings | 4 meetings                                  | 2 meetings                              | 3 meetings                                   | 4 meetings                 | 11 meetings            | 3 meetings                                               |
| <b>Non-executive members</b>                                       |            |                                             |                                         |                                              |                            |                        |                                                          |
| Sarah Newton<br>(1 Aug 2020 to<br>31 Jul 2027)                     | 8 of 8     | -                                           | 2 of 2                                  | -                                            | 1 of 1                     | -                      | 3 of 3                                                   |
| Susan Johnson OBE<br>(1 Jun 2016 to<br>31 Jul 2024)                | 2 of 2     | -                                           | -                                       | -                                            | 2 of 2                     | -                      | 1 of 1                                                   |
| Martin Esom<br>(1 Jul 2017 to<br>29 Mar 2026)                      | 6 of 8     | 4 of 4                                      | -                                       | -                                            | -                          | -                      | 3 of 3                                                   |
| Claire Sullivan<br>(1 Aug 2019 to<br>31 Jul 2027)                  | 7 of 8     | -                                           | 2 of 2                                  | -                                            | 1 of 2                     | -                      | -                                                        |
| Ged Nichols<br>(1 Sep 2019 to<br>31 Aug 2027)                      | 7 of 8     | -                                           | -                                       | -                                            | 3 of 4                     | -                      | -                                                        |
| John McDermid<br>(1 Oct 2019 to<br>30 Sep 2024)                    | 2 of 2     | -                                           | -                                       | -                                            | 0 of 2                     | -                      | -                                                        |
| Debbie Gillatt<br>(27 Sep 2021 to<br>26 Sep 2026)                  | 7 of 8     | -                                           | 2 of 2                                  | -                                            | 4 of 4                     | -                      | 3 of 3                                                   |
| Gina Radford<br>(27 Sep 2021 to<br>26 Sep 2026)                    | 7 of 8     | -                                           | -                                       | -                                            | 3 of 4                     | -                      | -                                                        |
| Chyrel Brown<br>1 Sep 2022 to<br>31 Aug 2027                       | 8 of 8     | 3 of 4                                      | -                                       | -                                            | -                          | -                      | 3 of 3                                                   |
| David Coats<br>1 Sep 2022 to<br>31 Aug 2027                        | 8 of 8     | 3 of 4                                      | -                                       | -                                            | -                          | -                      | -                                                        |
| Ken Rivers<br>(1 Jul 2023 to<br>31 July 2028)                      | 7 of 8     | 3 of 4                                      | -                                       | 2 of 3                                       | -                          | -                      | -                                                        |
| Christopher Johnson<br>(1 Oct 2024 to<br>30 Sep 2029)              | 4 of 5     | -                                           | -                                       | 1 of 1                                       | -                          | -                      | -                                                        |
| Cathie Mackay<br>(1 Oct 2024 to<br>30 Sep 2029)                    | 5 of 5     | 1 of 1                                      | -                                       | -                                            | -                          | -                      | -                                                        |

| Name of board/<br>committee member<br>(and term of office<br>held)                                      | HSE Board  | Audit<br>and Risk<br>Assurance<br>Committee | People and<br>Remuneration<br>Committee | Science<br>Quality and<br>Assurance<br>Group | Finance and<br>Performance | Executive<br>Committee | Building<br>Safety<br>Regulator<br>Advisory<br>Committee |
|---------------------------------------------------------------------------------------------------------|------------|---------------------------------------------|-----------------------------------------|----------------------------------------------|----------------------------|------------------------|----------------------------------------------------------|
|                                                                                                         | 8 meetings | 4 meetings                                  | 2 meetings                              | 3 meetings                                   | 4 meetings                 | 11 meetings            | 3 meetings                                               |
| <b>Independent member of a sub-committee and representatives of other government departments (OGDs)</b> |            |                                             |                                         |                                              |                            |                        |                                                          |
| Charmion Pears                                                                                          | -          | 4 of 4                                      | -                                       | -                                            | -                          | -                      | -                                                        |
| Cath Noakes (Leeds University)                                                                          | -          | -                                           | -                                       | 3 of 3                                       | -                          | -                      | -                                                        |
| Peter Buckle (Imperial College)                                                                         | -          | -                                           | -                                       | 3 of 3                                       | -                          | -                      | -                                                        |
| Shareen Doak (Swansea University)                                                                       | -          | -                                           | -                                       | 3 of 3                                       | -                          | -                      | -                                                        |
| Camilla Alexander-White (Royal Society of Chemistry)                                                    | -          | -                                           | -                                       | 3 of 3                                       | -                          | -                      | -                                                        |
| Neil Bourne (Manchester University and Thomas Ashton Institute)                                         | -          | -                                           | -                                       | 3 of 3                                       | -                          | -                      | -                                                        |
| Elaine Cloutman-Green (Consultant Clinical Scientist)                                                   | -          | -                                           | -                                       | 2 of 3                                       | -                          | -                      | -                                                        |
| Gary Macfarlane (Interdisciplinary Research and Research Impact)                                        | -          | -                                           | -                                       | 3 of 3                                       | -                          | -                      | -                                                        |
| Abigail Hathway (Sheffield University)                                                                  | -          | -                                           | -                                       | 3 of 3                                       | -                          | -                      | -                                                        |
| Philipp Thies (Exeter University)                                                                       | -          | -                                           | -                                       | 2 of 3                                       | -                          | -                      | -                                                        |
| Anthony Graham (OCEA Shipbuilding UK)                                                                   | -          | -                                           | -                                       | 3 of 3                                       | -                          | -                      | -                                                        |
| Mark Berry (Food and Life Sciences Consulting Ltd)                                                      | -          | -                                           | -                                       | 3 of 3                                       | -                          | -                      | -                                                        |
| Richard Plumbly-Clegg (Scientist Engineer)                                                              | -          | -                                           | -                                       | 2 of 3                                       | -                          | -                      | -                                                        |
| Mikela Chatzimichailidou (University College London)                                                    | -          | -                                           | -                                       | 2 of 3                                       |                            |                        |                                                          |
| Catherine Adam (Director of Buildings Systems and Net Zero, MHCLG)                                      | -          | -                                           | -                                       | -                                            | -                          | -                      | 3 of 3                                                   |
| Neil O'Connor (Independent Adviser, MHCLG)                                                              | -          | -                                           | -                                       | -                                            | -                          | -                      | 3 of 3                                                   |

| Name of board/<br>committee member<br>(and term of office<br>held)                                      | HSE Board  | Audit<br>and Risk<br>Assurance<br>Committee | People and<br>Remuneration<br>Committee | Science<br>Quality and<br>Assurance<br>Group | Finance and<br>Performance | Executive<br>Committee | Building<br>Safety<br>Regulator<br>Advisory<br>Committee |
|---------------------------------------------------------------------------------------------------------|------------|---------------------------------------------|-----------------------------------------|----------------------------------------------|----------------------------|------------------------|----------------------------------------------------------|
|                                                                                                         | 8 meetings | 4 meetings                                  | 2 meetings                              | 3 meetings                                   | 4 meetings                 | 11 meetings            | 3 meetings                                               |
| <b>Independent member of a sub-committee and representatives of other government departments (OGDs)</b> |            |                                             |                                         |                                              |                            |                        |                                                          |
| Sarah Crawley<br>(Director, Fire<br>Events and Central<br>Management, Home<br>Office)                   | -          | -                                           | -                                       | -                                            | -                          | -                      | 0 of 3                                                   |
| William Peart<br>(MCHLG)                                                                                | -          | -                                           | -                                       | -                                            | -                          | -                      | 3 of 3                                                   |
| Richard Moriarty<br>(Independent<br>Adviser)                                                            | -          | -                                           | -                                       | -                                            | -                          | -                      | 3 of 3                                                   |
| Liam Spender<br>(Independent<br>Adviser)                                                                | -          | -                                           | -                                       | -                                            | -                          | -                      | 0 of 2                                                   |
| Giles Grover<br>(Independent<br>Adviser)                                                                | -          | -                                           | -                                       | -                                            | -                          | -                      | 2 of 3                                                   |

| Name of board/<br>committee<br>member (and<br>term of office<br>held) | HSE Board  | Audit<br>and Risk<br>Assurance<br>Committee | People and<br>Remuneration<br>Committee | Science<br>Quality and<br>Assurance<br>Group | Finance and<br>Performance | Executive<br>Committee | Building<br>Safety<br>Regulator<br>Advisory<br>Committee |
|-----------------------------------------------------------------------|------------|---------------------------------------------|-----------------------------------------|----------------------------------------------|----------------------------|------------------------|----------------------------------------------------------|
|                                                                       | 8 meetings | 4 meetings                                  | 2 meetings                              | 3 meetings                                   | 4 meetings                 | 11 meetings            | 3 meetings                                               |
| <b>Executives</b>                                                     |            |                                             |                                         |                                              |                            |                        |                                                          |
| Sarah Albon                                                           | 8 of 8     | 3 of 4                                      | 2 of 2                                  | -                                            | 3 of 4                     | 11 of 11               | 2 of 3                                                   |
| James<br>Anderson                                                     | 1 of 1     | -                                           | -                                       | -                                            | -                          | 3 of 3                 |                                                          |
| Rick Brunt                                                            | 7 of 8     | -                                           | -                                       | -                                            | -                          | 11 of 11               |                                                          |
| Andrew Curran                                                         | 8 of 8     | -                                           | -                                       | 3 of 3                                       | -                          | 10 of 11               |                                                          |
| Michael<br>Jennings                                                   | 7 of 8     | -                                           | -                                       | -                                            | -                          | 11 of 11               |                                                          |
| Jane Lassey                                                           | 7 of 8     | -                                           | -                                       | -                                            | 3 of 3                     | 11 of 11               |                                                          |
| Clare Millington-<br>Hume                                             | 7 of 8     | -                                           | 2 of 2                                  | -                                            | 4 of 4                     | 11 of 11               |                                                          |
| David Murray                                                          | 8 of 8     | 4 of 4                                      | -                                       | -                                            | 4 of 4                     | 11 of 11               |                                                          |
| Angela Storey                                                         | 7 of 8     | -                                           | -                                       | -                                            | -                          | 10 of 11               |                                                          |
| Philip White                                                          | 8 of 8     | -                                           | -                                       | -                                            | 3 of 4                     | 8 of 11                | 2 of 3                                                   |

## 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 2024/25, each risk, which is owned by a director, was reviewed by ExCo at monthly meetings where they challenge the mitigating actions put forward and collectively agree the approach to be taken 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.

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.

Following on from HSE's commitment to review and refresh ExCo strategic risks during 2024/25, we have begun a programme of review and a refresh of the supporting internal risk management processes and guidance. We will be designing and launching a risk maturity model and self-assessment tool to allow core Divisions to assess and continuously improve their risk management effectiveness. In addition, and to further enhance our oversight in this area and ensure that our risk management systems remain robust and effective, we reassessed our risk appetite in January 2025 and agreed a new risk appetite statement. Our appetite levels vary; in some areas our risk tolerance is cautious, in others we are open for risk and willing to carry risk in the pursuit of HSE's strategic objectives.

## HSE's risk profile

HSE continues to face risks associated with capability and capacity within the organisation, as well as ongoing issues with recruiting into specialist roles. To ensure resources are consciously matched to strategic priorities, recognising that resource requirements will fluctuate over the period of our strategy, we have developed a Strategic Workforce Plan, refreshed the framework for the deployment of resources and will be standardising performance expectations across all areas of HSE.

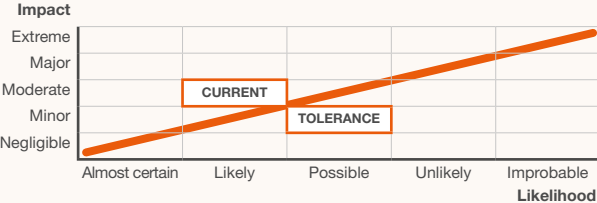
In our transformation area, our pace of change has been impacted by the decommissioning of legacy IT systems. This has increased uncertainties around deliverability. However, this risk has a number of controls and mitigations in place across HSE such as the Portfolio Board which governs the current programmes and projects. We have assessed HSE's vulnerability to cyber attacks, and have a detailed strategy for cyber security to strengthen our processes and continually manage improvements, working with teams across HSE to reduce the overall risk.

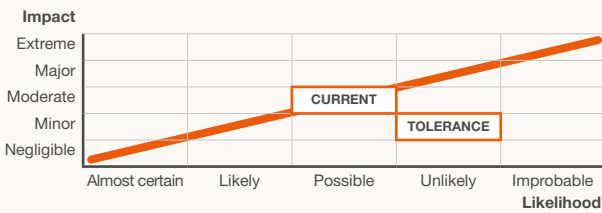
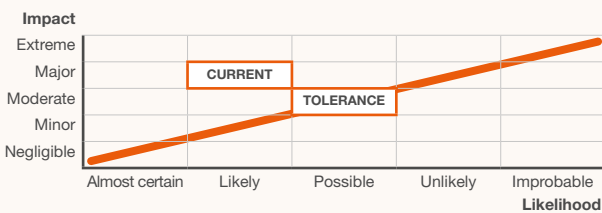
We are conscious that managing our risk relating to ensuring HSE has sufficient financial resource is fundamental to delivering our full ambition of the strategy. To address this we have further developed our medium-term financial planning, which is underpinned by ongoing work across all operational functions to clarify cost recovery and external income, as well as programme funding requirements.

HSE continues to undertake horizon scanning to identify and mitigate against any emerging risks, and we work closely with other government departments to keep abreast of the evolving risk landscape.

## HSE's strategic risks

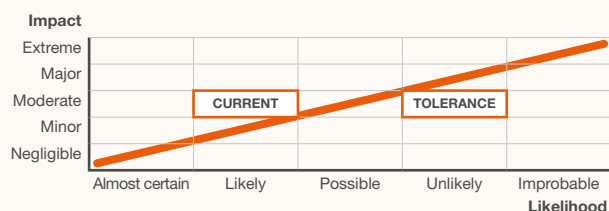
In this section you will find a summary of HSE's strategic risks. This includes the 'Current' risk rating position in comparison to the tolerable position 'Tolerance', which is the amount of risk HSE is willing to take in order to meet its strategic objectives.

| Risk description                                                                                                                                                                                                                                                                                      | Key controls and activities to manage risks                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p><b>Failure to match available resources to priority areas</b></p>  <p>The risk matrix shows the 'CURRENT' risk rating is above the 'TOLERANCE' line, indicating a higher risk level than what is tolerable.</p> | <p>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.</p> <p>Key mitigating actions include:</p> <ul style="list-style-type: none"> <li>redesigning the Regulatory Training Programme;</li> <li>creating access to developing technology (for example hydrogen) across industry, to enhance innovation, reducing the crystallisation of the risk.</li> </ul> <p>Specific assurance activity is planned regarding strategic workforce plans and performance expectations.</p> |

| Risk description                                                                                                                                                                        | Key controls and activities to manage risks                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p><b>Failure to optimise benefits from the change portfolio</b></p>                                   | <p>For HSE to realise the full benefit of the investments being made, an agreed strategic roadmap is in place 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 the HSE Portfolio Board.</p> <p>Key mitigating actions include:</p> <ul style="list-style-type: none"> <li>○ implementation of an integrated approach to benefits realisation tracking and reporting and enhanced approach to management of business case, costs and benefits through the lifecycle;</li> <li>○ defining change awareness/support approach for wider organisation (outside of specific projects/programmes).</li> </ul>                                          |
| <p><b>Failure to identify and implement effective measures to reduce work-related ill health</b></p>  | <p>Strategic science advisers are helping to focus the evidence based research activity to 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.</p> <p>Key mitigating actions include:</p> <ul style="list-style-type: none"> <li>○ continue building evidence base for understanding risk to workers through research and evidence capture;</li> <li>○ developing approaches to identify and validate new and more efficient control measures.</li> </ul> <p>Specific assurance activity is planned on approach to ill-health evaluation and a deep dive through the Science Quality and Assurance Group Committee.</p> |

## Risk description

## Key controls and activities to manage risks

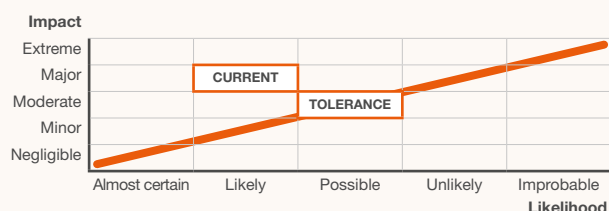
**Lack of organisational capability and capacity to deliver current and future strategic objectives**

Our investment in foresight and insight teams has helped shape an understanding of the changing world of work and net zero, which in turn is developing an improved understanding of the future specialist areas of regulation and the gap in capability. A flexible/hybrid approach to work shall enable greater attraction for difficult to recruit roles and improve both diversity and inclusion.

Key mitigating actions include:

- developing and implementing a Strategic Workforce Planning approach for HSE, to include understanding of long-term operational demand, aligning existing planning mechanisms;
- embedding organisational skills matrix and gap analysis to support a talent attraction strategy.

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

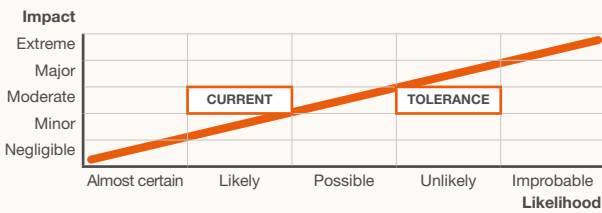
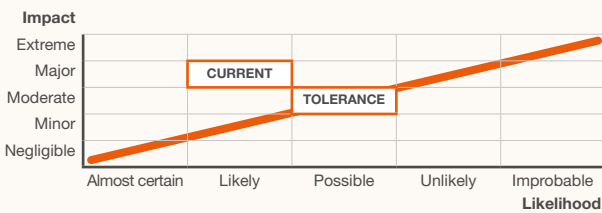
**Insufficient financial resource available to deliver full ambition of the strategy**

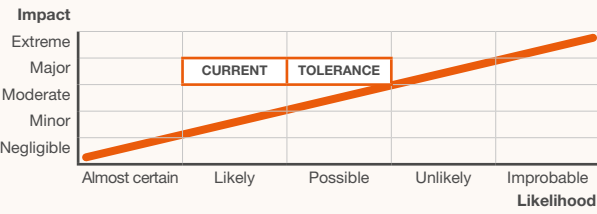
HSE is further developing its medium-term financial planning. This will be underpinned by clear expectations across all operational functions to clarify cost recovery and external income, likely spending review settlements, future workforce planning requirements, programme funding requirements, realised change benefits and an estates strategy. This will enable clear performance expectations to ensure adequate financial resources are available.

Key mitigating actions include:

- further development and enhancement of the model to support the medium-term financial planning;
- monitoring performance against agreed frontline staff expectations assessing impact on income;
- developing a clear fees strategy reflecting further efficiencies as part of a financial plan.

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

| Risk description                                                                                                                                                    | Key controls and activities to manage risks                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p><b>Insufficient pace in providing modern IT systems and infrastructure</b></p>  | <p>HSE is focusing on the investment in the transition from digital service development to live service. This will be supported by a medium-term financial plan and develop an approach to fees which recognises the efficiencies we will achieve through organisational growth.</p> <p>There are key mitigating actions:</p> <ul style="list-style-type: none"> <li>designing a digital service support structure to deliver the new digital services into the live environment;</li> <li>continue delivering a digital, data, and technology (DDAT) strategy and technology roadmap aligned to supporting people and estates strategies.</li> </ul> <p>Specific assurance activity is planned in respect of DDAT strategy and monthly reviews at Portfolio Board.</p>                                                                                                                               |
| <p><b>Failure to optimise relationships with stakeholders</b></p>                | <p>It is recognised that HSE has multiple stakeholders with differing requirements. Critical to this is the stakeholder mapping exercise completed to baseline against the strategic objectives. This work is iterative and will require regular review to ensure the salience mapping remains valid. Additionally, we will strengthen intelligence feedback through relationship owners to each priority area to strengthen intelligence feedback to business.</p> <p>Key mitigating actions include:</p> <ul style="list-style-type: none"> <li>developing a clear relationship management approach, and ensuring relationship owners understand and prepare robust exit strategies;</li> <li>application of the overarching communication strategy, refreshed annually.</li> </ul> <p>Specific assurance activity is planned in respect of stakeholder engagement and relationship management.</p> |

| Risk description                                                                                                                                                                          | Key controls and activities to manage risks                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p><b>Failure to protect HSE's IT Systems exposing the organisation to security vulnerabilities</b></p>  | <p>HSE's cyber security remedial activity is being consolidated into a single improvement plan overseen by the IT Security Remediation Board. The requirements for a HSE Security Operating Centre has been re-evaluated to meet the broader needs of our security landscape to tackle current and emerging threats and deliver the extended requirements.</p> <p>There are key mitigating actions:</p> <ul style="list-style-type: none"> <li>undertaking a review of HSE's cyber-security future capability required to support pro-active management of vulnerabilities;</li> <li>delivering the IT Security Remediation plan for all tasks.</li> </ul> <p>Specific assurance activity is planned in respect of cyber security and the remedial activity.</p> |

## 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 2 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 2 Framework for considering effectiveness

|                                                                         |                                                                                                                                                                                                                                  |                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                                                                                                                          |
|-------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Annual assessment                                                       |                                                                                                                                                                                                                                  | Accounting Officer<br>Assessment of effectiveness                                                                                                                                                                                                                                                                                                                                                          |                                                                                                                                                                                                                                                                                                                                                                                                          |
| Reporting to Executive Committee and Audit and Risk Assurance Committee | Quarterly Integrated Assurance Report                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                                                                                                                          |
| Assurance components used to determine effectiveness                    | <b>1st line</b><br><b>Directors' Letters of Assurance</b><br>– Subject to independent review<br><br><b>Government Functional Standards</b><br>– In-year self-assessments against full standards<br><br><b>Concern mechanisms</b> | <b>2nd line</b><br><b>Business Assurance Teams</b><br>– In-year reviews<br>– Annual assessment<br><br><b>Data Protection Officer</b><br>– In-year reviews<br>– Annual report<br><br><b>Programme Management Office</b><br>– In-year health reviews<br><br><b>Health, Safety and Wellbeing Team</b><br>– In-year reviews<br><br><b>Audit and Risk Assurance Committee</b><br>– Annual report and assessment | <b>3rd line</b><br><b>Internal Audit</b><br>– Individual reviews<br>– Annual opinion<br><br><b>Other external assurances including:</b><br>– DWP Annual Assurance Assessment<br>– Government Business Services in relation to SSCL<br>– Government Security Group<br>– Investigatory Powers Commissioner's Office<br>– Infrastructure and Projects Authority<br>– Independent Board effectiveness review |
| Underlying foundations                                                  | HSE Governance, Risk and Control Framework                                                                                                                                                                                       |                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                                                                                                                          |

## Overall governance and control framework

Risk management is a key aspect of HSE's internal control framework, described on page 59. The framework is supported by appropriate policies, procedures and guidance for staff, and based on a continuous process designed to identify and prioritise the risks to the achievement of our aims and objectives. A fundamental part of the risk management process is the regular review of individual risks to evaluate the likelihood of those risks being realised, the impact should they materialise, and to manage them effectively and economically by members of the ExCo. Risks managed during 2024/25 are indicated on pages 59–64, and in the regularly updated HSE Assurance Map which

provides assurance that controls continue to be effective. The Assurance Map is one of a number of mechanisms HSE uses to identify potential control gaps and drive assurance activity within HSE's annual Integrated Assurance Plan (see page 65 or figure 2).

In 2024/25 we implemented the suite of indicators, developed in 2023/24, which measures levels of compliance against key expectations, both external and internal. The outcomes were reported to ExCo twice during the year. This process has not only enhanced visibility of compliance, but has driven improvement across all areas.

Our holistic approach to second- and third-line assurance planning, which is firmly embedded and draws all significant internal and external assurance activity together, continues to ensure HSE uses its assurance resource in the most effective way. The delivery of the Integrated Assurance Plan's outcomes is reported and scrutinised quarterly by both ExCo and ARAC.

My and ExCo's commitment to improving our control environment and operational performance is demonstrated by the timely implementation of audit recommendations – with only one overdue high-priority action at the year-end, which is being actively managed.

## First-line assurance

### Directors' Letters of Assurance

As the Accounting Officer, I am responsible for ensuring there is an effective process in place for monitoring and reporting governance issues during the year. I am supported by members of the Executive Committee who all have delegated financial and risk management authority appropriate to their responsibilities.

All members have provided me with a Letter of Assurance (LoA) that outlined their assessment of the effectiveness of the governance, risk management and internal control arrangements within their areas of responsibility. I reviewed each of the LoAs, and a review was undertaken by the Head of Business Assurance and Risk from a quality perspective to consider whether any issues raised should be incorporated into this Governance Statement. Our reviews did not highlight any issues of which I was not previously aware, nor which would 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 subject specific Functional Lead to provide an update of their assessment against their functional standard, and where necessary their continuous improvement assessment 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 mandatory and advisory elements, with clear actions to further progress of continuous improvement where appropriate.

To support the achievement of outcomes, aspects of the functional standards have been subject to second- and third-line assurance activities undertaken by the Business Assurance team and internal audit to monitor and ensure compliance. Second- and third-line functional standards compliance validation activity will continue and has been incorporated into the 2025/26 Integrated Assurance Plan.

### Effectiveness of mechanisms for raising concerns

In reaching my conclusions, I have considered any issues identified through our mechanisms for raising a concern (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 the Executive Committee (David Murray and Clare Millington-Hume) and the Board (Debbie Gillatt CBE). In 2024/25, no cases were raised, which is the same position reported in 2023/24.

In July 2024, whistleblowing and internal complaints was added to the ARAC terms of reference, which extended the committees remit in seeking assurance both processes are sufficiently visible and understood by our people. A deep dive of whistleblowing and internal complaints handling to determine its effectiveness in 2024/25 will take place in May 2025.

### 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. HSE recognises the need to promote understanding of risks across the organisation, and mandates counter fraud awareness training annually for all employees.

In 2024/25, organisational level risk assessments were updated with more detailed assessments of fraud, bribery and corruption risks. We continue to participate in the National Fraud Initiative, and refreshed our counter fraud, bribery and corruption policy statement and strategy.

During this same period, seven instances of potential fraud were reported with only four leading to an investigation. Of the four cases, it was found that two instances of fraud occurred (fraud by false representation, and fraud by false representation/failure to disclose information) as defined by the Fraud Act 2006.

For 2025/26, a programme of work has been planned to improve maturity and will focus on and be prioritised by our high-level organisational Fraud Risk Assessment, alongside risks highlighted through reports of potential fraud and error during 2024/25.

### Application of Business Appointments

HSE has fully complied with the government's Business Appointment Rules throughout the reporting period and is transparent in the advice given to individual applications for senior staff, including non-executive directors. The process is managed in accordance with the established internal protocols, which includes managing outside interests, in line with the guidance published on GOV.UK.

### Civil Service Commission

HSE was audited by the Civil Service Commission in October 2024 and reported that there were no breaches for 'Exceptions', and one breach for 'Campaigns'. This breach was a result of a campaign not being considered 'fair and open' due to a manual error. Controls have been implemented to prevent this situation occurring in the future.

## 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.

Additionally, we successfully implemented the framework of compliance indicators planned in the HSE Business Plan. This was a highly innovative approach to ensuring there was visibility of the organisation-wide compliance picture across key areas such as HR, Finance, Information Management, Property and Regulation. This broad suite of indicators provided clarity on how compliant HSE is in meeting its external obligations, such as legislative requirements or those from other government departments along with the level of compliance in terms of internal policies and procedures. The indicators provide a benchmark in identifying where in the organisation compliance was strong and, equally importantly, where there was a need to focus in order to drive improvements.

The reporting of the indicators was introduced in April 2024 and is now embedded in organisational governance aiding ExCo decision-making. This work will continue to evolve; plans are in place to consider further indicators during 2025/26 in areas such as IT Security.

### Physical security activity

The HSE Security Team have conducted assurance activities throughout 2024/25 and have been assessed by external audit. Additional internal security audits have included security assurance visits. Of all HSE locations, 27% have been audited within the last year with a particular focus on HSE locations, such as Bootle and Buxton. Recommendations have been captured and working groups established to monitor progress.

Highlights during the year include:

- the design of an HSE security induction course, which now forms part of the corporate induction aimed at new joiners. This course has received overwhelmingly positive feedback as well as external recognition of best practice;
- the establishment of HSE security working groups with key internal stakeholders;
- our increased external engagement with external enforcement agencies.

### Data Protection Officer (DPO): activity and assessment

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.

The DPO team has assessed HSE against the Information Commissioner's Office (ICO) accountability tracker, improving compliance by 27%, 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 the year, 95 breaches of personal data (previous year: 86) were notified to the DPO, of which 0 (previous year: 1) were deemed serious enough to meet the threshold for self-reporting to the Information Commissioner's Office.

The Information Commissioner's Office (ICO) conducted a consensual audit in October 2024 on HSE's governance, accountability, training and awareness, and FOI/EIR processes. The audit provided 'limited assurance' rating across the three areas in scope. In response to 65 recommendations, an Information Governance Committee has been formed to oversee progress against actions in the individual priority categories (urgent, high, medium and low). I can confirm particular focus is paid to those actions which can be quickly delivered in the urgent and high areas, and plans are in place to continually progress and implement the remaining actions during 2025/26.

### 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 the Portfolio Board quarterly and 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 embed rigorous controls to assure projects comply with HSE's change framework, standards, and continuous improvement.

## Health, Safety and Wellbeing team activity

During 2024/25, 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 53–54, 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 adequacy and effectiveness of risk, control, and governance arrangements. The Head of Internal Audit (HIA) has provided an overall moderate opinion for 2024/25. This opinion is based on the results of individual audit engagements undertaken throughout the year, attendance of boards and committees, and regular meetings with senior management. This opinion remains unchanged from the previous year.

The HIA has indicated 'Overall, I observe that control, risk, and governance arrangements continue to be developed and enhanced across HSE'.

Although, like in any control environment, there are still weaknesses HSE need to address, both I and ARAC will closely monitor the implementation of actions agreed during internal audits, using existing governance arrangements to ensure the control gaps are rectified and mitigated.

### Other external assurances

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

**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. The medium risk definition as defined by DWP states: ‘requires some immediate resource commitment to mitigate risk. Satisfactory awareness of impact of risk with some inconsistencies and support required to address. Some reputational and/or financial risk to DWP and the Body’.

**Shared Services Connected Limited (SSCL):** 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. The Government People Group, 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 Ernst and Young LLP (EY) as the Independent Service Auditor (ISA). For the period 1 April to 31 March 2025, SSCL confirmed that there is no material impact on the financial accounts as a result of the findings.

**Government Business Services (GBS):** GBS manages the shared services contract with SSCL, and 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 (ISA). The audits identified that 14 control objectives out of 42 have been qualified in the period 1 April to 31 March 2025. However, SSCL confirmed that there is no material impact on financial accounts as a result of these findings.

**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 by Cabinet Office and I have taken assurance from their report which indicated HSE was in line with or above the government average. HSE scored ‘almost met’ for required standards for GovS 007 by achieving 91.4% compliance and has demonstrated improvements in physical and response standards. Although HSE was not fully meeting personnel standard, it was recognised that we performed strongly when compared to overall average scores.

**Investigatory Powers Commissioner’s Office (IPCO):** HSE was subject to an inspection by IPCO to review compliance with the legislative provisions which govern the use of covert surveillance and covert human intelligence source (CHIS). The information provided by HSE demonstrated a good level of compliance, with policy documents being well structured, and had been updated since the last inspection. The inspector provided advice to help finetune policy amendments and inclusion of bespoke practical examples to assist staff in recognising when a directed surveillance authorisation should be sought, which it is hoped will assist in improving already good standards.

**Infrastructure and Projects Authority (IPA):** The long-term programme of independent assurance activity undertaken by the IPA has provided me with positive assurance on the BSR programme. This work concluded in early 2025 with the successful passing of the closure Gateway review.

## Board effectiveness review

Following an externally facilitated independent Board effectiveness review conducted in 2023/24, which is required every 3 years, I have taken assurance from an internal Board effectiveness review during the interim cycle at the end of 2024/25. The results of the review showed the Board continue to perform well, with noticeable improvements on the themes of Board operation, strategic foresight, overall Board performance and risk management, even amidst changing government priorities.

## Overall conclusion

I have considered all the evidence provided for the production of the Annual Governance Statement and the independent advice and assurance provided by the Audit and Risk Assurance Committee. From my review of this evidence, I am satisfied that the HSE has satisfactory governance and risk management systems in place, with effective plans to ensure continuous improvement.

# 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 on pages 73–81, 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 5 Single total figure of remuneration (subject to audit)**

|                                              | Salary (£'000)<br>Expenses |                              | Bonus payments<br>(to nearest £1,000) |         | Taxable expenses<br>and other<br>benefits-in-kind<br>(to nearest £100) |         | Pension benefits<br>(to nearest<br>£1,000) <sup>11</sup> |                   | Total (£'000) |         |
|----------------------------------------------|----------------------------|------------------------------|---------------------------------------|---------|------------------------------------------------------------------------|---------|----------------------------------------------------------|-------------------|---------------|---------|
|                                              | 2024/25                    | 2023/24                      | 2024/25                               | 2023/24 | 2024/25                                                                | 2023/24 | 2024/25                                                  | 2023/24           | 2024/25       | 2023/24 |
| Sarah Albon <sup>12</sup><br>Chief Executive | 160-165                    | 150-155                      | 15-20                                 | 15-20   | 24 376 <sup>13</sup>                                                   | 20 800  | 110                                                      | 89                | 305-315       | 275-280 |
| James<br>Anderson <sup>14</sup>              | 25-30<br>(115-120<br>FYE)  | 110-115                      | -                                     | -       | -                                                                      | -       | 1                                                        | 45                | 25-30         | 150-160 |
| Peter Baker <sup>15</sup>                    | -                          | 5-10<br>(105-<br>110<br>FYE) | -                                     | -       | -                                                                      | -       | -                                                        | (3) <sup>16</sup> |               | 5-10    |
| Rick Brunt                                   | 105-110                    | 100-105                      | 5-10                                  | 5-10    | -                                                                      | -       | 78                                                       | 68                | 188-198       | 180-185 |
| Andrew Curran<br>CBE                         | 105-110                    | 100-105                      | 5-10                                  | 5-10    | -                                                                      | -       | 73                                                       | 109               | 183-193       | 215-220 |
| Michael<br>Jennings                          | 105-110                    | 100-105                      | 5-10                                  | -       | -                                                                      | -       | 66                                                       | 104               | 176-186       | 205-210 |
| Jane Lassey <sup>17</sup>                    | 110-115                    | 95-100<br>(105-110<br>FYE)   | -                                     | 5-10    | -                                                                      | -       | 83                                                       | 105               | 193-198       | 205-210 |
| Clare Millington-<br>Hume <sup>18</sup>      | 105-110                    | 100-105                      | 5-10                                  | 10-15   | -                                                                      | -       | 43                                                       | 41                | 153-163       | 155-160 |
| David Murray                                 | 130-135                    | 125-130                      | 5-10                                  | 10-15   | -                                                                      | -       | 116                                                      | 78                | 251-261       | 210-215 |
| Angela Storey                                | 110-115                    | 105-110                      | 5-10                                  | 5-10    | -                                                                      | -       | 44                                                       | 41                | 159-169       | 155-160 |
| Philip White <sup>19</sup>                   | 125-130                    | 110-115                      | 5-10                                  | 10-15   | -                                                                      | -       | 242                                                      | 29                | 372-382       | 150-155 |

11 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.

12 Sarah Albon was appointed Non-Executive Director of the Defence Infrastructure Organisation for a period of 3 years, commencing on 1 October 2024. Sarah is not personally remunerated for this position – the annual fee is paid directly by DIO to HSE, to cover the cost of Sarah's salary for the time she spends undertaking the DIO role.

13 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 £24.3k.

14 James Anderson left HSE on 18 June 2024.

15 Peter Baker retired on 2 May 2023.

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

17 Jane Lassey initially joined ExCo on an interim basis on 8 May 2023 before her permanent appointment as Director of Regulation.

18 Clare Millington-Hume retired on 30 May 2025 and is replaced by Dan Ellis.

19 Philip White's salary increased from 23 November 2023 upon his permanent appointment to Director of Building Safety.

**Table 6 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 |         | Total (£'000) |         |
|-----------------------------------|---------------------|----------------------|--------------------------------------------|---------|-------------------------------------------------------------|---------|---------------|---------|
|                                   | 2024/25             | 2023/24              | 2024/25                                    | 2023/24 | 2024/25                                                     | 2023/24 | 2024/25       | 2023/24 |
| Sarah Newton                      | 80-85               | 80-85                | -                                          | -       | 200                                                         | 100     | 80-85         | 80-85   |
| Chyrel Brown                      | 15-20               | 15-20                | -                                          | -       | -                                                           | -       | 15-20         | 15-20   |
| David Coats                       | 15-20               | 15-20                | -                                          | -       | -                                                           | -       | 15-20         | 15-20   |
| Martin Esom                       | 15-20               | 10-15                | -                                          | -       | -                                                           | -       | 15-20         | 10-15   |
| Debbie Gillatt CBE                | 15-20               | 15-20                | -                                          | -       | -                                                           | -       | 15-20         | 15-20   |
| Christopher Johnson <sup>20</sup> | 5-10<br>(15-20 FYE) | -                    | -                                          | -       | -                                                           | -       | 5-10          | -       |
| Susan Johnson <sup>21</sup>       | 5-10<br>(15-20 FYE) | 15-20                | -                                          | -       | -                                                           | -       | 5-10          | 15-20   |
| John McDermid <sup>22</sup>       | 5-10<br>(15-20 FYE) | 15-20                | -                                          | -       | -                                                           | -       | 5-10          | 15-20   |
| Cathie Mackay <sup>23</sup>       | 5-10<br>(15-20 FYE) | -                    | -                                          | -       | -                                                           | -       | 5-10          | 15-20   |
| Gerard Nichols                    | 15-20               | 15-20                | -                                          | -       | -                                                           | -       | 15-20         | 15-20   |
| Gina Radford                      | 15-20               | 15-20                | -                                          | -       | -                                                           | -       | 15-20         | 15-20   |
| Ken Rivers <sup>24</sup>          | 15-20               | 10-15<br>(15-20 FYE) | -                                          | -       | -                                                           | -       | 15-20         | 10-15   |
| Ken Robertson <sup>25</sup>       | -                   | 5-10<br>(15-10 FYE)  | -                                          | -       | -                                                           | -       | -             | 5-10    |
| Claire Sullivan                   | 15-20               | 15-20                | -                                          | -       | -                                                           | -       | 15-20         | 15-20   |

## Salary

‘Salary’ includes gross salary, overtime, reserved rights to London weighting or London allowances, recruitment and retention allowances, and any other allowance to the extent that it is subject to UK taxation.

## Benefits in kind

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.

20 Christopher Johnson term started 1 October 2024.

21 Susan Johnson term ended 31 July 2024.

22 John McDermid term ended 31 July 2024.

23 Cathie Mackay term started 1 October 2024.

24 Ken Rivers term started 1 August 2024.

25 Ken Robertson term ended 31 July 2023.

## 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 2024/25 are based on 2023/24 performance and comparative bonuses for 2023/24 are based on 2022/23 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 median remuneration of the organisation's workforce. The banded remuneration of the highest paid director in HSE in the financial year 2024/25 was £200k to £205k (2023/24 £185k to £190k). This was 4.2 times (2023/24, 4.1) the median remuneration of the workforce, which was £46,729 (2023/24, £46,027).

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

The small increase in each of the pay ratios is attributable to an increase in the remuneration of the highest paid director in 2024/25. This is HSE's Chief Executive, whose salary is appropriately benchmarked against Chief Executives in comparable government organisations.

**Table 7 Pay ratios of organisation (total pay and benefits)**

| Year    | 25th Percentile ratio/<br>total remuneration<br>(salary element) | Median ratio/<br>total remuneration<br>(salary element) | 75th Percentile ratio/<br>total remuneration<br>(salary element) |
|---------|------------------------------------------------------------------|---------------------------------------------------------|------------------------------------------------------------------|
| 2024/25 | 5.9 / £34,121 (£33,346)                                          | 4.3 / £46,729 (£45,954)                                 | 3.3 / £61,535 (£60,760)                                          |
| 2023/24 | 5.51 / £34,020 (£33,258)                                         | 4.07 / £46,027 (£45,265)                                | 3.12 / £59,366 (£59,366)                                         |

In 2024/25, 2 employees (1 employee in 2023/24) were 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 £242,000 (2023/24 £19,324 to £231,000).

Table 8 Fair pay disclosure

|                                                                      | 2024/25      | 2023/24      | % change | Explanation                                                                                                                                                                                                                                                                   |
|----------------------------------------------------------------------|--------------|--------------|----------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Highest paid director's salary and allowances                        | £162 500     | £152 500     | 6.56     | CEO's salary increase of 5% was set by Remuneration Committee in accordance with Cabinet Office SCS pay guidance. It is in line with the pay award to HSE staff. 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) | £17 500      | £17 500      | -        |                                                                                                                                                                                                                                                                               |
| FTE staff numbers                                                    | 2 986        | 2 921        | 2.2      |                                                                                                                                                                                                                                                                               |
| All employees' salary, allowances and bonuses                        | £155 164 000 | £148 368 000 | 4.58     | The increase in salary is due to a small increase in staff numbers and the effect of the 2024 pay award                                                                                                                                                                       |
| Average salary, allowances and bonuses                               | £51 979      | £50 790      | 2.34     | The increase in average salary is due to the 2024 pay award (5%) which is partially offset by new starters who are typically recruited at the lower end of pay ranges                                                                                                         |
| Total salary and allowances excluding bonuses                        | £153 102 000 | £146 422 000 | 4.56     | The increase in salary is due to a small increase in staff numbers and the effect of the 2024 pay award                                                                                                                                                                       |
| Average salary and allowances excluding bonuses                      | £51 273      | £50 124      | 2.28     | The increase in salary is due to a small increase in staff numbers and the effect of the 2024 pay award                                                                                                                                                                       |
| Total performance pay/bonuses                                        | £2 062 000   | £1 945 960   | 5.96     | The increase in total performance bonuses paid is due to additional staff numbers in 2024/25                                                                                                                                                                                  |
| Average performance pay/bonuses                                      | £691         | £666         | 3.7      | The increase in total performance bonuses paid is due to additional staff numbers in 2024/25                                                                                                                                                                                  |

**Table 9 Pension benefits<sup>26</sup> (subject to audit)**

| Officials                                                                                                                                                               | Accrued pension at pension age as at 31/3/2025 and related lump sum<br>£'000 | Real increase in pension and related lump sum at pension age<br>£'000 | CETV at 31/3/2025*<br>£'000 | CETV at 31/03/2024<br>£'000 | Real increase in CETV<br>£'000 |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------|-----------------------------------------------------------------------|-----------------------------|-----------------------------|--------------------------------|
| Sarah Albon<br>Chief Executive                                                                                                                                          | 75 – 80<br>plus a lump sum of 195 – 200                                      | 5 – 7.5<br>plus a lump sum of 5 – 7.5                                 | 1 830                       | 1 656                       | 99                             |
| James Anderson                                                                                                                                                          | 30 – 35                                                                      | 0 – 2.5                                                               | 498                         | 486                         | -2                             |
| Peter Baker                                                                                                                                                             | -                                                                            | -                                                                     | -                           | 1 317                       | -                              |
| Rick Brunt                                                                                                                                                              | 60 – 65<br>plus a lump sum of 50 – 55                                        | 2.5 – 5<br>plus a lump sum of 0 – 2.5                                 | 1 349                       | 1 242                       | 66                             |
| Andrew Curran                                                                                                                                                           | 45 – 50<br>plus a lump sum of 120 – 125                                      | 2.5 – 5<br>plus a lump sum of 2.5 – 5                                 | 1 167                       | 1 054                       | 65                             |
| Michael Jennings                                                                                                                                                        | 45 – 50<br>plus a lump sum of 120 – 125                                      | 2.5 – 5<br>plus a lump sum of 2.5 – 5                                 | 1 076                       | 975                         | 55                             |
| Jane Lassey                                                                                                                                                             | 50 – 55<br>plus a lump sum of 125 – 130                                      | 2.5 – 5<br>plus a lump sum of 5 – 7.5                                 | 1 182                       | 1 058                       | 75                             |
| Clare Millington-Hume                                                                                                                                                   | 10 – 15                                                                      | 2.5 – 5                                                               | 131                         | 122                         | 21                             |
| David Murray                                                                                                                                                            | 75 – 80                                                                      | 5 – 7.5                                                               | 1 592                       | 1 425                       | 105                            |
| Angela Storey                                                                                                                                                           | 20 – 25                                                                      | 2.5 – 5                                                               | 353                         | 287                         | 32                             |
| Philip White                                                                                                                                                            | 65 – 70<br>plus a lump sum of 170 – 175                                      | 10 – 12.5<br>plus a lump sum of 22.5 – 25                             | 1 552                       | 1 305                       | 242                            |
| * The CETV at 31 March 2024 has been restated by MyCSP during the current year (for James Anderson, Rick Brunt, Clare Millington-Hume, Angela Storey and Philip White). |                                                                              |                                                                       |                             |                             |                                |

<sup>26</sup> Accrued pension benefits included in this table for any individual affected by the Public Service Pensions Remedy have been calculated based on their inclusion in the legacy scheme for the period between 1 April 2015 and 31 March 2022, following the McCloud judgment. The Public Service Pensions Remedy applies to individuals that were members, or eligible to be members, of a public service pension scheme on 31 March 2012 and were members of a public service pension scheme between 1 April 2015 and 31 March 2022. The basis for the calculation reflects the legal position that impacted members have been rolled back into the relevant legacy scheme for the remedy period and that this will apply unless the member actively exercises their entitlement on retirement to decide instead to receive benefits calculated under the terms of the alpha scheme for the period from 1 April 2015 to 31 March 2022.

## 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 is divided into a few different sections:

- classic;
- premium;
- classic plus (provide 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 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, and 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, 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 two 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 (the ‘McCloud judgment’).

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.

The accrued pension benefits, Cash Equivalent Transfer Value and single total figure of remuneration reported for any individual affected by the Public Service Pensions Remedy have been calculated based on their inclusion in the PCSPS for the period between 1 April 2015 and 31 March 2022, following the McCloud judgment. The Public Service Pensions Remedy applies to individuals that were members, or eligible to be members, of a public service pension scheme on 31 March 2012 and were members of a public service pension scheme between 1 April 2015 and 31 March 2022. The basis for the calculation reflects the legal position that impacted members have been rolled back into the PCSPS for the remedy period and that this will apply unless the member actively exercises their entitlement on retirement to decide instead to receive benefits calculated under the terms of the alpha scheme for the period from 1 April 2015 to 31 March 2022.

The partnership pension account is an occupational defined contribution pension arrangement which is part of the Legal & General Master trust. 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 on the website [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 as a consequence of 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 10 Honoraria and expenses paid to independent members of the Audit and Risk Assurance Committee

|                                                | 2024/25<br>Total honoraria and expenses<br>£'000 | 2023/24<br>Total honoraria and expenses<br>£'000 |
|------------------------------------------------|--------------------------------------------------|--------------------------------------------------|
| Charmion Pears<br>(1 Oct 2021 to 30 Sept 2025) | 3                                                | 3                                                |

## Staff report

Analysis of staff numbers and costs is provided in Tables 11–13 and Figures 11 and 13.

**Table 11 Staff costs (this information is audited)**

|                                                      | 2024/25                       |              | 2023/24        |                |
|------------------------------------------------------|-------------------------------|--------------|----------------|----------------|
|                                                      | Permanently<br>employed staff | Others*      | Total          | Total          |
|                                                      | £'000                         | £'000        | £'000          | £'000          |
| Wages and salaries                                   | 136 892                       | 7 047        | 143 939        | 143 256        |
| Employers' National Insurance <sup>27</sup>          | 16 141                        | -            | 16 141         | 14 808         |
| Pension costs                                        | 39 646                        | -            | 39 646         | 33 795         |
| Lump sum exit costs                                  | 339                           | -            | 339            | 626            |
| <b>Total (as reported in the SoCNE)</b>              | <b>193 018</b>                | <b>7 047</b> | <b>200 065</b> | <b>192 485</b> |
| Less recoveries in respect of<br>outward secondments | (263)                         | -            | (263)          | (173)-         |
| <b>Total net costs</b>                               | <b>192 755</b>                | <b>7 047</b> | <b>199 802</b> | <b>192 312</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 2024/25, employers' contributions of £39 million were payable to the PCSPS (2023/24: £33.8 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 2024/25 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 £212,107 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 £7,200, 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 2025 were £57,376. Contributions prepaid at that date were £nil. 0 people (2023/24: 3 people) retired early on ill-health grounds; the total additional accrued pension liabilities in the year amounted to £0 (2023/24: £32,719).

**Table 12 Staff numbers (this information is audited) – the average number of full-time equivalent (FTE)**

| Permanent staff | Other | 2024/25 total | 2023/24 total |
|-----------------|-------|---------------|---------------|
| 2 901           | 53    | 2 954         | 2 854         |

27 Includes Apprenticeship Levy payments of £703k during 2024/25(2023/24 £634k).

Table 13 The total HSE staff in post by FTE and occupational group as at 31 March 2025

| Occupational group                                            | 31 March 2025 | 31 March 2024 | 31 March 2023 |
|---------------------------------------------------------------|---------------|---------------|---------------|
| Inspectors and visiting health and safety staff <sup>28</sup> | 975           | 976           | 1 004         |
| Other professional or specialist staff                        | 1 688         | 1 607         | 1 396         |
| Other staff (of whom apprentices)                             | 267(15)       | 289 (29)      | 280 (21)      |
| Contingent labour <sup>29</sup>                               | 56            | 50            | 105           |
| Total staff <sup>30</sup>                                     | 2 986         | 2 922         | 2 785         |

Figure 3 Total HSE staff in post by FTE and gender (excluding Chair and contingent labour) as at 31 March 2025

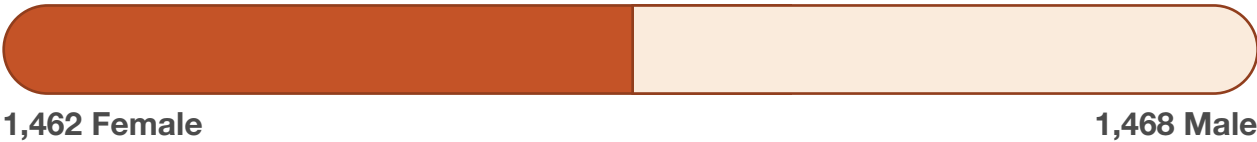


Figure 4 Senior civil servants’ FTE gender split as at 31 March 2025

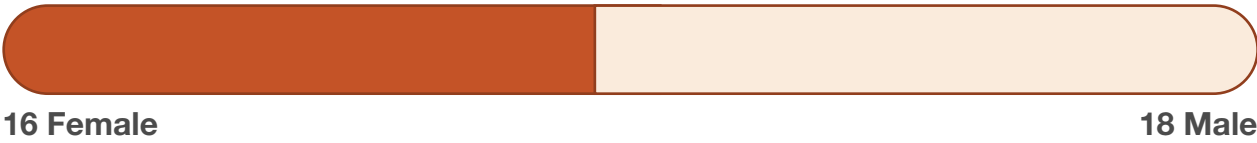


Figure 5 Senior civil servants’ pay band as at 31 March 2025



28 Comprises inspectors and visiting officers and regulatory compliance officers.

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

30 Total staff equals the sum of all rows excluding the figures in brackets.

## Health, safety and wellbeing

See the Performance health, safety and wellbeing section on page 29.

## Diversity and inclusion

See the Diversity and inclusion section on page 30.

## Staff turnover

HSE turnover for 2024/25 was 9.5%.

In 2024/25 the number of staff leaving HSE has reduced from 301 to 278. Of the 278 leavers:

- 58 moved to new posts in other government departments;
- 62 retired;
- 13 employees were dismissed;
- 27 fixed-term appointments concluded;
- 3 sadly passed away; and
- 115 employees resigned.

The average age of employees has remained the same as 2023/24 at 45.4.

## Pay

See the Pay reform section on page 31.

## Expenditure on consultancy and contingent labour

There was nil consultancy spend during the financial year (2023/24: £nil).

HSE spent a total of £7.3 million (2023/24: £10 million) on contingent labour during the financial year, with a decrease in the average number of staff engaged on short-term contracts compared to the previous 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 14–16 indicate the number of off-payroll arrangements HSE has had in place.

**Table 14 Highly paid off-payroll worker engagements as at 31 March 2025, earning £245 per day or greater**

|                                                                                |           |
|--------------------------------------------------------------------------------|-----------|
| <b>Number of existing engagements as of 31 March 2025</b>                      | <b>33</b> |
| Of which:                                                                      |           |
| Number that have existed for less than one year at time of reporting           | 21        |
| Number that have existed for between one and two years at time of reporting    | 5         |
| Number that have existed for between two and three years at time of reporting  | 6         |
| Number that have existed for between three and four years at time of reporting | 1         |
| Number that have existed for four or more years at time of reporting           | -         |

**Table 15 All highly paid off-payroll workers engaged at any point during the year ended 31 March 2025, earning £245 per day or greater**

|                                                                                            |           |
|--------------------------------------------------------------------------------------------|-----------|
| <b>Number of temporary off-payroll workers engaged during the year ended 31 March 2025</b> | <b>62</b> |
| Of which:                                                                                  |           |
| Not subject to off-payroll legislation                                                     | 0         |
| Subject to off-payroll legislation and determined as in-scope of IR35                      | 62        |
| 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      | 53        |
| Number of engagements that saw a change to IR35 status following review                    | 0         |

**Table 16 For any off-payroll engagements of Board members, and/or senior officials with significant financial responsibility, between 1 April 2024 and 31 March 2025**

|                                                                                                                                                                                                                                                      |   |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---|
| 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 (subject to audit)

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 2024/25 (2023/24: nil).

**Table 17 Number of other departures by cost band**

| Exit package cost band                       | 2024/25        |               | 2023/24        |          |
|----------------------------------------------|----------------|---------------|----------------|----------|
|                                              | Severance      | Other         | Severance      | Other    |
| £0 – £25,000                                 | 5              | 4             | 6              | -        |
| £25,001 – £50,000                            | 2              | -             | 2              | -        |
| £50,001 – £100,000                           | 2              | -             | 5              | -        |
| £100,001 – £150,000                          | 0              | -             | 1              | -        |
| > £150,001                                   | 0              | -             | -              | -        |
| <b>Total number of exit packages by type</b> | <b>9</b>       | <b>4</b>      | <b>14</b>      | <b>-</b> |
| <b>Total resource cost £</b>                 | <b>304 951</b> | <b>34 462</b> | <b>625 522</b> | <b>-</b> |

## 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%.

During 2024/25, we continued to gather and monitor facility time data on a quarterly basis. This approach ensures transparency and allows individual trade unions (TUs) to review the information with their representatives. These ongoing discussions help to verify that time is being recorded accurately and managed appropriately across all areas.

**Table 18 Relevant union officials FTE**

|                                                                              |      |
|------------------------------------------------------------------------------|------|
| Number of officials who were relevant union officials during relevant period | 72.1 |
|------------------------------------------------------------------------------|------|

**Table 19 Percentage of time spent on facility time**

| Percentage of time | Number of employees FTE |
|--------------------|-------------------------|
| 0%                 | 0                       |
| 1 to 50%           | 72.1                    |
| 51 to 99%          | 0                       |
| 100%               | 0                       |

**Table 20 Percentage of pay bill spent on facility time**

|                                                   |              |
|---------------------------------------------------|--------------|
| Total cost of facility time                       | £207,964     |
| Total pay bill                                    | £192,982,856 |
| Percentage of the pay bill spent on facility time | 0.11%        |

While the overall cost and number of hours saw a slight change from the previous year, the percentage of the pay bill spent on facility time remained consistent at 0.11% marginally above the Cabinet Office's recommended target of 0.1%. This consistency reflects ongoing efforts by HR and the TUs to manage facility time efficiently while maintaining effective representation.

**Table 21 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% |

## Recruitment practice

See the Recruitment section on page 31.

## Sickness absence data

See the Average working days lost section on page 31.

# 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 1 case during 2024/25 totalling £60 (2023/24: 2 cases to the value of £189).

**Table 22 Losses and special payments (this information is subject to audit)**

|                                          | 2024/25<br>No. of cases | 2024/25<br>£'000 | 2023/24<br>No. of cases | 2023/24<br>£'000 |
|------------------------------------------|-------------------------|------------------|-------------------------|------------------|
| Losses arising from overpayments         | 2                       | 1                | -                       | -                |
| Cash losses                              | 35                      | <1               | 46                      | 3                |
| Claims waived or abandoned               | 1 368                   | 1 731            | 923                     | 1 091            |
| Fruitless payment                        | 4                       | 2                | 1                       |                  |
| Stock, stores and obsolete publications  |                         |                  |                         |                  |
| <b>Total losses</b>                      | <b>1 409</b>            | <b>1 734</b>     | <b>970</b>              | <b>1 094</b>     |
| Special payments                         | 1                       | -                | 2                       | -                |
| <b>Total losses and special payments</b> | <b>1 410</b>            | <b>1 734</b>     | <b>972</b>              | <b>1 094</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>31</sup>.

The financial objective of each regime is to fully recover our costs and not make significant surplus or deficit.

In 2024/25 we incurred a significant deficit on Control of Major Hazards (COMAH) fees. This is principally due to staff turnover, meaning we had less resource than planned and experienced staff being replaced by new trainees. To address this, HSE is looking at strategies to enable us to fill vacancies with scarce skills and also considering ways to enable existing staff to be more efficiently employed to increase regulatory contact time where possible.

<sup>31</sup> <https://www.hse.gov.uk/fee-for-intervention/assets/docs/hse-costing-and-pricing.pdf>.

The £3.5 million deficit in respect of biocides and plant protection in 2024/25 included the one-off reversal of historic charges which were not considered economic to recover. Funding from Defra has increased in 2025/26 which will support the rebalancing of costs and income.

**Table 23 HSE fees and charges (this information is subject to audit)**

|                                           | 2024/25       |        |                       | 2023/24 |        |                       |
|-------------------------------------------|---------------|--------|-----------------------|---------|--------|-----------------------|
|                                           | Income        | Costs  | Surplus/<br>(Deficit) | Income  | Costs  | Surplus/<br>(Deficit) |
|                                           | £'000         | £'000  | £'000                 | £'000   | £'000  | £'000                 |
| Enforcement of offshore safety regulation | 17 858        | 17 657 | 201                   | 18 010  | 18 188 | (178)                 |
| Control of major hazards                  | 8 926         | 10 127 | (1 201)               | 9 240   | 9 457  | (217)                 |
| Biocides and plant protection             | 20 526        | 24 014 | (3 488)               | 18 716  | 22 126 | (3 410)               |
| UK REACH                                  | 5 800         | 5 560  | 240                   | 5 855   | 5 503  | 352                   |
| Fee for intervention                      | 17 180        | 17 342 | (162)                 | 15 380  | 15 823 | (443)                 |
| BSR                                       | 20 668        | 22 151 | (1 483)               | 2 701   | 3 092  | (391)                 |
| <b>Total</b>                              | <b>90 958</b> |        |                       | 69 902  | 74 189 | (4 287)               |
| Other HSE fees                            | 3 029         |        |                       | 2 368   |        |                       |
| <b>Total fees and charges</b>             | <b>93 987</b> |        |                       | 72 270  |        |                       |
| * See note 4 in the Financial Statements  |               |        |                       |         |        |                       |



**Sarah Albon**

Chief Executive and Accounting Officer  
Health and Safety Executive

14 November 2025

# 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 2025 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 2025;
- 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 2025 and its net 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 (2024). 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 2024. 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 Accounting Officer for the financial statements

As explained more fully in the Statement of Accounting Officer's Responsibilities, the Accounting Officer 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 Accounting Officer 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 non-compliance 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;
- enquired 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 HSE Annual Report and 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

18 November 2025

# Financial statements

## Statement of comprehensive net expenditure for the year ended 31 March 2025

(The notes on pages 100–128 form part of these accounts.)

All income and expenditure for the year ended 31 March 2025 is derived from continuing operations.

|                                                               | Notes | 2024/25<br>£'000 | 2023/24<br>£'000<br>(reclassified*) |
|---------------------------------------------------------------|-------|------------------|-------------------------------------|
| Revenue from contracts with customers                         | 4     | 13,557           | 13,916                              |
| Fees and charges                                              | 4     | 93,987           | 72,270                              |
| Other operating income                                        | 4     | 18,561           | 19,236                              |
| <b>Total operating income</b>                                 |       | <b>126,105</b>   | <b>105,422</b>                      |
| Staff costs                                                   | 2     | 200,065          | 192,485                             |
| Purchase of goods and services                                | 3     | 80,397           | 80,821                              |
| Depreciation and impairment charges                           | 3     | 16,022           | 27,360                              |
| Provision expense                                             | 3     | 127              | (26)                                |
| Other operating expenditure                                   | 3     | 3,052            | 1,824                               |
| <b>Total operating expenditure</b>                            |       | <b>299,663</b>   | <b>302,464</b>                      |
| Net operating expenditure                                     |       | 173,558          | 197,042                             |
| Finance expense                                               | 3     | 10,467           | 10,576                              |
| <b>Net expenditure for the year</b>                           |       | <b>184,025</b>   | <b>207,618</b>                      |
| <b>Other comprehensive net expenditure</b>                    |       |                  |                                     |
| Items which will not be reclassified to net operating costs:  |       |                  |                                     |
| Net gain/loss on revaluation of property, plant and equipment |       | (4,236)          | (4,207)                             |
| Net gain/loss on revaluation of intangible assets             |       |                  |                                     |
| <b>Comprehensive net expenditure</b>                          |       | <b>179,789</b>   | <b>203,411</b>                      |

\*2023/24 comparative information has been reclassified to align with the 2024/25 presentation. There is no overall impact on prior year reported figures.

## Statement of financial position as at 31 March 2025

(The notes on pages 100–128 form part of these accounts.)

|                                                          | Notes | 2024/25<br>£'000 | 2023/24<br>£'000 |
|----------------------------------------------------------|-------|------------------|------------------|
| <b>Non-current assets</b>                                |       |                  |                  |
| Property, plant and equipment                            | 5     | 102 890          | 100 897          |
| Right-of-use assets                                      | 7a    | 16 307           | 16 999           |
| Intangible assets                                        | 6     | 8 129            | 7 628            |
| Trade and other receivables due after more than one year | 8     | 2 704            | 2 106            |
| <b>Total non-current assets</b>                          |       | <b>130 030</b>   | <b>127 630</b>   |
| <b>Current assets</b>                                    |       |                  |                  |
| Trade and other receivables                              | 8     | 75 115           | 56 991           |
| Cash and cash equivalents                                | 9     | 0                | -                |
| <b>Total current assets</b>                              |       | <b>75 115</b>    | <b>56 991</b>    |
| <b>Total assets</b>                                      |       | <b>205 145</b>   | <b>184 621</b>   |
| <b>Current liabilities</b>                               |       |                  |                  |
| Trade and other payables                                 | 10    | (55 861)         | (57 071)         |
| Provisions and pension liabilities                       | 11    | ( 82)            | ( 81)            |
| <b>Total current liabilities</b>                         |       | <b>(55 943)</b>  | <b>(57 152)</b>  |
| <b>Total assets less current liabilities</b>             |       | <b>149 202</b>   | <b>127 469</b>   |
| <b>Non-current liabilities</b>                           |       |                  |                  |
| Other payables                                           | 10    | (138 022)        | (142 526)        |
| Pension liabilities                                      | 11    | ( 851)           | ( 806)           |
| <b>Total non-current liabilities</b>                     |       | <b>(138 873)</b> | <b>(143 332)</b> |
| <b>Total assets less total liabilities</b>               |       | <b>10 329</b>    | <b>(15 863)</b>  |
| <b>Taxpayers' equity</b>                                 |       |                  |                  |
| General fund                                             |       | (33 336)         | (55 292)         |
| Revaluation reserve                                      |       | 43 665           | 39 429           |
| <b>Total taxpayers' equity</b>                           |       | <b>10 329</b>    | <b>(15 863)</b>  |



**Sarah Albon**

Chief Executive and Accounting Officer  
Health and Safety Executive

14 November 2025

## Statement of cash flows for the year ended 31 March 2025

(The notes on pages 100–128 form part of these accounts.)

|                                                                                                                                               | Notes | 2024/25<br>£'000 | 2023/24<br>£'000 |
|-----------------------------------------------------------------------------------------------------------------------------------------------|-------|------------------|------------------|
| <b>Cash flows from operating activities</b>                                                                                                   |       |                  |                  |
| Net operating cost                                                                                                                            |       | (184 025)        | (207 618)        |
| Adjustments for non-cash transactions                                                                                                         |       | 18 769           | 28 805           |
| Less finance costs                                                                                                                            | 3     | 10 467           | 10 277           |
| (Increase)/decrease in trade and other receivables                                                                                            | 8     | (18 722)         | (11 221)         |
| Less movements in receivables relating to impairments                                                                                         | 3     | (2 621)          | (1 471)          |
| Increase/(decrease) in trade payables                                                                                                         | 10    | (6 385)          | 3 834            |
| Movements in receivables/payables relating to items not passing through the Statement of Comprehensive Net Expenditure                        |       | 5 759            | (7 862)          |
| Use of provisions                                                                                                                             | 11    | (81)             | (76)             |
| <b>Net cash outflow from operating activities</b>                                                                                             |       | <b>(176 839)</b> | <b>(185 332)</b> |
| <b>Cash flows from investing activities</b>                                                                                                   |       |                  |                  |
| Purchase of property, plant and equipment                                                                                                     |       | (4 975)          | (4 641)          |
| Purchase of intangible assets                                                                                                                 |       | (3 005)          | (5 240)          |
| Proceeds of disposal of property, plant and equipment                                                                                         |       | 107              | 7                |
| <b>Net cash outflow from investing activities</b>                                                                                             |       | <b>(7 873)</b>   | <b>(9 874)</b>   |
| <b>Cash flows from financing activities</b>                                                                                                   |       |                  |                  |
| Funding from DWP                                                                                                                              |       | 205 981          | 216 206          |
| Capital element of payments in respect of finance leases and on-statement of financial position PFI contracts                                 |       | (9 170)          | (8 356)          |
| Repayment of principal on IFRS 16 leases                                                                                                      |       | (2 302)          | (2 341)          |
| Interest charges on PFI and Lease contracts                                                                                                   | 3     | (10 467)         | (10 277)         |
| <b>Net financing</b>                                                                                                                          |       | <b>184 042</b>   | <b>195 232</b>   |
| <b>Net increase/(decrease) in cash and cash equivalents in the period after adjustment for receipts and payments to the consolidated fund</b> | 9     | <b>(670)</b>     | <b>26</b>        |
| <b>Cash and cash equivalents at the beginning of the period</b>                                                                               | 9     | <b>(84)</b>      | <b>(110)</b>     |
| <b>Cash and cash equivalents at the end of the period</b>                                                                                     | 9     | <b>(754)</b>     | <b>(84)</b>      |

## Statement of changes in taxpayers' equity for the year ended 31 March 2025

(The notes on pages 100–128 form part of these accounts.)

|                                                                                  | Notes | (a)<br>General<br>Fund<br>£'000 | (b)<br>Revaluation<br>Reserve<br>£'000 | Total<br>Reserves<br>£'000 |
|----------------------------------------------------------------------------------|-------|---------------------------------|----------------------------------------|----------------------------|
| <b>Opening balance at 1 April 2023</b>                                           |       | <b>(11 737)</b>                 | <b>35 222</b>                          | <b>23 485</b>              |
| <b>Movement in G/F for IFRS 16 transition of PFI liabilities at 1 April 2023</b> |       | <b>(52 143)</b>                 |                                        | <b>(52 143)</b>            |
| <b>Funding from DWP</b>                                                          |       | <b>216 206</b>                  |                                        | <b>216 206</b>             |
| Comprehensive expenditure for the year                                           |       | (203 411)                       |                                        | (203 411)                  |
| Movements in reserves:                                                           |       |                                 |                                        |                            |
| Additions - net gain on revaluation                                              | 5     |                                 | 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>            |
| <b>Funding from DWP</b>                                                          |       | <b>205 981</b>                  |                                        | <b>205 981</b>             |
| <b>Comprehensive expenditure for the year</b>                                    |       | <b>(179 789)</b>                |                                        | <b>(179 789)</b>           |
| Movements in reserves:                                                           |       |                                 |                                        |                            |
| Additions - net gain on revaluation                                              | 5, 6  |                                 | 4 236                                  | 4 236                      |
| Recognised in Statement of Comprehensive Net Expenditure                         |       | (4 236)                         |                                        | (4 236)                    |
| <b>Balance at 31 March 2025</b>                                                  |       | <b>(33 336)</b>                 | <b>43 665</b>                          | <b>10 329</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 2024/25 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.

#### **Presentation of the Statement of Comprehensive Net Expenditure**

During the current financial year the presentation of the Statement of Comprehensive Net Expenditure was reviewed and the presentation amended. The change disaggregates current and prior year income and expenditure to align with HM Treasury green book on the presentation of financial statements.

Other primary statements are not affected by the change.

### 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 2024. 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.

It establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts within the scope of this Standard. An insurance contract is a contract under which one party (the issuer) accepts significant insurance risk from another party (the policyholder) by agreeing to compensate the policyholder if a specified uncertain future event (the insured event) adversely affects the policyholder.

We do not expect IFRS 17 to have a material impact on our financial statements.

### Accounting for social benefits

The 2025/26 FReM will include new guidance on accounting for social benefits. The 2025/26 FReM will define social benefits as ‘current transfers received by households (including individuals) intended to provide for the needs that arise from certain events or circumstances, for example, sickness, unemployment, retirement, housing, education, or family circumstances’.

HSE does not provide this type of social benefits and the change in accounting treatment will therefore have no impact.

### Non-investment asset valuations

In December 2023 HM Treasury released an exposure draft on potential changes to make to valuing and accounting for non-investment assets (for example PPE, intangible assets). The following changes to the valuation and accounting of non-investment assets is to be included in the 2025/26 FReM for mandatory implementation:

References to assets being held for their ‘service potential’ and the terms ‘specialised/non-specialised’ assets are being removed from the FReM. Non-investment assets are instead described as assets held for their ‘operational capacity’.

This change has no impact on the valuation basis of non-investment assets, which remains Existing Use Value (EUV).

An adaptation to IAS 16 will be introduced to withdraw the requirement to revalue an asset where its fair value materially differs from its carrying value. Assets will be valued using one of the following processes:

- a quinquennial revaluation supplemented by annual indexation;
- a rolling programme of valuations over a five-year cycle, with annual indexation applied to assets during the four intervening years;
- for non-property assets only, appropriate indices;
- in rare circumstances where an index is not available, a quinquennial revaluation supplemented by a desktop revaluation in year 3.

The option to measure intangible assets using the revaluation model is to be withdrawn. The carrying values of intangible assets at 31 March 2025 will be considered the historical cost at 1 April 2025.

### 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 the following:

**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.

### Revenue from contracts with customers

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.

## **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.

#### **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.

| Asset category                           | Threshold | Depreciation/amortisation period                                                                                                          |
|------------------------------------------|-----------|-------------------------------------------------------------------------------------------------------------------------------------------|
| 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                                                                                                |
| Minor software and digital products      | £1 000    | 2 to 5 years depending on the licence period. Assets are grouped by UEL                                                                   |
| Websites                                 | £100 000  | 5 years or licence period if shorter                                                                                                      |

### 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 and Aberdeen for 2024/25. 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. 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.

### 1.16 Government Grants

Government grants are accounted for in accordance with IAS 20 – Accounting for Government Grants, as interpreted by the FReM. The accounting treatment will be a grant either taken to income or deferred income depending upon the nature and any terms and conditions attached to the grant.

## 2 Staff costs

|                                                                                                                                  | Permanently<br>employed<br>staff | 2024/25<br>Others * | Total          | 2023/24<br>Total |
|----------------------------------------------------------------------------------------------------------------------------------|----------------------------------|---------------------|----------------|------------------|
|                                                                                                                                  | £'000                            | £'000               | £'000          | £'000            |
| Wages and salaries                                                                                                               | 136 892                          | 7 047               | 143 939        | 143 256          |
| Employers' National Insurance <sup>32</sup>                                                                                      | 16 141                           | -                   | 16 141         | 14 808           |
| Pension costs                                                                                                                    | 39,646                           | -                   | 39 646         | 33 795           |
| Lump sum exit costs                                                                                                              | 339                              | -                   | 339            | 626              |
| <b>Total (as reported in the SoCNE)</b>                                                                                          | <b>193 018</b>                   | <b>7 047</b>        | <b>200 065</b> | <b>192 485</b>   |
| Less recoveries in respect of<br>outward secondments                                                                             | (263)                            | -                   | (263)          | (173)            |
| <b>Total net costs</b>                                                                                                           | <b>192 755</b>                   | <b>7 047</b>        | <b>199 802</b> | <b>192 312</b>   |
| * 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 82–87 of the Accountability report.

32 Includes Apprenticeship Levy payments of £703k during 2024/25 (2023/24 £634k).

### 3 Operating costs

|                                                                 | Notes | 2024/25       | 2023/24       |
|-----------------------------------------------------------------|-------|---------------|---------------|
| <b>Purchase of goods and services</b>                           |       |               |               |
| Rentals under operating leases                                  |       | 1,077         | 238           |
| PFI service charges <sup>33</sup>                               |       | 12,648        | 11,554        |
| Accommodation                                                   |       | 12,353        | 12,555        |
| Travel and subsistence                                          |       | 6,234         | 5,798         |
| IT and telecoms                                                 |       | 18,739        | 25,242        |
| Legal costs                                                     |       | 3,760         | 4,100         |
| HSL sub-contract technical support                              |       | 1,600         | 1,983         |
| Staff development and training                                  |       | 1,875         | 1,811         |
| Publications                                                    |       | 555           | 847           |
| Shared Services costs <sup>34</sup>                             |       | 3,158         | 3,018         |
| Scientific equipment (non-capital)                              |       | 2,246         | 2,274         |
| Research and development                                        |       | 2,440         | 1,989         |
| Pesticides – purchase of samples                                |       | 1,626         | 1,332         |
| Chemicals regulation testing                                    |       | 1,678         | 2,254         |
| Specialist support services                                     |       | 6,552         | 620           |
| Recruitment expenditure                                         |       | 526           | 772           |
| Publicity                                                       |       | 920           | 1,331         |
| Other expenditure                                               |       | 2,410         | 3,103         |
|                                                                 |       | <b>80,397</b> | <b>80,821</b> |
| <b>Depreciation, amortisation and impairment</b>                |       |               |               |
| (Profit)/loss on disposal of non-current assets                 |       | 7             | 105           |
| Depreciation and amortisation of non-current assets             |       | 7,198         | 6,409         |
| Charge to SoCNE for losses on revaluation of land and buildings |       | 542           | 812           |
| Depreciation and amortisation of non-current assets – IFRS 16   |       | 2,767         | 2,742         |
| Remeasurement PFI leases and right of use assets                |       | 5,508         | 17,292        |
|                                                                 |       | <b>16,022</b> | <b>27,360</b> |

33 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.

34 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.

|                                            | Notes | 2024/25        | 2023/24        |
|--------------------------------------------|-------|----------------|----------------|
| <b>Provisions expense</b>                  |       |                |                |
| Chair's provision provided in year         |       | 127            | (26)           |
| Provisions release                         |       | (81)           | (75)           |
| Provisions cash payment                    |       | 81             | 75             |
|                                            |       | <b>127</b>     | <b>(26)</b>    |
| <b>Finance expense</b>                     |       |                |                |
| PFI interest charges                       |       | 10,141         | 10,277         |
| IFRS 16 lease interest charges             |       | 326            | 299            |
|                                            |       | <b>10,467</b>  | <b>10,576</b>  |
| <b>Other</b>                               |       |                |                |
| Audit fees – Statutory audit <sup>35</sup> |       | 140            | 165            |
| Apprenticeship Levy Expenditure            |       | 291            | 188            |
| Impairment of Trade Receivables            |       | 2,621          | 1,471          |
|                                            |       | <b>3,052</b>   | <b>1,824</b>   |
| <b>Total operating expenditure</b>         |       | <b>110,065</b> | <b>120,555</b> |

35 During the year, HSE has not purchased any non-audit services from its auditor, National Audit Office (NAO).

## 4 Income

|                                                 | 2024/25        | 2023/24<br>(restated) |
|-------------------------------------------------|----------------|-----------------------|
| <b>Revenue from contracts with customers</b>    | <b>13,557</b>  | <b>13,916</b>         |
| <b>Fees and charges</b>                         |                |                       |
| Biocides and plant protection                   | 20,526         | 18,716                |
| Control of major accident hazards               | 8,926          | 9,240                 |
| Enforcement of offshore safety legislation      | 17,858         | 18,010                |
| Fee for intervention                            | 17,180         | 15,380                |
| UK REACH fees                                   | 5,800          | 5,855                 |
| BSR                                             | 20,668         | 2,701                 |
| Other fees and charges                          | 3,029          | 2,368                 |
| <b>Total fees and charges</b>                   | <b>93,987</b>  | <b>72,270</b>         |
| <b>Other operating income</b>                   |                |                       |
| Prosecutions                                    | 1,959          | 4,531                 |
| Income from estate sublets                      | 11,516         | 11,701                |
| DEFRA Transition Funding                        | 0              | 0                     |
| Other income                                    | 2,991          | 2,816                 |
| Government grants                               | 1,804          | 0                     |
| Non-cash government grant – Apprenticeship Levy | 291            | 188                   |
| <b>Total other operating income</b>             | <b>18,561</b>  | <b>19,236</b>         |
| <b>Total income</b>                             | <b>126,105</b> | <b>105,422</b>        |

Revenue is reported by significant income streams in accordance with IFRS 15. It principally comprises fees and charges and revenue from contracts with customers. Fees and charges are billed on a full cost basis and revenue from contracts with customers is based on the price agreed with the customer. Both are recorded net of VAT.

Fees and charges and transaction price of revenue from contracts with customers are calculated in accordance with methodology set out in the Cost and pricing policy ([www.hse.gov.uk/fee-for-intervention/assets/docs/hse-costing-and-pricing.pdf](http://www.hse.gov.uk/fee-for-intervention/assets/docs/hse-costing-and-pricing.pdf)).

### Fees and charges

Income from fees and charges relates to activities carried out by HSE where legislation allows recovery of the cost of delivering regulatory functions. Income is recognised over time as the chargeable activities are performed and payment becomes due. This method is considered appropriate as it represents the amount

HSE is entitled to based on performance to date.

1. Income relating to enforcement of offshore safety legislation and control of major accident hazards is based on published hourly rates for work done by HSE staff plus other recoverable costs.
2. Income relating to biocides and plant protection is recognised depending on the type of work being delivered. Fees can be fixed or costs recovered based on the actual cost to HSE. Income is recognised in relation to the stage of completion of the project.
3. Income from UK REACH (Registration, Evaluation, Authorisation and Restriction of Chemicals) is recognised depending on the type of work being delivered. Fees can be fixed or costs recovered based on the actual cost to HSE. Income is recognised in relation to the stage of completion of the project.
4. Fee for intervention (FFI) income is recoverable when a material breach of health and safety regulations has been identified. Income is recognised based on published hourly rates for work done by HSE plus other recoverable costs including the cost of the original inspection.
5. Income relating to building safety legislation 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.

An analysis of fees and charges is set out in the Regularity of expenditure section of the Accountability report.

### **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.

### **Revenue from contracts with customers**

The following table sets out the income streams from activities that HSE offers outside of activities performed under fees and charges.

| Income Stream            | Activity                                                                                                                                                                                                                                                                                                                                       | 2024/25<br>£'000 | 2023/24<br>£'000 |
|--------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------|------------------|
| Scientific research      | HSE offers bespoke research and consultancy options to organisations looking to go beyond regulatory compliance and achieve health and safety excellence. This can include many different areas related to health and safety in the workplace, from mechanical engineering and explosive hazards, to footwear slip testing and data analytics. | 5,749            | 7,360            |
| Training and events      | HSE offers specialist in-person and online training and events aimed to build confidence, ensure compliance and protect people and places.                                                                                                                                                                                                     | 3,528            | 2,595            |
| Standardised testing     | HSE offers testing services in areas including health and hygiene, product and process validation and performance proficiency.                                                                                                                                                                                                                 | 2,812            | 2,576            |
| Explosives Approved Body | The UK Explosives Approved Body (UK-EAB) offers an independent, specialised technical service in the assessment and certification of explosives.                                                                                                                                                                                               | 8                | -                |
| Other                    | Other includes revenue from sale of publications and contract management fees.                                                                                                                                                                                                                                                                 | 1,460            | 1,385            |
| <b>Total</b>             |                                                                                                                                                                                                                                                                                                                                                | <b>13,557</b>    | <b>13,916</b>    |

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. It is the fixed price agreed with the customer for the majority of commercial contracts.

Income relating to customer contracts 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.

HSE applies the practical expedient available in IFRS 15.121(b) with regards to the transaction price allocated to the remaining performance obligations on the basis that HSE recognises revenue from contracts with customers in proportion to the amount due at the time it is due.

## 5 Property, plant and equipment

| 2024/25                                                 | Land         | Buildings     | Leasehold<br>improve-<br>ments | IT            | Motor<br>vehicles | Plant and<br>machinery | Furniture<br>and<br>fittings | Assets under<br>construction | Total          |
|---------------------------------------------------------|--------------|---------------|--------------------------------|---------------|-------------------|------------------------|------------------------------|------------------------------|----------------|
|                                                         | £'000        | £'000         | £'000                          | £'000         | £'000             | £'000                  | £'000                        | £'000                        | £'000          |
| Cost or valuation<br>opening balance at<br>1 April 2024 | 3 878        | 81 343        | 10 302                         | 14 843        | 1 035             | 19 262                 | 8 059                        | 1 877                        | 140 599        |
| Reclassifications<br>and transfers                      | -            | ( 101)        | ( 98)                          | 101           | -                 | 1 262                  | -                            | (1 164)                      | -              |
| Additions                                               | -            | 361           | ( 21)                          | 1 227         | 95                | 2 076                  | -                            | 1 182                        | 4 920          |
| Revaluations                                            | 2 455        | (3 624)       | -                              | -             | -                 | ( 860)                 | -                            | -                            | (2 029)        |
| Disposals                                               | -            | ( 83)         | (1 050)                        | (2 593)       | ( 238)            | ( 474)                 | ( 184)                       | -                            | (4 622)        |
| <b>Balance at<br/>31 March 2025</b>                     | <b>6 333</b> | <b>77 896</b> | <b>9 133</b>                   | <b>13 578</b> | <b>892</b>        | <b>21 266</b>          | <b>7 875</b>                 | <b>1 895</b>                 | <b>138 868</b> |
| Depreciation<br>opening balance at<br>1 April 2024      | -            | 2 010         | 8 084                          | 8 552         | 761               | 14 764                 | 5 531                        | -                            | 39 702         |
| Reclassifications<br>and transfers                      | -            | 3             | ( 3)                           | -             | -                 | -                      | -                            | -                            | -              |
| Charge                                                  | -            | 2 330         | 414                            | 1 787         | 72                | 1 043                  | 536                          | -                            | 6 182          |
| Revaluations                                            | -            | (4 304)       | -                              | -             | -                 | (1 094)                | -                            | -                            | (5 398)        |
| Disposals                                               | -            | ( 11)         | (1 050)                        | (2 593)       | ( 181)            | ( 473)                 | ( 200)                       | -                            | (4 508)        |
| <b>Balance at<br/>31 March 2025</b>                     | <b>-</b>     | <b>28</b>     | <b>7 445</b>                   | <b>7 746</b>  | <b>652</b>        | <b>14 240</b>          | <b>5 867</b>                 | <b>-</b>                     | <b>35 978</b>  |
| Net book value at<br>31 March 2025                      | 6 333        | 77 868        | 1 688                          | 5 832         | 240               | 7 026                  | 2 008                        | 1 895                        | 102 890        |
| Asset financing                                         |              |               |                                |               |                   |                        |                              |                              |                |
| Owned                                                   | 6 333        | 7 929         | 1 688                          | 5 832         | 240               | 7 026                  | 1 049                        | 1 895                        | 31 992         |
| On-Statement of<br>Financial Position<br>PFI contracts  | -            | 69 939        | -                              | -             | -                 | -                      | 959                          | -                            | 70 898         |
| <b>Net book value at<br/>31 March 2025</b>              | <b>6 333</b> | <b>77 868</b> | <b>1 688</b>                   | <b>5 832</b>  | <b>240</b>        | <b>7 026</b>           | <b>2 008</b>                 | <b>1 895</b>                 | <b>102 890</b> |

During 2024/25, HSE purchased assets which cost £1.8 million using a Research and Innovation Organisations Infrastructure Fund. This was administered by the Department of Science, Innovation and Technology (DSIT)

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 existing use valuation of Redgrave Court is £10 million (£8.3 million 2023/24) at the latest full revaluation completed by BNP Paribas Real Estate UK at 31 March 2025. 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.

NPS Property Consultants Ltd provide HSE with a professional and independent valuation service. They carried out a full valuation of the PFI building at the Buxton Laboratory site as at 31 March 2025. The valuation was based on a depreciated replacement cost (DRC) basis and provides a value of £60.3 million (£63.3 million 2023/24) 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.

| Building                             | Last full revaluation date and professional valuation service |
|--------------------------------------|---------------------------------------------------------------|
| Redgrave Court, Bootle               | 31 March 2025 – BNP Paribas Real Estate UK                    |
| Health and Safety Laboratory, Buxton | 31 March 2025 – NPS Property Consultants Ltd                  |

| 2023/24                                           | Land         | buildings     | Leasehold improvements | Information technology | Motor vehicles | Plant and machinery | Furniture and fittings | Assets under construction | Total          |
|---------------------------------------------------|--------------|---------------|------------------------|------------------------|----------------|---------------------|------------------------|---------------------------|----------------|
|                                                   | £'000        | £'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</b>              | <b>140 599</b> |
| Depreciation opening balance 31 April 2023        | -            | 1 538         | 7 659                  | 9 274                  | 739            | 18 884              | 5 412                  | -                         | 43 506         |
| 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)        |
| Accumulated depreciation at 31 March 2024         |              | 2 010         | 8 084                  | 8 552                  | 761            | 14 764              | 5 531                  | -                         | 39 702         |
| <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</b>              | <b>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</b>              | <b>100 897</b> |

## 6 Intangible assets

Intangible assets comprise purchased software licences, development costs for websites that deliver services and internally developed software.

| 2024/25                                | Websites   | Purchased software licences | Internally developed software | Assets under development | Total         |
|----------------------------------------|------------|-----------------------------|-------------------------------|--------------------------|---------------|
|                                        | £'000      | £'000                       | £'000                         | £'000                    | £'000         |
| Cost or valuation at 1 April 2024      | 801        | 3 761                       | 6 642                         | 1 643                    | 12 847        |
| Reclassifications and transfers        | -          | -                           | (229)                         | 229                      | -             |
| Additions in year                      | -          | 5                           | (3)                           | 1 190                    | 1 192         |
| Revaluations                           |            |                             | 424                           |                          | 424           |
| Impairments                            |            | -                           |                               | -                        | -             |
| Disposals                              | (540)      | (1 178)                     |                               | -                        | (1 718)       |
| <b>Cost at 31 March 2025</b>           | <b>261</b> | <b>2 588</b>                | <b>6 834</b>                  | <b>3 062</b>             | <b>12 745</b> |
| Amortisation at 1 April 2024           | 756        | 3 689                       | 774                           |                          | 5 219         |
| Charge in year                         | 45         | 77                          | 895                           |                          | 1 017         |
| Revaluations                           |            |                             | 98                            |                          | 98            |
| Disposals                              | (540)      | (1 178)                     |                               |                          | (1 718)       |
| <b>Amortisation at 31 March 2025</b>   | <b>261</b> | <b>2 588</b>                | <b>1 767</b>                  | <b>-</b>                 | <b>4 616</b>  |
| <b>Net book value at 31 March 2025</b> | <b>-</b>   | <b>-</b>                    | <b>5 067</b>                  | <b>3 062</b>             | <b>8 129</b>  |

| 2023/24                                          | Websites   | Purchased software | Internally developed digital systems | Payments on account and assets under development | Total         |
|--------------------------------------------------|------------|--------------------|--------------------------------------|--------------------------------------------------|---------------|
|                                                  | £'000      | £'000              | £'000                                | £'000                                            | £'000         |
| <b>Cost or valuation at 1 April 2023</b>         | <b>711</b> | <b>4 164</b>       | <b>526</b>                           | <b>817</b>                                       | <b>6 218</b>  |
| 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>  |

## 7 Leases

### 7a Right-of-use assets

| 2024/25                                                  | Buildings<br>£'000 |
|----------------------------------------------------------|--------------------|
| <b>Cost balance at 1 April 2024</b>                      | <b>21 737</b>      |
| Additions in year                                        | 2 075              |
| Revaluations in year                                     | -                  |
| Disposals in a year                                      | (735)              |
| <b>Cost balance at 31 March 2025</b>                     | <b>23 077</b>      |
| <b>Amortisation balance at 1 April 2024</b>              | <b>4 738</b>       |
| Charge in year                                           | 2 767              |
| Disposals in year                                        | (735)              |
| Revaluations in year                                     | -                  |
| <b>Accumulated amortisation balance at 31 March 2025</b> | <b>6 770</b>       |
| <b>Net book value at 31 March 2025</b>                   | <b>16 307</b>      |

### 7b Lease liabilities

|                                                               | 31 Mar 2025<br>£'000 | 31 Mar 2024<br>Restated*<br>£'000 |
|---------------------------------------------------------------|----------------------|-----------------------------------|
| <b>Gross liabilities</b>                                      |                      |                                   |
| Not later than one year                                       | 2 994                | 2 866                             |
| Later than one year and not later than 5 years                | 8 699                | 9 209                             |
| Later than 5 years                                            | 11 626               | 11 268                            |
| <b>Total gross liabilities</b>                                | <b>23 319</b>        | <b>23 343</b>                     |
| <b>Less: interest element</b>                                 | <b>(6 716)</b>       | <b>(5 447)</b>                    |
| <b>Present value of lease obligation</b>                      | <b>16 603</b>        | <b>17 896</b>                     |
| * Gross liabilities previously stated net of interest element |                      |                                   |

## 7c Rental income from sub-leases

As at 31 March 2025, HSE had granted leases for buildings with rental income expected to be received, which falls due as shown in the following table.

| Income from rental under operating leases for the following periods comprise: | 31 Mar<br>2025<br>£'000 | 31 Mar<br>2024<br>£'000 |
|-------------------------------------------------------------------------------|-------------------------|-------------------------|
| Not later than one year                                                       | 3 660                   | 7 691                   |
| Later than one year and not later than 5 years                                | 1 773                   | 5 723                   |
| Later than 5 years                                                            | -                       | -                       |
| <b>Total committed</b>                                                        | <b>5 433</b>            | <b>13 414</b>           |

## 8 Trade receivables and other current assets

|                                                                                                                                                                                                                                                                 | 2024/25<br>£'000 | 2023/24<br>£'000 |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------|------------------|
| <b>Amounts falling due within one year</b>                                                                                                                                                                                                                      |                  |                  |
| Trade receivables*                                                                                                                                                                                                                                              | 26,503           | 19,902           |
| Deposits and advances                                                                                                                                                                                                                                           | 255              | 420              |
| Accrued income                                                                                                                                                                                                                                                  | 38,340           | 26,013           |
| Prepayments                                                                                                                                                                                                                                                     | 5,006            | 3,655            |
| VAT                                                                                                                                                                                                                                                             | 3,263            | 6,002            |
| Other receivables                                                                                                                                                                                                                                               | 1,748            | 999              |
| <b>Total</b>                                                                                                                                                                                                                                                    | <b>75,115</b>    | <b>56,991</b>    |
| <b>Amounts falling due after more than one year</b>                                                                                                                                                                                                             |                  |                  |
| Trade receivables                                                                                                                                                                                                                                               | 2,704            | 2,106            |
| Deposits and advances                                                                                                                                                                                                                                           | -                | -                |
|                                                                                                                                                                                                                                                                 | 2,704            | 2,106            |
| <b>Total</b>                                                                                                                                                                                                                                                    | <b>77,819</b>    | <b>59,097</b>    |
| <p>* The trade receivables and accrued income balances at 31 March 2025 are stated net of expected future credit losses. These amount to £10,081k (31 March 2024 £10,001k) regarding trade receivables and £1,572k (31 March 2024 £765k) of accrued income.</p> |                  |                  |

### Contract assets

IFRS 15 Revenue from contracts with customers requires disclosure of contract assets (which are shown below) and contract liabilities (included 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 2025, the accrued income balance relating to commercial work where further work must be completed before we are able to invoice customers is £0.9 million (31 March 2024 £2.2 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:

| Recognised:          | 31 March 2025    |                     | 31 March 2024    |                     |
|----------------------|------------------|---------------------|------------------|---------------------|
|                      | Within<br>1 Year | More than<br>1 Year | Within<br>1 Year | More than<br>1 Year |
|                      | £'000            | £'000               | £'000            | £'000               |
| Commercial contracts | 1 492            | 73                  | 2 605            | 29                  |

## 9 Cash and cash equivalents

|                                                                                                                   | 2024/25<br>£'000 | 2023/24<br>£'000 |
|-------------------------------------------------------------------------------------------------------------------|------------------|------------------|
| Opening balance                                                                                                   | (84)             | 832              |
| Net change in cash and cash equivalent balances                                                                   | (670)            | (916)            |
| Closing balance*                                                                                                  | (754)            | (84)             |
| * The closing balance as at 31 March 2025 is an overdraft and is disclosed in note 10 – Trade and other payables. |                  |                  |

All cash is held within the Government Banking Service.

## 10 Trade and other payables

|                                                                                                                                                                                                                                          | 2024/25<br>£'000 | 2023/24<br>£'000 |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------|------------------|
| <b>Amounts falling due within one year</b>                                                                                                                                                                                               |                  |                  |
| Taxation and social security                                                                                                                                                                                                             | 3,765            | 3 426            |
| Pension contributions                                                                                                                                                                                                                    | 4,102            | 3 559            |
| Trade payables                                                                                                                                                                                                                           | 3,256            | 3 807            |
| Accrued expenses                                                                                                                                                                                                                         | 21,544           | 22 856           |
| Deferred income                                                                                                                                                                                                                          | 9,866            | 9 509            |
| Capital accruals                                                                                                                                                                                                                         | 770              | 2 637            |
| On-Statement of Financial Position PFI contracts                                                                                                                                                                                         | 9,200            | 8 598            |
| Lease obligations                                                                                                                                                                                                                        | 2,604            | 2,595            |
| Balance with Government Banking Service*                                                                                                                                                                                                 | 754              | 84               |
| Other payables                                                                                                                                                                                                                           | -                |                  |
|                                                                                                                                                                                                                                          | <b>55,861</b>    | <b>57 071</b>    |
| <b>Amounts falling due after more than one year</b>                                                                                                                                                                                      |                  |                  |
| Imputed finance lease element of on-Statement of Financial Position PFI contracts**                                                                                                                                                      | 124,023          | 127 225          |
| Lease obligations**                                                                                                                                                                                                                      | 13,999           | 15 301           |
| Other payables                                                                                                                                                                                                                           | (0)              | (0)              |
|                                                                                                                                                                                                                                          | <b>138,022</b>   | <b>142 526</b>   |
| <b>Total</b>                                                                                                                                                                                                                             | <b>193,883</b>   | <b>199 597</b>   |
| <p>* Represents an overdraft. Overdrafts occur due to timing differences between HSE payments made and drawdown of funding from sponsor department (DWP)</p> <p>** PFI and lease liabilities details can be found in notes 7b and 13</p> |                  |                  |

### Contract liabilities

IFRS 15 revenue from contracts with customers requires disclosure of contract assets included in note 8 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 £9.9 million (31 March 2024 £9.5 million).

## 11 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.

|                                            | 2024/25<br>£'000 | 2023/24<br>£'000 |
|--------------------------------------------|------------------|------------------|
| Balance at 1 April 2024                    | 887              | 989              |
| Provided in year                           | 127              |                  |
| Released in year                           |                  | (26)             |
| Utilised in year                           | (81)             | (76)             |
| Balance at 31 March 2025                   | 933              | 887              |
| <b>Expected timing of future payments:</b> |                  |                  |
| Falling due within one year                | 82               | 81               |
| Falling due after more than one year       | 851              | 806              |

## 12 Capital commitments

| Contracted commitments not otherwise included in these financial statements | 31 March 2025<br>£'000 | 31 March 2024<br>£'000 |
|-----------------------------------------------------------------------------|------------------------|------------------------|
| Property, plant and equipment                                               | 1 081                  | 2 864                  |
| Intangible assets                                                           | 352                    | 5 503                  |
| Total commitment                                                            | 1 433                  | 8 367                  |

## 13 Commitments under PFI contracts

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 £12.6 million (2023/24 £11.5 million) and the payments to which HSE is committed are as follows:

|                                                | 31 March 2025  | 31 March 2024  |
|------------------------------------------------|----------------|----------------|
|                                                | £'000          | £'000          |
| Not later than one year                        | 13 091         | 12 074         |
| Later than one year and not later than 5 years | 53 246         | 50 520         |
| Later than 5 years                             | 62 781         | 72 779         |
| <b>Total committed</b>                         | <b>129 118</b> | <b>135 373</b> |

### Total finance lease obligations under the On-Statement of Financial Position PFI contract

Total obligations for the following periods comprise:

| Gross liabilities                              | 31 March 2025  | 31 March 2024  |
|------------------------------------------------|----------------|----------------|
|                                                | £'000          | £'000          |
| Not later than one year                        | 9 842          | 9 192          |
| Later than one year and not later than 5 years | 46 022         | 41 288         |
| Later than 5 years                             | 87 500         | 95 620         |
| <b>Total committed</b>                         | <b>143 364</b> | <b>146 100</b> |
| Less interest element                          | (10 141)       | (10 277)       |
| <b>Present value of obligations</b>            | <b>133 223</b> | <b>135 823</b> |

| Present value of obligations                   | 31 March 2025  | 31 March 2024  |
|------------------------------------------------|----------------|----------------|
|                                                | £'000          | £'000          |
| Not later than one year                        | 9 200          | 8 598          |
| Later than one year and not later than 5 years | 43 112         | 38 654         |
| Later than 5 years                             | 80 911         | 88 571         |
| <b>Total present value of obligations</b>      | <b>133 223</b> | <b>135 823</b> |

## 14 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.

|                                                | 31 March 2025 | 31 March 2024 |
|------------------------------------------------|---------------|---------------|
|                                                | £'000         | £'000         |
| Not later than one year                        | 8 139         | 12 448        |
| Later than one year and not later than 5 years | 12 749        | 9 553         |
| Later than 5 years                             | 7 281         | 6 901         |
| <b>Total committed</b>                         | <b>28 169</b> | <b>28 902</b> |

## 15 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 Ministry of Housing, Communities and Local Government (MHCLG) 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 Adviser, is an Honorary Professor at University of Manchester, for which he receives no remuneration. During 2024/25, the University

of Manchester has delivered scientific research work on behalf of HSE, with a value of £385k. 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.

## 16 Contingent liabilities

HSE is defending a small number of claims which could result in a liability, none of which are considered to be material (either individually or cumulatively) to the financial statements.

## 17 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.

## 18 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 Committee approval. At 31 March 2025, the balance within the Gain Share account was £11k. As the funds cannot be used by HSE, this is a third-party asset which is not recognised within HSE's Statement of Financial Position.

## 19 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.

### Non-adjusting events

On 30 June 2025 the government announced a machinery of government change to move the functions of the Building Safety Regulator (BSR) out of HSE. HSE has determined that this is a non-adjusting subsequent event. Accordingly, the financial statements have not been adjusted.







ISBN 978-1-5286-6022-2



9 781528 660228

E03463760 11/25

ISBN 978-1-5286-6022-8