

# Health and Safety Executive Framework Document:

Non-departmental public body

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November 2025





## Non Departmental Public Body

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## Introduction and background

### 1. Purpose of document

- 1.1. This Framework Document (the “Framework Document”) has been agreed between the Department of Work and Pensions (DWP) and the Health and Safety Executive (HSE) in accordance with HM Treasury's handbook Managing Public Money (“MPM”) as updated from time to time and has been approved by HM Treasury.
- 1.2. The Framework Document sets out the broad governance framework within which the HSE and the DWP operate. It sets out the HSE's core responsibilities; describes the governance and accountability framework that applies between the roles of the DWP, HSE, and other relevant parties e.g. other government departments with a policy interest; and sets out how the day-to-day relationship works in practice, including in relation to governance and financial matters.
- 1.3. The document does not convey any legal powers or responsibilities but both parties agree to operate within its terms.
- 1.4. References to HSE include all its subsidiaries, and joint ventures that are classified to the public sector and central government for national accounts purposes. If HSE establishes a subsidiary or joint venture, there shall be a document setting out the arrangements between it and HSE agreed with DWP.
- 1.5. Copies of the document and any subsequent amendments have been placed in the Libraries of both Houses of Parliament and made available to members of the public on the HSE website.
- 1.6. This Framework document should be reviewed and updated at least every 3 years unless there are exceptional reasons that render this inappropriate that have been agreed with HM Treasury and the Principal Accounting Officer of DWP. The latest date for review and updating of this document is 2028.

### 2. Objectives

- 2.1 One of HSE's core strategic objectives is to reduce work-related ill-health, with a specific focus on mental health and stress; this is closely aligned to DWP's objective to reduce the barriers presented, by ill-health, to people working. HSE and the DWP will work together in recognition of each other's roles and areas of expertise, providing an effective environment for the HSE to achieve its objectives through the promotion of partnership and trust; whilst also ensuring that HSE supports the wider strategic aims and objectives of DWP and wider government.
- 2.2 HSE is the independent workplace regulator for Great Britain only; however, it liaises with and provides support to the Northern Ireland Executive and HSE Northern Ireland on occupational health and safety matters. In addition, The Building Safety Regulator (BSR), a part of the HSE, is the independent regulator for building safety – a role which covers

England only. Ministers announced in June 2025 that the BSR will be transferred to a new Arm's-length Body to sit under the Ministry of Housing, Communities and Local Government (MHCLG), with the transfer intended to occur in 2026.

2.3 As referenced above, HSE supports DWP's wider strategic aims by reducing work-related injury and ill-health, thereby helping people to remain in work and lead fuller working lives. HSE has an important role to play in improving health and wellbeing in the workplace. It also supports the strategic aims of other Government Departments, including the Department for Environment, Food and Rural Affairs activity in connection with the chemical industry, and the Devolved Administrations including:

- Delivering sustainable and secure energy to the UK;
- Helping people live better for longer and sustain their health;
- Helping people to stay and succeed in work;
- Protecting the environment;
- Encouraging growth; and
- Reducing the impact of regulation on businesses.

2.4 HSE's detailed strategic focus, which reflects its 10 year strategy (Protecting People and Places) is outlined in its annual business plans and also derived from engagement with DWP in relation to priorities; an examples of this would be the annual letter from the minister to the HSE chair, outlining the Minister's priorities for the year, or any similar advice.

### 3. Classification

3.1. The Health and Safety Executive has been classified by the Cabinet Office as a Non-Departmental Public Body.

## Purposes, aims and duties

### 4. Purposes

- 4.1. HSE is established under the provisions of the Health and Safety at Work etc. Act 1974 (HSWA), as amended. Its purposes are set out in section 10 of that Act.
- 4.2. HSE is also empowered, under the provisions of the Building Safety Act 2022, to undertake the role of the Building Safety Regulator. Its purposes in that context are set out in section Part 2 “The regulator and its functions” of that act.

### 5. Powers and duties

- 5.1. HSE’s primary functions, powers and duties stem from sections 11-14,16,18-19,26-27, 56 and 59 and Schedule 2 of the HSWA and subordinate legislation made under it.
- 5.2. HSE also exercises certain statutory powers and duties conferred on the Secretary of State, by virtue of agreements entered into under section 13(4) of HSWA. These agreements are listed on HSE’s website.
- 5.3. New primary legislation amending the HSWA is a matter for the DWP Secretary of State, or another Secretary of State in consultation with the DWP Secretary of State and Ministers; it is not within HSE’s specific statutory functions under the HSWA to propose it. Where changes to health and safety secondary legislation under HSWA are required, HSE does not have power to make its own legislation. Instead, HSE must submit proposals to the Secretary of State for the making of regulations under any of the relevant statutory provisions.
- 5.4. HSE’s primary statutory duties and functions are to:
- 5.5. Propose and set necessary standards for health and safety performance, including submitting proposals to the relevant Secretary of State for health and safety regulations and codes of practice;
- 5.6. Secure compliance with these standards, including making appropriate arrangements for enforcement;
- 5.7. Make such arrangements as it considers appropriate for the carrying out of research and for the publication of the results of research and for encouraging research by others;
- 5.8. Make such arrangements as it considers appropriate for the provision of an information and advisory service, ensuring relevant groups are kept informed of and adequately advised on matters related to health and safety; and
- 5.9. Provide Ministers on request with information and expert advice.



5.10. Under the provisions of the Building Safety Act 2022 HSE was named as the Building Safety Regulator (BSR). The BSR's powers to act as an independent regulator and its statutory purposes are as set out in Part 2 of the Building Safety Act 2022.

## 6. Aims

6.1. The Secretary of State for Work and Pensions (henceforth "the Secretary of State") has agreed HSE's strategic aims should be to:

6.2. Lead and engage with others to improve health and safety in the workplace;

6.3. Provide an effective regulatory framework;

6.4. Secure effective management and control of risk;

6.5. Reduce the likelihood of low frequency, high-impact catastrophic incidents; and

6.6. Manage its resources efficiently and effectively.

6.7. HSE's strategic aims "Protecting People and Places" are set out in its Business Plan as well as its Annual Reports and Accounts.

6.8. In addition, HSE as the BSR has agreed with the Secretary of State, and the Secretary of State for MHCLG that its strategic aims should be:

6.9. make sure residents of higher-risk buildings are safe and feel safe where they live

6.10. improve the safety and standards of all buildings

6.11. establish a unified building control profession

6.12. help restore trust in the built environment industry

## Governance and accountability

### 7. Governance and accountability

7.1. HSE shall operate corporate governance arrangements that, so far as practicable and in the light of the other provisions of this framework document or as otherwise may be mutually agreed, accord with good corporate governance practice and applicable regulatory requirements and expectations.

7.2. In particular (but without limitation), HSE should:

- comply with the principles and provisions of the Corporate Governance in Central Government Departments Code of Good Practice<sup>1</sup> (as amended and updated from time to time) to the extent appropriate and in line with their statutory duties or specify and explain any non-compliance in its annual report
- comply with MPM
- in line with MPM have regard to the relevant Functional Standards<sup>2</sup> as appropriate and in particular those concerning Finance, Commercial and Counter Fraud
- take into account the codes of good practice and guidance set out in Annex A of this framework document, as they apply to ALBs

7.3. In line with MPM Annex 3.1 HSE shall provide an account of corporate governance in its annual governance statement including the Board's assessment of its compliance with the Code with explanations of any material departures. To the extent that HSE does intend to materially depart from the Code, the sponsor should be notified in advance.

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<sup>1</sup> <https://www.gov.uk/government/publications/corporate-governance-code-for-central-government-departments-2017>

<sup>2</sup> <https://www.gov.uk/government/collections/functional-standards>

## **Role of the department**

### **8. The responsible Minister**

8.1. The Secretary of State will account for HSE on all matters concerning HSE in Parliament. The Secretary of State has empowered a DWP Minister to act on their behalf in relation to HSE and to account for HSE on all matters concerning HSE in Parliament.

8.2. The Secretary of State's statutory powers in respect of the HSE are set out in the HSWA, sections 12 & 15 and Schedule 2.

8.3. These are:

- Approve HSE proposals for health and safety regulations, with or without modifications, before making them and laying them before Parliament;
- Make health and safety regulations independently of HSE proposals, having consulted HSE and other relevant bodies;
- Give or withhold consent to Approved Codes of Practice, which HSE proposes to approve and issue;
- Direct HSE in relation to its functions and in the interests of safety.

However, this power cannot be used for:

- An intervention in any particular enforcement case; and
- Conferring new functions on HSE.

8.4. The Secretary of State for Ministry of Housing, Communities and Local Government will have common responsibility with the DWP Secretary of State, ensuring BSR is properly positioned to provide its function. This is set out in the DWP MHCLG MOU. The Secretary of State has empowered MHCLG ministers to act on their behalf in relation to BSR and to account for BSR on all matters concerning BSR in Parliament.

### **Appointments to the Board**

8.5. The Executive may, with the consent of the Secretary of State, as per schedule 2 of the HSWA, appoint the Chief Executive Officer.

8.6. The Minister shall have the following appointment and approval rights in relation to HSE's Board:

- The HSE Chair is appointed by the Secretary of State under schedule 2 of the HSWA.
- Non-executive Members are appointed by the Secretary of State under schedule 2 of HSWA. This appointment is subject to the Public

Appointments Order in Council and as such must comply with the Governance Code on Public Appointments.

- All such appointments should have regard to the principle that appointments should reflect the diversity of the society in which we live, and appointments should be made taking account of the need to appoint boards which include a balance of skills and backgrounds.
- In appointing Board members, in line with the provisions of Schedule 2 HSWA 1974, relevant bodies representing employers, employees or local authorities will be consulted; the devolved administrations and bodies representing other relevant groups may also be consulted where relevant. HSE Board members appointed after such consultation have a role in maintaining links with the relevant stakeholders.

8.7 The HSE Chair and Board members' terms of appointment and terms and conditions are set out in their terms of appointment.

8.8 The HSE Board appoints the HSE CE, with the consent of and on terms and conditions determined by the Secretary of State.

8.9 The HSE CEO is a civil servant employed by HSE and is part of the Senior Civil Service. At all times they are subject to the prevailing rules that govern the conduct of Civil Servants or that determine the propriety of action which Civil Servants may take, including "The Civil Service Code" and any central guidance that may from time to time be issued by DWP, HMT and the Cabinet Office.

### **Other Ministerial powers and responsibilities**

8.10 The Minister is also responsible for:

- the policy framework within which HSE operates
- setting the performance framework within which HSE will operate including approving HSE's Strategy and Annual Business Plan
- matters regarding spending approvals, acquisitions, disposals, and joint ventures in line with delegations as set out in the delegation letter
- such other matters as may be appropriate and proportionate

## **9 The Principal Accounting Officer**

9.1 The Principal Accounting Officer (PAO) is the Permanent Secretary of the department.

### **PAO's specific accountabilities and responsibilities**

9.2 The PAO of DWP designates the Chief Executive as the HSE Accounting Officer (AO) and ensures that they are fully aware of their responsibilities. The PAO issues a letter appointing the AO, setting out their responsibilities and delegated authorities.

9.3 The respective responsibilities of the PAO and AOs for ALBs are set out in Chapter 3 of Managing Public Money (MPM).

9.4 The PAO is accountable to Parliament for the issue of any grant-in-aid to HSE.

9.5 The PAO is also responsible, usually via the sponsorship team, for advising the responsible Minister on:

- an appropriate framework of objectives and targets for HSE in the light of the department's wider strategic aims and priorities
- an appropriate budget for HSE in the light of the sponsor department's overall public expenditure priorities
- how well the ALB is achieving its strategic objectives and whether it is delivering value for money
- the exercise of the Ministers' statutory responsibilities concerning the HSE as outlined above

9.6 The PAO via the sponsorship team is also responsible for ensuring arrangements are in place in order to:

- monitor the ALB's activities and performance
- address significant problems in the ALB, making such interventions as are judged necessary
- periodically and at such frequency as is proportionate to the level of risk carry out an assessment of the risks both to the department and the ALB's objectives and activities in line with the wider departmental risk assessment process
- inform the ALB of relevant government policy in a timely manner
- bring ministerial or departmental concerns about the activities of the ALB to the full HSE board, and, as appropriate to the departmental Board, requiring explanations and assurances that appropriate action has been taken

## 10 The role of the sponsorship team

10.1 The ALB Partnership Division in the Department (ALBPD) is the primary contact for HSE. The responsible Senior Civil Servant for this relationship is Head of ALBPD. They are the main source of advice to the Responsible Minister on the discharge of his or her responsibilities in respect of HSE. They also support the PAO on his or her responsibilities toward HSE.

10.2 Officials of the ALB Partnership Division in DWP will liaise regularly with HSE officials to review performance against plans, achievement against targets and expenditure against its DEL and AME allocations. The team will also take the opportunity to explain wider policy developments that might have an impact on HSE.

10.3 The ALB Partnership Division's core responsibilities include:

10.4 Advising Ministers on the strategic direction and funding of HSE in the context of wider Departmental and cross-governmental objectives, alerting and consulting HSE when policies are being developed that may impact on HSE;

10.5 Holding HSE to account for delivery of its objectives and monitoring compliance with this framework document and other relevant Government controls;

- 10.6 Keeping the PAO informed about HSE activity and compliance;
- 10.7 Managing the day-to-day relationship with HSE and promoting an open and transparent working relationship,
- 10.8 Supporting HSE to advise Ministers on health and safety, and to feed operational insight into relevant Government policies, and acting as an advocate for HSE within DWP and wider Whitehall;
- 10.9 Managing the appointment of Board members, including the Chair, on behalf of the Minister, working with the Chair to maintain a Board that has the background required by Statute and skills needed to deliver HSE's functions;
- 10.10 Securing the Secretary of State's approval for appointment of HSE Board members and agreement of remuneration arrangements and terms and conditions of the appointments;
- 10.11 Arranging the annual appraisal of the performance of the HSE Chair with DWP Permanent Secretary and obtaining assurance that annual performance appraisal of Board Members is carried out;
- 10.12 Holding and chairing formal Partnership Board Quarterly Accountability Review meetings (QAR) between DWP and HSE;
- 10.13 Supporting HSE with the publication of corporate documentation including the Annual Report and Accounts, Business Plan and Strategy, including gaining DWP approvals;
- 10.14 Providing HSE with relevant directions, guidance and updates from HM Treasury and Cabinet Office as required
- 10.15 Establishing and maintaining an effective working relationship with HSE and fulfilling its role as set out in this Framework Document and the principles contained in "Partnerships between Departments and Arm's Length Bodies: Code of Good Practice."
- 10.16 DWP and HSE will complete any Annual Assurance Assessment or equivalent commission to establish the effectiveness of the partnership arrangements and assess the levels of risk and opportunity that HSE presents to DWP across a suite of risk categories.

## 11 Resolution of disputes between HSE and department

- 11.1 Any disputes between the DWP and HSE will be resolved in as timely a manner as possible. The DWP and HSE will seek to resolve any disputes through an informal process in the first instance. If this is not possible, then a formal process, overseen by the DWP ALB Partnership Division Deputy Director, will be used to resolve the issue. Failing this, the DWP ALB Partnership Division Deputy Director will ask the relevant policy Director General to oversee the dispute. They may then choose to ask the Permanent Secretary to nominate a non-executive member of the Department's Board to review the dispute, mediate with both sides and reach an outcome, in consultation with the Secretary of State.

## 12 Freedom of Information requests

- 12.1 Where a request for information is received by either party under the Freedom of Information Act 2000, or the Data Protection Act 1998 or 2018, the party receiving the request will consult with the other party prior to any disclosure of information that may affect the other party's responsibilities.
- 12.2 HSE is a public authority in its own right for the purposes of the Freedom of Information Act (FOIA) and the Environmental Information Regulations (EIR). It will maintain its own publication scheme and ensure that the public can, on request, be given access to information, in accordance with these statutory obligations and respond to the Information Commissioner where appropriate.
- 12.3 HSE will manage official records as required by the Public Records Act (PRA) and will also comply with the Re-use of Public Sector Information Regulations (RPSIR).
- 12.4 HSE will maintain its data sets on the data.gov.uk website and contribute further datasets, as appropriate, to the National Information Infrastructure hosted on that site. HSE will include transparency information on its website and in its Annual Report, as required by relevant guidance.

## Public comments, complaints and Ministerial correspondence

- 12.5 HSE will handle comments, suggestions and complaints in accordance with its clear procedure and in line with the Parliamentary and Health Service Ombudsman's "Principles of Good Complaint Handling". HSE will publish guidance on submitting complaints to it on its website.
- 12.6 HSE will respond to letters on behalf of Ministers or provide information for a Minister to include in a Ministerial response, where the issue raised means that it is appropriate for it to do so. HSE will liaise with the DWP Correspondence team to manage such requests.

## 13 Reporting on legal risk and litigation

- 13.1 HSE shall provide a Monthly update to the sponsor on the existence of any active litigation and any threatened or reasonably anticipated litigation. This may include proceedings brought against HSE or where HSE is the applicant within public law proceedings. It will not include cases where HSE is acting as prosecuting authority. The parties acknowledge the importance of ensuring that legal risks are communicated appropriately to the sponsor in a timely manner.
- 13.2 In respect of each substantial piece of litigation involving HSE, the parties will agree a litigation protocol which will include specific provisions to ensure appropriate and timely reporting on the status of the litigation and the protection of legally privileged information transmitted to the ALB Partnership Division to facilitate this. Until such time as a protocol is agreed, the parties will ensure that:
- 13.3 material developments in the litigation are communicated to DWP in an appropriate and timely manner;

- 13.4 legally privileged documents and information are clearly marked as such;
- 13.5 individual employees handling the legally privileged documents are familiar with principles to which they must adhere to protect legal privilege; and
- 13.6 circulation of privileged information within government occurs only as necessary.



## **HSE governance structure**

### **14 The Chief Executive**

#### **Responsibilities of the ALB's chief executive as accounting officer**

14.1 The Chief Executive, as Accounting Officer, is personally responsible for safeguarding the public funds for which they have charge; for ensuring propriety, regularity, value for money and feasibility in the handling of those public funds; and for the day-to-day operations and management of HSE. In addition, they should ensure that the HSE as a whole is run on the basis of the standards, in terms of governance, decision-making and financial management, that are set out in Box 3.1 of MPM. These responsibilities include the below and those that are set in the Accounting Officer appointment letter issued by the Principal Accounting Officer of DWP.

#### **Responsibilities for accounting to Parliament and the public**

14.2 Responsibilities to Parliament and the public include:

- signing the accounts and ensuring that proper records are kept relating to the accounts and that the accounts are properly prepared and presented in accordance with any directions issued by the Secretary of State
- preparing and signing a Governance Statement covering corporate governance, risk management and oversight of any local responsibilities, for inclusion in the annual report and accounts
- ensuring that effective procedures for handling complaints about the ALB in accordance with Parliamentary and Health Service Ombudsman's Principles of Good Complaint Handling are established and made widely known within the ALB and published on HSE's website
- acting in accordance with the terms of MPM and other instructions and guidance issued from time to time by the department, the Treasury and the Cabinet Office
- ensuring that as part of the above compliance they are familiar with and act in accordance with:
  - any governing legislation
  - this framework document
  - any delegation letter issued to body as set out in paragraph 18.1
  - any elements of any settlement letter issued to the sponsor department that is relevant to the operation of HSE
  - any separate settlement letter that is issued to HSE from the sponsor department
- ensuring they have appropriate internal mechanisms for monitoring, governance and external reporting regarding non-compliance with any conditions arising from the above documents
- giving evidence, normally with the PAO, when summoned before the PAC on HSE's stewardship of public funds

#### **Responsibilities to DWP ALB Partnership Team**

#### 14.3 Responsibilities to DWP ALB Partnership Team include:

- establishing, in agreement with the department, HSE's strategy and business plans in the light of the department's wider strategic aims and agreed priorities
- informing the department of progress in helping to achieve the department's policy objectives and in demonstrating how resources are being used to achieve those objectives
- ensuring that timely forecasts and monitoring information on performance and finance are provided to the department; that the department is notified promptly if over or under spends are likely and that corrective action is taken; and that any significant problems whether financial or otherwise, and whether detected by internal audit or by other means, are notified to the department in a timely fashion

### **Responsibilities to the Board**

#### 14.4 The Chief Executive is responsible for:

- advising the Board on the discharge of their responsibilities as set out in this document, in the founding legislation and in any other relevant instructions and guidance that may be issued from time to time
- advising the Board on HSE's performance compared with its aim[s] and objectives
- ensuring that financial considerations are taken fully into account by the Board at all stages in reaching and executing its decisions, and that financial appraisal techniques are followed
- Taking action as set out in HMT's "Managing Public Money" if the Board, or the Board Chair, is contemplating a course of action involving a transaction which the CE considers:
  - Would infringe the requirements of propriety or regularity; or
  - Does not represent prudent or economical administration, efficiency or effectiveness; or
  - Is of questionable feasibility; or is unethical.

### **Managing conflicts**

14.5 The Chief Executive should follow the advice and direction of the Board, except in very exceptional circumstances with a clear cut and transparent rationale for not doing so.

14.6 If the Board, or its chairperson, is contemplating a course of action involving a transaction which the Chief Executive considers would infringe the requirements of propriety or regularity or does not represent prudent or economical administration, efficiency or effectiveness, is of questionable feasibility, or is unethical the chief executive in their role as AO should reject that course of action and ensure that the Board have a full opportunity to discuss the rationale for that rejection.

14.7 Such conflicts should be brought to the attention of the PAO and the responsible Minister as soon as possible.

14.8 Furthermore, and if agreed with the responsible Minister, the AO must write a letter of justification to the chair of the Board setting out the rationale for not following the advice and recommendation of the board and copy that letter to the Treasury Officer of Accounts.

14.9 If the responsible Minister agrees with the proposed course of action of the Board it may be appropriate for the Minister to direct the AO in the manner as set out in Managing Public Money (MPM) paragraph 3.6.6 onwards.

## **15 The Board**

### **Composition of the Board**

15.1 The Board is the Executive for the purposes of the HSWA 1974. It is established by section 10 and constituted in line with the provisions of Schedule 2. Its functions and powers are defined in sections 11 - 14 of the Act. The Board will act in line with good standards of corporate governance and as set out in its establishing statute and in guidance as set out in Annex A. The role of the Board shall be to run the HSE, and to deliver the objectives, in accordance with the purposes as set out above, their statutory, regulatory, common-law duties and their responsibilities under this framework document. Detailed responsibilities of the board shall be set out in the Board terms of reference. Remuneration of the Board will be disclosed in line with the guidance in the Government Financial Reporting manual (FReM).

15.2 The Board will consist of a chair, and those additional non-executive members as specified in HSWA 1974.

### **Board Committees**

15.3 The Board may establish such committees as necessary for it to fulfil its functions. As is detailed below at a minimum this should include an Audit and Risk Committee chaired by an independent and appropriately qualified non-executive member of the Board.

15.4 While the Board may make use of committees, it retains responsibility for, and endorses, final decisions in all areas for which it is responsible. The Chair should ensure that sufficient time is allowed at the board for committees to report on the nature and content of discussion, on recommendations, and on actions to be taken.

15.5 Where there is disagreement between the relevant committee and the Board, adequate time should be made available for discussion of the issue with a view to resolving the disagreement. Where any such disagreement cannot be resolved, the committee concerned should have the right to report the issue to DWP ALB Partnership team, Principal Accounting Officer (PAO) and responsible Minister. They may also seek to ensure the disagreement or concern is reflected as part of the report on its activities in the annual report.

15.6 The Chair should ensure board committees are properly structured with appropriate terms of reference. The terms of each committee should set out its responsibilities and the authority delegated to it by the Board. The Chair

should ensure that committee membership is periodically refreshed and that individual independent non-executive directors are not over-burdened when deciding the chairs and membership of committees.

## **Duties of the Board**

15.7 The Board is specifically responsible for:

- establishing and taking forward the strategic aims and objectives of HSE, consistent with its overall strategic direction and within the policy and resources framework determined by the Secretary of State
- providing effective leadership of HSE within a framework of prudent and effective controls which enables risk to be assessed and managed
- ensuring the financial and human resources are in place for the HSE to meet its objectives
- reviewing management performance
- ensuring that the Board receives and reviews regular financial and management information concerning the management of HSE
- ensuring that it is kept informed of any changes which are likely to impact on the strategic direction of the HSE Board or on the attainability of its targets, and determining the steps needed to deal with such changes and where appropriate bringing such matters to the attention of the responsible Minister and PAO via the executive team, sponsorship team or directly
- ensuring that any statutory or administrative requirements for the use of public funds are complied with; that the Board operates within the limits of its statutory authority and any delegated authority agreed with the sponsor department, and in accordance with any other conditions relating to the use of public funds
- ensuring that in reaching decisions, the Board takes into account guidance issued by the sponsor department
- ensuring that as part of the above compliance they are familiar with:
  - this framework document,
  - any delegation letter issued to body as set out in paragraph 18.1
  - any elements of any settlement letter issued to the sponsor department that is relevant to the operation of HSE
  - any separate settlement letter that is issued to HSE from the sponsor department
  - that they have appropriate internal mechanisms for the monitoring, governance and external reporting regarding any conditions arising from the above documents and ensure that the chief executive and HSE as a whole act in accordance with their obligations under the above documents
- demonstrating high standards of corporate governance at all times, including by using the independent audit committee to help the board to address key financial and other risks
- unless the establishing legislation provides for other arrangements appointing with the responsible Minister's

approval a Chief Executive and, in consultation with the department, set performance objectives and remuneration terms linked to these objectives for the Chief Executive which give due weight to the proper management and use and utilization of public resources

- putting in place mechanisms for independent appraisal and annual evaluation of the performance of the chairperson by the independent non-executives, taking into account the views of relevant stakeholders. The outcome of that evaluation should be made available to the responsible Minister.
- determining all such other things which the Board considers ancillary or conducive to the attainment or fulfilment by HSE of its objectives

15.8 The Board should ensure that effective arrangements are in place to provide assurance on risk management, governance and internal control.

15.9 The Board should make a strategic choice about the style, shape and quality of risk management and should lead the assessment and management of opportunity and risk. The Board should ensure that effective arrangements are in place to provide assurance over the design and operation of risk management, governance and internal control in line with the Management of Risk – Principles and Concepts (The Orange Book)<sup>3</sup>.

15.10 The Board must set up an Audit and Risk Assurance Committee chaired by an independent and appropriately qualified non-executive member to provide independent advice and ensure that the department's Audit and Risk Assurance Committee are provided with routine assurances with escalation of any significant limitations or concerns. The Board is expected to assure itself of the adequacy and effectiveness of the risk management framework and the operation of internal control.

## 16 The Chair's role and responsibilities

16.1 The Chair is responsible for leading the board in the delivery of its responsibilities. Such responsibility should be exercised in the light of their duties and responsibilities as set out in their terms of engagement and appointment letter, the priorities in the chair's letter issued to them by the sponsor team, the statutory authority governing HSE, this document and the documents and guidance referred to within this document.

16.2 Communications between HSE's Board and the responsible Minister should normally be through the Chair.

16.3 The chair is bound by the Code of Conduct for Board Members of Public Bodies<sup>4</sup>, which covers conduct in the role and includes the Nolan Principles of Public Life<sup>5</sup>.

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<sup>3</sup> <https://www.gov.uk/government/publications/orange-book>

<sup>4</sup> <https://www.gov.uk/government/publications/code-of-conduct-for-board-members-of-public-bodies>

<sup>5</sup> <https://www.gov.uk/government/publications/the-7-principles-of-public-life>

16.4 In addition, the Chair is responsible for:

- ensuring including by monitoring and engaging with appropriate governance arrangements that HSE's affairs are conducted with probity
- ensuring that policies and actions support the responsible Minister's and where relevant other Ministers' wider strategic policies and where appropriate, these policies and actions should be clearly communicated and disseminated throughout HSE.

16.5 The Chair has the following leadership responsibilities:

- formulating the Board's strategy
- ensuring that the Board, in reaching decisions, takes proper account of guidance provided by the responsible Minister or the department
- promoting the efficient and effective use of staff and other resources
- delivering high standards of regularity and propriety
- representing the views of the board to the general public

16.6 The Chair also has an obligation to ensure that:

- the work of the Board and its members are reviewed and are working effectively including ongoing assessment of the performance of individual board members with a formal annual evaluation and more in-depth assessments of the performance of individual board members when being considered for re-appointment
- that in conducting assessments that the view of relevant stakeholders including employees and the sponsorship team are sought and considered
- that the Board has a balance of skills appropriate to directing HSE's business, within the limitations of its statutory composition under HSWA, and that all directors including the Chair and Chief Executive continually update their skills, knowledge and familiarity with HSE to fulfil their role both on the Board and committees. This will include but not be limited to skills and training in relation to financial management and reporting requirements, risk management and the requirements of board membership within the public sector
- board members are fully briefed on terms of appointment, duties, rights and responsibilities
- they, together with the other board members, receives appropriate training on financial management and reporting requirements and on any differences that may exist between private and public sector practice
- the responsible Minister and ALB Partnership Division is advised promptly of HSE needs, including around skills and experience, when board vacancies arise
- there is a Board Operating Framework in place setting out the role and responsibilities of the board consistent with the Government Code of Good Practice for Corporate Governance

- there is a code of practice for board members in place, consistent with the Cabinet Office Code of Conduct for Board Members of Public Bodies

## 17 Individual board members' responsibilities

### 17.1 Individual board members should:

- comply at all times with the Code of Conduct for Board Members of Public Bodies, which covers conduct in the role and includes the Nolan Principles of Public Life as well as rules relating to the use of public funds and to conflicts of interest
- demonstrate adherence to the 12 Principles of Governance for all Public Body Non-Executive Directors as appropriate<sup>6</sup>
- not misuse information gained in the course of their public service for personal gain or for political profit, nor seek to use the opportunity of public service to promote their private interests or those of connected persons or organisations
- comply with the Board's rules on the acceptance of gifts and hospitality, and of business appointments
- act in good faith and in the best interests of HSE
- ensure they are familiar with any applicable guidance on the role of public sector non-executive directors and boards that may be issued from time to time by the Cabinet Office, HM Treasury or wider government

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<sup>6</sup> <https://www.gov.uk/government/publications/public-bodies-non-executive-director-principles/12-principles-of-governance-for-all-public-body-neds>



## **Management and financial responsibilities and controls**

### **18 Delegated authorities**

18.1 HSE's delegated authorities are set out in the formal letter of delegation (attached to this framework document), which may be updated and superseded, from time to time, by later versions issued by the sponsor department in agreement with HM Treasury.

18.2 In line with MPM Annex 2.2 these delegations will be reviewed on an annual basis.

18.3 HSE shall obtain the department's and where appropriate HM Treasury's prior written approval before:

- entering into any undertaking to incur any expenditure that falls outside the delegations or which is not provided for in the ALB's annual budget as approved by the department
- incurring expenditure for any purpose that is or might be considered novel or contentious, or which has or could have significant future cost implications
- making any significant change in the scale of operation or funding of any initiative or particular scheme previously approved by the department
- making any change of policy or practice which has wider financial implications that might prove repercussive or which might significantly affect the future level of resources required
- carrying out policies that go against the principles, rules, guidance and advice in MPM

### **19 Spending authority**

19.1 Once the budget has been approved by DWP and subject to any restrictions imposed by statute, the responsible Minister's instructions, this document, HM Treasury settlement or delegation letters, HSE shall have authority to incur expenditure approved in the budget without further reference to the DWP, on the following conditions:

- HSE shall comply with the delegations set out in the delegation letter. These delegations shall not be altered without the prior agreement of the sponsor department and as agreed by HM Treasury and Cabinet Office as appropriate
- the ALB shall comply with MPM regarding novel, contentious or repercussive proposals
- inclusion of any planned and approved expenditure in the budget shall not remove the need to seek formal departmental approval where any proposed expenditure is outside the delegated limits or is for new schemes not previously agreed
- HSE shall provide DWP with such information about its operations, performance, individual projects or other expenditure as DWP may reasonably require.



## 20 Banking and managing cash

- 20.1 HSE must maximise the use of publicly procured banking services (accounts with central government commercial banks managed centrally by Government Banking).
- 20.2 HSE should only hold money outside Government Banking Service accounts where a good business case can be made for doing so and HM Treasury consent is required for each account to be established. Only commercial banks which are members of relevant UK clearing bodies may be considered for this purpose.
- 20.3 Commercial accounts where approved should be operated in line with the principles as set out in MPM.
- 20.4 The AO is responsible for ensuring HSE has a banking policy as set out in MPM and ensuring that policy is complied with.

## 21 Procurement

- 21.1 HSE shall ensure that its procurement policies are aligned with and comply with any relevant UK or other international procurement rules and in particular the Public Contracts Regulations 2015.
- 21.2 HSE shall establish its procurement policies and document these in a Procurement Policy and Procedures Manual.
- 21.3 In procurement cases where HSE is likely to exceed its delegated authority limit, procurement strategy approval for the specific planned purchase must be sought from the department's sponsor team.
- 21.4 Goods, services, and works should be acquired by competition. Proposals to let single-tender or restricted contracts shall be limited and exceptional, and a quarterly report explaining those exceptions above a threshold of £10k should be sent to the department.
- 21.5 Procurement by HSE of works, equipment, goods, and services shall be based on, a full option appraisal and value for money (VfM), i.e. the optimum combination and whole life costs and quality (fitness for purpose).
- 21.6 HSE shall:
  - engage fully with department and government wide procurement initiatives that seek to achieve VfM from collaborative projects
  - comply with all relevant Procurement Policy Notes issued by Cabinet Office
  - co-operate fully with initiatives to improve the availability of procurement data to facilitate the achievement of VfM

21.7 HSE shall comply with the commercial<sup>7</sup> and grants standards<sup>8</sup>. These standards apply to the planning, delivery, and management of government commercial activity, including management of grants in all departments and ALBs, regardless of commercial approach used and form part of a suite of functional standards that set expectations for management within government.

## **22 Risk management**

22.1 HSE shall ensure that the risks that it faces are managed in line with its Risk Management Framework, in accordance with relevant aspects of best practice in corporate governance, and develop a risk management strategy, in accordance with the Treasury guidance Management of Risk: Principles and Concepts<sup>9</sup>.

### **Business continuity and contingency plans**

22.2 HSE is responsible for ensuring that it has in place robust, up to date, fit for purpose and flexible business continuity management (BCM) arrangements, supported by competent staff, which allows HSE to maintain, or as soon as possible resume, provision of key products and services in the event of disruption. BCM arrangements must be tested and reviewed at least annually or following significant organisational change,

### **Media**

22.3 HSE will maintain a press office for handling contact with the media / press and queries about its activities. HSE may deal directly with the media as set out in an exemption to “The Civil Service Code”, agreed with DWP. Where appropriate, HSE Press Office will liaise with DWP Press Office.

### **Data and Cyber Security**

22.4 HSE will ensure that any personal data is gathered and handled in accordance with the General Data Protection Regulations (GDPR), and the DPA 2018 for law enforcement purposes. In particular, that personal data is managed in accordance with the principles of GDPR,

- Lawfulness, fairness and transparency
- Purpose limitation
- Data minimisation
- Accuracy
- Storage limitation
- Integrity and confidentiality (security)
- Accountability

22.5 HSE will ensure that it has effective measures in place to defend against cyber-attacks on its electronic data. HSE’s security policies must also set

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<sup>7</sup> <https://www.gov.uk/government/publications/commercial-operating-standards-for-government>

<sup>8</sup> <https://www.gov.uk/government/publications/grants-standards>

<sup>9</sup> [http://www.hm-treasury.gov.uk/orange\\_book.htm](http://www.hm-treasury.gov.uk/orange_book.htm)

out how HSE staff must ensure that they personally handle data in compliance with the policy and how that will be monitored.

## **23 Counter fraud and theft**

- 23.1 HSE should adopt and implement appropriate policies and practices to safeguard itself against fraud and theft.
- 23.2 HSE should act in line with guidance as issued by the Public Sector Fraud Authority and in compliance with the procedures and considerations as set in in MPM Annex 4.9 and the Counter Fraud Functional Standard [1]. It should also take all reasonable steps to appraise the financial standing of any firm or other body with which it intends to enter a contract or to provide grant or grant-in-aid.
- 23.3 HSE should keep records of and prepare and forward to the department an annual report on fraud and theft suffered by HSE. In addition, HSE must notify DWP of any unusual or major incidents as soon as possible. HSE should also report detected loss from fraud, bribery, corruption and error, alongside associated recoveries and prevented losses, to the PSFA either direct or through DWP in line with the agreed government definitions as set out in Counter Fraud Functional Standard.

## **24 HSE Staff**

### **Broad responsibilities for staff**

- 24.1 Within the arrangements approved by the responsible Minister and the Treasury HSE will have responsibility for the recruitment, retention and motivation of its staff, HSE's Staff are Civil Servants. The broad responsibilities toward its staff are to ensure that:
- the rules for recruitment and management of staff create an inclusive culture in which diversity is fully valued; appointment and advancement is based on merit; there is no discrimination against employees with protected characteristics under the Equality Act 2010
  - the level and structure of its staffing, including grading and staff numbers, are appropriate to its functions and the requirements of economy, efficiency and effectiveness
  - the performance of its staff at all levels is satisfactorily appraised and HSE performance measurement systems are reviewed from time to time
  - its staff are encouraged to acquire the appropriate professional, management and other expertise necessary to achieve HSE's objectives
  - proper consultation with staff takes place on key issues affecting them
  - adequate grievance and disciplinary procedures are in place
  - whistle-blowing procedures consistent with the Public Interest Disclosure Act 1998 are in place

- a code of conduct for staff is in place based on the Cabinet Office's Model Code for Staff of Executive Non-departmental Public Bodies.

## **Staff costs**

24.2 Subject to its delegated authorities, HSE shall ensure that the creation of any additional posts does not incur forward commitments that will exceed its ability to pay for them.

## **Pay and conditions of service**

24.3 HSE's staff are subject to levels of remuneration and terms and conditions of service including pensions within the general pay structure approved by the DWP department and the Treasury. HSE has no delegated power to amend these terms and conditions.

24.4 HSE's SCS appointments, including the Chief Executive, will have the status, pay arrangements and other conditions of service which are common to the Senior Civil Service, except where contracts state otherwise.

24.5 Civil service terms and conditions of service apply to the rates of pay and non-pay allowances paid to the staff and to any other party entitled to payment in respect of travel expenses or other allowances, payment shall be made in accordance with the Civil Service Management Code and the annual Civil Service Pay Remit Guidance, except where prior approval has been given by the department to vary such rates.

24.6 Staff terms and conditions should be set out in the HR Policies & guidance, which should be provided to the department together with subsequent amendments.

24.7 HSE shall abide by public sector pay controls, including the relevant approvals process dependent on the organisations classification as detailed in the Senior Pay Guidance<sup>10</sup> and the Public Sector Pay and Terms Guidance<sup>11</sup>.

24.8 HSE may operate a performance-related pay scheme that shall form part of the annual aggregate pay budget approved by the department, general pay structure approved by the department and the Treasury, where relevant with due regard to the Senior Pay Guidance.

24.9 The travel expenses of board members shall be tied to the rates allowed to the staff of HSE. Reasonable actual costs shall be reimbursed.

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<sup>10</sup> <https://www.gov.uk/government/publications/senior-civil-service-pay-and-reward>

<sup>11</sup> <https://www.gov.uk/government/publications/public-sector-pay-and-terms-guidance-note>

## **Human Resource responsibilities**

24.10 HSE has responsibility for its human resource issues, including the recruitment, retention and motivation of staff. It will act in accordance with any limitations set out in this framework document, including such guidance issued from time to time by the Central Departments (including HMT, Cabinet Office and the Civil Service Commissioners), the terms of any Departmental agreements and statutory obligations. Subject to these limitations, HSE has the authority to shape its human resource strategies, determine associated spend and manage its resources flexibly to enable cost effective delivery of services.

## **Pay and Grading**

24.11 HSE has delegated responsibility for pay and grading arrangements for employees below SCS. This includes determining pay and reward arrangements, which best meet the business needs, within the general pay structure DWP sets via the annual pay remit, and which are consistent with HMT's pay remit guidance, Cabinet Office protocols and public sector pay policy. HSE may operate a performance-related pay scheme that shall form part of the annual aggregate pay budget approved by DWP.

24.12 The rates of pay and non-pay allowances paid to staff and any other party entitled to payment in respect of travel expenses or other allowances shall be made in accordance with "The Civil Service Management Code", except where prior approval has been given by DWP to vary such rates.

24.13 Staff terms and conditions should be set out in the Hr Policies & Guidance, as hard copy or on an accessible website. DWP should be given access to the Handbook when requested.

24.14 HSE will comply with the Fixed-Term Employees (Prevention of Less Favourable Treatment) Regulations 2002.

## **Staff Appraisal and development**

24.15 HSE will have appropriate mechanisms to facilitate the effective management and development of staff. This will include arrangements for satisfactory appraisal of the performance of its staff at all levels and for acquiring the appropriate professional, management and other expertise to achieve its objectives. HSE has the authority to determine associated non-pay spend on learning and development and recruitment within its agreed budget.

24.16 HSE is responsible for establishing and keeping under review its management structure, and implementing any changes which may affect employee numbers as appropriate to its functions and the requirements of economy, efficiency and effectiveness.

24.17 HSE has the freedom to create and re-grade posts below SCS and, subject to any centrally required processes (such as the Civil Service Commissioners' recruitment principles), to make appointments (including temporary, substantive or personal promotions) to such posts. Subject to its delegated authorities, HSE shall ensure that the creation of any

additional posts does not incur forward commitments that will exceed its ability to pay for them.

### **Grievances and appeals**

24.18 HSE is responsible for ensuring that all cases involving employee grievances are properly and reasonably considered in line with its procedures.

### **Whistle blowing procedures**

24.19 HSE will ensure that whistle-blowing procedures are consistent with the Public Interest Disclosure Act 1998.

### **Equal Opportunities and valuing diversity**

24.20 HSE will ensure that it develops a programme of action on equal opportunities and valuing diversity which is consistent with central government guidance and other statutory requirements.

### **Employee Relations**

24.21 HSE is responsible for maintaining good employee relations. In exercising this responsibility, suitable arrangements, in consultation with representatives of the staff, will be put in place.

24.22 HSE should ensure a code of conduct for staff is in place based on the Cabinet Office "Model Code for Staff of Executive and Non-departmental Public Bodies".

### **Personnel records and information**

24.23 HSE is responsible for maintaining accurate personnel records for staff and will make available to DWP such information about staff as it reasonably requires.

### **Health and Safety**

24.24 HSE is accountable for all matters of health and safety associated with its business activities and will ensure that resources, structure and arrangements are adequate for delivering effective performance.

### **HSE Board Member Terms of Engagement**

24.25 The responsible Minister will approve the Board members' terms and conditions, including remuneration and reimbursement of expenses incurred carrying out duties for HSE. All Board member terms of engagement will be issued by DWP and managed by HSE and will follow civil service guidelines for such contracts.

### **Pensions, redundancy and compensation**

- 24.26 Compensation scheme rules and pension scheme rules should reflect legislative and HM Treasury guidance requirements regarding exit payments.
- 24.27 HSE staff shall normally be eligible for a pension provided by PCSPS. Staff may opt out of the occupational pension scheme provided by HSE, but that employers' contribution to any personal pension arrangement, including stakeholder pension, shall normally be limited to the national insurance rebate level. Note that there is an exception for ALBs covered by the PCSPS partnership arrangement, and for PCSPS by-analogy versions.
- 24.28 Any proposal by HSE to move from the existing pension arrangements, or to pay any redundancy or compensation for loss of office, requires the prior approval of the department. Proposals on severance must comply with the rules in chapter 4 of MPM.

## **Business plans, financial reporting and management information**

### **25 Business plans**

25.1 The HSE shall submit annually to DWP a draft of the business plan covering the year ahead. The draft should be submitted by 1st April each year. HSE shall agree with the department the issues to be addressed in the plan and the timetable for its preparation. The plan shall reflect HSE's statutory and/or other duties and, within those duties, the priorities set from time to time by the responsible Minister (including decisions taken on policy and resources in the light of wider public expenditure decisions). The plan shall demonstrate how HSE contributes to the achievement of the department's medium-term plan and priorities and aligned performance metrics and milestones.

Business plans should be published by HSE on its website and internally for all staff on its intranet.

25.2 The following key matters should be included in the plans:

- key objectives and associated key performance targets for the forward years, and the strategy for achieving those objectives
- key non-financial performance targets
- a review of performance in the preceding financial year, together with comparable outturns for the previous 2 years, and an estimate of performance in the current year
- an assessment of the risk factors that may significantly affect the execution of the plan but that cannot be accurately forecast
- other matters as agreed between the department and HSE

### **26 Budgeting procedures**

26.1 Each year, in the light of decisions by the department on the updated draft business plan, the department will send to HSE:

- a formal statement of the annual budgetary provision allocated by the department in the light of competing priorities across the department and of any forecast income approved by the department
- a statement of any planned change in policies affecting HSE

26.2 The approved annual business plan will take account both of approved funding provision where this applies and where this applies any forecast receipts. It will include a budget of estimated payments and receipts together with a profile of expected expenditure and of draw-down of any departmental funding and/or other income over the year. These elements form part of the approved business plan for the year in question.

26.3 DWP's Finance Director General, HSE's Finance Director and relevant officials will liaise regularly to review HSE's financial performance against plans, and its achievement against targets, including income raised and



expenditure against its DEL allocations (see para. 16.1). HSE's finance team will be provided with access to DWP finance training and other support.

26.4 DWP Finance in conjunction with ALB Partnership Division, will:

- Work with HSE to refresh and submit financial plans at both the Summer and Winter Planning stages each year in line with continuous financial planning arrangements; and
- Inform HSE of any changes affecting its business and any other issues that would affect the available resource in the relevant Spending Review Period.

26.5 HSE will report monthly on financial performance:

- HSE's cash management;
- Its draw-down of grant-in-aid;
- Forecast outturn by resource headings; and
- Other data required by the Online System for Central Accounting and Reporting (OSCAR).

## 27 Grant-in-aid and any ring-fenced grants

27.1 Any grant-in-aid provided by the department for the year in question will be voted in the department's Supply Estimate and be subject to parliamentary control.

27.2 The grant-in-aid will normally be paid in monthly instalments on the basis of written applications showing evidence of need. The HSE will comply with the general principle, that there is no payment in advance of need. Cash balances accumulated during the course of the year from grant-in-aid or other Exchequer funds shall be kept to a minimum level consistent with the efficient operation of HSE. Grant-in-aid not drawn down by the end of the financial year shall lapse. Subject to approval by Parliament of the relevant Estimates provision, where grant-in-aid is delayed to avoid excess cash balances at the year-end, the department will make available in the next financial year any such grant-in-aid that is required to meet any liabilities at the year end, such as creditors.

27.3 In the event that the department provides the ALB separate grants for specific (ring-fenced) purposes, it would issue the grant as and when the ALB needed it on the basis of a written request. The ALB would provide evidence that the grant was used for the purposes authorised by the department. The ALB shall not have uncommitted grant funds in hand, nor carry grant funds over to another financial year.

27.4 HSE also generates a proportion of its funding via the Health and Safety and Nuclear (Fees) Regulations (2022); these put a duty on HSE to recover its costs for carrying out its regulatory functions from those found to be in material breach of health and safety law. This shifts some of the cost of health and safety regulation from the public purse to those businesses and organisations that breach health and safety laws.

- 27.5 HSE is authorised to optimise the utilisation of its assets by selling services and products to other parts of government and to wider markets. HSE will set fees, charges and levies in accordance with HMT's 'Managing Public Money' and HSE's Budget.
- 27.6 Unless otherwise agreed, all HSE income will be treated as negative public expenditure and thus is offset against its Resource Department Expenditure Limit (DEL). Proceeds from the sale of assets will reduce Capital DEL. See also Para – 27 Grant in Aid.
- 27.7 HMT has the discretion to cap HSE income at any financial level. HMT can also override this requirement in the light of wider Government funding requirements or following changes to legislation.
- 27.8 HSE will reach agreement with the ALB partnership Division and DWP Finance before proposing to the Minister any significant changes to the structure or format of its fees and charges (and therefore to the relevant fees regulations).
- 27.9 HSE should make use of its public assets, staff and facilities to deliver support or services to other public and private sector customers, in line with its general purposes and powers under HSWA or in accordance with any agreements it has entered into with other departments. This could include activities in both Great Britain and in international markets. It should undertake such commercial work, sub-contracting as necessary in accordance with HMT's "Managing Public Money" guidelines on the provision of commercial services to the wider market.

## 28 Annual report and accounts

- 28.1 The HSE must publish an annual report of its activities together with its audited accounts after the end of each financial year. The HSE shall provide the department its finalised (audited) accounts by 1<sup>st</sup> October each year in order for the accounts to be consolidated within the DWP's. The accounts should be prepared in accordance with the relevant statutes and specific accounts direction issued by the department as well as the Treasury's Financial Reporting Manual (FReM).
- 28.2 The annual report must:
- cover any corporate, subsidiary or joint ventures under its control
  - comply with the FReM and in particular have regard to the illustrative statements for an NDPB<sup>12</sup>
  - outline main activities and performance during the previous financial year and set out in summary form forward plans.
- 28.3 Information on performance against key financial targets is included within the annual report and subject to the auditor's consistency opinion. The report and accounts shall be laid in Parliament as required by the HSWA and made available on the HSE website, in accordance with the guidance in the FReM.

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<sup>12</sup> <https://www.gov.uk/government/publications/government-financial-reporting-manual-2020-21>.

## 29 Reporting performance to the department

29.1 HSE shall operate management, information and accounting systems that enable it to review in a timely and effective manner its financial and non-financial performance against the budgets and targets set out in the published business plan.

29.2 HSE shall inform the sponsor department of any material changes that make achievement of published/agreed objectives more or less challenging. It shall report financial and non-financial performance, including performance in helping to deliver Ministers' policies, and the achievement of key objectives regularly.

29.3 HSE's performance shall be formally reviewed by the department quarterly.

29.4 The responsible Minister will meet the Chair and Chief Executive on a regular basis.

29.5 The PAO will meet the Chair and Chief Executive on a regular basis.

## 30 Information sharing

30.1 DWP has the right of access to all HSE records and personnel for any purpose including, for example, sponsorship audits and reviews. This does not include access to documents relating to:

- individual regulatory casework, or
- the Board's deliberations on provision of advice to the Minister.

In making use of this right, DWP will provide reasonable notice and, so far as is appropriate, consult HSE before taking action. This does not override paragraph above. HSE will share its full Board agenda and performance-related reports to the Board with the ALB Partnership Division.

30.2 HSE shall provide the sponsor department, and MHCLG with regards the BSR, with such information about its operations, performance, individual projects or other expenditure as the sponsor department may reasonably require.

30.3 The department and HM Treasury may request the sharing of data held by HSE in such a manner as set out in central guidance except insofar as it is prohibited by law. This may include requiring the appointment of a senior official to be responsible for the data sharing relationship.

## Audit

### 31 Internal audit

31.1 HSE shall:

- establish and maintain arrangements for internal audit.

- ensure that any arrangements for internal audit are in accordance with the Public Sector Internal Audit Standards (PSIAS) as adopted by HM Treasury<sup>13</sup>.
- in the event that the body has its own internal audit service Ensure DWP is satisfied with the competence and qualifications of the Head of Internal Audit and the requirements for approving appointments in accordance with PSIAS
- set up an audit committee of its board in accordance with the Code of Good Practice for Corporate Governance and the Audit and Risk Assurance Committee Handbook, or be represented on DWP's Audit Committee
- forward the audit strategy, periodic audit plans and annual audit report, including HSE's Head of Internal Audit opinion on risk management, control and governance as soon as possible to DWP
- keep records of and prepare and forward to the department an annual report on fraud and theft suffered by HSE and notify DWP of any unusual or major incidents as soon as possible
- will share with the DWP information identified during the audit process and the Annual Audit Opinion Report (together with any other outputs) at the end of the audit, in particular on issues impacting on the department's responsibilities in relation to financial systems within HSE.

## 32 External audit

32.1 The Comptroller & Auditor General (C&AG) audits HSE's annual accounts and passes the audited accounts to the Secretary of State who will lay the accounts together with the C&AG's report before parliament.

32.2 In the event that HSE has set up and controls subsidiary companies, HSE will [in the light of the provisions in the Companies Act 2006] ensure that the C&AG has the option to be appointed auditor of those company subsidiaries that it controls and/or whose accounts are consolidated within its own accounts. HSE shall discuss with the sponsor department the procedures for appointing the C&AG as auditor of the companies.

32.3 The C&AG:

- will consult the department and the HSE on whom – the NAO or a commercial auditor – shall undertake the audit(s) on his behalf, though the final decision rests with the C&AG
- has a statutory right of access to relevant documents, including by virtue of section 25(8) of the Government Resources and Accounts Act 2000, held by another party in receipt of payments or grants from HSE
- will share with DWP information identified during the audit process and the audit report (together with any other outputs) at the end of the audit, in particular on issues impacting on the Department's responsibilities in relation to financial systems within HSE
- will consider requests from departments and other relevant bodies to provide regulatory compliance reports and other similar reports

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<sup>13</sup> <https://www.gov.uk/government/publications/public-sector-internal-audit-standards>

at the commencement of the audit. Consistent with the C&AG's independent status, the provision of such reports is entirely at the C&AG's discretion

32.4 The C&AG may carry out examinations into the economy, efficiency and effectiveness with which HSE has used its resources in discharging its functions. For the purpose of these examinations the C&AG has statutory access to documents as provided for under section 8 of the National Audit Act 1983. In addition, HSE shall provide, in conditions to grants and contracts, for the C&AG to exercise such access to documents held by grant recipients and contractors and sub-contractors as may be required for these examinations; and shall use its best endeavours to secure access for the C&AG to any other documents required by the C&AG which are held by other bodies.

## Reviews and winding up arrangements

### 33 Review of ALB's status

33.1 HSE will be reviewed at a time determined by the department's ministers and their PAO. The date of the next review is expected to be in 2026.

### 34 Arrangements in the event that HSE is wound up

34.1 DWP shall put in place arrangements to ensure the orderly winding up of HSE. In particular it should ensure that the assets and liabilities of HSE are passed to any successor organisation and accounted for properly. (In the event that there is no successor organisation, the assets and liabilities should revert to the sponsor department.) To this end, the department shall:

- have regard to Cabinet Office guidance on winding up of ALBs<sup>14</sup>
- ensure that procedures are in place in HSE to gain independent assurance on key transactions, financial commitments, cash flows and other information needed to handle the wind-up effectively and to maintain the momentum of work inherited by any residuary body
- specify the basis for the valuation and accounting treatment of HSE assets and liabilities
- ensure that arrangements are in place to prepare closing accounts and pass to the C&AG for external audit, and that, for non-Crown bodies funds are in place to pay for such audits. It shall be for the C&AG to lay the final accounts in Parliament, together with his report on the accounts
- arrange for the most appropriate person to sign the closing accounts. In the event that another ALB takes on the role, responsibilities, assets and liabilities, the succeeding ALB AO should sign the closing accounts. In the event that the department inherits the role, responsibilities, assets and liabilities, the sponsor department's AO should sign.

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<sup>14</sup>[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/690952/Public\\_Bodies\\_-\\_a\\_guide\\_for\\_departments\\_-\\_chapter\\_10.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/690952/Public_Bodies_-_a_guide_for_departments_-_chapter_10.pdf)

34.2 HSE shall provide the department with full details of all agreements where HSE or its successors have a right to share in the financial gains of developers. It should also pass to the department details of any other forms of claw-back due to HSE.



Sir Peter Schofield KCB, Permanent Secretary,  
on behalf of the Department for Work and Pensions  
28/11/2025



Sarah Albon, Chief Executive,  
on behalf of the Health and Safety Executive  
20/11/2025

## **Annex A: Guidance**

HSE shall comply with the following guidance, documents and instructions:

### **Corporate governance**

- This framework document
- Corporate Governance Code for Central Government Departments (relevant to Arm's Length Bodies) and supporting guidance:  
<https://www.gov.uk/government/publications/corporate-governance-code-for-central-government-departments-2017>
- Code of conduct for Board members of Public Bodies:  
<https://www.gov.uk/government/publications/code-of-conduct-for-board-members-of-public-bodies>
- Code of practice for partnerships between Departments and Arm's Length Bodies: <https://www.gov.uk/government/publications/partnerships-with-arms-length-bodies-code-of-good-practice#:~:text=This%20code%20of%20good%20practice,partnership%20approach%20to%20shaping%20relationships>.

### **Financial management and reporting**

- Managing Public Money (MPM):  
<https://www.gov.uk/government/publications/managing-public-money>
- Government Financial Reporting Manual (FReM):  
[www.gov.uk/government/collections/government-financial-reporting-manual-frem](http://www.gov.uk/government/collections/government-financial-reporting-manual-frem)
- Relevant Dear Accounting Officer (DAO) letters:  
[www.gov.uk/government/collections/dao-letters](http://www.gov.uk/government/collections/dao-letters)
- Relevant guidance and instructions issued by the Treasury in respect of Whole of Government Accounts:  
<https://www.gov.uk/government/collections/whole-of-government-accounts>
- The most recent letter setting out the delegated authorities, issued by the parent department.

### **Management of risk**

- Management of Risk: [www.gov.uk/government/publications/orange-book](http://www.gov.uk/government/publications/orange-book) and <https://www.gov.uk/government/publications/management-of-risk-in-government-framework>
- Public Sector Internal Audit Standards: [www.gov.uk/government/publications/public-sector-internal-audit-standards](http://www.gov.uk/government/publications/public-sector-internal-audit-standards)
- HM Treasury approval processes for Major Projects above delegated limits: <https://www.gov.uk/government/publications/treasury-approvals-process-for-programmes-and-projects>
- The Government cyber-security strategy and cyber security guidance: <https://www.gov.uk/government/publications/national-cyber-strategy-2022/national-cyber-security-strategy-2022> and <https://www.gov.uk/government/collections/cyber-security-guidance-for-business>

## **Commercial management**

- Procurement Policy Notes: <https://www.gov.uk/government/collections/procurement-policy-notes>
- Cabinet Office spending controls: <https://www.gov.uk/government/collections/cabinet-office-controls>
- Transparency in supply chains - a practical guide: [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/1040283/Transparency in Supply Chains A Practical Guide 2017 final.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1040283/Transparency_in_Supply_Chains_A_Practical_Guide_2017_final.pdf)

## **Public appointments**

The following are relevant where public bodies participate in public appointments processes.

- Guidance from the Commissioner for Public Appointments: <https://publicappointmentscommissioner.independent.gov.uk/>
- Governance Code on Public Appointments: [www.gov.uk/government/publications/governance-code-for-public-appointments](http://www.gov.uk/government/publications/governance-code-for-public-appointments)
- Procurement Policy Note 08/15 – Tax Arrangements of Public Appointees: <https://www.gov.uk/government/publications/procurement-policy-note-0815-tax-arrangements-of-appointees>

## **Staff and remuneration**



- HM Treasury guidance on senior pay and reward:  
[www.gov.uk/government/publications/senior-civil-service-pay-and-reward](http://www.gov.uk/government/publications/senior-civil-service-pay-and-reward)
- Civil Service pay guidance (updated annually):  
[www.gov.uk/government/collections/civil-service-pay-guidance](http://www.gov.uk/government/collections/civil-service-pay-guidance)
- Public sector pay and terms:  
<https://www.gov.uk/government/publications/public-sector-pay-and-terms-guidance-note>
- Whistleblowing Guidance and Code of Practice:  
<https://www.gov.uk/government/publications/whistleblowing-guidance-and-code-of-practice-for-employers>
- The Equalities Act 2010: [www.gov.uk/guidance/equality-act-2010-guidance](http://www.gov.uk/guidance/equality-act-2010-guidance)

## General

- Freedom of Information Act guidance and instructions:  
[www.legislation.gov.uk/ukpga/2000/36/contents](http://www.legislation.gov.uk/ukpga/2000/36/contents) and <https://ico.org.uk/for-organisations/guide-to-freedom-of-information/>
- The Parliamentary and Health Service Ombudsman's Principles of Good Administration: <https://www.ombudsman.org.uk/about-us/our-principles>
- Other relevant instructions and guidance issued by the central Departments (Cabinet Office and HM Treasury)
- Recommendations made by the Public Accounts Committee, or by other Parliamentary authority, that have been accepted by the Government and are relevant to [the ALB].
- Guidance from the Public Bodies team in Cabinet Office:  
[www.gov.uk/government/publications/public-bodies-information-and-guidance](http://www.gov.uk/government/publications/public-bodies-information-and-guidance)
- The Civil Service diversity and inclusion strategy (outlines the ambition, to which Arm's Length Bodies can contribute):  
<https://www.gov.uk/government/publications/civil-service-diversity-and-inclusion-strategy-2022-to-2025>
- Guidance produced by the Infrastructure and Projects Authority (IPA) on management of major projects:  
[www.gov.uk/government/organisations/infrastructure-and-projects-authority](http://www.gov.uk/government/organisations/infrastructure-and-projects-authority)
- The Government Digital Service:  
[www.gov.uk/government/organisations/government-digital-service](http://www.gov.uk/government/organisations/government-digital-service)
- The Government Fraud, Error, Debt and Grant Efficiency function;  
[www.gov.uk/government/collections/fraud-error-debt-and-grants-function](http://www.gov.uk/government/collections/fraud-error-debt-and-grants-function) and [www.gov.uk/government/publications/grants-standards](http://www.gov.uk/government/publications/grants-standards)
- Code of Practice for Official Statistics:  
<https://code.statisticsauthority.gov.uk/#:~:text=The%20Code%20of%20Practice%20for%20Statistics%20sets%20the,produced%20by%20people%20and%20organisations%20that%20are%20trustworthy.>
- Accounting Officer System Statements (AOSS are produced by departments with input from ALBs): [www.gov.uk/government/publications/accounting-officer-system-statements](http://www.gov.uk/government/publications/accounting-officer-system-statements)

## **HM Treasury contacts**

This document can be downloaded from [www.gov.uk](http://www.gov.uk)

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