

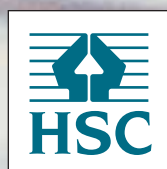
Health and Safety Commission
Annual Report
and the Health and Safety Commission/Executive
Accounts 2003/04

A **vision** for
health and safety
in Great Britain



To gain recognition of health
and safety as a cornerstone
of a civilised society, and
with that achieve a record of
workplace health and safety
that leads the world

2003 - **2004**



HSC'S MISSION STATEMENT

To protect people's health
and safety by ensuring risks
in the changing workplace
are properly controlled

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Annual Report
and the Health and Safety Commission/Executive
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2003 - **2004**

Presented to Parliament by the Secretary of State in pursuance of section 10(6) and paragraph 15 of Schedule 2 to the Health and Safety at Work etc Act 1974 and by the Comptroller and Auditor General in pursuance of section 10(6) and paragraphs 14 and 20 of Schedule 2 of the Health and Safety at Work etc Act 1974.

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PREFACE

Responsibility for the Health and Safety Commission (HSC) and the Health and Safety Executive (HSE) transferred to the Department for Work and Pensions (DWP) on 24 July 2002. From that date the Commission reports to the Secretary of State for Work and Pensions, and to other Secretaries of State for the administration of the HSW Act throughout Great Britain.

Rt Hon Andrew Smith MP is the Secretary of State for Work and Pensions. Des Browne MP was the Minister of State for Work from June 2003 to April 2004 and Rt Hon Jane Kennedy MP was appointed Minister of State for Work from April 2004.

Departmental responsibility for HSC/E previously lay with the Department for Transport, Local Government and the Regions, and before that (until June 2001) with the Department of the Environment, Transport and the Regions.

The Health and Safety at Work etc Act 1974 established HSC and HSE. HSC's primary functions include making arrangements to secure the health, safety and welfare of people at work and protecting the public against risks to their health and safety from work activities. The functions include proposing new laws and standards, conducting research and providing information and advice. HSE advises and assists HSC and, together with local authorities (LAs), has day-to-day responsibility for enforcing health and safety law, investigating accidents, licensing and approving standards, in particular hazardous areas, and commissioning research.

Commission's duties

The Commission's statutory duties include:

- encouraging other people to secure safe and healthy working conditions;
- arranging for research and training to be carried out and encouraging others to undertake research and training;
- arranging for an advisory and information service for stakeholders;
- submitting proposals for regulations to Ministers; and
- paying to the Executive sums appropriate for it to perform its functions.

Commission's powers of action

The Commission's powers of action are wide. They include anything necessary to help them advance these statutory duties. The primary role of the Commission is to give strategic direction to the work of HSE. It also has powers to:

- approve and issue Codes of Practice ('Approved Codes of Practice' - ACOPs) with the consent of the Secretary of State, subject to consultation with Government Departments and other organisations;
- make agreements with any Government department or person to perform HSC or HSE functions on HSC/E's behalf;
- make agreements with any Minister, Government department, or public authority for HSC to perform functions on their behalf;

- give mandatory guidance to LAs on enforcement;
- direct HSE or authorise any other person to investigate and report on accidents or other matters, and subject to regulations made by the relevant Minister, direct inquiries to be held.

Commission Code of Practice

The Commission has adopted a Code of Practice, which the Chair and Commissioners follow. This conforms to Cabinet Office guidance. It sets out the responsibilities of the Chair and the corporate and individual responsibilities of Commissioners.

Openness

The Commission recognises that public access to health and safety information improves public understanding and strengthens public confidence in the health and safety system. The Commission has published a policy statement on access to health and safety information. As part of this commitment to openness, the Commission published its agendas, papers, minutes and those of its Advisory Committees and sub-committees on the Internet. These can be found on the HSE website (<http://www.hse.gov.uk/>).

CHAIR AND MEMBERS OF THE HEALTH AND SAFETY COMMISSION: 2003/04

Chair

Bill Callaghan: Appointment as Chair of the Health and Safety Commission commenced on 1 October 1999. He was previously the Chief Economist and Head of the Economic and Social Affairs Department at the TUC. He has considerable experience of working with different groups in industry and public life and has served on the boards of Business in the Community and the Basic Skills Agency. He has a particular interest in developing partnerships between trade unions and employers at the workplace and at national level. He served on the Low Pay Commission from 1997 - 2000. He was also a member of the Economic and Social Research Council's Research Priorities Board. He is a visiting Fellow of Nuffield College Oxford.

Commissioners

George Brumwell CBE. Appointment commenced on 1 April 1998. He is General Secretary of the Union of Construction, Allied Trades and Technicians. He is a member of the Labour Party National Policy Forum and the TUC's Executive Committee and General Council. He is a long-time member of the Construction Industry Training Board and a Board Member of the Construction Skills Certification Scheme for the construction industry. He is an Executive Committee Member of the European and International Federation of Building and Wood Unions. He is a Board member of the Building and Civil Engineering Benefits Scheme.

Margaret Burns CBE. Appointment commenced on 1 April 1998. She is a part-time tutor of Public Law at the University of Aberdeen. She has taught in the law faculties at Dundee and Glasgow Universities and at the Open University. She has extensive experience of working for consumer organisations. Since 2003, she has been a non-Executive member of the NHS Grampian Health Board.

Abdul Chowdry JP. Appointment commenced on 1 April 1999. He gained more than 34 years' experience as a Health, Safety and Environment Advisor at Turner and Newall plc (manufacturing), where he worked until August 1998. He is the Director of Blackburn/Darwen Racial Equality Council. He has been a magistrate since 1976. He was a Labour Councillor at Rochdale Metropolitan Borough Council from 1972 to 1998, where he chaired a number of committees including Housing, Policy and Economic Development. He was also a member of the Greater Manchester Police Authority from 1986 to 1998.

Judith Donovan CBE. Appointed 1 October 2000. A Yorkshire businesswoman who founded her own direct marketing company in 1982, was Chairman of Bradford TEC from 1989-97, and the first female president of Bradford Chamber of Commerce from 1999-2001. She is currently a Trustee of Yorkshire Dales Millennium Trust, a Director of the Northern Ballet Theatre and Chairman of Ripon Cathedral Development Campaign Executive Committee. She is also a Millennium Commissioner and Chairman of Postwatch for the North of England. She was also a Director of Bradford Chamber of Commerce and a Board member of Business Link West Yorkshire until July 2003.

Cllr Joyce Edmond-Smith. Appointment commenced on 1 April 1997. She has been a councillor for 16 years and is a member of Brighton and Hove Council where she is Convenor of the Sustainability Commission. She has a wide experience of environmental and health issues and was a member of the Association of District Councils for eight years, where she chaired the Environment & Health Committee. She has served on the Brighton and Hove Community Health Council and has been a member of the national Local Agenda 21 Steering Group for seven years. She taught in Further Education for 20 years.

Judith Hackitt. Appointment commenced on 1 April 2002. She trained as a Chemical Engineer at Imperial College, London. She has been Director of Business and Responsible Care at the Chemical Industries Association (CIA) since 1998 and was appointed Director General of the CIA from 1 April 2002. Judith was previously employed as Group Risk Manager at Elementis PLC with worldwide responsibility for health and safety insurance and litigation. She also served for three years as a non-executive Director of Oxfordshire Health Authority. She holds no other Ministerial appointments nor is she engaged in any political activity.

John Longworth. Appointment commenced on 1 April 2002. He was Group Trading Law and Technical Director of Tesco PLC. Since December 2003 has held the post of Legal and External Affairs Director of Asda. He is currently accountable for Corporate Policy on Regulatory, Consumer and Scientific Affairs and for product quality and operating standards, including environment, safety and operational risk management. John has been in commerce and industry for almost twenty years and for the whole of this period he has been involved with UK and European Government. He is currently a member of several British Retail Consortium Policy Committees, chairs the Institute of Grocery Distribution Directors' Technical Forum and sits on the Government's Advisory Committee on Packaging Waste and Recycling. He is not engaged in any political activity.

Elizabeth Snape. Appointment commenced on 1 November 2003. Elizabeth Snape worked from 1990 to 1994 as Legal Officer with the union NALGO. She then took on Equal Opportunities and European Policy Employment with Unison and from 1999 has been head of Policy at UNISON. Since 2001, Elizabeth has been a member of the TUC General Council and served since 1996 as an executive member of the European Public Services Union. Her experience as union safety representative at UNISON has given her experience of workers' health and safety concerns.

Owen Tudor. Appointment commenced on 17 November 1998. He is a Senior Policy Officer at the TUC responsible for prevention, rehabilitation and compensation. He has been a member of the HSC Advisory Committee on Toxic Substances, the Civil Justice Council and the Board of the Royal National Institute for Deaf People. He is currently a member of the Industrial Injuries Advisory Council and the Management Board of the European Agency for Safety and Health. He writes regularly in the health and safety media and publishes the TUC's online health and safety bulletin, Risks. He is married and has a young son. He left the Commission on 31 March 2004 and has been replaced by Hugh Robertson from the TUC.

Hugh Robertson. Hugh Robertson worked for the public services trade union UNISON, and its predecessor Nalگو, from 1981 until the end of 2003, as National Officer for Local Government and as Head of Health and Safety and Bargaining Support. Since January 2004 he has served as Senior Policy Officer on Health and Safety at the TUC. His experience in health and safety and negotiating has given him experience of workers' health and safety concerns. He served from 1990 to 1993 as a Lay magistrate. He is also a member of the Industrial Injuries Advisory Committee.

THE COMMISSION'S WORK DURING 2003-04

Central to the Commission's work has been the development of a new Strategy for Workplace Health and Safety to 2010 and beyond (<http://www.hse.gov.uk/aboutus/hsc/strategy.htm>). The new Strategy was published in February, with the full support of ministers and a wide range of stakeholders.

In drawing up the Strategy, the Commission consulted widely on five major themes: responding to a changing economy in a changing world; health issues; public protection and security; the role of local authorities; and managing the business. To develop the Strategy the Commission also consulted using novel ways such as focus groups, comprising small business people, the self-employed and individual employees.

The new Strategy is for the whole health and safety system in Britain, not just for HSC and HSE. So a defining characteristic of the new Strategy is about how we embrace new relationships and partnerships. We will look at all available tools and techniques to influence behavioural change in managing work to improve standards of health and safety. And this means recognising and valuing the contribution of others - workplace safety representatives, insurance companies, trade bodies, health and safety professionals, designers, and those in the supply chain.

The new Strategy also places an emphasis on the role of communications. Communication is the foundation that underpins all the other work we tackle and must become an inextricable part of it. We realise that we must be more effective at this. One challenge is about simplifying our messages, and we face challenges about speaking the right language for our various audiences and providing accessible advice and support.

So our vision "to gain recognition of health and safety as a cornerstone of a civilised society and with that achieve a record of workplace health and safety that leads the world" must be set in context. Building on the philosophy set by the Robens Inquiry which led to the drafting of the HSWA, we recognise that sensible health and safety is about managing risks, not necessarily eliminating them. So we will continue to make judgments based on balancing harm against cost, risk against benefit and to apply the concept of reasonable practicability. The message is that our goal is not to have a risk-free society but one where risk is properly appreciated, understood and managed.

Changing ways of working

Our mission is about controlling risks in a changing world. Making the Strategy a reality means that both the Commission and HSE need to change to deal with the new challenges. During the year we reviewed the role of the Commission and, again with ministerial support, implemented changes to strengthen the Commission's role. These changes took effect in April 2004. They are designed to:

- help the Commission measure progress against the new strategic objectives;
- free up time for the Commission to act in a more strategic capacity;
- widen the Commission's role in communication and improving public understanding of our role;
- strengthen its role in corporate governance issues.

Alongside these changes, Commissioners continued to act as champions for the Priority Programmes designed to deliver our targets. They will continue to provide non-executive support to the Strategic Programmes that are being developed in HSE as it changes to deliver the new strategic priorities.

MEMBERS OF THE HEALTH AND SAFETY EXECUTIVE

Director General

Timothy Walker CB

Director General since 1 October 2000. Previously an academic scientist, Timothy Walker has taught physics and chemistry at various universities. He worked on trade with the Middle East, telecommunications liberalisation and grants to industry at the Department of Trade and Industry and was Principal Private Secretary to successive Secretaries of State for Trade and Industry. He has also held responsibility for civil nuclear matters. Other posts held have been UK Governor of IAEA, Chairman of the EBRD Nuclear Safety Account, Home Office Director General for immigration and nationality and Deputy Chairman of HM Customs and Excise.

He is a lay member of the Council of the University of Warwick and a Council member of the Institute of Employment studies.

Deputy Director General (Operations)

Justin McCracken

Justin McCracken took up post as HSE's Deputy Director General (Operations) on 1 April 2002. He is responsible for all of HSE's operational divisions, ie field operations, nuclear and offshore safety, chemical hazardous installations, railways, mines, construction, agriculture and health services. Justin is based in HSE's Liverpool headquarters.

A physics graduate, he joined ICI in 1976 as a research scientist and moved from there into process development and plant management. His subsequent posts in ICI took him into marketing and business management in the UK and overseas, culminating in worldwide responsibility for ICI's catalyst business.

In 1998, he joined the Environment Agency as NW Regional Director. There, he was responsible for all the activities of the Agency in the North West, including regulation of process, water and waste industries, river habitats and fisheries improvement, flood defences and promotion of sustainable development.

He is a trustee of the British Safety Council.

He is married with three children.

Deputy Director General (Policy)

Kate Timms CB

Kate Timms took up post as HSE's Deputy Director General (Policy) in June 2001. She has direct oversight of the Health Policy and Safety Policy Directorates, Nuclear Safety Policy and the Railways Directorate.

Kate was educated at St Hilda's College, Oxford where she studied politics, philosophy and economics. She was Director General for Agriculture and the Food Industry in the Ministry of Agriculture (MAFF) - now DEFRA (Department of Environment, Food and Rural Affairs) since 1996. Her responsibilities included all aspects of European Union (EU) and international agricultural policy negotiations as well as sponsorship of the domestic food and agriculture industries.

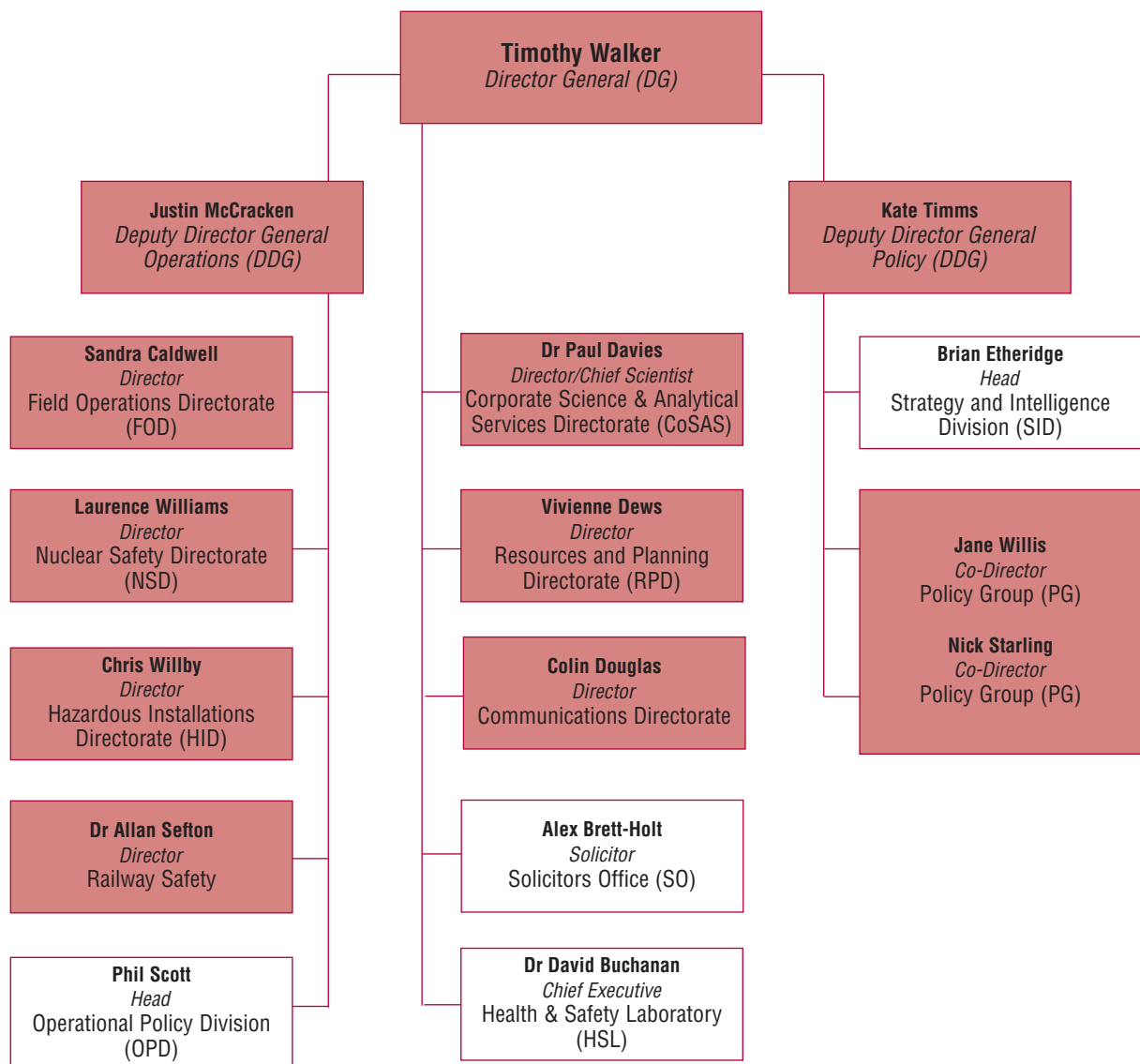
Prior to that Kate worked for five years in Brussels as Head of Agriculture Section in the UK Permanent Representation to the EU, returning to MAFF to spend a year in the post of Principal Finance Officer.

Kate also worked in the British Embassy in Paris in the late 1980s with responsibility for agriculture and economic affairs, and was also seconded to the Cabinet Office to work on EU policy issues.

A copy of the Register of Interests relating to members of the Health and Safety Commission and the Health and Safety Executive can be obtained by contacting the HSC Secretariat at the following address: The HSC Secretariat, Rose Court, 2 Southwark Bridge, London SE1 9HS or phoning 0207 717 6642.

HEALTH AND SAFETY EXECUTIVE STRUCTURE

May 2004



Board Member



Non-Board member

CHAIR'S FOREWORD

A highlight of the past year was the publication of HSC's Strategy for workplace health and safety in Great Britain to 2010 and beyond. This was endorsed by a wide range of stakeholders including the Trades Union Congress, the Confederation of British Industry, the Local Government Association, the Federation of Small Businesses, EEF - the manufacturers' organisation, and the Institute of Directors, who joined myself and the then Minister of State for Work, Des Browne MP, at an event to launch the Strategy in February 2004.

The evolution of the Strategy involved close co-operation and working between the Commission and the Board of HSE and consultation with a wide range of stakeholders. Our phased consultation period, lasting six months, showed new innovative ways of consultation with the inclusion at the latter stages of a wide range of sector specific focus groups involving workers and employers.

We want to work in closer partnership with local authorities who have a vital role to play in the growing service sector economy. We want to work with, and through, others to improve employment and productivity by keeping those at work healthy and in work; by instilling an appropriate understanding of risk management from an early age; by improving health and rehabilitation, contributing to the Nation's health and well-being; by dealing with health inequalities and reducing sickness in the public sector and so enhancing public sector delivery.

The challenge of the Strategy asks employers, employees, trade unions and others such as health and safety professionals, insurers, investors and designers to play their role in improving health and safety and so promote our vision, which is to see health and safety as a cornerstone of a civilised society and, with that, to achieve a record of workplace health and safety that leads the world.

Worker involvement is key to health and safety success and it is for that reason the Commission and its social partners launched the worker involvement statement. We have also seen the first round of funding for the Workers' Safety Adviser Challenge Fund aimed at improving worker involvement and consultation and driving improvements in health and safety. It is only with the participation of others that we can produce effective and efficient targeted interventions that will deliver.

Occupational health is a key area of delivery and we have begun the process of achieving innovative partnerships in both public and private sectors in order to provide occupational health support locally, regionally and by sector according to need. We must also find ways of providing channels of business support without the fear of enforcement while allowing the regulators to be tough on those who wilfully disregard the law.

We aim to be more robust in defending the reputation of health and safety and ask others to do so too. Although at the time of writing we do not know the outcome of the rail review, HSC/E's good record in improving passenger and worker safety shows the benefits of our approach.

The Strategy reinforces the need to adopt a sensible approach with sensible controls to health and safety, balancing risks and benefits. We are not looking for a risk-free society, but one where risks are better understood and managed. Communication therefore, has an essential part to play. We aim to promote the business and social benefits of health and safety and this year has seen the launch of case studies setting out the business benefits of good health and safety management.

The major task in the coming year is now to deliver the Strategy and the Commission is determined to do that in partnership with others.

DIRECTOR GENERAL'S FOREWORD

The past year has been one of transition for HSE. We have supported the development of the new HSC Strategy and, to help turn the Strategy into action, we have started realigning our work into programmes that bridge both policy and operational functions. At the same time we continue the essential job of bearing down upon the causes of occupational ill health, injury and death.

The new programme approach brings together staff from right across HSE's directorates, combining their expertise and focussing it upon delivering specific improvements in health and safety. Making the most of the considerable experience and knowledge across HSE is essential if we are to be relevant to the workplaces of today and tomorrow. Rail has been in the vanguard of this move to a more joined-up approach to our work.

We also recognise that we must collaborate closely with others, not least our local authority enforcement partners. This will feature heavily in our new Local Authority and Better Health at Work Partnership Strategic Programmes. The past year contains examples where close partnership working is already a reality. For example, in Scotland HSE is one of a number of organisations brought together under the banner of the Scottish Health at Work Scheme. This is already showing that co-operation can achieve results above and beyond the sum of what agencies might achieve individually. We are learning from, and building upon this experience.

We have also started making a step change in the way we communicate our messages. It is no good us knowing solutions to health and safety problems if we cannot convey them convincingly to the managers and workers who can actually implement them and make the difference that counts. Good external communication will support and complement the direct interventions made by our inspectors. Good internal communication is vital if we are to make the best use of our resources. The appointment of a Board Director of Communications in January is already providing an important focus.

We have seen some progress towards achieving the ambitious Revitalising targets set in 2000. The changes made by HSE in the last year provide us with a firm foundation on which to build, so that we can play our part, along with our partners, in achieving the targets and our vision of health and safety as a cornerstone of a civilised society.

PART 1

Health and Safety Commission Annual Report 2003/04

OPERATING AND FINANCIAL REVIEW

1. The preamble to the Health and Safety Commission Annual Report and Health and Safety Commission and Executive Annual Accounts 2003/04 includes details of the Department with responsibility for the HSC/E and its Ministers, an analysis of the business of the HSC (its aims and objectives), the Commission's duties and powers of action, members of the HSC/E.

Operating review

2. This Report describes the work of HSC/E during 2003/04 and is based on the plans contained in the HSC Business Plan 2003-2004 (which in turn is based on the Strategic Plan 2001-2004 (see <http://www.hse.gov.uk/aboutus/plans/index.htm>) published in September 2001. The Plans focused HSC activity on achieving the national targets for health and safety launched by the Government and HSC in June 2000 and published in the Revitalising Health and Safety Strategy Statement (RHS). The targets are to:

- reduce the number of working days lost per 100 000 workers from work-related injury and ill health by 30% by 2010;
- reduce the incidence rate of fatal and major injury incidents by 10% by 2010;
- reduce the incidence rate of cases of work-related ill health by 20% by 2010; and
- achieve half the improvements under each target by 2004.

3. Achieving half the improvements by 2004 was one of the targets in the Department for Work and Pensions' Public Service Agreement (PSA) (originally in the PSA for our previous sponsoring Department - the Department of the Environment, Transport and the Regions) which was published following the Government's Spending Review 2000.

4. Also in 2000, the Commission, Government and other stakeholders launched a long-term strategy to improve occupational health, Securing Health Together. This forms a central plank of the RHS Strategy Statement. It commits all concerned to achieve both the health-related targets set out in RHS and additional targets by 2010. Details can be found on <http://www.ohstrategy.net>.

Principal activities in pursuance of the aims and objectives

5. In 2003/04, HSC/E's contribution continued to be based around four programme-based blocks:

- taking action in priority areas ('Priority Programmes');
- ensuring an effective regulatory regime in the major hazards sectors (Work in major hazard industries);
- securing compliance with the law ('Securing Compliance'); and
- meeting the mandate given by Government ('Mandatory Activities').

6. The Report also provides information about how HSE is managed, health and safety in HSE, output and performance measures and legislative timetables (Section 2 Managing the Organisation and Annexes 1 and 2).

Delivery 2003-2004

General

7. Most published plans and activities in all Programme Blocks have been delivered or well progressed.

Priority Programmes

8. The majority of planned activities have been delivered or well progressed and almost all milestones achieved. A key feature of all the Programmes has been the focus on partnership working and involvement of key stakeholders, including local authorities, trade unions, workers, their representatives, employer groups and small businesses. New partnerships have also been established to amplify the impact of the programmes. HSE has also actively participated in numerous seminars and conferences. Another main focus of the majority of Programmes has been to secure better compliance.

Major hazard industries

9. Of the four targets (rail, nuclear, onshore and offshore) set for Major Hazards, three were achieved and one (offshore - a reduction in the number of hydrocarbon releases) exceeded the confidence limits assigned to the target trajectory. Overall, these new targets have been taken forward well with the industry and an action plan has been drawn up for the one for offshore.

Securing compliance

10. HSE has had a successful year with a number of targets exceeded. Examples of highlights include the successful introduction of a manual handling 'passport' scheme for client handling across the 15 NHS Trusts in Wales; projects on safe use and maintenance of ladders (including joint work with a major employer) and with the Royal Mail Group plc; and increased joint working with local authorities.

Mandatory activities

11. Policy Group came into existence at the start of this working year, and was formed from the merging of HSE's Safety Policy Directorate, Health Directorate, Railway Policy Directorate and the Strategy and Analytical Support Directorate. The work planned by these separate Directorates was prioritised and continued according to need.

12. Work continued with the long-term Strategic Programmes to improve health and safety, including Securing Health Together and related programmes on health work and recovery, developing new ways of working with other Government Departments to deliver cross-government goals on health (eg the Healthy Workplaces Initiative), rehabilitation and engaging small firms; and promoting worker involvement through increasing worker consultation in health and safety; and taking forward other measures and initiatives to promote and encourage greater employee involvement.

Managing the organisation

13. This section includes information on a wide range of management and business issues including diversity, the Race Equality Scheme and Race Relations (Amendment) Act 2000, green housekeeping and employee involvement. A great deal has been achieved on diversity over the past twelve months and highlights over the period are included. On business improvement, having achieved cash releasing and/or productivity savings of 3% of administrative costs for each of the last three years, HSE set a target of 5% for 2003/4. Against this new ambitious target incremental improvements

continued to play an important part. The outturn results show that HSE achieved savings valued at £12.7m for the year, achieved through a combination of cash savings and quantifiable added benefits - equivalent to 6.0% of total administrative costs (excluding HSL) of £209m.

Outputs and Performance Measures (OPMs)

14. Three of the five operational OPMs show an above target outturn; there was a shortfall in the remaining two for the reasons described. The majority of other OPMs exceeded targets. Of particular note are the achievements with targets set for the number of publicity products purchased or accessed, the number of publicity products made available and the percentage of public enquiries responded to within ten days.

Legislative timetable

15. Annex 2 contains full details of European and domestic legislative projects planned for the reporting year and an up-to-date report on the position at the end of the year.

RHS targets

16. Progress against the RHS targets will be reported in the autumn in HSC's *Health and Safety Statistics Highlights 2003/04*.

17. The RHS targets stimulated a new approach in HSC and HSE to tackle performance, but it became clear that more had to be done to mobilise the whole health and safety system if targets were to be achieved.

18. As a first step, HSC adopted a new vision early in 2003. That new vision is: 'to gain recognition of health and safety as a cornerstone of a civilised society, and, with that, achieve a record of workplace health and safety that leads the world'.

19. The development of a new Strategy followed, published in February 2004. The new Strategy signals a new approach. First, we cannot do this alone. We need to understand and value more the contributions of others and work with them in robust new partnerships. Second, we need to work better and more smartly to support the whole health and safety system and create a greater understanding of its concepts. Third, we need to be clear about our priorities and focus our activities on our core business and the right interventions. And lastly, we need to be more effective in communicating our vision and making it clear that we are not seeking a risk-free society but one where risks are properly understood and managed.

20. The new Strategy will inform our new Business Plan for 2004/05 and this will involve a significant rearrangement of how we plan and manage our priorities.

Financial review

21. Schedule 1 shows the combined HSE/Health and Safety Laboratory (HSL) outturn against Estimate. HSE's financial strategy throughout 2003/04 has been to bear down on expenditure while sustaining activity. We have settlements in respect of 2004/05 and 2005/06 but subsequent years will be reviewed within SR 2004. The resource outlook shows that there will be a significant squeeze on HSC/E's administration resources, particularly 2005/06, as the baseline reduces but costs rise in some areas, such as accommodation, quite sharply. However, we have a programme of cutting costs, which in many ways has anticipated the thinking on slimming back office services emerging from the Efficiency Review. We will continue to work along these lines. We are also carefully prioritising our work and ensuring that our resources, particularly our staff efforts, are diverted to where they will have most effect - in line with our strategy.

22. By bearing down on administration spend this year through our efficiency measures we have deliberately built an End Year Flexibility (EYF) fund (ie underspends may be carried forward to help ease and manage pressures in future years).

23. HSE's Programme spend has, in recent years, been centred in the areas of science and technology and publicity. With the publication of the new Strategy; the creation of a Communications Directorate with a new Communications Strategy and plan; the setting up of a series of Strategic Programmes and the emergence of (what will become) a powerful Delivery Board it is likely that there will be greater call on Programme resource and a need to ensure it is being used in a manner which best supports the Strategy and maximises value-for-money. HSE has therefore actively avoided fully committing its Programme resource in 2003/04 while considerations were given to how Programme resource might best be deployed.

24. A possible source of additional funds is by increasing the scope of our charging regime and external advisers have been engaged to advise on this.

25. Details of HSE/HSL involvement in PFI projects are in paragraph 6 of the 2003/04 Accounts Foreword.

Further information

26. In addition to publishing this report as a printed document, you can also find it on the HSE website. The website addresses for main publications and information are given throughout this report. Further, more comprehensive information on publications and reports referred to can be found on the HSE books website (<http://www.hsebooks.co.uk/homepage.html>). HSC/E also provides a contribution to the Departmental Annual Report which includes progress with targets and information on Better Regulation. The Departmental Report 2004 can be found on <http://www.dwp.gov.uk/publications/dwp/2004/dr04/home.asp>.

27. The HSE website also contains up-to-date information and advice on health and safety issues including the latest statistical information (<http://www.hse.gov.uk/statistics/index.htm>). Advice can also be sought via HSE's Infoline: telephone 08701 545500; e-mail: hseinformationservices@natbrit.com. Staff here can help answer general enquiries and tell you about our publications.

PRIORITY PROGRAMMES

Introduction

27. Eight Priority Programmes were identified in the Strategic Plan 2001-2004 covering hazards or sectors where major improvements are necessary if the targets are to be met. The aim was to focus on five hazard areas and three sectors:

- falls from height;
- workplace transport;
- musculoskeletal disorders;
- work-related stress;
- agriculture;
- construction;
- health services; and
- slips and trips (broadened beyond the former local authority remit to tackle in addition the 75% of slips and trips major injuries occurring within HSE-enforced premises/activities).

28. Government setting an example is now an additional programme and was announced in May 2003 by the Minister for Work.

29. These hazards and sectors were brought within the new framework of Strategic Programmes during the year but there are still areas where action is needed. Health issues often require longer to identify the scope of problems and the best ways of tackling them before specific action can be taken. There is inevitably an overlap between work that is carried on in sectors and work to address specific hazards. Details of how each programme has developed over 2003/04 follows. More comprehensive information on the latest statistics can be found in *Health and Safety Statistics Highlights 2002/03* <http://www.hse.gov.uk/statistics/overall/hssh0203.pdf>.

Falls from height

What we aim to achieve

30. We aim for:

- 5% reduction in deaths and major injuries from falls from heights by 2004; and
- 10% reduction in deaths and major injuries from falls from height by 2010.

Latest statistics (2002/03)

31. In 2002/03, there were 49 fatal injuries to workers due to falling from height - 29% less than in 2001/02 - and it continues the downward trend of the past six years. Fatal injuries resulting from high falls (over 2 m) decreased by 16% while those resulting from low falls (under 2 m) decreased by 55%.

32. In 2002/03, there were 3880 major injuries to employees due to falls from height, a reduction of some 4.5% from the previous year. The greatest reduction was in the number of high falls, which decreased by 9% from 1079 in 2001/02 to 986 in 2002/03. The number of major injuries as a result of low falls decreased by 7% to 2015 in 2002/03 from 2174 in 2001/02. This is the lowest reported figure for the period 1996/97 to 2002/03. However, the number of falls where the height is not known has increased by approximately 8%.

33. There has been a large decrease (approximately 15%) in the number of over-three-day injuries resulting from a fall from height, although this might partly be a result of a decrease in the rate of reporting of these injuries.

What we aimed to do during 2003/2004

34. We aimed to:

- improve knowledge of the incidence of falls accidents and the reasons for them;
- pilot ways of tackling falls accidents in occupations/activities most affected;
- replicate successful approaches by embedding them into industry culture and HSE policies and practices;
- continue research to improve knowledge of key technical and human factors in falls; progress projects on guidance on use of ladders;
- address work at height by maintenance fitters;
- address work at height in schools;
- carry out research on accidents involving stairs and, with the workplace transport priority programme, reduce falls from vehicles; and
- carry out initiatives in the food and shipbuilding industries.

Progress

35. A satisfying end to the year in terms of progress on work/projects involving key stakeholders, including local authorities, trade unions, employer groups and small businesses. Projects/activities in support of the Programme strategy are proceeding to plan.

36. This year saw the publication of and consultation on draft work at height regulations and guidance. To date, we have received over 700 responses. We expect the new regulations will come into force in 2004. A major issue has been to resolve ongoing concerns of the outdoor activity industry about how the regulations will affect them.

37. The falls from height website went live early in the year and has proved to be a popular source of information and advice: <http://www.hse.gov.uk/falls/index.htm>. The website is receiving an average of 5000 hits a month.

38. Funding from HSE's small business programme facilitated work on a joint project (with a major supplier of hire equipment used by small businesses when carrying out work at height), to promote awareness of some of the dangers and risks. New guidance on managing the risks of work at height in industries as diverse as shipbuilding and window cleaning was issued and, following the publication of new research, a draft paper on safe use of ladders has been produced and is being discussed with key stakeholders.

39. Much of the work described above will continue to be built upon and taken forward during 2004/05.

A snapshot of other activities/achievements during 2003/04

Inspection and enforcement activity: Inspection and enforcement activity targets have been met. During visits, discussions on falls from height have been of a longer duration.

Work in conjunction with three local education authorities to address falls in the classroom among teachers and classroom assistants was taken forward and will be evaluated early in 2004/05.

Advice aimed at reminding those working on goods vehicles about the dangers of falling from a height was produced and distributed with the help and support of relevant trade unions, trade associations and other significant distribution outlets.

Following targeted activity in the London area, work has been, and will continue to be, undertaken with stakeholders to meet mutual concerns over the risks of falling from height in the outdoor advertising industry nationally.

Workplace transport

What we aim to achieve

40. We aim for:

- 5% reduction in fatal and major workplace transport incidents by 2004; and
- 5% reduction in over-three-day injuries arising from workplace transport incidents by 2004.

Latest statistics (2002/03)

41. The number of workers fatally struck by moving vehicles in 2002/03 was unchanged from that in 2001/02 (39).

42. The number of employees suffering major injuries as a result of being struck by a moving vehicle fell by 11% from 733 in 2001/02 to 653 in 2002/03. This is a decrease of 32% compared to the baseline year.

43. The number of employees suffering over-three-day injuries as a result of being struck by a moving vehicle fell by 8% from 2116 in 2001/02 to 1957 in 2002/03. This is the lowest recorded number in the period 1996/97 to 2002/03.

What we aimed to do during 2003/2004

44. Workplace transport accounts for significant numbers of fatal and major injuries. To reduce these incidents this Priority Programme focuses on engaging stakeholders to ensure the safe management of workplace transport activities through ensuring a safe site, safe driver, and safe vehicle. Activities will include improved guidance, web pages, exploring options on driver training, promoting and evaluating the *Safe driver, safer workplace* CD-Rom, conducting further research to improve our understanding of workplace transport problems and promoting research findings to help employers, employees and safety representatives improve arrangements for risk control.

Progress

45. The common workplace transport accidents, ie accidents involving moving vehicles, are already familiar concepts for most people due to their exposure to road accident reports and publicity. The initial approach is to make people aware that vehicle use in the workplace is equally hazardous, if not more so, and encourage common sense in their use ie a mission to explain to both HSE's usual 'customers' and those we find it difficult to reach at present. HSE has actively participated in seminars, conferences etc and has introduced new projects including a joint awareness campaign with Jobcentre Plus and one with the Freight Transport Association. Improved guidance has been prepared and we are investigating the most useful way to get this to our customers. One area we are exploring for this is via the dedicated workplace transport web pages which were launched in October 2003 and are now averaging about 3000 hits a month.

46. A number of options for driver training were explored and proposals put to the Commission in February 2004. The Commission has asked for a further presentation on costs and benefits later in the year. The CD-Rom *Safe driver, safer workplace* was evaluated and further work is proposed for 2004/05 which would enable us to make more use of the virtual worlds developed for the original CD-Rom. Two substantial sets of research were carried out to further improve our understanding of workplace transport problems and place us in a better position to promote understanding of these problems to our stakeholders. We are now in a position to start developing projects aimed at these 'hot spots'.

47. There have been significant difficulties in identifying the statistical picture of what is happening in workplace transport accidents. Workplace transport is not a single category of incident in the statistical releases. Many of these difficulties have been overcome by means of contracted research projects; nevertheless, to simplify matters for trend tracking purposes, there is one category of incident - struck by moving vehicle - that is clearly a workplace transport issue. This provides the most reliable indicator of progress. This figure is classified separately and accounts for about 60% of workplace transport accidents. The target data (fatal plus employee serious injury) have declined steadily from a figure of 983 in 99/00 to 653 in 02/03, a 30% reduction.

A snapshot of other activities/achievements during 2003/04

Inspection and enforcement activity: 24 148 proactive inspections; 953 Notices issued.

Publicity strategy finalised.

Information exchanged with DfT on the standard of policy planning guidance notes required for site aspects of workplace transport: outcome will be to seek their agreement to cascade information on our behalf.

Research report on accidents in industry produced towards the end of 2003/04; from this HSE will be able to identify strategic information and areas for targeting.

Meeting with accrediting bodies forum to debate standards for lift trucks (to improve training standards). Positive debate held but bodies wished to await feedback from the BOMEL research before making any further commitment.

Initial analysis (with the Freight Transport Association) (FTA)) on workplace transport call centre: this will give HSE access to third parties whom we do not usually reach and will indicate what this wider audience perceive to be the problems involving workplace transport.

Musculoskeletal disorders

What we aim to achieve

48. We aim for:

- 12% reduction in the incidence rate of work-related musculoskeletal disorders (WRMSD) by 2004; and
- 15% reduction in the number of working days lost due to WRMSD by 2004.

Latest statistics (2002/03)

49. Numbers of new cases of MSD seen by specialist doctors have been fairly stable in recent years. The available data from self-reporting surveys, which have more complete coverage but give less frequent and up-to-date estimates, also show no fall in numbers. However, there is a welcome indication that HSE's topic inspection programme is having an effect. It appears that senior managers are becoming more committed and workers more involved in the prevention and control of MSD. New survey data will become available later in 2004, when an initial judgement will be made on progress against baselines.

What we aimed to do during 2003/2004

50. Musculoskeletal disorders account for over one third of all working days lost due to work-related illness. But they are well understood and we know how to manage them. The programme uses this know-how for practical interventions in the framework of the occupational health strategy *Securing Health Together*. It promotes a comprehensive approach involving all individuals and organisations in the workplace, including workers and their representatives. A significant element is aimed at securing compliance with relevant legislation, which requires the application of ergonomic principles to achieve effective and efficient solutions.

Progress

51. A main focus of the programme is preventing MSD by securing better compliance. The second year of HSE's new inspection approach showed continued success with this. HSE inspectors found, on average, increased levels of compliance by employers with the regulations that address MSD. Other projects supporting compliance activity included:

- making HSE's Manual Handling Assessment Chart (MAC) (a tool to assist employers with their risk assessment and control measures), developed for inspectors, available to all duty holders;
- HELA agreeing, following a successful pilot, to roll out the new inspection approach for LA enforcers; and
- publication in March 2004 of HSE's revised guidance on manual handling (L23) incorporating changes to the Regulations and new research findings.

52. Further partnership work to tackle MSD was taken forward with trade associations and unions. Examples included:

- the Cast Metals Federation (CMF), trade unions and HSE, where 120 companies agreed to reduce the top eight types of accident, including those causing MSD, over the next three years;

- the trade associations in the recovered paper industry, which organised a conference where new guidance was launched and presentations given on manual handling.

53. Because not all MSD can be prevented, an HSE working group on Case Management, Rehabilitation and Job Retention has been set up.

54. Also, to increase the support for those trying to tackle MSD, the MSD web pages on HSE's website were revised, with the addition of not only the MAC but also new case studies.

A snapshot of other activities/achievements during 2003/04

Inspection and enforcement activity: Planned allocation of staff years for MSDs: 44, outturn – over 45. 192 notices relating to MSD were issued, compared with 331 in 2002/03.

The Agricultural Sector organised 14 Safety and Health Awareness Days (SHADs) attended by 5540 employers and workers in the industry, at which Manual Handling was among the topics covered. There were four other SHADs organised in association with Agriculture stakeholders attended by 428 people.

In the printing industry, the Sector has carried out a project to engage intermediaries to raise awareness of MSDs. The Printing Industry Advisory Committee focused on the six manual handling activities that caused most injury. Video clips showing case studies will be publicised on HSE's 'Printing' website.

MSD issues featured prominently at key stakeholder conferences such as the Ergonomics Society, the Institute of Occupational Health & Safety (IOSH), the Association of Chartered Physiotherapists in Occupational Health and Ergonomics (ACPOHE) and the Chartered Institute of Environmental Health (CIEH).

HELA conference hosted a display about the work of the DSE club.

MSD featured prominently on the Business Link CD tool for SME business advisors.

MSD PP research strategy is available on the internet and regularly reviewed.

Reports received on the following projects: The Role of Work Stress and Psychological Factors Upon the Development of Musculoskeletal Complaints; Workplace Risks Associated with Pushing and Pulling, September 2003; Further Development of the Usability of the Quick Exposure Check.

Three courses held to provide comprehensive training for 75 HSE and LA inspectors to enable them to identify work-related MSD risks and take appropriate action. Nominated specialist inspectors for MSDs in HSE regions meet once a year to share experience and promote good practice.

The programme team visited Bradford College to experience 'Back into Action' an intervention programme for staff with back pain. This is now a case study on the website.

The MSD pages on the HSE website: <http://www.hse.gov.uk/msd/> were regularly updated and received a favourable review in Safety and health practitioner.

194 209 hits on the Manual Handling Assessment Chart web page in the last quarter, 1.3% of the total hits of HSE. Hits increased from 33 000 in January to 92 000 in March.

Work-related stress

What we aim to achieve

55. Ten-year indicators are:

- 20% reduction in incidence of work-related stress by 2010; and
- 30% reduction in number of working days lost from work-related stress by 2010.

Latest statistics (2002/03)

56. Both survey and specialist doctor data suggest that work-related stress has been increasing in the recent past. It is too early to say whether the small fall in specialist doctor cases this year represents a change in trend. The Self-reported work-related illness household survey (SWI01/02) indicates that the problem was bigger than originally estimated. However, data are difficult to interpret - indeed, self-reporting of stress may be affected by many factors such as awareness of and attitudes to stress. New survey data will become available in 2004, when an initial judgement will be made on progress against baselines.

What we aimed to do during 2003/2004

57. Programme activity is designed to deliver HSC's four strategic aims: working with others to develop clear, agreed management standards for key stressors; equipping HSE and local authorities better to advise on work-related stress; encouraging a more comprehensive approach, eg through facilitating sharing of information on best practice; and supporting publicity and guidance to educate employers especially on risk assessment and to encourage them to engage with employees and their safety representatives to develop effective solutions.

Progress

58. A key objective of the programme is preventing stress by encouraging good management practice. The third year of the programme has seen significant progress through partnership-working to develop management standards.

59. Between April and November 2003, HSE piloted draft management standards and, in conjunction with the Advisory, Conciliation and Arbitration Service (ACAS) and the Chartered Institute of Personnel and Development (CIPD), undertook stakeholder engagement activity to refine the standards. Twenty-two out of twenty-four pilot organisations reported back during November/December 2003 and their experiences have helped to further refine our approach. Other projects supporting this work include:

- HSE staff contributed to series of regional seminars updating ACAS facilitators on the management standards approach;
- A baseline for perceived workplace conditions was established to help us gauge the impact of future programme activity;
- Technical papers were submitted for publication setting out the stages in development of management standards and explaining the rationale and the underpinning science;
- HSE staff successfully presented workshops on the standards at an international expert conference in Berlin during November 2003;

- A draft operational strategy has been prepared and will be refined in the light of recent operational activity.

60. Since the launch of the Management Standards pilot area in June, hits to the HSE Stress web pages have continued at around 12 000 to 15 000 per month. An online community has been set up so people can post questions and contribute to discussions. Around 200 people have already subscribed to this service and management of the site suggests people are finding it a helpful resource.

61. Further partnership work to tackle stress was taken forward with professional associations and unions. Examples include:

- development of practical guidance entitled *Real solutions, real people*, based on recently published case study research;
- collaboration with the International Stress Management Association to develop workshop materials to coincide with National Stress Awareness Day.

A snapshot of other activities/achievements during 2003/04

Inspection and enforcement activity: HSE had achieved 122% of the target for inspector time allocated to stress. HSE served an improvement notice on West Dorset General Hospitals NHS Trust and worked closely with the Trust to ensure risks to staff were thoroughly assessed and appropriate actions identified. A programme of stress audits was carried out across LAs.

HSE has worked closely with DTI to support research into bullying (in conjunction with AMICUS) and with key stakeholder groups to ensure bullying behaviours are addressed by the relationship management standard. HSE continues to work with Health Scotland to develop effective guidance for SMEs.

Two research reports on best practice in stress management and stress rehabilitation were published on HSE's website in July 2003.

The cross-Government stress network continues to meet regularly. A learning day was held in June for representatives from government departments to discuss stress issues internal to their organisations and to listen to a range of speakers. The group continues to report the benefit of regular meetings.

A further network has been identified in the Education Sector and HSE has met DfES and key stakeholders to discuss how best to co-ordinate and disseminate the wide range of activity within this sector.

A number of research projects were developed / published including:

- defining what is a case of stress;
- cognitive factors influencing reporting of stress;
- best practice in rehabilitation;
- best practice in management interventions (Beacons);
- better Regulation Unit's stress and ethnicity research;

- case studies on violence to lone workers.

A stakeholder database has been developed to help target and deliver communications activity.

HSE has been sharing the UK approach on stress, in particular the management standards, to the European Social Partners. HSE staff successfully presented workshops on the management standards at an international expert conference in Berlin during November 2003 and hosted separate visits by representatives from the Australian and Canadian Competent Authorities.

Construction

What we aim to achieve

62. Our programme aims to stimulate the construction industry to achieve challenging targets and plans set by them at the 2001 Construction Health and Safety Summit:

- 40% reduction in incidence rate of fatal and major injuries by 2004/5 (and 66% by 2009/10);
- 20% reduction in incidence rate of cases of work related ill health of employees by 2004/5 (and 50% by 2009/10); and
- 20% reduction in number of working days lost per 100 000 workers from work-related injury and ill health by end of 2004/5 (and 50% by 2009/10).

Latest statistics (2002/03)

63. Fatal worker injuries reduced to 71 in 2002/03, the second lowest ever and a second consecutive annual fall from 80 in 2001/02. The rate of fatal injuries fell to 4.0 per 100 000 workers, again the second-lowest rate ever.

64. The rate of reported major injuries to employees has declined 5% since 1999/2000, but the 2002/03 rate is 5% up on 2001/02.

65. SWI01/02 led to estimates that 5600 per 100 000 workers suffered an illness which they believed was caused or made worse by their job, statistically significantly higher than the average for all industries (4300 per 100 000). Construction also has the highest prevalence (5%) of MSD of any industry. The full extent of work-related ill health has yet to be identified and acknowledged by the industry.

What we aimed to do during 2003/2004

66. Engage with key stakeholders including TUs and workers to deliver a targeted programme of work that supported industry in achieving its targets, encourage those striving for excellence and take a robust line with those who were not.

Overview of what we did

67. We delivered the following in each of the areas described:

Significant health and safety risks, the occupational health support pilot and the 'basics' of tidy, well-organised sites and decent welfare

Health and safety risks:

- Positive shift towards mechanised handling of kerbs and similar products;
- Simple labelling system for hand tools giving user information about HAVs risk developed by industry;
- Assisted in developing new Work at Height Regulations;
- Worked with the Highways Agency and industry to develop safe methods of work on high-speed roads;
- Worked with others to resolve driver visibility on site machinery (CEN & ISO).

Occupational health support pilot:

- Corporate governance arrangements established for occupational health pilot and significant share of the funding secured. Service provider selected with pilot set to launch Autumn 2004;
- Major Contractors Group (MCG) launched its occupational health strategy.

The 'Basics':

- Housekeeping given high profile at visits;
- Enforcement notices including Prohibition Notices issued where standards unsatisfactory.

Early interventions with CDM (Construction Design and Management Regulations) dutyholders on selected projects and worked with industry to improve competence and knowledge of all dutyholders (in particular designers and Government Departments)

- Early interventions are now common;
- Planned intervention strategies secured for larger sites;
- Designers challenged through Designer Awareness Days and support given through website;
- Government as Client role challenged through targeted inspection;
- Supported Government health and safety procurement advice through revision of OGC 10;
- Supported Strategic Forum in developing integrated teams tool kits.

Promoting key issues with small firms, through the supply chain, intermediaries and the Working Well Together (WWT) initiative of Safety and Health Awareness Days (SHADs)

- Worked with industry partners, the supply chain and intermediaries to reach SMEs and the workforce to promote the 'High 5' - highlighting the five most significant health and safety hazards at smaller construction work;
- Actively promoted the 'High 5' information through practical sessions, demonstrations and exhibitions at (i) SHADs involving more than 4000 small and micro companies; (ii) the WWT and Roadshow to 10 600 workers on large sites; and (iii) piloted a 'White Van' Roadshow for smaller sites reaching nearly 2000 workers.
- 'High 5' information now available in a range of languages;

- WWT Newsletter highlighted and promoted 'High 5' which is now available as a free downloadable leaflet on the WWT website.

Actions from the Revitalising Health and Safety in Construction Discussion Document

- Revisions to the Construction Design and Management Regulations (CDM) underway in close consultation with industry;
- Outcomes of consultation informed decisions on CDM revision and HSE's Construction Priority Programme.

Improving our intelligence by better analysis and data capture techniques and a targeted programme of research in collaboration with industry partners

- Completed three major pieces of research on accident causation that has informed subsequent activity (all research reports publicly available on internet).

A snapshot of other activities/achievements during 2003/04

Construction Division completed more regulatory contacts and inspections than planned, and improved complaints and RIDDORs investigation performance. A **robust enforcement** line continues to be taken with the industry using the full range of sanctions including I/Ns to address underlaying issues. Major cases completed this year include the Hull building collapse and Nishimatsu where a £700 000 fine resulted.

Ministerial interest was maintained with Des Browne (Minister for Work to March 2004) showing his commitment through attending the WWT Roadshow and WWT awards, and in speeches to industry.

The National Audit Office's review of HSE's construction work has helped us focus on our programme and its key projects and will ensure continuing positive development.

Media coverage in the specialist press has remained significant with 90% of the articles expressing either positive or neutral views on construction issues.

UCATT has set up a Health and Safety Adviser Network and is bidding along with the FMB and TGWU for further Worker Safety Adviser developments from the Challenge Industry engagement. Industry's response to HSC/E's new strategic direction through partnering has been demonstrated though WWT SHADs where nearly 40% of the cost and 80% of the administrative organisation and speaker resource has been provided by industry.

Industry is picking up the challenge of preparing its own guidance (eg mesh handling and masonry facades).

Strategic Forum (SF). Peter Rogers, the new chair, has demonstrated his personal commitment to respect for people, in particular health and safety issues through his drive to reduce unacceptable site conditions by inviting clients and professionals visiting sites to make their views formally known through a 'site conditions campaign'. The SF continues to champion the 'respect for people' agenda and has published an Integrated Teams toolkit that should enhance risk management: and it has set up an industry insurance group that may also assist in securing better risk management.

Major Contractors Group (MCG) CSCS initiative. The successful drive by the industry that has substantially increased the number of CSCS cards.

A Scottish Construction Forum has been established to lead on industry improvements initiatives and HSE is represented on the board.

Considerate Constructors Scheme has noted a three-fold percentage reduction in complaints from the public about safety issues.

EU. HSE made major contribution to the SLIC initiative on falls.

Agriculture

What we aim to achieve:

68. We aim for:

- 5% reduction in fatal accident incident rate to employees by 2004/05 and 30% by 2009/10;
- 5% reduction in fatal accident incident rate to self employed by 2004/5 and 10% by 2009/10;
- 5% reduction in major accident incident rate to employees by 2004/05 and 30% by 2009/10; and
- reduction in child fatal accidents in agriculture to zero by 2010.

Latest statistics (2002/03)

69. Although over the past 16 years fatal incidence rates have fluctuated, in broad terms those for employees have roughly halved, whereas the rate for the self-employed has more than doubled.

70. In 2001/02 and against a gradual decline over the previous six years to a rate of 4.7 (2000/01), the fatal injury incidence rate to employees rose to 7.9. In 2002/03, this figure has reduced to 7.2, but continues to be higher than in recent years. By contrast, the self-employed fatal incidence rate for 2002/03 has increased to 12.9 and compares to 11.0 in 2001/02, but is still lower than previous years' figures.

71. The provisional major injury incidence rate to employees was 269.7 in 2002/03 - the highest over the past five years but, given variability in reporting levels and the reduction in the numbers of people employed in the industry, represents no particular trend.

What we aimed to do during 2003/04

72. The Programme relies on the full support and co-operation of stakeholders (including government departments). With their help we aim to secure a culture change resulting in widespread recognition that good health and safety standards are integral to sustainable modern farm business. We seek to increase the awareness of hazards/risks and the practical measures available to eliminate or control them. To improve occupational health in agriculture we aimed, in partnership with others, to develop a model for the provision of occupational health and rehabilitation services in rural communities, and to promote and encourage farmers and agricultural workers to access rural occupational health and rehabilitation services.

Overview of what we did

73. HSE held a major stakeholder conference in January 2004, attended by the HSC Chair, DEFRA Minister and 65 other organisations, including the National Farmers' Union (NFU), The Transport and General Workers Union (TGWU), Farmcare, JCB Landpower Ltd, and NFU Mutual. The purpose of this conference was to stimulate action and secure commitment of the key stakeholders in agriculture. A key objective for the coming year is to follow up the commitments made at or following the conference. HSE are also working closely with a number of Government Departments, eg on seeking inclusion of health and safety in the Department for Environment, Food and Rural Affairs' (DEFRA's) Whole Farm Approach.

74. In promoting awareness of hazards/risks and measures to control or eliminate them, HSE has held 22 Safety Awareness Days (SADs) in total: 14 mainstream agricultural SADs, four with NFU and trade unions and four arboriculture SADs. We also developed and piloted a self-assessment software package; worked with training organisations to develop a suite of vocational qualifications; and developed a number of novel interventions in addition to carrying out a full programme of proactive and reactive inspection.

75. In relation to occupational health as part of promoting the development of a national occupational health support network, HSE identified and agreed to evaluate the independently funded 'Farmers Health Initiative' which aims to provide occupational health support to the farming community in Cumbria. HSE has appointed a contractor to undertake the evaluation and will work with stakeholders in developing, promoting and evaluating the initiative over the next two/three years. More generally, HSE is a partner along with organisations such as the Scottish Executive and National Health Service (NHS) Scotland, supporting the 'Safe and Healthy Working Initiative' which aims to provide a free occupational health and safety service for industry.

A snapshot of other activities/achievements during 2003/04

Inspection and enforcement activity: A total of 1993 enforcement notices have been issued compared to 2074 in 2002/03.

Stakeholder engagement conference: Successful event with 65 key organisations represented attending Oxford on 8 January. Event launched by Bill Callaghan with key speakers, Roger Nourish (Head of HSE's Agriculture and Food Sector) and Lord Whitty (Minister for Food and Farming at the Department for Environment, Food and Rural Affairs). A video prepared specially for the event was shown. Five major stakeholders gave presentations to demonstrate what their organisations were already doing to improve farm health and safety. A further 15 major stakeholders offered their support (more wanted to speak but event had already overrun). Requests received for further 90 copies of the video by stakeholders for training/awareness (in addition to personal copy given to those who attended event). Evaluation continues to capture all work that is being done/could be done and to identify where HSE can help. Positive replies have been received from 42 stakeholders (including 29 of those that could not attend the event), many demonstrating commitment through planned post-conference action. We have built on this commitment in progressing a number of initiatives since the event.

Development of vocational-related qualifications on occupational health and safety in agriculture. Specification and consultant brief circulated to members of the Awarding Body group for comment.

Revision of 'Traction Action' video and leaflet. Video package completed; proposal to launch video at Royal Show in July 2004.

Safety Awareness Days: 5540 farmers attended against a planned target of 4200. Arboricultural SADs were attended by 250 contractors and approximately 150 client organisations.

Influence safety through design, for machinery and other equipment and through the supply chain: The Sector Safety Section attended various CEN (European Committee for Standardisation) and ISO (International Organisation for Standardisation) standards meetings and also made written comments on a number of standards. One SAPID (Suppliers and products information database) was investigated in relation to the supply of an unguarded potato harvester (bringing total for year to date to 21). Other product safety visits made, including: tillage equipment manufacturers; and all terrain vehicle (ATV) suppliers following an earlier blitz.

Sector visit programme to assess compliance with CEN standards for targeted high-risk machinery. Sector staff made a total of 26 visits with respect to manufacturers of power harrows, silage balers and crop sprayers. Non-compliance issues have lead to joint working with the French regulatory authority on market surveillance which is to be continued in 2004/05.

Development of a sustainable model for occupational health / rehabilitation services within the rural community:

In the search for a sustainable model of the delivery of occupational health and rehabilitation, HSE has selected the Morecambe Bay Primary Care Trust's Farmers Health Initiative (FHI) for evaluation. The Institute of Rural Health (IRH) has been appointed as the contractor for the evaluation. Contract with IRH signed. Initial evaluation meeting held 16/03/04.

Development of an interactive risk-assessment package: Interactive risk assessment software to help farmers produce their own farm-specific action plans was trialled. The results from the pilot are currently being evaluated but overall were very encouraging, eg 99% of those who took part would recommend the software to other farmers. Further development and application is underway.

Health services

What we aim to achieve

76. We aim for:

- with NHS Wales - secure commitment to the RHS targets;
- with NHS Scotland a 25% reduction in all incident/injuries by 2006;
- with NHS England (currently under review, previously 30% reduction in accidents, violence and sickness absence by end 2003/4); and
- targets and baselines for the private sector are under development.

Latest statistics (2002/03) (NHS data for 2002/03 are not available)

77. SWI01/02 reported an ill-health prevalence rate of 5.2%, compared with 5.4% in 1998/99, with the same types of ill health predominating.

78. RIDDOR data show significant reductions in all accidents in healthcare since the baseline.

79. Manual handling accidents have reduced by nearly 11%. Slips and trips continue to account for about half of the major injuries, and numbers remain static. Injuries due to violence seem fairly static, despite a background of increasing violence and aggression reported by the NHS. The health services major injury incidence rate went down from the 1999/2000 baseline of 84.1 to 70.4 in 2002/03, a reduction of 16.3%.

80. LFS accident rates for health services had also fallen steadily since 1996/97, but the 2001/02 LFS rate showed a 4% increase despite the RIDDOR trend. The reason for this is not clear.

What we aimed to do in 2003/2004

81. HSE will work directly with NHS trusts and the health services in England, Scotland and Wales through their existing and emerging targets and programmes to support the delivery of a substantial contribution to improving health and safety. HSE will also target poorer performers, enforcing when appropriate, and help identify and encourage best practice initiatives.

Progress

82. The National Audit Office (NAO) published two reports on the costs of accidents and violence in the NHS, and the main recommendations (eg the development of a national Occupational Health and Safety (OHS) Strategy for the NHS) were included in the subsequent Public Accounts Committee report. The reports, which were developed with support from HSE, estimated the direct costs to the NHS as over £173 m per year, but they also include case studies from NHS trusts which had successfully managed risks to staff, eg from patient handling, violence and aggression, slips, and latex allergy. Many of these initiatives stemmed from HSE inspections. The reports and the case studies are on the NAO website (<http://www.nao.gov.uk>), and other case studies can be found on the new health services page of the HSE website.

83. The reports also resulted in an NAO health and safety conference for the NHS held in November 2003, and a Department of Health (DoH) conference in February 2004. A conference was also organised by the Ambulance Service Association, and was attended by all the British ambulance services, with Bill Callaghan as keynote speaker. MSD levels in the service are down by over 23% since 99/00. Provisional 2002/03 statistics showed that accident rates and manual handling injuries in healthcare are continuing to go down.

84. The Institution of Occupational Safety and Health developed, with HSE assistance, a package of health and safety training for healthcare staff, managers, and directors. It was launched in February 2004.

85. A concordat between HSE and NHS Estates was signed in October 2003. Examples of joint working include HSE consultation on NHS guidance, and a commitment from NHS Estates to replace existing outdated HSE guidance on clinical waste. HSE also helped the NHS Counter Fraud Security Management Service to develop training on the management of work-related violence, and will help deliver part of this training in 2004/05.

86. The management of stress in the NHS was highlighted by the serving of an Improvement Notice on a trust, which co-operated fully with HSE in complying. HSE guidance on managing stress in health services should be published by autumn 2004.

87. HSE and other NHS inspection bodies have signed an agreement to work together to reduce the 'inspection burden' on the NHS, improve liaison and help to target interventions. Senior level discussions are underway with new Healthcare Commission on wider co-ordination of inspection activity.

Comment

88. The Independent Healthcare Association was wound down in December 2003, leaving no single representative body for the major private healthcare providers. HSE is discussing new arrangements with the two successor bodies.

89. The reduction in the size of the Department of Health and the transfer of its human resource and health and safety functions to a new NHS employers' organisation pose a risk to national approaches which are a key part of the Programme. HSC and HSE representatives will meet the new body in April, and a DoH Minister has been invited to participate in the Ministerial Task Force as part of the 'Government Setting an Example' Priority Programme.

A snapshot of activities/achievements during 2003/04

Inspection and enforcement activity: Annual targets met. 395 care homes and nine small independent hospitals/hospices/clinics inspected. 89 head office visits by HSE staff have been recorded plus 174 PCT contacts by Workplace Contact Officers. 225 Improvement Notices issued, 12 Prohibition Notices and 25 successful prosecutions had been taken.

HSE chaired the judging of the Back in Work Awards, which were presented in February 2004. Useful case studies to be followed up.

The DoH OHS strategy for the NHS is now expected in 2004/05. FOD Scotland met Scottish Executive in February to agree support for the OHS Implementation Group. A meeting with NHS Wales is planned April 2004 to discuss the Welsh equivalent.

Memorandum of Understanding (MoU) between HSE and the General Medical Council was agreed. The MoU formalises current working relationships, including arrangements for the referral of concerns regarding the conduct of doctors, and liaison for undertaking shared investigations.

A Concordat agreeing common objectives and ways of working was agreed between HSE and NHS Estates. Estates have agreed to replace existing HSAC guidance on Clinical Waste, and FOD Services and Construction Inspectors are involved in a joint initiative on safer hospital design. Health Services Unit staff spoke at the 'Creating a Safer Hospital Environment Conference' in February 04, and will in 2004/5 be discussing how contributing to the DoH Approval Scheme for Private Finance Initiatives can be achieved.

Formal 'working agreement' with the Commission for Health Improvement signed. Senior level contact made with successor body Healthcare Commission on future co-ordination of inspection work (draft Concordat). Agreement expected Quarter 1 04/05.

Following the launch of the Health Services Information Sheet on slips/trips, issue was raised at Safety Awareness Days and IOSH Healthcare Specialist event in Scotland. Promotion campaign planned in NHS trusts for 2004/05.

National Audit Office conference on health and safety in the NHS was attended by over 250 delegates, with keynote speeches from the chairman of the PAC, and Commissioner Judith Hackitt. Presentations included a range of case studies on best practice in managing musculoskeletal disorders, violence, and other risks in healthcare.

Staff from the FOD Health Services Unit delivered six risk management workshops with the NHS Litigation Authority. Over 150 delegates from NHS trusts throughout England attended.

Slips and trips

What we aim to achieve

90. We aim for:

- 5% reduction in fatal and major incidents caused by slips and trips by 2004; and
- 10% reduction in the incidence rate of all injuries from slips and trips by 2004.

Latest statistics (2002/03)

91. 2000/01: 9054 employee major injuries and 28 552 over-three-day employee injuries.

92. 2001/02: 10 268 employee major injuries and 30 106 over-three-day employee injuries.

93. 2002/03: 10 458 employee major injuries and 29 848 over-three-day employee injuries.

94. Slipping and tripping remains the most common kind of employee major injury, accounting for 37% of all major injuries to employees in 2002/03. Both the number and rate of slipping and tripping have increased gradually since 1996/97. Slipping and tripping is the second most common kind of employee over-three-day injury, accounting for 24% of all over-three-day injuries to employees in 2002/03. A step change upwards in 2001/02 was due largely to new guidance that resulted in some types of accident formerly classified as 'low falls' now being properly classified as slips and trips. There are also questions about whether the perceived increase in the number of major injury accidents is also partially due to reporting of a greater proportion of these types of accidents.

What we aimed to do during 2003/04

95. Slips and trips are the highest cause of major incidents, and often result in broken bones, yet they are perceived as insignificant and unavoidable. 37% of major injuries are reported as 'slips and trips' and many more accidents reported under other categories such as falls from height are often initiated by a slip or trip. This programme aims to change attitudes and offer practical solutions to reduce slips and trips via research, publicity and focused enforcement activity.

Progress

96. The Slips and Trips Programme has been broadened and relaunched with a new strategy and plan approved by a new programme board. New partnerships have been established to amplify the impact of the programme, with the help of a small increase in core team staff.

97. Incidents involving slips and trips are the highest cause (37%) of major injuries that occur in Britain's workplaces.

98. In addition to the human cost the annual cost to society is over £750 million, with £368 million costs to employers.

99. Slips and Trips are often the initiators of accidents classified under other categories, such as some falls from height, machinery accidents, scalding etc.

100. Accidents can be dramatically reduced. The HSC programme is working with others to:

- convince the right people that slips and trips are serious, that effective action can be taken and to take action;

- engage LA and HSE staff, employers and influencers;
- influence those responsible for the design of new or refurbished workplaces;
- provide underpinning research, evaluation, intelligence to aid targeting and standards development.

101. We have numerous examples of changed behaviour (see table) and cost effective risk management. There have been encouraging achievements through working with eg RIBA, (architects and designers), facilities management companies, key employment sectors and partners such as Royal Society for the Prevention of Accidents (RoSPA) and the Institute of Safety and Health (IOSH).

102. The most difficult work is to change attitudes to ensure slipping and tripping accidents are taken seriously. A media strategy has been developed to help by making managers, safety professionals and workers aware of the huge financial and human cost of slips and trips and to demonstrate they can be managed easily, without excessive expense and to assess and manage the risks accordingly.

A snapshot of other activities/achievements during 2003/04

Inspection and enforcement activity: Slips and trip risks were inspected proactively by HSE at over 21 000 workplaces, an increase of 8% on the previous year. HSE and LA inspectors successfully completed trials of a slips assessment tool which will be made available to the public in 2004. Audits of Scottish NHS Trusts resulted in closer working with NHS Scotland Estates Department on the management of slips risks. At one new hospital Improvement Notices were issued to secure improved flooring in an area where frail patients were prone to slip.

Communications strategy revised, target audiences identified and presented to advertising consultants. Consultants advertising recommendations obtained and dialogue is being maintained as we await decisions on our communications bid which will affect our media strategy. Website on line and updated. Community of Interest launched and open to the public.

Jobcentre Plus engagement model pilot - two events, 400 people seen. 10% asked structured questions by HSE. Initial evaluation showed public favour access to health and safety information in the high street. Model to be expanded. Contacts have been made and opportunities are being sought with several potential partners.

Twelve workshops for small/medium sized enterprises (SMEs) were organised jointly by HSE/LAs at venues across Great Britain. These were popular events designed to provide companies with the tools to do risk assessments for slips and trips and to produce action plans.

Presentations on preventing slips and trips were given to stakeholders' organisations representing the rubber, aluminium and education sectors. The education event also served to launch the HSE information sheet on controlling slips and trips in schools and colleges.

Comprehensive speaker's pack provided to ROSPA for use in new slips and trips training courses. The speaker's pack has also been provided to IOSH who have made it available for use by their members.

Slips Roadshows for LA inspectors - six planned for 2003/4, nine delivered to date in 2003/4 (approximately 250 EHOs attended). The rolling programme of these events for LAs has been running for the last few years, running total of events delivered to date is 34 (over 900 EHOs trained). We are continuing to identify, and make contact with, groups of LAs who have not yet had access to the training. Two groups identified to date for possible events in 2004/5.

Training for HSE inspectors - A pilot training course took place on 5 February 2004 in Edinburgh attended by over 70 delegates. This event has been designed following discussions with FOD divisional operations teams and a baseline evaluation study of 'Barriers to enforcement on slips/trips: attitudes of HSE inspectors'. The research found that some inspectors wanted more information on ways of controlling slips and trips risks, in order to advise and enforce on this topic with greater confidence. Pre- and post-pilot course evaluation will influence the series of six events (one per HSE region) planned for 2004/5. Good initial feedback from pilot event, evaluation researchers will contact delegates again in next few months to examine changes in behaviour and establish how inspectors are putting learning into practice.

Examples of changed behaviour

- A 19% reduction in the numbers of slipping and tripping accidents that was sustained for a period in the food industry;
- A casework study involving a pet food manufacturer that transformed from high prevalence of slipping accidents to a three-year history that has been virtually free of slipping accidents, achieved primarily by the provision and wearing of slip-resistant shoes;
- Agreement from IOSH to survey a large sample of its 27 000 members to gauge knowledge and attitudes towards slips and trips;
- The arousing of RIBA interest starting from a very low baseline knowledge and awareness of the programme and of the role that architects and designers can play in reducing slipping accidents;
- A large architectural practice that has started to work on changing a specification index used by architects to take into account flooring parameters such as slip resistance;
- Invitations from RoSPA to use their congresses as platforms for slips and trips presentations and exhibitions. Publication of articles in affiliated journals.

Government setting an example

What we aim to achieve

103. By 2010 the programme aims to establish the public sector's management of health and safety as the standard that all employers in the UK should aim to match. This will be achieved through the continued development and use of best practice health and safety management tools and through the influencing power the public sector has as a major procurer and customer.

104. As a result we will see:

- a reduction in the number of accidents and ill health cases that are a result of work;
- a change in the management culture within the public sector resulting in improvements to the management of health, safety and sickness absence;
- less time and money lost to sickness absence and increased productivity in the public sector as a whole;

- the public sector recognised as an employer where people want to work because they know that their health and safety will be protected; and
- improved health and safety management in those companies that are procured, funded and sponsored by the public sector.

Latest statistics (2002/03)

105. There are over five million government and public sector workers in total across Great Britain, representing about 18% of the workforce.

106. The public sector is in the worst six industry sectors for its total injury rate and work related illnesses. Reported sickness absence is estimated to be around a third higher per employee in the public sector than in the private sector*. This has a significant impact on the Government's ability to meet its PSA targets and represents a direct threat to the Prime Minister's aim of improving public services.

What we aimed to do during 2003/04

107. The Government Setting an Example Priority Programme was announced in May 2003. The key to this programme is to persuade the public sector as an employer to take responsibility for their own health and safety by instigating projects that can make a contribution to the Revitalising Health and Safety (RHS) targets. During this early period gaining the initial commitment of the public sector to the overall aims of the programme was the main priority. Due to this early work we are now well placed to assist the public sector in making a contribution to the RHS targets through the reduction of work-related ill health and sickness absence.

Progress

108. Following the development of a business case, a programme manager was appointed and a programme team established. The team includes staff from both policy group and the public services sector of the field operations division to ensure that all aspects of the public sector were covered.

109. A programme plan has been developed with key workstreams incorporating new and existing projects.

110. A Programme Board has been established to give the programme a strategic steer. The Board consists of members who are primarily experts, influencers and policy makers. The Board has met twice and now includes HM Treasury and Cabinet Office among its membership.

111. The former Minister for Work (Des Browne) considered the programme to be of such importance that he requested the establishment of a Ministerial Taskforce. The proposals for the composition and role of the Taskforce have been agreed by DWP Ministers, and target departmental Ministers have been formally invited to participate. Officials at the target departments have agreed in principle to supporting the Taskforce.

A snapshot of other activities/achievements 2003/04

Programme plan developed.

Proposals for a Ministerial Taskforce put forward to target Departments.

Discussions held with Cabinet Office and HM Treasury to promote the programme aims and encourage their support.

*Days lost per staff year in the Civil Service was 9.8[†] compared to 6.35^{††} in the private sector

[†]AON/Analysis of Sickness Absence in the Civil Service 2002

^{††}Absence and labour turnover 2003 - CBI

MAJOR HAZARD INDUSTRIES

Introduction

112. Much of HSE's work is about the management of health and safety in high hazard industries and the control of major hazard events - the prevention of major incidents where the health and safety of many people, whether workers or members of the public, is affected.

113. Progress with published plans during 2003/2004 follow. Sectors covered are those where the control of major hazards is critical, for example, gas conveyance and onshore major hazard pipelines, chemical installations covered by the Control of Major Accident Hazards Regulations (COMAH), explosives and the railways, mining, offshore and nuclear industries.

HSC policy statement on permissioning regimes

114. Work continued to publicise and embed the HSC policy statement on permissioning regimes published in March 2003. This set out a benchmark for the review of existing permissioning regimes and for considering proposals for new ones. A key event in publicising the policy statement was a joint seminar between HSE and the Institution of Mechanical Engineers in October 2003. This gave industry practitioners an opportunity to share their views and experiences on how to improve the effectiveness of safety cases and safety performance in industries subject to permissioning regimes.

115. The seminar coincided with HSE publishing a research report identifying available evidence on the impact of safety case regimes. The report by Vectra says that, overall, industry sees safety cases as more beneficial than burdensome and supports their philosophy and approach, particularly the goal setting style. Other benefits identified include the introduction of systematic management systems to control risks and the greater involvement of staff and safety representatives in the process. Both are seen as being highly effective in reducing major incidents.

A national target for major hazards

116. Work has now been completed on the development of a suite of targets, based on precursor events (an event or group of events the occurrence of which might indicate failures in control systems relevant to the control of risks from a major hazard - as such they are the kind of event in the possible chain of causation and avoidance which could be a key element in the prevention of catastrophic outcomes) which provide a suitable measure of HSE's efforts to regulate and improve performance in the major hazards sector. They are summarised in the table below which defines each target, sets out baselines and reports on 03/04 performance.

117. The targets represent the diverse range of industries in the major hazards sector and have been agreed with key stakeholders. A single aggregated indicator has not been pursued because of the complexity of bringing together the different data series.

118. The key steps taken to develop the targets include:

- establishing a common baseline year - 2001/02;
- agreeing improvement targets with relevant sector players;
- for each target, determining performance trends over the medium term from which target trajectories can be determined.

119. Original proposals to use a set of seven indicators for the rail sector have been overtaken by the adoption of the Rail Safety and Standards Board (RSSB) 'rail safety risk index' (for the national rail network) which employs a wide range of relevant pre-cursor metrics, weighted to represent the potential severity of outcome for each type and combined into a single value. RSSB and HSE have agreed a target to reduce the overall risk value by 10% annually.

120. Over the course of the shadow running year data sensitivity has been evaluated and trajectories and targets adjusted in the light of experience. The results will be built into the Technical Note for the Health and Safety PSA for 2005-2008.

Delivery of the Major Hazards Target 2003 - 2004

	Base Yr 2001/02	2002/03	Quarter 1	2003/04 Quarter 2	Quarter 3	Quarter 4	Total
Rail indicators*							
Signals passed at danger	172	143	36	36	Series discontinued and replaced with Safety Risk Index		
Track compromised	627	577	62	62			
Derailments	63	56	17	15			
Acts of vandalism	921	741	113	72			
Level crossing incidents	182	176	50	77			
	1965	1693	278	262			
Safety risk index		101.7	96	94	86.9	Unavailable	86.9
Nuclear indicators							
Reports made to HSE by licence holders which indicate a challenge to nuclear safety	143	156	22	24	27	28	101
Offshore indicators							
Major and significant hydrocarbon releases	113	85	26	31	33	23	113**
Onshore indicators (COMAH)							
Relevant RIDDOR reportable dangerous occurrences, eg unintentional explosions, failure of pressure systems	179	155	39	36	38	34	147

**The reporting arrangements to HSE are reliant on the industry and there is a reporting lag of one quarter. The outturn for quarter 3 is therefore quoted for the End of Year figures.*

***03/04 performance to date is an unwelcome 'hiccup' in the four-year downward trend in major and significant release numbers which up to this year had seen release numbers reduced by 38% since 1999/2000. However it is becoming clear that downsizing and cost reduction measures require an increase in efforts by industry, supported by HSE, to secure improved performance.*

In spite of the difficulties in achieving the projected reductions we have decided to maintain PSA targets, and industry has given a commitment to work towards them. Actions already taken to improve performance include:

- *targeting worst performing companies, taking appropriate action, including enforcement to ensure implementation of the agreed remedial programmes;*
- *continued partnership working between HSE and industry experts to refine understanding of causation and remedies and apply this knowledge to field operations;*
- *extension of programme working to deal with all safety critical aspects of installation integrity under a full-time programme manager. This work is well advanced and has met with a positive response from industry TUs and relevant Members of Parliament;*
- *active stakeholder engagement – including with overseas agencies and DTI – to promote concerns and remedies at all points of interest:*
 - *the setting up by UKOOA of a Release Reduction Work Group to support the campaign with representation from all operating companies;*
 - *the production by the Release Reduction Work Group of a 'Reducing Leaks - Raising Awareness' video which was shown to the workforce on all installations;*
 - *provision of staff to support the various work groups set up to formulate good practice in different problem areas.*

Several individual companies also set up their own internal release reduction campaigns to operate in parallel with the HSE campaign.

Nuclear

What we aimed to achieve

121. HSE is responsible for regulation, through licensing, of the nuclear industry to ensure protection of the public and workers. There are 40 nuclear licensed sites in Great Britain, spread throughout the country. The licence conditions attached to a nuclear site licence identify the areas that need to be managed effectively to ensure nuclear safety. Nuclear licensees track numerous indicators and formally report to HSE those that have an impact upon safety. HSE's Nuclear Safety Directorate (NSD), in discussion with the industry, is developing performance indicators based on licence conditions which can be used, inter alia, as a basis for monitoring safety performance and to enable NSD to target its resource to improve nuclear safety in Great Britain. Progress with these indicators can be found in 'A national target for major hazards' on page 27.

Progress

122. Through its inspection and assessment activities, NSD continued to monitor licensees' compliance with the conditions attached to their site licences. This information is captured and analysed as part of NSD's Integrated Enforcement Strategy and fed into its Regulatory Review Process in order to target resources effectively. As part of HSE's major hazard national targets activities, NSD has also been recording and reviewing information on events and incidents reported by its licensees that relate to licence compliance issues and challenges to safety functions. For the former, a benchmark exercise was carried out on all sites for 2003 and inspectors are discussing with their sites strategies for reducing the number of licence-condition related issues in 2004/5. With respect to challenges to safety functions, these will continue to be analysed and reported upon to HSE centrally in order to meet the target of a 5% reduction in such 'accident precursors' by 2005/6.

Ensure that licensees and others we regulate in Great Britain have no major nuclear accidents

123. We have secured our aim of no major nuclear accidents in 2003/04. To achieve this, NSD has put considerable effort into developing its Integrated Enforcement Strategy which involves inspecting all licensed sites to set programmes. 731 site visits have taken place, along with 46 planned emergency exercises. Despite emergent work exceeding available resources, 257 assessments and ten Periodic Safety Reviews were completed within timescales negotiated with licensees to minimise safety and operational risks.

124. Also, the NSD 2003/4 Inspection Strategy, approved by NSD's Management Board, consisting of three discrete programmes has been implemented. As the reactive/new issues element of the Strategy, Programme 2 was particularly heavy during the period and this forced reductions in Programmes 1 (Licence Condition 17 Quality Assurance Inspections) and 3 (Shadowing of Licensees audit processes), allowing Programme 2 to be fully resourced.

A snapshot of other activities 2003/04

Ensure that those we regulate bring about a reduction in the hazard potential from radioactive wastes and to ensure the safe decommissioning of redundant nuclear facilities

- Inspectors had regular discussions with other government departments on the draft of the Nuclear Reform Bill to ensure HSE/NSD's comments were incorporated in the draft Bill. The Bill has now been issued and is progressing through Parliament.

- NSD has set up a new Unit to interface with the Department of Trade and Industry's (DTI's) Liabilities Management Unit. This is considering the licensing implications of the Nuclear Decommissioning Authority (NDA), planned to start work on 1 April 2005. NSD has also set up a project unit charged with the task of getting those decommissioning and radioactive waste projects which contribute most to safety to the top of the priority list.
- Two Environmental Statements were submitted and consents granted for Hinkley Point A and Bradwell power stations. Two pre-application opinions were issued for Calder Hall and Chapelcross power stations.
- Progress has been made with British Energy (BE) responses to the 2001 Quinquennial Review report. There has been some slippage in the responses as BE is integrating this work with similar work needed as a result of its restructuring agreement with the Government.
- The Atomic Weapons Establishment (AWE) continue to make satisfactory progress against the Approved Decommissioning Plan.

Ensure licensees protect workers and the public from ionising radiation and meet the targets set out in Revitalising Health and Safety (RHS)

- To confirm that radiation doses to workers and direct shine doses to the public are As Low As Reasonably Practicable (ALARP) at all nuclear licensed sites, a project to identify licensees performance for Ionising Radiations Regulations has been set up by NSD. This project will incorporate information submitted by licensees and the outcomes arising from NSD's planned inspection programmes on worker dose and direct shine. The information collected by NSD will be used to evaluate and compare licensee performance and identify relevant good practice. NSD will also provide information on direct shine to the Environment Agencies.
- Three planned RHS awareness events were successfully held and attended by 150 stakeholder representatives from the United Kingdom Atomic Energy Agency, (UKAEA), British Energy and British Nuclear Fuels Ltd (BNFL) Magnox. Themes concentrated on working at height as well as other site based hazards. The sites are preparing for the new Working at Height Regulations scheduled to be issued by end of 2004.
- Seventeen planned conventional health and safety inspections at nuclear sites have been carried out concentrating on working at height, and workplace transport. In addition a sample 'near miss' event-reporting arrangements have been inspected. The purpose was to ensure that the licensees have a system in place to monitor trends and take action in RHS priority areas should the need arise.

Promote the maintenance of essential nuclear safety infrastructure in Great Britain

- NSD managed the HSC co-ordinated Nuclear Safety Research (NSR) Programme and it will come in on budget at £1.6 million. The programme has provided NSD with access to important but rare sources of independent technical capability especially in the area of the material properties of graphite. In addition, it has ensured that NSD has participated in important international research, especially on high burn up fuel and heat transfer which have particular relevance to operations at Sizewell B power station.
- NSD has adopted a strategic approach to the UK's shortage of nuclear skills. NSD continues to monitor if changes to the UK's infrastructures, driven by Cogent, North West Development Agency (NWDA) and the National Nuclear Academy (NNA), are delivering what is required. It is working with Cogent and the NNA on

overcoming difficulties to achieving this infrastructure especially concerning how Suitably Qualified and Experienced Person/Duly Authorised Person (SQEP/DAP) continue to be met by licensees. It is interacting with other government departments, especially in order to intervene to correct failure to deliver. In particular, NSD is working with the Dalton Project at Manchester to establish a Nuclear School and the Nuclear Skills Advisory Group to establish an infrastructure.

Further public confidence in the UK nuclear regulatory system by providing information to our stakeholders, seeking their views and responding to them as appropriate

- HSE/NSD held a 'Stakeholder Workshop' event with stakeholders to discuss the nuclear environment and review the regulators' resource requirements over the next 20 years. There was agreement that a major challenge over the next few decades will be the NDA. However, the size of the workload that will stem from the NDA is uncertain.
- NSD has completed surveys of staff and external stakeholders and as a result refined a 'Commitments Document' which it intends to publish. NSD has undertaken some benchmarking against an overseas regulator (the United States Nuclear Regulatory Commission) and against a UK nuclear licensee (AWE) and drawn some lessons but more needs to be done. NSD has also mapped out its processes as the first stage in taking forward a change programme in line with its initiatives on continuous improvement.
- Inspectors have continued to supply quarterly reports to and also attended Local Council Liaison Committee and Local Liaison Committee meetings. Quarterly reports have also been published on the NSD website.

Ensure that NSD moves towards being a world class nuclear safety regulator

- The primary measure for this goal is to progressively increase our score against the European Foundation for Quality Management Excellence Model (EFQM). This allows us to benchmark our management practice against a recognised international standard of excellence.
- In September, NSD invited Excellence North West to send a team to assess the Inspectorate against the EFQM. The feedback report indicated our total weighted score as 400-449. This indicates we are well ahead of many organisations in the North West and recognised for excellence. In recognition we received a 'Marque of Achievement'. This is not a full award but indicates a high standard. NSD is using the output from the external assessment along with other assessments and internal audits and reviews to develop a new Continuous Improvement Programme that will run for two years.

Promote the improvement of international nuclear safety through the development and harmonisation of nuclear safety standards across the world

- NSD has continued to participate in the development of international nuclear safety standards and practices in the framework of the International Atomic Energy Agency and the West European Nuclear Regulators Association (WENRA). This work has taken on an increased importance due to European Commission draft Directives aimed at introducing common standards in the enlarged European Union. On behalf of the UK, NSD participated fully and successfully at the first meeting of the joint Convention on the Safety of Spent Fuel and Radioactive Waste. Bilateral contacts have been maintained particularly with USA, Japan, France and Ireland. NSD has continued to participate, albeit at a reduced level of activity, in assistance to the regulatory authorities of Eastern Europe and the Former Soviet Union.

Other highlights

- In October 2003 British Energy informed NSD of an event at Heysham 1 nuclear power station. A cast iron pipe carrying seawater for cooling had ruptured causing flooding in the turbine hall. Some seawater also found its way into the reactor-building basement. Both reactors were shut down as a result. HSE's nuclear inspectors responded by visiting the site that day to begin an investigation. They carried out extensive assessment of the station's recovery proposals and the safety case for re-starting the reactors. Agreement to restart was given in February 2004 after a major programme of pipework replacement had been completed. NSD is now discussing with BE its proposals for pipework replacement at its other sites.
- At Devonport Royal Dockyards although specific issues remain in relation to 10 dock, refuelling cranes and primary circuit decontamination for Vanguard class submarines, a new site-wide staged improvement programme has been agreed. At AWE we have seen improvements in the safety case area both on methodology and structure. Satisfactory progress has been maintained on the UK Atomic Energy's decommissioning programmes including the Dounreay Site Restoration Plan.

Onshore

What we aimed to achieve

125. In consultation with the chemical industry, evaluate seven RIDDOR-reportable dangerous occurrences as potential indicators of major accidents and plan to use them to contribute to the major hazard target; these indicators include loss of containment of dangerous substances, failure of pressure systems, fires and explosions. See the entry on 'A national target for major hazards' on page 27.

126. For Gas Safety Management HSE researched suitable precursors. Preliminary work, which looked at the precursors to a gas supply emergency and security of gas supplies was completed and the project is now being progressed by HSE with the assistance of the Health and Safety Laboratory, Transco and DTI.

What we aimed to do

127. HSE's plans for onshore included its statutory duties in relation to:

(a) **Major hazards and chemical industries (COMAH):** to assess safety reports; prohibit operations where there are serious deficiencies; investigate major accidents, and make recommendations for future prevention; notify the EC of major accidents; implement an inspection programme and provide advice on land use planning in respect of risks from major accidents;

Progress

HSE has continued to fulfil its statutory duties by:

- assessing 105 safety reports;
- issuing 80 prohibition notices;
- issuing 224 improvement notices;

- taking 21 prosecutions;
- investigating 1007 incidents;
- spending 8009 days on inspection.

(b) **Gas safety and major hazard pipelines:** to assess safety cases required under the Gas Safety (Management) Regulations; amend the Pipelines Safety Regulations 1996 (to include recommendations arising from the fundamental review of gas safety); assess the safety of major hazard pipelines by examining design and integrity under the Pipeline Safety Regulations 1996;

Progress

HSE has ensured risks arising from conveying gas are adequately controlled by:

- assessing nine safety cases;
- assessing the design and integrity of 69 major hazard pipelines;
- amendments to the Pipelines Safety Regulations 1996 enacted in November 2003 which will allow HSE to approve Transco's main replacement programme for 2004-05 and following years.

(c) **Mines:** HSE's Mines Inspectorate will continue to ensure risks to persons who work in underground mining and related activities are properly controlled. HSE Mines Inspectorate carried out 415 inspections.

General overview

128. HSE can report a largely successful year in the delivery of its plans for its onshore major hazard industries activities.

129. Of particular note are:

- inspection of priority topics, including legionella, asthmagens and carcinogens, ensured proper control of these risks;
- business benefits resulting from interventions included: reduction of one operator's inventory of waste and improved storage conditions, enabling a reduction from COMAH top tier to lower tier. Two 'blue chip' companies made significant improvements to their pipework integrity systems following advice given by inspectors undertaking the Chemical Industries Plant Integrity project;
- a group of COMAH operators in the South West were encouraged to establish a working group to exchange ideas and information, producing benefits beyond the scope of COMAH, with improved inter-site communication and mutual support for contingency planning;
- in South Wales, 55 delegates participated in a COSHH workshop, sharing knowledge, experience and expertise, following an inspection initiative dealing with health risks at COMAH sites;
- the report of three major incidents at BP Grangemouth was published on the Internet (<http://www.hse.gov.uk/comah/bpgrange/index.htm>), reaching a wide audience and was endorsed by the UK

Petroleum Industries Association and Chemical Industries Association. Work on the development of major hazard performance indicators (one of the report recommendations) has started in collaboration with key stakeholder organisations;

- a major review by the Cabinet Office of regulatory impact on the chemical industry resulted in the Chemical Action Plan (CEMAP) concerned with improving communication, consultation and regulatory processes, with actions on HSE, EA, SEPA and CIA. All short-term actions were completed to time. Four successful regional workshops enabled companies and regulators to share views, experiences and build relationships;
- significant effort was expended on aspects related to identification of societal risks and development of embryonic options for resolution of the issues. HSC received a comprehensive presentation on a range of relevant issues and papers. Subsequently, a cross-government task group was set up. Policy Group and HID have provided significant contributions to informing and supporting the work of this group;
- other successes include: a new operational policy being developed for COMAH review/revision reports; well-received seminars held for HSC, ACDS and OGDs.

Mines explosives and gas/onshore pipeline industries

130. Of particular note are:

- hand-arm vibration notifications in the mining industry have reduced to 220 this year from last year's 414. It is anticipated that the peak of notifications has been passed;
- the List of Classified Explosives and Fireworks (LoCEF) database (all HSE's explosives classifications developed by the CBI Explosives industry) has been successfully launched;
- HSE has worked to prepare to deal with major changes in the gas industry. A project is ongoing to assess safety cases relating to proposals by Transco to sell a number of their distribution systems. This will result in a major restructuring of the gas industry in Britain;
- the first annual report on the iron mains replacement policy was delivered on time and well received by Ministers.

Other activities during 2003/04

Competent authority duty

Occupied buildings

The status of the project (to assess all occupied buildings at COMAH top tier (TT) sites against the Chemical Industry Association guidance on the design of occupied buildings for chemical manufacturing sites) has been reviewed at all COMAH Top Tier (TT) sites, and the project has been found to be relevant at 274 sites. At 52 sites, the operator has either demonstrated compliance with the CIA guidance in practice, or has agreed an action plan to achieve this with HSE. Work on this project will continue until 2005/2006 to complete the work at the other sites.

Plant integrity

The initial pilot project concerned with the mechanical integrity of plant and pipeline work at oil refineries, aimed at reducing the risks of loss containment, has been completed and a report is being prepared.

The focus of this work has now moved to plant integrity issues at all other COMAH TT sites and those COMAH lower tier sites at which plant integrity has been identified as an issue. 45 sites have been visited as part of this initiative and enforcement action taken in two instances. 30% of the total effort on this project is 2003/2004 related to investigations into two major accidents, which involved plant integrity issues, and so diverted some effort from addressing this issue at other sites.

Increasing human factors activity in lower tier sites

A pilot exercise was undertaken in 2003/2004 to trial the procedures for the project to assess the management of human factors in the control of major accident hazards at lower tier COMAH sites and to promote good practice through advice, guidance and enforcement action. A toolkit for inspectors and an information pack for operators are currently under development. The inspections will begin in June 2004 and will run until March 2006.

Reactive inspection

HSE has investigated all notified major accidents, including those involving plant integrity, although only one major accident was required to be reported to the EC in 2003/2004. This involved plant integrity issues and is the subject of an ongoing investigation.

Land use planning

Planning applications

3640 full planning applications processed;

118 outline planning applications processed;

Assessment of hazardous substance consent site risks, and major accident hazard pipeline risks, in order to give land use planning advice.

HSE has a statutory duty to provide advice to planning authorities on the siting of and developments near to major hazard sites, including pipelines. This duty arises from the Seveso Directive, as implemented by the COMAH and the

Planning (Control of Major Hazards) Regulations. In order to provide this advice, HSE needs Consultation Distances to be calculated and 'three zone maps' to be produced. When the COMAH Regulations were introduced, new definitions of hazardous chemicals meant that many sites either required planning consents for the first time or needed their consents updating. The additional work meant that a backlog built up and staff in the Unit (Specialist Industries 4) have been trying to manage this substantial overload;

73 hazardous substances consents processed.

Implementation of the Fundamental Review of Land Use Planning Project (IFRLUP)

On track to achieve all milestones plus additional work has been undertaken in relation to societal risk. The second edition of the IFRLUP newsletter was completed and distributed in January 2004. It has been widely praised by a significant number of external stakeholders.

Carriage of dangerous goods

The delegation of responsibility for enforcing the CDG Regulations to the Police and Vehicle Inspectorate has been completed, although HSE staff still participate in some roadside checks, and discuss the Regulations with operators where appropriate at site visits. HSE has introduced a system of sending follow-up letters to operators following notification of significant breaches of the CDG Regulations from the Police; this has been very effective in getting responses from operators as to the actions which they have subsequently taken.

Chemical industry

Proactive inspection

HSE inspectors have carried out 55 inspections of cooling towers as part of the legionella project;

Visits have also been paid to complete work on the asbestos management in buildings project;

Work on the control of asthmagens and carcinogens has been undertaken on behalf of HSE by FOD's Specialist Occupational Hygiene inspectors;

Enforcement

21 prosecutions taken all of which resulted in convictions;

250 enforcement notices were issued.

Statutory services

604 diving certificates were issued;

Number of classifications issued is 225 (100% of plan) and of those 220 were completed to time, giving us 98% of our service products completed to time;

Number of explosives site licences issued is 17 (43% of plan due to reduced number of applications);

Applications for exemptions to allow various activities to take place, eg innovative system of work, have been investigated and where appropriate issued within the necessary timescales. Year-end figure is 91;

69 PRS pipeline notifications have been assessed;

38 fire certificates issued, compared to a planned figure of 47.

Prevention of falls from road tankers in the chemical industry

88 visits were paid during 203/2004, either to new sites, or follow-up visits to sites visited in previous years. Enforcement action was taken in seven instances;

HSE has also been involved in discussions with tanker operators and suppliers of systems for the safe loading/unloading of road tankers, over the effectiveness and suitability of such systems.

Prevention of falls during the sheeting of lorries

Two visits have been paid under this project (the main activity involving the sheeting of lorries relates to the transport of ammonium nitrate, and responsibility for that has been transferred to Specialist Industries Division, hence the low number). The trade association has prepared an audit system for assessing the risks and guidance on fall prevention options. This has been trialled but not yet provided to members. Arrangements have been made to consider enforcement across Directorates.

Prevention of falls from ladders, roofs and stairs

Visits have been paid to 56 operators and ten accidents involving falls from ladders, roofs or stairs have been investigated. Initial analysis of those accidents has indicated that that failure to carry out an adequate risk assessment was a feature in several of them. Enforcement action was taken in six instances.

Prevention of fork lift truck (FLT) accidents

Visits have been paid to 97 operators, and 24 accidents involving FLT's have been investigated. Initial analysis of those accidents confirms that the most common causes are poor segregation of FLT's and pedestrians, and operator error. Enforcement action taken in ten instances.

Musculoskeletal disorders

Visits have been paid to 62 operators in relation to this project and five accidents involving manual handling have been investigated. Enforcement action was taken in two instances.

Inspection of construction activities

Visits have been paid to 42 operators to inspect construction activities at chemical plants. Enforcement action taken in two instances.

Control of major hazard risks underground at mines

A rising incidence of reported mine fires during the first half of the year instigated an in-depth investigation into conveyor belt standards, including the arrangements for maintaining the conveyor systems. This has led to a significant change by the largest mine operator in the way the conveyor installations, inspection arrangements and maintenance systems are managed.

The reconstituted Mining Industry Committee replaced the Deep Mined Coal Industry Advisory Committee during 2003/4. The change was used to significantly widen the representation of the Committee to include miscellaneous mines, ie mines other than coal. The new Committee is augmented by a small number of working groups, eg a Mines Rescue Working Group with tasks remitted from the Committee. The working groups draw representatives from employers, trade unions and manufacturers/suppliers as necessary, an example of close working relationships with key stakeholders.

The use of umbilical cord-type controls in tunnel drivage work is now allowing some miners previously diagnosed with HAVS to be rehabilitated back into tunnel drivage work without further significant risk to their health.

The control of health risks at mines

All three notifications of adverse respirable dust samples were investigated and remedial action secured. Two new cases of pneumoconiosis were reported during the year. In both cases the miners involved had not regularly attended for health surveillance X-rays. The main coal mine operators have reviewed the system of X-ray surveillance and put additional arrangements in place to increase the effectiveness. HSE staff have effectively engaged stakeholders in consultation on new regulations and standards to control inhalable dust better.

Explosives sector

Total preventative inspection contacts = 291 (139% of plan);

COMAH inspections = 38 (146% of plan);

Activity time on inspection = 334 days (94% of plan);

Guidance on decommissioning was produced during 2003 and is about to be published by the Confederation of British Industry (CBI) and the Explosives Industry Group (EIG).

Disposal of explosive waste

The planned programme of inspections was completed in 2003. This concluded that the guidance was inadequate, particularly for small businesses in the fireworks industry. A Working Group has been set up to develop revised guidance.

Decontamination of explosives, plant, building and land

The work was completed according to plan, ie guidance was developed and agreed in mid-2003 and is currently being prepared for publication by CBI/EIG.

The next step in 2004/05 will be to assess the impact this work has had on levels of compliance.

Gas distribution network

2800 km of medium pressure ductile iron (MDPI) mains decommissioned by 30 April 2003 removing all known at-risk mains.

Transco met the agreed annual target for decommissioning cast iron and ductile iron mains in the 30-year programme.

Standards and external guidance

Work on promotion of risk assessment etc. Limited progress due to diversion of resource to HSC priority societal risk work.

Technical guidance strategy - progress made with short-term guidance topics; limited progress on developing cross-directorate guidance and rationalisation of COMAH guidance due to other demands.

Priority guidance. First draft of safe isolation guidance produced. Remotely Operated Shut Off Valves (ROSOVs) guidance awaiting publication.

OIAC permit to work guidance revised in collaboration with industry stakeholders.

Policy development

Guidance on offsite risks produced and training delivered to Field Discipline Teams.

Embedding ALARP. Limited progress due to diversion of resource to HSC priority Societal Risk work.

New operational policy developed for COMAH review/revision reports.

Technical efficacy project to identify and recommend improvements to safety report technical assessment initiated and managed.

Major Incident Procedures tested and improved. HID contribution made to Operations Group wide ongoing preparation for Civil Contingencies bill.

Offshore regime benchmarked against HSC Permissioning Policy principles. Identified areas for improvement fed into the safety case handling assessment manual revision and Offshore Safety Case Regulations review.

Offshore

What we aimed to achieve

131. Hydrocarbon release is the most significant hazard offshore and is the most significant precursor to a major incident offshore. During the 6 years prior to the introduction of HSE's programme to reduce the number, there had been no significant downward trend in the frequency. There are approximately 250 hydrocarbon releases (major, significant and minor) per year which occur primarily because of failures in basic controls and procedures.

The aim of the programme is to bring about a 50% reduction in major and significant gas releases by March 2004, by:

- identification of common failure modes leading to hydrocarbon leaks;
- increased enforcement;
- increased awareness of poor performance offshore;
- identification of root causes and most effective remedies.

132. For 2003-04 the reduction in major and significant releases since 2000/01 is estimated to be about 40%. Although this is less than the 50% target we had aimed for, it is a significant reduction and further reduction targets have been set in conjunction with industry for 2004-05 and 2005-06.

What we aimed to do during 2003/04

133. HSE ensures that risks to people who work offshore in the upstream petroleum industry are properly controlled. It does this primarily through the assessment and verification of safety cases supported by a programme of inspection, focused activity on assessment, investigation, enforcement, advice and education. The core of the offshore safety regime is the Offshore Installations (Safety Case) Regulations 1992. We aimed to bring forward proposals to revise these Regulations, to improve their effectiveness while reducing associated bureaucracy.

Progress

134. A total of 130 safety cases were assessed and 452 site visits completed to implement the programme of verification and investigation in the offshore industry. This programme was supported by advisory and partnership working with the industry and, where appropriate, enforcement action including ten prosecutions and 48 improvement/prohibition notices. In relation to the revision of the Offshore (Safety Case) Regulations 1992, draft proposals were circulated and a formal Consultative Document will be published mid-2004. Further detail of activities are provided in the table on pages 42-45.

General overview

135. HSE's Offshore Division supports HSE's mission by helping to secure the UK, with industry, as the world's safest offshore sector by 2010 and to significantly reduce work-related fatal accidents in the diving industry. Strategic programmes are in place which continue to focus resources on the reduction of major accident hazard risks and on the continued unacceptably high levels of major and in particular fatal accidents. Although the offshore industry has continued to reduce levels of accidents and incidents, three fatal accidents occurred in the sector which was disappointing when compared to none in 2002/03. There has, however, been an encouraging reduction in fatalities associated with the professional diving sector with the exception of military diver training.

136. Other representative highlights were:

- the offshore industry continues to develop an occupational health incident database to capture ill health in addition to that covered by RIDDOR. Presently 16 companies are contributing data;
- HSE, together with the Offshore Industry's Step Change In Safety organisation (an initiative to deliver a major improvement in the industry's safety performance) and trade unions, worked together on a joint stand at the 2003 Offshore Europe exhibition;
- a major conference opened by the Minister of State in Aberdeen advanced the case for revision of the Safety Case regime.

137. Serious challenges remain, and new challenges emerge:

- pressures to reduce operating costs compete with the need to maintain integrity of ageing installations;
- the industry is in transition from a 'big oil' province operated by 'supermajor' oil companies to a mixed economy that includes new entrant small operators and which is increasingly serviced by contractors.

A snapshot of activities during 2003/04

Managing hydrocarbon releases offshore

All mandatory investigations were processed, including offshore investigations into major gas releases.

All planned guidance was developed and published in co-operation with UKOOA and other industry bodies.

Each manned production installation on the UKCS has received an inspection based on the 10-part inspection guidance suite. The Worst Hydrocarbon Release Installations Project (WHIP) was completed during the year and as part of the final programme report the performance of these targeted installations will be analysed to see what improvements in hydrocarbon reduction performance has resulted.

A full analysis of the root causes of hydrocarbon releases throughout the duration of the programme continues to be undertaken and this will be fed into OSD's Installation Integrity Programme which is running from April 2003 to March 2007.

Reduction in FPSO collision risks

The plan has not been fully achieved because of other priorities (major accident investigation, etc). However, the theme inspections have continued to plan, to help ensure that the main industry group (UKOOA) guidance is being used and that dutyholders are auditing their own arrangements. Influencing activities with stakeholders have also continued.

Incorporation of health and safety in design

HSE activity is dependent on new designs arising; in the main they did not do so. However, a number of inspections have been carried out during the design stage of new and modification projects. The Development of a Design Capability Maturity Model (DCMM) approach has been applied to one design project. Also, HSE has continued to influence industry through presentations and publicity.

Integrity of Safety Critical Elements (SCEs)

Significant improvement can be made in the management of hydrocarbon releases offshore by improving integrity standards. This key programme has therefore been renamed 'Installation Integrity' and the scope widened. A series of successful pilot inspections has been held during 2003/04 looking at the management and maintenance of safety critical equipment and systems. From these an inspection template has been devised which is to be implemented from April 2004 to March 2007. Briefings have been held with stakeholders to bring them up to date with the broadened scope and seek their views on the outputs and outcomes that need to be achieved under this programme. Positive and valuable contributions have been received from industry and workforce. UKOOA is planning to set up its own focus group to promote and raise awareness of the issues being raised by this programme.

Reactive inspection

645 incidents (including two offshore fatalities and three inshore diving fatalities) were investigated.

81 offshore and inshore diving complaints investigated.

97.6% of valid complaints investigated.

97% of incidents requiring mandatory investigation under OSD criteria for investigation investigated.

Significant investigations included the TU complaint regarding a major oil company's Offshore Business Improvement Programme and the Brent Bravo double fatality.

Offshore research and development

10 000 page hits on the Offshore Research Focus website per month.

Continuing work on exposure to drilling mud (to be presented at BOHS 2004) included co-operation with Dalhousie University (Canada).

New work on standards for decontamination units offshore: results promulgated to industry, exposure to noise during water jetting and the extension of the Examination of the Long Term Health Impact of Diving Study (ELTHI).

First part of University of Aberdeen research into the relationship between health promotion and improved safety culture/behaviours completed.

Two new projects, Well Integrity and Well Control, are currently being initiated.

A wide-ranging review of helicopter safety from 1976 to 2003 has been undertaken and completed.

Overall, there has been a significant reduction in activity due to the new arrangements for research management. A programme-based approach to research and development has now been developed, and this should help future work.

Standards and external guidance

Development of relevant BSI standards monitored.

Significant progress has been made in securing industry interest to review the need for new or revised standards and guidance.

A number of the parts of the ISO standard for offshore structures are now coming to fruition after many years' effort.

Work has been carried out in connection with the revision to the Society of Naval Architects and Marine Engineers international standard for jack-up installations and the development of an annex for the North Sea.

Close liaison has occurred with the Civil Aviation Authority (CAA) in developing the Helideck design guide.

Support given to the development of the International Association of Drilling Contractors (IADC) guidelines for health, safety and environment cases.

Safety Notices were released that deal with ageing semi-submersibles, flooded machinery spaces on floating installations and stress corrosion cracking of duplex stainless steel. An Operations Notice was released concerning radio communications between offshore installations and vessels.

Inshore diving inspection

392 preventative inspection contacts.

Three major injuries and 0 fatalities.

Proactive inspection is below plan by 7% due to ongoing accident investigations and ensuing prosecution cases. Significant improvement in terms of risk assessment and project planning, have been found during inspections - particularly in the recreational sector where there is an 'at work' element. However, standards are variable and some examples of bad practice are still being encountered. The reduction in fatal and major accidents compared with previous years is encouraging.

Advice and information on a wide variety of subjects across all diving sectors continued to be provided including participation in industry working groups, trade shows, standards formation and HSE sponsored research. HSE's positive influence extends into the 'not at work' recreational diving sector, which has also seen a decrease in fatal accidents in 2003/04.

Enforcement

53 Notices offshore plus 34 inshore diving issued.

10 prosecutions offshore plus 9 inshore diving.

Securing compliance

15 offshore (not including the four specific offshore Topic Programme 1 - Musculoskeletal disorders and reducing occupational health risks visits) inspections carried out either with Inspection Management Teams or unaccompanied with a further two planned for March. Includes planned inspections, investigations (accommodation) and additional inspections relating to asbestos removal (other OH topic normally included);

Review of a number of notifications of asbestos removal work offshore;

Audit of a dutyholder's noise control policy, resulting from adverse finding during a review with the dutyholder;

Publication of *Noise exposure and control in the offshore oil and gas industry - An inspection tool for HSE/OSD inspectors* on the HSE and Step Change websites;

Semi Permanent Circulars etc prepared on: noise control and enforcement; draft COSHH/CAWR updates, HID health and safety supplement on toxic substances; application of REPPIR to HID premises; supply of controlled drugs offshore; electroplating, activity on musculoskeletal disorders and reducing occupational health risks; draft accommodation standards review; and draft operational notice on toxic effects of hydrocarbons;

Presentations to various forums including Step Change OH workshop (Jan 2004), Bureau Veritas Acoustic Technology Noise seminars, British Occupational Hygiene Society Offshore Special Interest Group;

Meeting with Department of Occupational Medicine, University of Bergen;

Projects (asbestos, asthmagens, short term exposures and benzene) progressing.

Risk management in the workplace

This programme has been extended to include all deck operations. A Semi Permanent Circular was issued instructing mandatory investigations of drilling and deck-related accidents. This was accompanied by modified guidance for HSE's Offshore Safety Division's Inspection Management Team (IMT) inspectors.

Partnership has been established with Step Change. Penetration within the industry of the Step Change 'fatality report' will be assessed by IMT inspectors.

Nine major injury accidents in drilling and deck operations reported, five investigations completed, four investigations ongoing.

Sixteen inspections of drilling installations.

Six inspections of production platform deck operations.

Occupational health management

Inspection programme:

In this initial year four dutyholders were involved in the Occupational Health (OH) Management year with a further one to start before the end of year;

Initial HQ and installation visits completed for three of the above dutyholders;

Early findings from inspections have been used to feed back to the industry on how OH risk management can be improved.

Investigation programme:

Eleven MSD injuries sustained while moving loads.

Support for Step Change:

HSE presentations given as part of the Step Change OH Workshop (20-21 January 2004);

HSE representation on the Step Change MSD Work Group.

Indications of effect:

Since the baseline year of 1999/2000, there has been a steady fall in the rate of accidents that have been reported as resulting in MSD injuries (RIDDOR);

It is too early to evaluate any changes in company approach as a result of this programme – this will form part of the 04/05 feedback;

Step Change Occupational Illness reporting scheme is still developing. Information from the first two years data cannot be easily compared due to different number of dutyholders involved. The following results may therefore reflect differences in reporting:

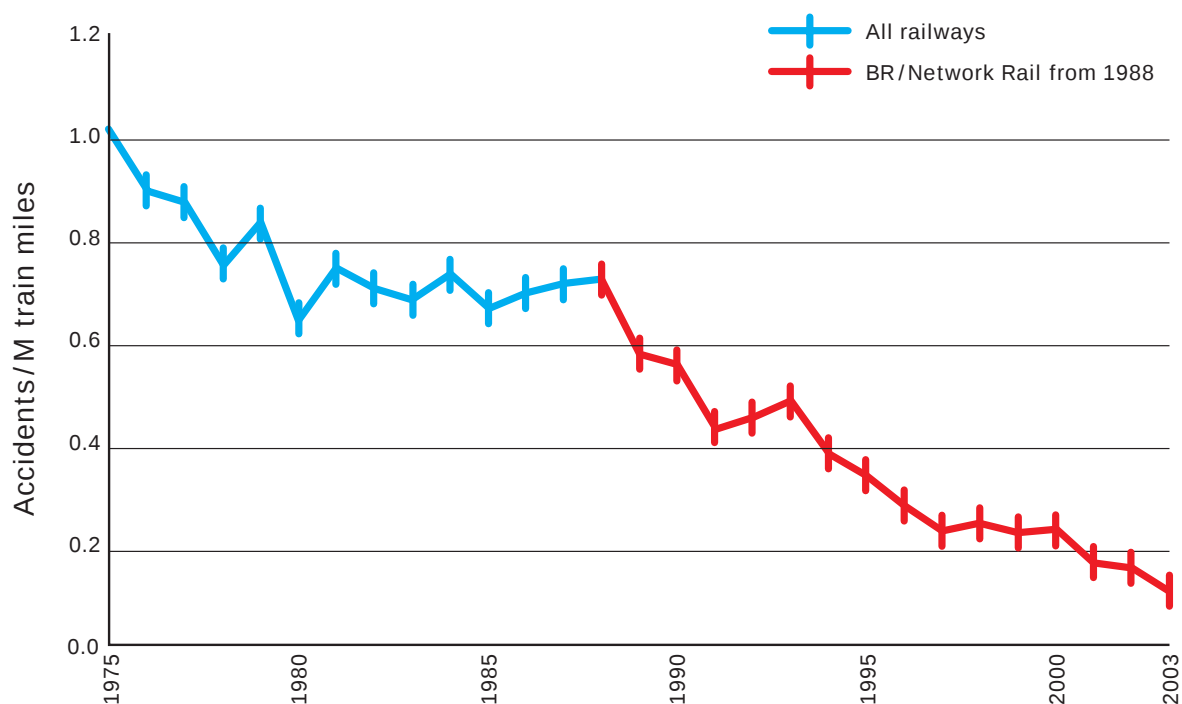
- MSD and mental ill health are main reasons for illness reports for both years.
- 2002/2003 comparison show a rise in MSD cases from 42% to 59% and a reduction in mental ill health from 50%-21% of the total reports given.

Rail

What we aimed to achieve

138. The last ten years have seen a downward trend in accidents on the railways (see Figure 1) - our purpose is to ensure this continues. Examples of work implementing our 5-point strategy to achieve this is described in the table below. Full details of HSC's recently updated Rail Strategy 2004-5 can be found on **HSE's website**

Figure 1 Collisions {including with buffer stops, but not open doors} and all derailments on/or affecting passenger lines



Source: HMRI Annual Report and RSSB

What we aimed to do during 2003/04

139. To work with all stakeholders to maintain an effective and efficient framework for continuously improving health and safety on Britain's railways. The safety case regime will continue to be central to our interface with the industry. To work with industry stakeholders and regulators, such as the Strategic Rail Authority and the Office of the Rail Regulator, to ensure activities do not conflict and to secure mutual health and safety benefits.

140. To work with all our stakeholders to identify indicators, complementary to HSE's current rail strategy, to monitor improvements in rail safety. Final indicators have now been agreed and the Rail Safety and Standards Board 'rail safety risk index' has been adopted. See the entry on 'A national target for major hazards' on page 27.

141. During 2003/04, the operational environment of the railways continued to be shaped by the need for the rail industry to make the safety improvements recommended by Lord Cullen's two reports on the Ladbroke Grove rail collision. These actions are set in the wider context of the HSC's Rail Strategy, which has recently been updated to keep

pace with the many changes in our operating environment and to give more details of the work HSE is doing under the Rail Delivery Programme (RDP) which was not in the original Strategy published in 2002.

142. HSE continues to work with the Office of the Rail Regulator, the Strategic Rail Authority and the rail industry to ensure health and safety implications are taken into account. The successful completion by the end of 2003 of the implementation programme for the Train Protection Warning System (TPWS) has required close cooperation. TPWS has prevented a number of potential collisions.

143. Work has continued on a major review of the key legal requirements for railway safety cases, approval of works plant and equipment, and safety-critical workers. HSC's proposals were published in a Discussion Document (DD) *Safety on the railway - shaping the future*. Sixty-seven responses were received. Ways forward were explored at a seminar in February 2004, where there was broad agreement that HSE should aim to replace the existing three sets of railway specific regulations with one set of integrated requirements that included measures to implement the safety management provisions in the Railway Safety Directive and apply them to metros, heritage railways and trams in a tiered approach that was proportionate to risk.

144. Since the Secretary of State for Transport announced his major review of the railways in January 2004, HSE Rail has been contributing material to inform this review, and this work continues.

Other activities carried out during 2003/04 include

Revitalise health and safety performance on the railways through targeted action

Rail Delivery Programme

Fourteen projects have been developed within the programme covering the wide range of HSE Rail's work. They will deliver business quality and regulatory improvements in line with the Cullen agenda and in support of HSE and HSE Rail's vision and mission.

Initial integrity and (safety by) design issues through inspections, approvals, assessments and authorizations

Integrated working (including joint field and specialist inspection team operations) specifically with Virgin, Midland MainLine (MML), London & Continental Stations and Property Limited (LCSP); 95% of approvals, authorisations and level crossing orders processed within the agreed timescales and with added value to the process through inspectors providing dutyholders with effective advice and guidance. Overall numbers of schemes processed was well in excess of the estimated numbers; prompt authorisation of Channel Tunnel Rail Link allowed the new line to be opened on time.

Railway Safety Case (RSC) Assessment

With few exceptions, safety cases have been assessed within the agreed timescale. Where problems have occurred the railway operators have been kept informed. Intervention plans now in place for all railway safety case holders.

Intervention Plan work

Three-year rolling intervention plans made available at the start of the year and shared with duty holders.

Incident investigation

Examples of some of the more significant investigations include: a) the Chancery Lane derailment on the London Underground, this led to agreed risk control measures allowing the LUL to reinstate services on the Central Line; b) the derailment over a set of points at Camden Town LUL station in October 2003 that revealed fundamental design issues for the particular type of points involved (a model of co-operation between the dutyholders, TU safety representatives and consultants).

Complaint investigation

HMRI successfully fulfilled its commitment to respond to all complaints.

Formal liaison meetings undertaken with the Regional Passenger Committees. This has allowed for a better understanding of the role of HMRI and of the impact of railway safety legislation on matters of concerns to rail passengers.

Enforcement

Guidance on the HMRI Enforcement Management Model issued and adopted.

Train Protection generally and the Train Protection Warning System (TPWS)

The programme of TPWS fitment as required by the Railway Safety Regulations 1999 was successfully completed by the end of 2003. This is now providing real safety benefits across network. During 2004, HSE granted exemptions from the regulations where the industry showed the costs of fitment were high and safety benefits low. As a condition to one of these exemptions, the industry will agree with HSE a programme of fitment of TPWS+ which will provide additional safety benefits at higher speeds.

European Rail Traffic Management System (ERTMS)

HSC/E has continued to monitor delivery of the work of the National ERTMS Programme led by the SRA.

Signals Passed at Danger (SPADs)

Worked closely with industry's programme to reduce and mitigate SPADs, including input to industry working groups and bilateral meetings with Network Rail.

Infrastructure and Track Maintenance

Interventions were successfully and effectively carried out for track maintenance as part of the Intervention plan work with Network Rail and First Engineering (backed up by local initiatives); Measures taken to effect action on serious backlogs (revealed through Interventions) of structure and tunnel examinations;

Changes to Network Rail's safety case (as a result of the transition from outside contractor maintenance to in house staff) were assessed and the transitional process monitored to satisfy HMRI that safety performance was not adversely affected. Changes were then audited to validate the new organisation's competence to maintain the infrastructure. Initial indications are that this has been managed without incident, is popular with those who used to work for Serco and at this stage can be seen as a qualified success;

Track maintenance issues (including heat related track defects) were examined. Some concerns about adherence to procedures but on the whole defects were being picked up.

Accident investigations

All mandatory accidents investigated. Joint investigations with British Transport Police (BTP) positively received by the industry;

National Union of Rail, Maritime and Transport workers (RMT) concerns about risk following the Tebay tragedy were successfully addressed by HSE/HMRI through active engagement and debate with them about the additional protection and emergency measures for trackworkers.

Level Crossings

Level crossing project in place under HSE Rail's Rail Delivery Programme aiming to bring about a reduction in level crossing incidents through five strands of work for delivery by end of 2004/5. The projects involve close working between HSE Rail's technical, operational and policy staff. Arranged a series of initial meetings with key stakeholders to seek views and support for this work. Initiated work to produce a level crossing strategy and policy.

Contributed to meetings of the National Level Crossing Safety Group.

Dealt with sensitive reactive issues including questions regarding public access to private level crossings in Scotland.

The number of level crossing Orders issued far exceeded the estimated level. All Orders processed within the agreed timescales. All planning applications have received comment within the statutory timescales.

Managing contractors

Management of infrastructure maintenance contractors (particularly the migration of this work into the Network Rail management structure) closely monitored by HMRI. This included inspection of hours of work monitoring undertaken by safety critical staff.

Trackside workers

Close working with Network Rail and its contractors to support the implementation of the industry's RIMINI (minimisation of risks to trackside workers) programme.

Contribution to the cross-industry Track Safety Strategy Group and RSSB's Green Zones: 'Thinking Strategically' initiatives.

Work on producing guidance for the industry on track worker safety.

Route Crime (Trespass, Vandalism and Assault)

Route crime is the term used to describe a wide range of trespass and vandalism activities that present a risk to both individuals and railway users generally. There were 59 trespasser deaths in 2003/4 of which 26 were suspected suicides.

Initiatives have been undertaken to increase awareness of trespassing danger in schools.

Draft strategy developed.

Occupational health issues

RIAC's occupational health working group strategy developed to gain commitment and ownership from rail industry stakeholders to an occupational health agenda.

Worked with RSSB to help shape the content of the occupational health research programme.

Raising awareness of stress in the rail industry.

Targeted inspections on manual handling, control of exposure to legionella and control of diesel emissions.

Research, technical foresight and standards

Maintained links with the Rail Safety and Standards Board (RSSB), with the aim of ensuring that their research agenda meets HSE's needs as far as possible.

Began work to develop a strategy for HSE Rail's research.

Attended meetings of Advisory Group on Rail Research and Innovation (AGGRI) to ensure HSE Rail is aware of industry plans for research with implications for health and safety.

Contributions made to industry wide steering group for production of guidance on the management of slopes – results published.

Rolling contact fatigue, crashworthiness and tram issues addressed as part of rolling programme.

Provide an effective and transparent legal framework

Reviewing regulations

A comprehensive response was given to the Department for Transport consultation document, supporting their proposal for delaying conventional regulations to align with timescales for the Amendment Directive. HSE Rail contributed (and attended the DfT roadshows) providing assurance to industry that our new process and procedures would not duplicate European requirements undertaken by Notified Bodies ('NoBos' - organisations notified to Commission by Member States as being competent to undertake verification assessment procedures, issue certificates of conformity and prepare technical files).

Effective input made into the rail legislative review through contributions and ideas, including reviews of Railways and Other Transport Systems Regulations 1994 (ROTS) and Level Crossing legislation. The outcome of the DfT consultation document on conventional interoperability is awaited.

Input given to meetings of NoBos and the Interoperability Implementation Forum ('IIF' - a forum of Government and industry interests to discuss implementation).

Tackling industry standards

Project incorporated within Rail Delivery Programme and re-assessed to define a new standards-related strategy for the HMRI Intervention Plan. Clear standards process/input maps prepared for UK standards and Technical Standards for Interoperability (TSIs), with information disseminated within HSE and to industry. Standards Strategy presented to industry – has achieved very good reception and acceptance. In response Industry is now developing its own strategies.

Ensure the delivery of the improvements recommended in public inquiry reports

Progress report on Public Inquiry recommendations published in August 2003.

Influence and contribute to the wider strategies of other rail stakeholders to maximise our collective contributions to rail health and safety

RAIB (Rail Accident Investigation Branch)

Project established to support the development of RAIB, provide input to DfT-led Regulations, and develop protocols and new working arrangements. HSE has also provided four staff on secondment to RAIB.

Shape the rail safety agenda in Europe so that it aligns as far as possible with UK structures and approaches

European Directives and ILGGRI (International Liaison Group of Government Railway Inspectors)

Second Rail Package, including a Directive on Railway Safety, came into force in April 2004.

HSE Rail officials participated in a number of full and special ad-hoc meetings of ILGGRI on a range of issues; international meetings held on policies such as train driver licensing, interoperability directives, international standards, and the implications for ILGGRI organisation and working practices as a result of and matters arising from the inclusion of the Accession States joining the EU.

SECURING COMPLIANCE

Introduction

145. Inspection and other regulatory activities to secure compliance with the law are at the core of HSE's and local authorities' (LAs) work. HSE and LAs share responsibility for enforcement of health and safety law and work together to secure consistency of standards. HSE has responsibility for securing compliance in over 740 000 establishments and local authorities secure compliance in around 1 194 000 establishments. During 2003/04 HSE and local authorities have continued to undertake programmes of preventive inspections, investigations of incidents and complaints and formal enforcement work and have taken forward specific campaigns in certain areas focused on improving compliance.

146. This mix of preventive inspection and reactive investigation is based on the principle that prevention of harm is the primary aim. HSE also carry out investigations in line with HSC criteria and procedures for selecting RIDDOR (the Reporting of Injuries, Diseases and Dangerous Occurrences Regulations) incidents and complaints. We investigate incidents to learn lessons and influence the law and guidance, to prevent them happening again, and to put serious breaches of legal duty before the courts. Generally we investigate:

- all fatalities arising out of work activities (excluding those relating to road traffic accidents and railway suicides for example);
- certain RIDDOR-defined major injuries, diseases and dangerous occurrences related to the severity of the outcome;
- all RIDDOR incidents likely to give rise to serious public concern, whether major or minor injuries or dangerous occurrences; and
- all RIDDOR incidents where there is likely to have been a serious breach of health and safety law, whether major or minor injuries or dangerous occurrences.

Enforcement policy

147. Inspectors enforce the law in accordance with HSC's revised Enforcement Policy Statement (<http://www.hse.gov.uk/pubns/hsc15.pdf>) and apply HSE's Enforcement Management Model (<http://www.hse.gov.uk/enforce/emm.pdf>), a framework which helps inspectors make enforcement decisions. HSE continues to report on enforcement action in HSE's report *Health and safety offences and penalties 2002/03*; the report for 2003/04 will be published in autumn 2004. A copy of the Report for 2002/03 can be found on <http://www.hse.gov.uk/enforce/index.htm>.

Field Operations Directorate

148. HSE's Field Operations Directorate (FOD) has had a successful year with the following targets exceeded:

- numbers of regulatory and inspection contacts planned;
- the annual target for complaint investigations;
- time spent by operational Band 3 inspectors on the HSC priority sectors/topics.

149. Further successes included:

- the North West Pilot* - the findings from the six-month evaluation show that all the evaluation criteria on business efficiency, business quality and organisational health have been met;
- the on-going London Pilot has continued to demonstrate its effectiveness;
- successfully piloting the new arrangements for programme/project working in Construction Division, in preparation for a wider roll-out.

**Revised incident selection criteria were introduced at the beginning of the North West pilot. In the first two months of the Pilot, the reduction in the number of incidents being put out to investigation dropped considerably when compared to the previous year. This impact was greater than anticipated and therefore, following desk-top peer reviews, it was agreed that the Pilot criteria should be revised and these were introduced from 1 December 2003. During the Pilot there have been no complaints from the public about non-investigation of incidents.*

150. FOD carried out innovative and far-reaching work directed towards achievement of the PSA targets and other outcomes. These include:

- successful introduction of a manual handling 'passport' scheme for client handling across the 15 NHS Trusts in Wales. A modified version of the scheme has now been adopted by all 22 Welsh LAs and is about to be launched in the private health and social care sectors. The schemes set agreed standards for training and competence in service user handling and represent a major step forward in ensuring consistency of approach and in enabling transferable skills;
- a cross-Directorate project on safe use and maintenance of ladders, led by HSE's Safety Unit, including joint work with a major employer, building on new HSE-sponsored research and culminating in a comprehensive position paper from which guidance material can be mined;
- joint Operations and Sector work with Royal Mail Group plc (the third largest employer in the UK), has enabled us to design the most effective approach for a series of divisional inspection programmes in 2004. This will build on achievements this year, which include stopping the steady increase in peripatetic accidents and a significant decline in RIDDORs;
- stress audits with selected LAs, employing some 40 000 employees, led by Specialist Groups. The audits concentrated on education and social care departments and complemented initiatives such as the Audit Office 'Comprehensive Performance Survey' and the LAs' own work to achieve Investors in People (IiP) status. Each LA was asked to produce an action plan to address matters of concern;
- wide-ranging investigations into the design safety and use of semi-permanent tattooing/makeup equipment to counter the possible cross contamination of pathogens, including HIV and Hepatitis. This work involved close co-operation between FOD field staff in most Divisions, Safety Unit, LAU, Policy Group, HSL scientists and LA environmental health departments. The work resulted in several pieces of equipment being withdrawn from the market and the issue of a comprehensive guidance document on the safe cleaning and use;
- work with the Government Office of the East Midlands on reducing injuries through a Regional Avoidable Injury working group and on reducing ill health through an Investment in Health working group. Both now have action plans involving key intermediaries in the East Midlands;

- increased joint working with local authorities. For example, HSE prepared information for use by Environmental Health Officers (EHOs) in saturation inspections within a local area;
- co-operation with LAs, who are fairground lessees in the South West, has helped ensure travelling funfair operators produce plans against which they can be monitored. This involved trial buddying schemes between HSE inspectors and EHOs have proved successful and may be extended next year. The schemes allow inspectors to give mutual support; improve awareness of each other's roles and techniques, eg by joint visiting; and increase knowledge;
- comparative assessment of inspections by HSE and LA staff helped ensure consistency of approach in workplace transport blitz inspections;
- beneficial partnerships in agriculture forged with Northumberland and Durham Machinery Ring leading to the delivery of 'mini-Safety and Health Awareness Days'. The arrangements to hold the events on a host farm, and invite other farmers, were made by the intermediary. HSE inspectors do a mock inspection, highlighting main problem areas, and deliver an education and awareness seminar.

Key messages

151. A number of Divisions have reported positively on working with LAs during 2003/04, eg on joint inspections and blitzes. These initiatives have also utilised Workplace Contact Officers (WCOs) and administrative staff, leading to a better targeting of initiatives and more effective use of combined frontline staff. On the downside, some LAs appear unwilling or unable to participate in joint HSE/LA projects due to lack of resources.

152. Divisions have also worked with a range of intermediaries, eg other Government Departments, industry sectors, local business partnerships, trade associations, and have reported favourably on these activities. There are some more complex partnership arrangements, which have encountered difficulties, eg work to develop the protocol with the Scottish Care Commission. We may need to do more to attract the interest of small businesses, eg a seminar planned in partnership with Liverpool Chamber of Commerce, Groundwork and the Muslim Development Service was cancelled due to lack of delegates.

153. Instilling ownership, eg by training and empowering staff, can have immediate benefits. In one case, an NHS Trust sent all senior and middle managers on the Institution of Occupational Safety and Health managing safety course. Shortly after attending the course, one manager intervened - instead of ignoring the situation - when he saw a contract window cleaner working dangerously at height.

Evidence of change

154. There is increased awareness of the RHS topics across all industry sectors, particularly with large and medium-sized employers, who were generally aware of HSC's priorities.

155. Work with the thermoforming sector within the plastics processing industry resulted in an industry-funded conference, an agreement for improvement (with a deadline for compliance), and a series of breakfast seminars, supported by HSE staff to promote the agreement and draft good practice procedures.

156. An improvement notice served on a beer delivery company has profoundly affected the whole industry. A liaison committee being formed by similar companies should spread the word on new ways of working to help prevent manual handling injuries, eg by changing ways of working so that staff can manage their loads more easily. Increased productivity has been achieved, because the workforce finds the task easier, although each trailer load is slightly reduced.

157. Close working with dutyholders can ensure sustained improvements in health and safety management. In one case, following enforcement action, an Ambulance Trust appointed a communications manager and initiated a media campaign on issues including violence and aggression. Results included an increase in the reporting of incidents, a 19% reduction in back injuries and a 40% reduction in physical assault (although there was an increase in verbal abuse).

Inspecting 'high risk' premises, poor performers and multi-site organisations

Plans for 2003/04

- Prepare and carry out a nationally co-ordinated inspection plan for selected multi-site organisations, working closely with senior management and employees of companies selected.
- Identify employers with a persistently poor health and safety record and the underlying causes for that poor performance, ensure the organisation has a plan for dealing with these causes, monitor progress on the plan and take enforcement action if necessary to secure improvement.
- Inspect during the year all employers falling into category A.

Progress during 2003/04

Good progress was made with 2 multi-site companies; some progress with the remaining 20 companies, which will continue.

Poorly performing companies were identified and a number targeted. Some existing work was wound-up, as a result of improved performance, but the long-term work with others continues.

479 of the 503 identified 'high risk' premises were visited in the year. The slight shortfall (of 24 workplaces) is due in almost all cases to continuing enforcement action, other interventions already under way, transfer to LAs or a very recent previous visit.

Action in industry sectors and on cross-cutting hazards

158. The following tables report on key actions in industry sectors and for cross-sector hazards that were taken forward in 2003/04.

Action in industry sectors

Quarries

As part of the quarries hard target initiative to reduce accidents and ill health the majority of the quarry industry are committed to introduce in the next four years total assured competence using the NVQ or equivalent system.

In Scotland quarry industry accidents fell to 38% of 2000 level and pedestrian segregation in quarries and insistence by inspectors on the use of wide angle mirrors for large earth-moving equipment has resulted in zero fatal and serious accidents.

Workforce involvement is an integral part of the hard target initiative of reducing accidents by 50% in five years. During the European Week for Health and Safety at Work, a quarry health and safety representative arranged a week of health and safety seminars for quarry workers in South Wales. The Chair of HSC introduced the event.

Docks

Key developments included:

Safer Ports Initiative: Continued support through regional launches. Mixed effect on incident rates, but some early promise shown.

Ports Industry National Committee on Health, Safety, Skills and Standards: Committee restructured. HSE representation through Sector. PINCHSSS continues to set strategy for ports health and safety, and now looks at skills issues.

Safer Ships Design Group: Set up at HSE's suggestion. Includes HSE, Maritime and Coastguard Agency (MCA), Unions and Ports Skills and Safety. Considerable success in raising issues of poor ship design and maintenance and the effects on docker and crew health and safety during cargo operations.

Good publicity achieved for joint visit with MCA to ship where there was high risk of falls (alerted by German labour inspectorate).

Research into design of quayside ladders following fall resulting in fisherman drowning. Intervention by HSE at Grangemouth Docks has meant that the traffic management system for the container terminal is being redesigned to promote transport safety and pedestrian segregation.

A near-fatal injury and resulting prosecution led to changes at an East Anglian Port in the way containers are loaded and unloaded: dock staff no longer work aboard ship when containers are being unloaded. The key advantage is that staff are no longer exposed to the risk of falling into the gaps between the container stows. On the type of ship involved in this accident, these gaps can be some 8 m deep by 750 mm wide.

Docks industry targets:

- to reduce reportable fatal and major injuries by 10%;
- to reduce over-three-day injuries by 20%, both by 2005. The baseline is the industry's own accident statistics in 2001 (as collected by Port Skills and Safety Ltd).

The industry statistics for 2002 showed an increase in reportable fatal and major accidents by 1, from 53 to 54 (although there were no fatal accidents in 2002). Once the number of employees covered by the statistics is taken into account, this equals an increase in the incident rate from 0.32 to 0.36 (per 100 workers), equivalent to a 12.5% increase.

The number of reportable over-three-day incidents decreased by 111 from 626 to 515, a reduction in the incidence rate from 3.8 to 3.4, equivalent to a 10.5% fall.

Woodworking

The second year of this three-year initiative found encouraging levels of awareness of safe working practices and methods of using guards among managers (around 80%), but companies were let down by poor operator training and supervision. In a third of the incidents investigated during an earlier part of the initiative, inspectors indicated that adequate training would have prevented the incident;

Three Safety Awareness Days for the woodworking industry were held and excellent feedback from attendees continues to be received.

Fairgrounds

There are signs that the post-2000 approach taken in working with the industry is leading to reduced accident levels. Provisional RIDDOR stats for 2002/3 are 1 Fatal, 205 Major Injuries (MI) and 60 over-three-day (OTD) incidents, which compare with 2 FataIs, 345 MIs and 81 OTD for 2001/2 and 5 FataIs, 516 MIs and 86 OTD for 2000/2001 (see Figure 2).

Very positive feedback received from a fairground safety conference attended by approximately 200 delegates, all senior members of trade associations within the industry. Emphasis was placed on the integrated nature of fairground safety, and the respective roles that dutyholders play within the system.

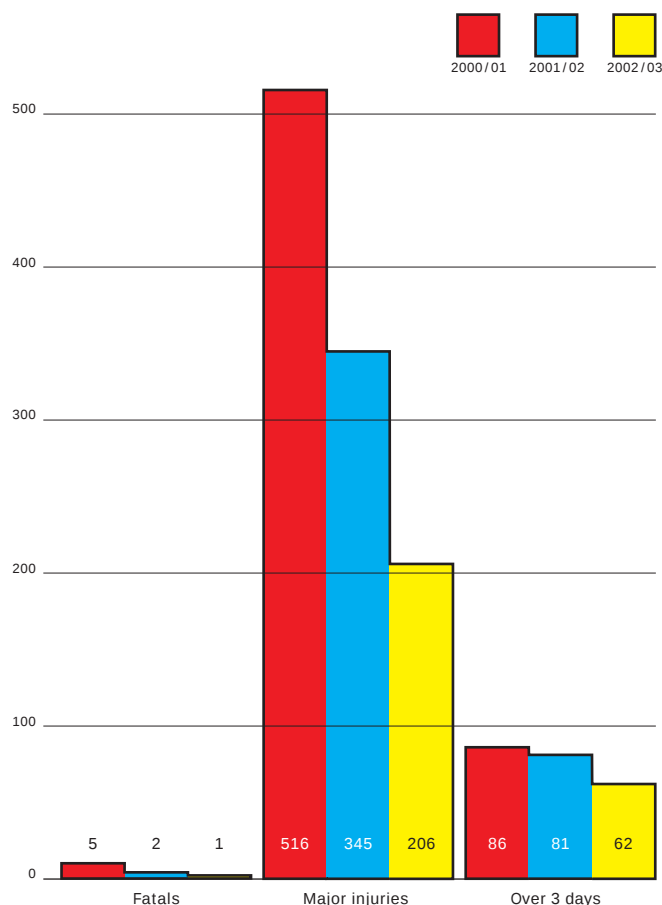
2003/4 saw the successful resolution of enforcement (Prohibition Notices) taken against all ten Superstar fairground rides operating in the UK and against the manufacturer. Significant modifications were made to all existing rides following an extremely complex investigation. The manufacturer has made fundamental modifications to the design of all future rides of this type.

Significant progress has been made, with HSE involvement, in the continued developments of the Amusement Devices Inspection Procedure (ADIPS) as a separate body regulating the activities of inspection bodies within the industry in furtherance of effective self-regulation.

Projects have been commissioned on major hazard analysis of white-knuckle rides, passenger behaviour, quality assurance within the manufacturing part of the industry and proposals have been put forward for work to assess work at height risks within the industry.

An HSE video on thorough examination has been produced as part of the communication strategy for the industry - meeting a further recommendation in the Review of Fairground Safety.

Figure 2 Fairgrounds RIDDOR reported incidents (HSE & LA) 2000/01-2002/03



Site and industrial radiography

The new system of site radiography notification has proved to be a success internally and with the site radiography companies;

Inspection activity has improved over previous years, as has consistency of advice and enforcement. Unfortunately the Specialist Inspectors are still finding significant non-compliance with the Ionising Radiation Regulations 1999 during site visits. However, with the increased inspection activity and visits to company Head Offices improvements are beginning to be realised;

Similar inspection effort will continue in 2004/05 and a planned meeting with major site radiography clients will hopefully result in improvements in the quality of notifications received.

Key actions on cross-cutting hazards

Noise

Noise was dealt with at nearly 8500 inspections carried out by FOD inspectors and reported using the Inspection Report Form. The total time spent on noise was approximately 76% over the 2002/03 outturn;

At these inspections, more than 80 enforcement notices were issued.

Asbestos

The Asbestos Training Providers (TPs) WG produced a comprehensive new training chapter that will feature as part of the forthcoming consolidated guidance for licensed contractors. TPs will be asked to sign a declaration to carry out training in line with the new guidance before HSE includes them in list of TPs available to the public;

A notable new development is the work being undertaken to develop standards for key equipment used in asbestos removal work. Joint HSE/trade association funding is paying for BSI to develop a Publicly Available Specification for wet injection, negative pressure and vacuum equipment;

Six licensed contractors had been successfully prosecuted and 57 enforcement notices have been served on licensed contractors. FOD carried out 887 site inspections and 59 new and 283 renewal licences were issued during the year.

Since the formation of HSE's Asbestos Liaison Group (a group which includes industry representatives) we have identified areas where further improvements can be made where work with asbestos is undertaken. We are working with the industry (employers and employee representatives) to develop a strategic approach to improving performance.

Hand-arm vibration (HAV)

Action has been taken in stone quarries to ensure that vibratory cutting tools are properly selected from the correct information supplied by manufacturers. In Scotland, some companies reported a lack of information from equipment suppliers.

Occupational asthma

Occupational asthma was discussed at nearly 7500 inspection contacts, with over 280 notices issued;

Work on a compliance project for flour dust in craft bakeries has entered the enforcement state. A large number of Improvement Notices have been served on companies found to be exceeding the current Maximum Exposure Limit. Initial signs are that adequate precautions are readily available;

Enforcement on controlling isocyanates in vehicle repair shops (specifically the duty to maintain and have thorough examination of spray booths) has revealed a lack of adequate knowledge among some industry members, which is being addressed.

Local authorities

159. The health and safety at work of more than twelve million people - almost half of those employed in Great Britain - is protected through local authority enforcement officers. Essentially they are responsible for regulating health and safety in the services sector, ie retail, distribution, finance, leisure and hospitality industries.

160. LAs have a major role to play in reducing injuries and ill health from activities related to the workplace and with our changing economy and a consequent greater emphasis on services, the 410 councils around Great Britain with this responsibility become increasingly more important. During the year, in recognition of the significant contribution of local authorities and as part of the Commission's new strategy, a series of consultations took place with local government and others to establish how best to maximise the effectiveness of the two enforcing authorities - HSE and LAs. The overriding response was that HSE and local authorities should work together in genuine partnership.

161. One of the five Strategic Programmes established by the Executive to deliver the Commission's strategy is centred upon developing a new partnership between HSE and local government. A Programme Board, jointly chaired and with representation from HSE and local authorities will direct the work of the programme. The programme will be seeking to review the front line work of inspection and enforcement, communications, mutual support and aid, and management arrangements to co-ordinate service delivery. A steering Group of Commissioners and elected members from local government will guide the work of the Board. Extensive consultation and planning has been the focus during this year with the intention that the new partnership be established over the coming two years.

162. Much of the work identified in the Business Plan for 2003/04 has been subsumed by the strategic programme and will contribute to the programme outcome. The Synergy Programme paved the way for a partnership approach, for example gaining valuable experience from joint working within the dry cleaning industry in Scotland and also with the Royal Mail. This will now be fed into the review of the Enforcing Authority Regulations as part of the new Strategic Programme, as will the review of HELA (Health and Safety and Local Authority Enforcement Liaison Committee) to establish a new infrastructure to support joint working across industry. The programme will be seeking to remove barriers to effective enforcement and research appropriate and new interventions with the aim of achieving the Commission's priorities.

163. The annual HELA conference (entitled 'A Time for Change') held in December 2003 was the most successful to date, with the proposal to develop a new partnership as its central theme, enjoying strong support from the Minister of Work and being endorsed by local government politicians.

164. During the year, a further 15 local authorities were audited and helped to make improvements in their performance. Training material has also been made available for LAs to introduce and use the HSE's Enforcement Management Model from April 2004.

165. Meanwhile, other operational issues include guidance issued by HELA to promote joint-working with HSE, and HELA's endorsement that LAs should universally adopt the topic-based approach to inspection from April 2004. In addition, a key health-related issue arose requiring close liaison between HSE and LAs around the country, concerning the supply and use of micro-pigmentation/semi-permanent tattooing machines. The potential risks include systemic infections such as Hepatitis and HIV. After consulting HSE and non-HSE experts in the field and colleagues from DoH, the Health Protection Agency and the Medicines and Healthcare products Regulatory Agency, comprehensive guidance was produced for enforcing authorities and employers.

MANDATORY ACTIVITIES

What we aimed to do

Modernise and simplify the regulatory framework

166. In 2003/04, HSC aimed to take forward projects to support its long-term aims to modernise and simplify the regulatory framework and to deliver European commitments.

Long-term Strategic Programmes

167. Work also continued with the long-term Strategic Programmes to improve health and safety, including Securing Health Together and related programmes on health work and recovery, developing new ways of working with other Government Departments to deliver cross-government goals on health (eg the Healthy Workplaces Initiative), rehabilitation and engaging small firms; and promoting worker involvement through increasing worker consultation in health and safety; and taking forward other measures and initiatives to promote and encourage greater employee involvement.

Progress

Modernise and simplify the regulatory framework

168. Policy Group came into existence at the start of this working year, and was formed from the merging of Safety Policy Directorate, Health Directorate, Railway Policy Directorate and the Strategy and Analytical Support Directorate. The work planned by these separate Directorates was prioritised and continued according to need. Full details of progress with legislation can be found in the Legislative Annex. Of particular note are developments with the following projects:

- an innovative HSE/Environment Agency project to develop integrated health, safety and environmental advice on chemicals reached a major milestone, when a demonstration CD-Rom giving practical advice on working with chemicals was launched and enthusiastically received by stakeholders;
- the Internet site eCOSHH Essentials (Control of Substances Hazardous to Health) continues to be well used. By January over 115 000 COSHH assessments had been completed since the launch in April 2002. Advice for the LA sector is also popular with over 2 600 guidance sheets downloaded in two months;
- strong support from stakeholders for the plan of action to tackle occupational asthma, with valuable partnership projects underway;
- a major consolidation exercise of regulations governing the carriage of dangerous goods was completed. Twelve sets of regulations have been revoked. Agreement has been reached that the regulatory development work currently undertaken by HSE should be transferred to the Department for Transport from 1 April 2004;
- work-related deaths protocol - successful joint working between HSE, Association of Chief Police Officers (ACPO) Crown Prosecution Service (CPS) and LAs to produce an investigators' guide to support the protocol and helping to ensure investigations into work-related deaths are efficient and effective;
- continuation of the five-year campaign to raise awareness of the new duty to manage asbestos in non-domestic premises, including:

- presentations given to EHOs from over half of LAs;
- over 3000 partner organisations recruited;
- distribution of half a million free leaflets in collaboration with the Federation of Small Businesses, the Royal Institution of Chartered Surveyors and Asbestos Testing and Consulting;
- HSE is working in collaboration with DWP to develop an online training resource for General Practitioners (GPs). The aim is to raise GPs' awareness of occupational health and how work can affect their patients' health.

Long-term strategic programmes

Revitalising Health and Safety

169. Progress was reported in *Delivering health and safety in Great Britain: Health and safety targets: How are we doing? 2002/03* published in December 2003, incorporating the statistical information from the *Health and Safety Statistics Highlights 2002/2003* published in November 2003 (<http://www.hse.gov.uk/statistics/overall/hssh0203.pdf>). This showed a steady state against the fatal and major injuries incidence rate targets, probably a slight increase in ill health, particularly stress-related ill health, but no new information on days lost.

170. HSE has identified some ways of improving its statistical information and hopes to develop its own workplace health and safety survey over the next two to three years.

171. Ministerial interest gave an impetus to promoting Revitalising. Many industry sectors continue to promote their own targets and monitor progress. Good results have been seen in the food industry, quarrying, paper and board making; the electricity generation and supply industry has its own ten-year strategy. Themes identified in Revitalising have been carried forward into the new HSC Strategy.

Securing Health Together (SH2)

172. In line with the new HSC Strategy aim to do more to address the new and emerging work-related health issues, HSC asked for a gear change to deliver the health targets. It considered how, collectively, efforts under SH2 have delivered some change, but how this would not be enough unless we focus on delivery of support.

173. HSE facilitated final Programme Action Group (PAG) meetings, publishing reports by the Continuous Improvement PAG, Skills PAG and Support PAG. This latter represented a significant step in the development of our thinking about what must be done to significantly improve occupational health (OH) in Great Britain - (ie to provide OH support with a national coverage) and aspects of how that might be achieved. A report was also published by the Continuous Improvement PAG on Occupational Health Award schemes in Great Britain.

174. In November, HSE held a Conference of OH stakeholders to celebrate achievements so far and develop thinking for next steps in delivering the targets of SH2. Building upon the work of the PAGs and other OH support work in HSE a model for OH support was developed. This will be tested under the Better Health at Work Partnership Strategic Programme. It looks at how to test a model for delivering a problem - solving service for small firms using innovative partnerships, in the public and private sector, to provide occupational health, safety and rehabilitation support.

175. Work has begun on how to deliver the Programme - looking at ways to take work forward supported by the Better Health at Work stakeholder network.

176. The SH2 website (www.ohstrategy.com) contains a database of good practice examples submitted by employers across Great Britain - this has increased to 84 examples.

177. A project has been established to consider whether current approaches to risk management philosophy are adequate to support interventions in health-related problems.

Delivering new ways of working with other Government departments to deliver cross-government goals on health (eg healthy workplace initiative) rehabilitation and engaging small firms.

178. **Occupational Health Advisory Committee** - Two meetings were held as well as an open meeting in November. The 'horizon scan' was finalised and reported to HSC in May.

179. HSE held the role of National Co-ordinating Officer for the **European Network for Workplace Health Promotion** (ENWHP) on a trial basis, establishing foundations for a UK network in collaboration with other government departments (OGDs) and devolved administrations. It also delivered information on four UK Workplace Health Promotion 'tools' for the ENWHP toolbox.

180. **National Employment and Health Innovations Network** - HSE has been part of the steering group promoting information sharing across central and local government and external OH stakeholders.

181. **Healthy Workplace Initiative** - In partnership with the Department of Health (DoH) England we produced four newsletters, sent to approximately 26 000 small/medium sized enterprises (SMEs) themed around the areas of dangerous substances, rehabilitation, occupational asthma and stress.

Return and readjustment to work

182. HSE is working in partnership with DWP and DoH and OGDs to help deliver the Government agenda for combating social exclusion and health inequalities. HSE is contributing by developing a best practice resource (for communicating in Quarter 2 of 2004/5) to help employers manage sickness absence and the return to work of ill, injured and disabled employees thereby preventing long-term absence. In developing the resource, HSE drawn on research and has consulted widely including organising focus group discussions in partnership with the Chartered Institute of Personnel and Development, the TUC, Electrical Contractors Association and in conjunction with HSL with individual members of small businesses in the Sheffield and Derbyshire area.

183. HSE also continues to provide advice to the DWP/DoH Job Retention and Rehabilitation pilots, running until 2005, which are testing and evaluating rehabilitative support centred around healthcare, the workplace and a combination of the two.

Promoting worker involvement through increasing worker consultation in health and safety and taking forward other measures and initiatives to promote and encourage greater employee involvement

184. HSC published a statement on worker involvement and consultation on 3 March 2004. The statement sets out the principles and evidence about why the Commission considers worker involvement to be vital and is the first deliverable from the new HSC Strategy: *A strategy for workplace health and safety in Great Britain to 2010 and beyond*. The statement also sets out a body of work to deliver this and includes developing and improving training for workers and improving their competence, working with safety representatives and encouraging more workers to take up this role, promoting the Worker Safety Adviser (WSA) Challenge Fund* to give more workers in SMEs support and advice; discussing with HSE and LAs the practical steps that could be taken to move forward. The statement was endorsed by key stakeholders: the TUC, CBI, Institute of Directors, Federation of Small Businesses and many others.

**Andrew Smith – Secretary of State at DWP - announced at October's Labour Party Conference the creation of a new stream of funding to give workers in SMEs advice and support on health and safety. HSE has set up the WSA Challenge Fund and it opened for bids on 26 March 2004. The fund offers £1 million each year for three years for organisations to work in partnership to get WSAs working in SMEs. Successful award winners were due to be announced on 9 June 2004.*

Providing information and advice on health and safety

Communication

185. A strategic analysis during the year convinced us that we needed to devote more resource to improving communication - to making it an intervention in its own right. Colin Douglas was appointed as new Director of Communications from 5 January 2004 to head up a new Communications Directorate. A new corporate communication strategy emphasised more effective internal communication, developing a communication culture, establishing strategic communication, building partnerships, presenting a clear picture of HSE work and promoting the case for sensible health and safety.

186. To inform the new strategy a MORI survey in January 2004 found high levels of awareness of HSE (higher than for comparable Government agencies) and of support for health and safety. Employers ranked it among their top two issues of working life. They saw health and safety as good for business and disagreed strongly it was a strain on profits. Our vision of health and safety as a cornerstone of a civilised society was overwhelmingly supported - by 75% in the citizens poll. Some of our media coverage during the year however did not reflect these positive attitudes of employers, employees and citizens (see Figure 3).

Figure 3 Q: Please tell me if you agree or disagree ... health and safety requirements are a cornerstone of a civilised society



Base: All citizens (1 000), all employees (2 002), all employers (500)

Source: MORI

Providing information and advice

187. HSE's information and advisory service promotes the delivery of key health and safety priorities and informs people about their rights and responsibilities and how they can improve the working environment. At the core of this work are the HSE website; hsedirect; HSE Books videos, publications, and electronic products; HSE Infoline the Contact Centre for telephone, letter, fax and email enquiries - see Annex 1 'Other output and performance measures' for detailed information.

188. HSE allocates approximately £10 million of its Programme budget to promoting and publicising health and safety.

189. HSE publicises enforcement and intervention activities and the outcomes of prosecutions, and promotes new information products through press releases, press conferences and the website. This activity plays a key role in adding value to enforcement initiatives and in providing an assurance that we act in the public interest.

190. Work will continue on reorganising the HSE website to ensure that information is delivered in an accessible way. Where practical, technical publications will be published on the web with hard copies available on demand at low cost.

191. HSE aims to raise awareness of safety and health through targeted publicity campaigns supporting the new HSC Strategy.

Science and innovation

What we aimed to achieve

192. HSC's Science and Technology mission is to develop and apply science and technology (S&T). In order to provide (a) a sound independent knowledge base for evaluating the risks to people's health and safety from work activities, and (b) the means to assess and control these risks in order to achieve HSC/E's objectives. The HSC/E Quality Statement, to ensure the effective implementation of the Chief Scientific Adviser's Guidelines 2000, is being radically updated in light of experience following its implementation and to reflect organisational changes arising from the HSE Change programme.

Progress

193. Preparation for an Office of Science Technology (OST)-led external review of HSE's S&T is at an advanced stage. A review of the MSD Priority Programme has been undertaken to assist HSE in preparing for the main review. The 2003/04 audits of two major policy processes for compliance with Guidelines 2000 are ongoing and analysis of the evidence and outputs is underway.

Science and Innovation (S&I) Strategy

194. High-quality scientific and technological underpinning is essential to enable HSC/E to be an effective regulator and to ensure that the policy and standards it sets are scientifically sound and cost effective. The present S&I strategy seeks to ensure a direct and transparent link between the science and HSE's high-level business aims.

Progress

195. *The strategic research outlook 2003* (published in May 2003) set out HSE's strategic S&I aims for 2003/4, reflecting the priorities and business objectives described in the HSC/E Strategic Plan, and stating how S&T will contribute to HSE meeting the PSA targets.

196. HSE's S&I strategy is being substantially revised and updated and will be put on the HSE website for external consultation prior to publication in Summer 2004. It will set out how HSC/E will apply S&T in meeting the priorities and high-level goals in HSC's Strategy for 2010 and beyond.

S&I communication

197. Effective communication and dissemination of HSE's S&I is an important element of the S&I strategy. The S&I web pages have been re-designed to deliver information on HSE's science activity in a more accessible way. Results of research are placed in full on the HSE science web pages and can be downloaded free of charge.

Progress

198. During 2003/04 over 110 Research Reports on newly completed research projects were published on the HSE website. An on-line projects directory has been launched on the HSE website, which provides details of over 1200 projects commissioned since 2000. Work has also been commissioned to develop a web-based HSE science newsletter. The Chief Scientist gave a presentation at the British Association Festival of Science, in Salford, describing how HSE uses science and technology in meeting its responsibilities as a regulatory body.

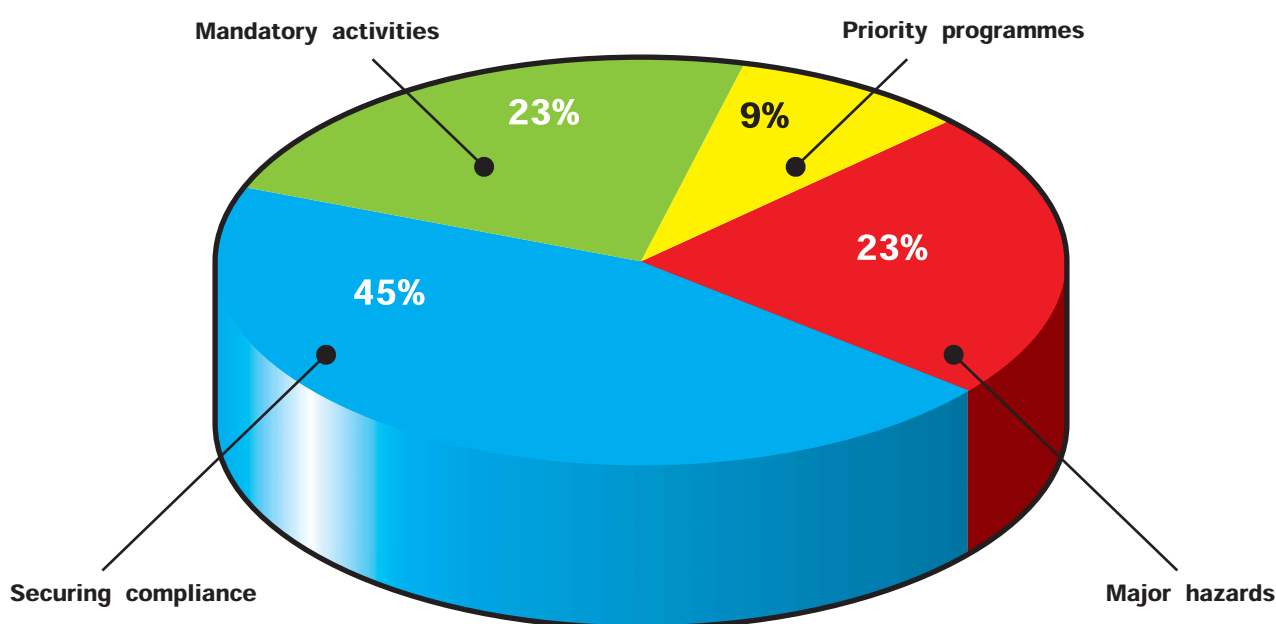
S&I resources

199. In 2003/04, HSE spent about 15% of its grant in aid on commissioned science and technology, both research and reactive support work. Priority Programme managers and those with responsibility for other key business areas identify and oversee specific and more generic research which addresses both policy and operational requirements to meet HSE's priority targets and support work within its mandatory activities.

Progress

200. In 2003/04 expenditure on commissioned S&T was £33.7m (compared with a revised budget figure of £33.8m not including science funded through HSE by industry (£5m)). Of this £9 m was spent on external research. Another £3m was spent on research and £19 m on scientific and technical support from the Health and Safety Laboratory. A further 85 technical support jobs, with a total value of £2m were commissioned through Technical Support Framework Agreements, which has been established with five external contractors. Expenditure across the HSE Programme Blocks is shown below. The pattern of expenditure differs from the initial business plan as the S&I budget is highly responsive to short-term needs in reactive support and incident investigations.

Figure 4 Percentage expenditure on research and scientific support across HSE Programme Blocks (Total expenditure £33 million)



A snapshot of other activities 2003/04

Notable work completed in 2003/4 included:

- beacons of excellence in stress prevention;
- causal factors in construction accidents;
- influences on H&S attitudes and behaviour in small firms;
- falls from height - Prevention and risk control effectiveness;
- evaluation of the Railways Safety Case Regulations;
- evaluation of COMAH, Gas, Offshore, Rail charging regimes.

Engagement in Government S&I through networks with OST & OGDs

Meetings have been held with DWP, DoH and EA. A memorandum of understanding (MoU) and an S&I action plan has been drafted and agreed between HSE and DWP. An updated MoU between HSE and EA is in preparation and a joint workshop on common S&I issues for HSE/EA is being planned for mid 2004.

Development and maintenance of HSE science website

The new HSE science website was launched in July 2003. A web-based projects directory, providing fully searchable details of over 1200 projects commissioned since 2000 was launched at the beginning of February 2004. In the first month following its launch, over 3000 searches were made and over 4300 individual project records accessed. Work has been commissioned to develop a web-based research newsletter, which will replace the quarterly newsletter currently published in hard copy.

S&I presentations

The Chief Scientist gave a presentation 'Avoiding tomorrow's accidents' at the 2003 British Association Festival of Science. The presentation described how HSE uses its S&I resources in carrying out its regulatory stewardship responsibilities. The presentation was repeated at a public lecture at the University of Warwick.

A series of nine Chief Scientist seminars have been given during 2003/04.

The head of the Chief Scientist Unit gave a presentation of HSE's S&I activity at a seminar organised by the Danish Working Environment Authority.

Risk assessment

Risk assessment management and education

201. Decision-making on the basis of risk is fundamental to HSE's regulatory activities and to promoting cross-departmental co-operation in risk management.

202. HSE's approach to risk assessment is to ensure:

- good regulation through proportionality, consistency, transparency, targeting and accountability that promotes cross-departmental co-ordination in risk management;
- effective risk communication to help stakeholders understand HSE's messages and to enable them to participate in the decision-making process;
- young people receive sufficient risk education to equip them with the necessary knowledge and skills on risk awareness; and
- safety critical professionals are encouraged to consider risk in both work practices and design.

Programme of activities on risk assessment and education during 2002/3

203. HSE has continued to meet with a range of medium and higher-level contacts developed in a variety of organisations that are able to exert influence on the educational system. The existing 'National Healthy Schools Standard' scheme, a collaboration between DfES and DoH (among others) is an exemplary case of integrating health-related cross-curricular themes through curricula programmes. An initial meeting between HSE and the National Healthy Schools Standard agreed that there were good opportunities for co-operative working around their taking risk messages into schools.

Publish guidance for dutyholders on risk-based decision-making

204. Evaluation of *5 steps to risk assessment*, production of an interactive risk assessment management tool for dutyholders, and revision of risk assessment case studies are progressing well and will be completed during 2004. An external evaluation of *Reducing risks, protecting people* (R2P2) is currently being conducted and will be completed early in 2004. The planned guidance to industry on HSE's view of the role of good practice is now one strand of ongoing work to evaluate the range of interventions employed by HSE. It is no longer primarily a risk management matter.

Facilitate fora for discussing risk issues in HSE, Whitehall and Europe

205. HSE played a significant role in assisting the shaping and implementation of the two year cross-government Risk Handling Improvement Programme based on the Cabinet Office Report *Risk: Improving Government's capability to handle risk and uncertainty*. The Programme, which concludes at the end of 2004, has HSE's Chief Scientist on the steering group and leading the Managing Risks to the Public sub-group. HSE provides the secretariat jointly with HM Treasury for the sub-group. A further input from this year was the conclusion and report on the second phase of the European TRUSTNET work on participative/inclusive risk governance.

206. The European Agency for Safety and Health at Work Contact Group is a platform for Occupational Safety and Health (OSH) and education experts to find the key for the future integration of OSH into education and to facilitate a common learning process in all Member States. An outline is being developed for a future strategy to mainstream OSH into education and training at national and European level.

Develop policy on aspects of HSE's risk based decision-making

207. Progress on a programme to embed the principles of R2P2 in the culture of HSE was reviewed at the end of 2003 and has resulted in a switch of resources into supporting HSE's Policy Group in a project on 'Excellence in policy making', and in planning a programme for 2004 onwards to produce simplified guidance and tools for sensible risk-based decision-making.

Publish research reports on key risk issues

208. Research on evaluation of health and safety benefits, looking specifically at public attitudes to dreaded risks, such as cancer, has been extended and will now report towards the end of 2004. Evaluation and development of a 'societal concerns gauging tool', based on external research, is proceeding and should produce results during 2004. This project is being dovetailed with related work being done by HM Treasury and OGDs. A UK-wide study of the nature and extent of health, safety and risk education in schools was conducted and the results will be published.

Other significant activities

209. Substantial work was undertaken in the summer and autumn to support development of a long-term policy towards reconciling societal risk and land use planning. Related developmental work on incorporating societal concerns in decision-making continues.

210. Considerable work for HSE Rail centred on making the case for an ALARP-based approach, including consideration of social concerns, in decision-making about what control measures are required.

211. A risk education project called 'Bsafe' has been created in the form of theatre-in-education. A pilot programme was developed to take into ten schools targeting Year 10 pupils before they go on work experience. The project is financially supported by Bunzl plc and has been led by a Coventry head teacher on secondment to Head Teacher & Industry (HTI). A focus group was set up to take forward the work on which DfES, RoSPA, IOSH and HSE were represented. The project was evaluated following the pilot and HTI is now seeking funds to offer the programme to all year 10+ pupils.

212. With support from the Office of the Deputy Prime Minister (ODPM), the Risk Watch Pilot Project Steering Group on which HSE is represented aims to work with interested stakeholders and to facilitate pilot 'scoping' projects with a view to obtaining worthwhile evidence on which to base future strategy development at a national and local level. Risk Watch is an injury prevention programme developed in the US by the National Fire Protection Association (NFPA). A pilot of the Risk Watch generic risk education package is being run by two local authority fire brigades and will take place in five primary schools (three in the Highlands of Scotland and two in Nottinghamshire).

Small firms

213. HSE and local authorities have sought to improve arrangements for the management of health and safety in small firms.

214. Activities during 2003/04 have included:

- the Small Businesses Commissioner Judith Donovan was re-appointed in 2003/4. She has agreed to set up a Small Business Forum which will engage small business stakeholders and to ensure that the 'voice' of small business is heard by the HSC/HSE. The first meeting will be held in summer 2004;
- Judith Donovan and other HSC Commissioners have continued to attend events to meet small businesses;
- an initial review of the small business pages of the website was carried out in 2003/4. New content and presentation will be agreed in 2004/5. A key issue is building links to other government websites such as business.gov.uk, which is a 'one-stop shop' for information across all Government departments for small businesses;
- HSE (funded by Treasury's Invest to Save Budget) has worked in partnership with the SBS to develop electronic health and safety tools for the Businesslinks and other business support networks to use with their small business clients. The whole programme was launched in May 2003. The tools are supplemented by the IUKE visit programme;
- HSE has piloted two grant schemes for small businesses. HSE worked with SBS, and Businesslinks in three areas to pilot a grant scheme. Part funding was offered to start-ups, and established micro-firms (up to ten employees). Evaluation of the scheme's operation has now started;
- the other pilot has been developed into the Workers' Safety Advisor Fund which was launched in April 2004. The aim is to provide health and safety advice to firms with less than 10 employees through a partnership approach between firms, their employees and possibly other stakeholders;
- HSE also attended the recent launch of the Small Business Consortium which is sponsored by the DTI and Business in the Community. We are looking to develop links with this programme.

MANAGING THE ORGANISATION

HSE's Management Plan 2001-04

215. HSE's Management Plan was published in October 2001 and sets out HSE's management priorities for the next three years and the activities that the organisation will focus on to progress these priorities. The Plan was developed to support our delivery of the Strategic Plan, and to help ensure that HSE is fit enough and smart enough to deliver its key priorities. It covers HSE's long-term management strategy, including its approach to Modernising Government.

216. It is a wide-ranging and detailed plan under four key priorities. To:

- lead and look after staff valuing their contribution and their diversity and the benefits this brings to the way we engage with stakeholders;
- get the right people in the right place at the right time, building and making best use of their skills to deliver key objectives;
- manage our information resources and the knowledge, expertise and experience of our staff, and apply it to our priorities efficiently and effectively;
- secure better business planning through integrating the management of our resources, systems and procedures to deliver high-quality business objectives in an efficient and responsive way and giving value for money.

Progress

217. Solid achievement or progress has been made with the majority of activities (some 80 in all), many of which are included fully in the topics dealt with below.

218. Examples of activities include:

- HSE's agreed Diversity Action Plan for 2003/04 placed a number of actions upon our senior managers. Activities such as acting as formal/informal mentors, volunteering for our new shadowing pilot, promoting buddying arrangements and delivering the challenge function at our 'Visions and Values' events have all raised the profile of senior managers;
- extensive use of on-line recruitment, CV-based application processes and other efficiencies have enabled us to cut recruitment timescales. Typical times for Discipline Specialist from advert to take up duty have been reduced from six to nine to three to six months;
- HSE maintains its commitment to Interchange. The UK figures for 2003/4 are 71 staff working out of HSE on loan or secondment and 36 staff have come into HSE on loan or secondment. In addition we have 12 HSE staff working overseas on secondment and one EU national working in HSE on secondment. This activity continues to contribute to HSE's high profile in the European and International Arena;
- the Electronic Document and Records Management project moved into its development phase with a project team recruited. The project team has completed a proof-of-concept with National Archives compliant software. Business pilots will begin in May 2004;
- the ARK system was linked to the Whitehall Knowledge Network in 2003.

219. Full details of progress on all activities can be found at <http://www.hse.gov.uk/aboutus/reports/0304/managementplan.pdf>

The Change Programme

220. The programme set ambitious targets for change in HSE. The Programme was based around key change outcomes which were successfully achieved during the development phase up to summer 2003. The outcomes are now embedded in HSE mainstream work. Key outcomes achieved were:

- setting up of the Strategy and Information Division* (SID) to develop integrated tailored strategies and clear priorities and providing intelligence on the health and safety environment. SID facilitated the production of the new Strategy for Workplace Health and Safety in Great Britain to 2010 and beyond;
- the Developing and Embedding Programme and Project Working programme (DEPP) to ensure best practice of project and programme management;
- corporate Science and Analytical Services Directorate* established to provide a key nucleus of S&T expertise with remaining operational S&T expertise deployed back to the front line;
- operational Policy Division* established to turn health and safety strategy and policy into action;
- a corporate services review project provided a more efficient and effective design for corporate services - during the year Policy Group and Resources and Planning Directorate centralised their domestic support activities to create efficiency gains. Operations Group (the largest Group in HSE) plan to do the same during 2004/5;
- policy Directorates have been brigaded into a single Policy Group* thereby integrating health issues and safety issues; and
- all HSE staff attend 'Ways of Working' events in their teams to consider practical ways of contributing to HSC's new strategy and improve performance.

** These new organisational units were created from existing resources.*

Business improvement

221. Having achieved cash releasing and/or productivity savings of 3% of administrative costs for each of the last three years, HSE set a target of 5% for 2003/4. Against this new ambitious target incremental improvements continued to play an important part. The outturn results show that HSE achieved savings valued at £12.7m for the year, achieved through a combination of cash savings and quantifiable added benefits - equivalent to 6.0% of total administrative costs (excluding HSL) of £209m.

222. Major contributors to the performance were: reduced travel by implementing tele-conferencing more widely, better purchasing deals; aggregating corporate support units that provide non-specialist support line-managers so the same work is done by fewer staff; taking conscious decisions to stop doing some work that appeared to add little or no value - eg transfer of some data into our operational IT systems that was not planned to be used specifically.

223. Significant development work - which will provide benefits in future years - was also undertaken to improve the productivity of our Operations Group by harmonising and optimising processes across industry sectors (where this is feasible) and devising new ways of engaging with dutyholders - including roles for a wider range of HSE staff to complement the work of inspectors. Pilot studies were launched in Bristol and Worcester to experiment with more flexible working arrangements which offer the potential for substantial savings on estates costs for our field offices. Resources released from estates spending will be re-directed to spending more directly on the nation's health and safety priorities.

224. The Business Improvement and Efficiency Board (BIEB) was established in the second half of 2003/4 to provide the strategic framework and prioritisation that will play an increasingly important part in our Business Improvement effort and our results. Key priorities for 2004/5 will be to drive more fundamental improvements across HSE that enable us to deliver more effectively on our Strategy and PSA commitments and meet the challenges of the 2004 Spending Review.

Resources

225. Full details of HSC/E accounts for 2003/04 can be found in Part 2.

Corporate Support Services

226. The Resources and Planning Directorate (RPD) of HSE completed its Corporate Support Review (CSR) in February 2004. The review looked at the support activities of human resources, managing payroll and cadre, information technology/services, accommodation, training administration and managing business improvements/risks.

227. The CSR identified a number of savings and changes in procedures that are currently being put in place. However, although the review has now been formally concluded, other review work will continue as HSE seeks to reduce its expenditure overall and also reduce the proportion its applied to back office functions and divert them to frontline services. The continuing work will look to further streamline and make more effective HSE's back office functions. This will complement review work already completed in other parts of HSE and the Government's public sector Efficiency Review.

Staffing

228. Figures are full time equivalents except agency figures which are a 'head count', ie include staff working part-time.

HSE planned staff in post by Division/Directorate

Division Directorate <i>(includes agency staff, see table 'Total HSC/E staff in post by occupational group')</i>	01.04.02 staff in post	01.04.03 staff in post	01.04.04 staff in post
Solicitor's Office	50	34	33
Resources and Planning Directorate	515	496	446
¹ Communications Directorate			24
Policy			
Health Directorate	258	167	-
Safety Policy Directorate	125	114	-
Strategy and Analytical Directorate	137	122	-
Rail Directorate	48	40	-
² Policy Group	-		324
Operations			
Operations Unit	29		-
Local Authority Unit	25		-
Operational Planning Division		35	35
Field Operations Directorate (FOD)		1712	1609
³ HM Railway Inspectorate	-	184	209
Field Operations Directorate and HM Railway Inspectorate	1723		-
Hazardous Installations Directorate	559	615	605
Nuclear Safety Directorate	268	293	287
⁴ Electrical Equipment Certification Service	55	8	-
⁵ Technology Division	135	-	-
⁶ Corporate Science and Analytical Services Directorate			86
Total HSE staff	3927	3820	3658
Health and Safety Laboratory	355	342	361
Total Staff	4282	4162	4019

¹ Communications Directorate was formed in January 2004.

² The Health, Safety Policy, Strategic and Rail Directorates were reformed to become the Policy Group and the Strategy and Intelligence Division on 1/4/2003/4. The figures include HSC support.

³ On 1/4/2002 the Railway Inspectorate was brigaded within FOD.

⁴ The Electrical Equipment Certification Service ceased to operate on 1/10/2002.

⁵ Technology Division was dispersed to Policy Group and the Field, Nuclear Safety and Hazardous Installations Directorates on 1/4/2003.

⁶ The Corporate Science and Analytical Services Directorate was formed on 1/4/2003 and combines analytical services, risk policy and science and technology into one Directorate.

Total HSC/E staff in post by occupational group

Occupational Group	01.04.02 staff in post	01.04.03 staff in post	01.04.04 staff in post
Inspectors	1625	1651	1605
Of which the following are frontline operational inspectors**:	1458	1508	1483
Other professional or specialist staff	1461	1481	1427
Other Staff	964	1030 (Includes 94 agency staff*)	987 (Includes 115 agency staff*)
Total Staff	4050 (Plus 232 agency staff*: 4282)	4162	4019

*Resource Accounts Guidance now requires inclusion of agency/temporary staff and inward secondments/loans.

**Notes:

- Inspectors at Bands 1 and 0, or working in other Directorates / Divisions are not included.
- In FOD, RI and HID, as far as possible, inspector staff undertaking more generalised HQ functions have been eliminated from these figures. The figures also exclude non-inspectorial specialist staff - eg scientists.
- Inspector staff includes Discipline, Medical and Occupational Health Inspectors.
- All figures are for full time equivalent staff.
- All figures have been rounded to the nearest whole number.

The work of frontline operational inspectors is complemented by other frontline staff such as workplace contact, compliance, Railway Inspectorate Contact and Regulatory Contact Officers. In HSE's Field Operations Directorate (FOD), workplace contact officers (WCOs) and compliance officers are a main point of contact with new and small firms, carry out advisory visits, and take part in awareness events and campaigns. In 2003/04 there were about 57 staff in such roles and the number is due to nearly double in 2004/05. Other staff (including HSE Band 6) carry out frontline work in handling complaints and gas incident notifications etc. There were 8 Railway Inspectorate Contact Officers – who carry out similar work to FOD's officers - in post in each of the three years. The work of frontline operational inspectors in HSE's Hazardous Installations Directorate (HID) is complemented by Regulatory Contact Officers (RCOs) who carry out many of the supporting activities, for example safety report assessment checks, which would otherwise have to be done by an inspector. The long-term view is that HID's RCOs will carry out similar work to FOD's WCOs. At the moment HID is running with a pilot of 3 that will increase to 10 if the pilot is successful.

Recruitment (General)

229. Recruitment into HSE is conducted in line with the Civil Service Commissioners' Recruitment Code. We operate systems and procedures that meet the Code and ensure that recruitment is carried out on the basis of fair and open competition and selection on merit. The systems and procedures are subject to periodic internal and external audits. The Code requires departments to publish summary information about their recruitment and the use of permitted exceptions to the principles of fair and open competition and selection on merit.

230. During the year:

- 80 staff were recruited;

- 48 new UK secondments/loans into and out of HSE and two new overseas secondments commenced;
- one extension of a short-term appointment beyond the initially publicised period and two fixed-term appointments converted to permanency following immigration restriction being lifted by Home Office;
- 14 re-appointments of former civil servants were made.

Recruitment level	Number	Male	Female	White	Non-white	Not declared*	Disabled*
SCS	2	1	1	1	0	1	0
Band 1	0	0	0	0	0	0	0
Band 2	7	5	2	3	0	4	0
Band 3	7	5	2	1	2	4	0
Band 4	16	10	6	13	3	0	0
Band 5	10	4	6	1	1	8	0
Band 6	38	10	28	16	3	19	0
Total	80	35	45	35	9	36	0

*Note: * Information on ethnic and disability status is not always provided.*

Private Finance Initiative (PFI)/Public Private Partnerships (PPP)

231. REFIT - IT: The REFIT partnership with LogicaCMG/Computacenter has now completed the second year of a ten-year agreement. During the year an Office of Government Commerce-led Gateway 5 Review - Benefits Realisation showed that, overall, the partnership was well founded and broadly on track to deliver the benefits anticipated. An action plan was agreed to ensure that both HSE and LogicaCMG/Computacenter together would be able to deliver increased benefits in future years.

232. Merseyside HQ Project: Following a competitive exercise to provide new serviced accommodation for its North-West Headquarters, HSE chose Kajima Development as the preferred bidder in December 2002. The full business case was approved by DWP in August 2003 and negotiations concluded in October 2003 when contracts were exchanged. Construction has commenced and the projected date for building completion is May 2005.

Sponsorship

233. Working Well Together (WWT) is an industry-wide construction health and safety campaign developed by HSC's Construction Industry Advisory Committee (CONIAC).

234. In 2003/04 HSE received sponsorship from a number of organisations in support of two elements of the 2003 campaign:

- the WWT Roadshow which visits construction sites around the country to promote health and safety messages and encourage workers to 'sign up' to best health and safety practice. (Over 12 000 workers signed up last year.);

- the WWT 4C (Co-operation, Competence, Communication and Commitment) Awards Competition and Dinner. Awards are presented to competition winners and tables are sold to WWT member organisations. Sponsors are promoted in competition promotional material and at the dinner. They pay over £5000.

Roadshow

Taylor Woodrow	£15 000
Bovis Lend Lease	£10 000
Skanska	£10 000
Forest Safety Products	£10 000
SafeSite	in kind
Renault	in kind

WWT 4C Awards

CITB	£17 500
Hays Montrose	£7 500
Norwest Holst	£5 000
Lincsafe	£2 500
Scafftag	£4 000
WWT 4C AWARDS TABLE SALES** (A table costs from £1000 to £1200 for ten people. No individual company pays more than £5000.)	£23 622.34

TOTAL:	£105 122.34
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*** Competition entrants who 'buy' a table for their organisation for the awards dinner. Individual companies do not pay more than £5000, the figure above which organisations are identified.*

Wider markets

235. HSE continues to pursue an active approach to charging within the limits set by its role as a regulator.

Departmental investment strategy

236. HSE manages its capital assets through the Departmental Investment Strategy. Capital investment is exclusively in support of the staff resource and is mainly accommodation related, motor vehicles and scientific equipment. The new Health and Safety Laboratory at Buxton will become operational in 2004/05 funded via an 'on balance sheet' Private Finance Initiative (PFI) contract.

Prompt payment of bills

	HSE	HSL	Combined Total
Number of invoices paid on time	15 813	7564	23 377
Number of invoices paid late	180	93	273
Total invoices	15 993	7657	23 650
Percentage paid on time	98.87	98.79	98.85%

Charging

237. Following the reviews of charging in the offshore, gas transportation, railways and industries covered by the Control of Major Accident Hazards Regulations HSE set up a Charging Efficiency Review to look at ways of reducing its hourly rates and increasing productivity. This was reported in the summer of 2003 and made a series of recommendations, most of which are being taken forward as part of wider change initiatives. One early result has been that the hourly rates for 2004/05 remained the same in two cases and fell in the other two. No new or restructured schemes have been developed, the scheme for respiratory equipment has been repealed and the scheme for fees paid under mines and quarries legislation simplified.

Information technology

238. This year saw an important shift to a smaller number of more strategic investments to underpin IS-enabled change. The investment programme is now overseen by the newly created Business Improvement and Efficiency Board chaired by the Director General. A range of IT-enabled business improvement projects have been taken forward including:

- the COIN project to provide a single integrated IT system to the whole of HSE's inspection and enforcement activity. A preferred commercial off-the-shelf solution has been identified and COIN is planned to be launched in a phased implementation from Autumn 2004;
- the Electronic Documents and Records Management project has also moved into a development phase and business pilots are planned shortly. Implementation is likely in early 2005;
- specified what tools and techniques we need to migrate from fairly simple e-forms to a full e-business capability (for internal and external customers). Procurement of the tools will follow early in 2004/05 with phased implementation of further e-business processes from late summer onwards;
- piloted a very successful electronic DIY risk assessment questionnaire for farmers which will be fully implemented in 2004/05 and potentially to other industries;
- completed the P@TH and DEPP projects to embed programme and project working in HSE to OGC-mandated standard to ensure projects are more successful more often; and
- launched the Major Hazards Information System. A joint initiative led by HSE with the Environment Agency and Scottish Environment Protection Agency to provide a single source of information for jointly regulated COMAH

sites. This initiative was part funded by the Government's Invest to Save Budget and illustrates HSE's commitment to joint and collaborative working.

239. In the second year of the REFIT partnership, core IT services continue to be of a high standard and an annual Service Improvement Programme is in place to provide for continuous improvement. By way of example, in a year that saw increasing virus and other malicious attacks on IS services across the world HSE was fully protected. New business continuity services also worked seamlessly when called upon unexpectedly due to interruption of the electricity supply.

Diversity

240. A great deal has been achieved over the past 12 months. It is, however, becoming increasingly difficult to separate out good diversity practice/specific actions from those that have become embedded in our normal policies and practices. This is of course a positive sign and shows an increased willingness by managers and staff across the organisation to live up to the values that HSE actively promotes.

Highlights for HSE during 2003/04

Gold Level Diversity Award

241. HSE has received a Gold Level award from 'Opportunity Now' in their annual benchmarking exercise and has been singled out for a number of areas of best practice. We are proud of this achievement, as it is the first year we have taken part in this benchmarking exercise.

Leadership

242. HSE's agreed Diversity Action Plan for 2003/04 placed a number of actions upon our senior managers. Among the actions taken, leading by example and becoming more visible and approachable have been key areas where movement has been noticeable. Activities such as acting as formal/informal mentors, volunteering for our new shadowing pilot, promoting buddying arrangements and delivering the challenge function at our 'Visions and Values' events have all raised the profile of senior managers. Challenging unacceptable behaviour and enhancing the way staff are managed has also played an important role. The Director General has asked Senior Civil Service (SCS) members to include diversity action as a mandatory area for discussion within their performance agreements from April 2004.

Disability issues

243. Most of the work in HSE with this group is on a one-to-one basis in terms of reasonable adjustments and other behind-the-scenes activities to ensure that everyone who needs help has access to advice and guidance appropriate to their disability. We have introduced new procedures and made efforts to increase awareness of disability issues, used questions in our Staff Survey and given wide publicity for the Civil Service Disability Bursary. Feedback from our disability networks on our efforts is encouraging.

Staff survey 2004

244. The latest Staff Survey shows that 70% of our staff believe that 'HSE is an equal opportunities employer'. While this equates with the government benchmark, we are disappointed that it is slightly down on our previous survey (2002) where 75% responded positively on this point. We will work to restore and improve on our position. New survey questions, to bring us into line with new legislation, have not shown any significant discrimination issues. There is an encouraging increase of 14% (to 65%) in those who feel they are now able to strike a good balance between work/home activities. We are however concerned that only 57% of staff feel able to report instances of unacceptable behaviour without

worrying that it would have a negative impact on them. The Director General has issued a global message to staff addressing these issues raised by the survey.

Equality proofing performance reviews and other HR systems

245. We have successfully introduced a new procedure considering applications for homeworking fairly and transparently and advised on how to make greater use of flexible working to help staff to manage work and domestic responsibilities. We have also developed new arrangements for calculating the pay of term-time workers to ensure that they receive equal treatment based on their actual hours of work rather than their pattern of work, which had previously disadvantaged some staff. We have successfully piloted a new performance management system which will be introduced to the whole organisation from April 2004.

Race Equality Scheme - Race Relations (Amendment) Act

246. The deaths of the cockle pickers in Morecambe Bay raised particularly difficult issues for HSE in its role as a regulator in the light of this and of a Private Member's Bill to license agricultural gangmasters. The Health and Safety Commission (which is constituted as a separate Non-Departmental Public Body (NDPB) and is responsible for setting strategy) made it clear that migrant workers are a key part of the changing economy and a strategic priority. A number of local projects have been run utilising last year's small firms' fund and focusing on ethnic minority issues. We have commissioned Warwick University to undertake a study on risk and ethnicity. This is a key piece of benchmarking research in HSC/E's Race Equality Scheme. We are using the role set out for our new communications partners to provide a good model for RES contacts within HSE and are arranging for a cultural awareness tool kit to be provided on-line and will advise our RES contacts network when it is available. We ensure that we are meeting needs of those organisations who wish to do business in Welsh. Our Field Operations Directorate held a successful conference to discuss issues surrounding workers with little or no understanding of English, utilising case studies from two small firms. The case study approach has the advantage of providing industry-generated solutions, and demonstrating reasonable practicability, and has read-across to different sectors. The ethnic language section of our website has been reviewed to make it more accessible to non-English speakers.

Diversity training

247. We have contracted with the Metropolitan Police to deliver race awareness training to our staff who undertake external visits. Roll-out of the training sessions began with a small pilot in December 2003. The training has been specially designed to: support race-related guidance and language considerations; increase understanding of HSE's language services for interpretation and translation; and look at the guidance on recording and reporting racist incidents encountered by visiting staff. The remaining sessions will be rolled out in 2004/05.

Childcare survey

248. Over the past year or so there have been increasing numbers of enquiries (through Personnel Division and/or the HSE trade unions) from staff based elsewhere about the possibility of providing childcare away from the two Head Office sites. We took the opportunity to take a look at the needs of all staff in HSE in relation to childcare provision through a parent's survey. Around 350 responses have been received and we will be analysing them shortly. The outcome will inform new strategy on childcare provision which will be put to our Board in the next few months.

Progress towards targets

249. Although we have had less recruitment than in previous years, we have had considerable success in recruiting ethnic minority applicants in the latter part of the year. For example, 33% of applicants and 23% of those recruited as policy advisers were from ethnic minority backgrounds. We are also pleased to have attracted our first ethnic minority appointee at Board level and have welcomed two new female Board members increasing representation of women on the Board to 38%. In terms of disability, the numbers of staff who have declared a disability has more than doubled in recent years and we have already exceeded HSE's disability targets in all job bands except B1 (Grade 6) and SCS. Following a survey in 2002 to find out why women did not apply for SCS posts we held a series of women's seminars in 2003 for those in the SCS feeder grades. We included inspiring sessions from guest speakers who explained how they had reached their senior positions, what the hurdles and issues had been, and how they overcame them. The seminars also covered a new buddying pilot in HSE, mentoring/shadowing, and other proposals for the future. The seminars have been a great success and we are currently considering a proposal to open them up to women in more junior grades.

250. Not all new recruits or existing staff wish to divulge their ethnic background or disability status and therefore the following statistical tables may not give a complete picture of representation. We accept individual rights to choose whether to take part in our statistical analyses.

Disability

BAND	1 APRIL 1999		1 APRIL 2004		TARGET 2005	
	NUMBER	%	NUMBER	%	NUMBER	%*
SCS	0	0	1	1.85%	2	3.7
B1 (G6)	2	1.6	2	1.54%	4	3.1
B2 (G7)	7	1.2	27	4.23%	12	√ 1.8
B3 (SEO)	15	1.3	43	3.08%	22	√ 1.6
B4 (HEO)	11	2	17	3.33%	15	√ 2.9
B5 (EO)	11	2.7	24	4.60%	20	√ 3.9
B6 (AA/AO)	73	6.1	66	6.59%	64	√ 6.4
TOTAL	119	2.9	180	4.23%	149	√ 3.5

Gender

BAND	1 APRIL 1999		1 APRIL 2004		TARGET 2005	
	NUMBER	%	NUMBER	%	NUMBER	%*
SCS	13	24.5	12	22.22%	16	29.0
B1 (G6)	8	6.2	25	19.23%	13	√ 10.0
B2 (G7)	71	12.2	107	16.74%	88	√ 13.7
B3 (SEO)	304	26	468	33.55%	388	√ 27.8
B4 (HEO)	259	47.1	251	49.22%	255	50.0
B5 (EO)	268	65.7	360	68.97%	334	√ 64.0
B6 (AA/AO)	873	72.9	714	71.33%	701	√ 70.0
TOTAL	1796	43.9	1937	45.57%	1879	√ 44.2

Race

BAND	1 APRIL 1999		1 APRIL 2004		TARGET 2005	
	NUMBER	%	NUMBER	%	NUMBER	%*
SCS	0	0	0	0.0%	1	1.8
B1 (G6)	1	0.8	2	1.54%	3	2.3
B2 (G7)	7	1.2	14	2.19%	13	√ 2.1
B3 (SEO)	35	3	56	4.01%	53	√ 3.8
B4 (HEO)	17	3.1	31	6.08%	22	√ 4.4
B5 (EO)	31	7.6	53	10.15%	49	√ 9.3
B6 (AA/AO)	103	8.6	89	8.89%	99	9.9
TOTAL	194	4.7	245	5.76%	251	5.9

*Projected % set at 1 April 1999

√ = Target met or exceeded

Staff training and development

251. HSE successfully attained Corporate LiP status in April 2003. This will need to be renewed by April 2006 and a three-year rolling programme is being developed. HSE's Board is being asked to approve the process and the timetable.

252. For HSE's corporate training contracts, 2829 staff have been trained over 434 courses. Training covers HSE's core management training, occupational health and safety provision, eg manual handling and DSE assessor training, IT skills and personal development as well as specific training for our regulators such as legal training and the Occupational Health and Safety Graduate Diploma which is completed at Heriot-Watt University. New courses this year include Handling Conflict and Aggression as well as new provision linking in with HSE's new performance management system. We have been running a pilot programme to deliver IT e-learning leading to the ECDL (European Computer Driving Licence) qualification which we will be evaluating during 04/05.

253. HSE continues to offer development opportunities internally and externally. HSE staff were successful on a number of development schemes: three on Senior Professional Administrative Training Schemes (SPATS), two on Fast Stream and three on Public Service Leaders Scheme. Externally HSE supports the Windsor Fellowship Graduate Programme by sponsoring the Open Day and through student placements; in 2003/04 we supported nine students.

254. HSE maintains its commitment to Interchange. The figures for 2003/4 are 71 staff work out of HSE on loan or secondment and 36 staff have come into HSE on loan or secondment. In addition we have 12 HSE staff working overseas on secondment and one EU national working in HSE on secondment.

Government targets on sickness absence

255. In May 2001, new arrangements were introduced to manage sickness absence more effectively. The arrangements are designed to support line managers in removing barriers, wherever possible, that prevent staff from attending work, which take account of health, personal and domestic circumstances. The guidance emphasises that managers should be supportive and sensitive when dealing with absence issues. However, when repeated periods of absence cannot be justified, managers are required to agree attendance improvement targets with staff which, if not achieved, could lead to dismissal.

256. From April 2003 to the end of March 2004 a total of 32 269 working days was lost in HSE through sickness absence. There has been a reduction in the average number of working days lost per staff year due to sickness absence, from 8.36 in 2002/03 to 7.97 at the end of 2003/04. The overall trend in sickness absence therefore remains downwards.

257. The May 2001 arrangements were built on to ensure that improvements were maintained. These included the introduction of case conferences for staff who are on long-term sick leave, and raising the profile of the management of sickness absence through briefings for staff and managers. A 'Managing Attendance Review' was completed and negotiations are underway to take forward the recommendations from it.

Sustainable development (Green housekeeping)

258. HSE, in line with the Government's Framework for Sustainable Development, is fully committed to pursuing and promoting good environmental practice across its estate and has:

- maintained certification of ISO14001 for the functions of HSE's Business Services Division's Environmental Management System (EMS) and introduced a 'whole building' EMS at Edgar Allen House in Sheffield;
- completed two environmental assessments using BREEAM, one in a multi-occupancy building and one in a building solely occupied by HSE, both achieving a 'Very Good' rating;

- continued to reduce annual energy consumption on HSE's estate, by 10% against 2000/01 benchmark, demonstrating value for money in energy procurement and usage as well as cost-effective management, and measuring progress, currently 8%, against the 12.5% target reduction in annual emissions of carbon dioxide and other greenhouses gases in HSE buildings by 2008-2012;
- ensured 100% of paper purchased under contract by HSE comprises 100% post-consumer waste; and
- printed HSC/E publications, wherever possible, on environmentally friendly paper, using environmentally friendly processes;

and is:

- initiating a programme to acquire a percentage of electricity from renewable sources (10% by 31/03/2008);
- progressing to 25% of fleet cars being alternatively fuelled.

Business risk

259. There has been continuing application of business risk management techniques and the HSE Board actively engaged in managing the risks to effective delivery of HSC/E's aims. During the year the Board discussed these risks and the corporate risk register was amended and updated to take account of the outcomes of these discussions. The Board also adopted a Risk Management Framework, a strategic statement setting out HSE's overall approach to risk management, defining key roles and responsibilities. A business risk management plan was developed to further embed risk management across HSE in 2004-05.

Welsh language scheme

260. HSE has actively encouraged Welsh speakers to apply for posts within our organisation through bilingual recruitment exercises that have been advertised in the Welsh-based press and local job centres. HSE is mindful of getting the balance right in order to maintain its services in Wales, and has encouraged new staff moving into Wales to learn Welsh through our continuing Welsh Language NVQ training programmes. Through this training, the language skills of existing staff have continued to improve. This has enabled us to deliver a complete service through the medium of Welsh, including fielding Welsh language speakers at public events and for the media.

261. We have continued with our policy of producing Welsh/English bilingual publications where we believe this to be appropriate.

262. We expect our Welsh Language Scheme to be reviewed by the Welsh Language Board in 2004 and will respond to any recommendations which emerge.

Devolution

263. HSC/E's commitment to working in partnership with the devolved administrations of Scotland and Wales is embodied within the respective Concordats agreed between HSE and the Scottish Executive and the National Assembly of Wales.

264. While health and safety remains a reserved matter, there are a significant number of devolved areas where HSC/E and Scottish/Welsh Ministers and LAs share or have a closely related interest; these include food safety, pesticides, the environment and public health. The extent of these areas has led to a good working relationship between HSC/E and the relevant bodies.

265. In Scotland, HSC/E is now working with the Department of Constitutional Affairs, which represents the UK Government on reserved matters north of the border rather than the Scotland Office. HSC Strategy in 2003 was based around the Revitalisers Forum, Healthy Working Lives, Safe and Healthy Working, Working Backs Scotland, and Healthy Return initiatives. In Wales, work continues to ensure that health and safety initiatives are embedded into the work of the Assembly and other key organisations (eg NHS Wales and WLGA) and that, where appropriate, research, guidance and consultation is published in the Welsh language.

Employee involvement

266. It is HSE's policy to consult HSE trade unions, representing staff in HSE, as widely as possible in order to provide the opportunity for HSE Trade Unions to influence the development and application of proposals relating to major organisational and staffing changes. There is a formal consultation structure between HSE management and unions within the Whitley system at both national and local levels. The HSE Whitley Council is the central forum for discussion of all matters of concern to HSE as a whole. National Whitleys are held quarterly and are chaired by the Director General.

267. HSE consults and negotiates with the trade unions about all issues affecting the terms and conditions of employment of staff. For example, during 2003/4, a number of agreed changes were made to a number of personnel policies such as age retirement reviews, IT security, discipline and grievance procedures. Staff are also consulted directly through the annual staff attitude survey and by participation in specific pilots, eg staff helped to successfully complete the development of a new performance management system which is being introduced from April 2004; and staff are currently involved in pilots to explore the scope for alternative working arrangements, such as homeworking. There is also a network of personnel contacts in Directorates/Divisions, who are consulted about all aspects of personnel policies and how they might be developed, to ensure that they continue to meet HSE's business needs.

Health and safety in HSE

268. It is HSE's policy to set and maintain exemplary standards of health and safety for its staff and contractors. HSE staff are exposed to a variety of potential hazards to their health and safety ranging from the normal office-based risks to those that regulatory staff meet on site, eg construction sites, offshore installations, asbestos removal operations, working on the rail system etc. During 2003/04 HSE continued to work towards achieving this aim and set ourselves targets to reduce the number of RIDDORs, accidents due to slips and trips, and ill health caused or exacerbated by DSE use, as well as our targets under Revitalising Health and Safety.

269. During the year, an Internal Audit's report on our health and safety performance found that we had extensive health and safety systems, but there were questions about how well we complied with them. A review of the management arrangements was subsequently commissioned, and is due to report to the HSE Board early in the 2004/2005 financial year.

Monitoring of performance

270. Performance is monitored in the following ways:

- the HSE Board discuss health and safety at every formal Board meeting, receiving monthly accident/ill health statistics and monitoring performance against our targets. They also discuss reports on significant health and safety issues and agree the Corporate Health and Safety Plan;
- the Board discusses formal mid-year and end of year reports on HSE's performance, which include progress against the Corporate health and safety plan;
- audits are carried out by HSE's Health and Safety Adviser, as well as local inspections and audits.

Consultation

271. HSE recognises the importance of consultation with their employees. The Corporate Health and Safety Committee (CHSC) is the principal consultation forum between the Executive and the HSE trade unions. Justin McCracken, the Deputy Director General (Operations), is the Board Champion for health and safety and chairs the CHSC, which meets three times a year. There are a number of local site safety committees. Safety representatives are encouraged to be involved in workplace inspections, accident/ill-health investigations and health and safety events, such as during Euroweek.

Progress on the Corporate Health and Safety Plan for 2003/2004

272. The plan set a number of priorities:

- musculoskeletal disorders (MSD): Continued effort into prevention of MSD has seen a significant reduction in the number of reported cases of ill health due to DSE. The Board set a target to reduce ill-health reports due to DSE by 10% and this was substantially exceeded as we reduced cases by over 40%;
- stress: Directorates have been tackling action plans based on risk assessments (against the seven factors identified in 'Tackling Stress Together'). The Stress Management Standards were incorporated into the 2004 Staff Attitude Survey, and follow-up action will be taken forward next year;
- slip, trip accidents: Campaigns and promotions to reduce the number of accidents due to slips and trips continued during the year with particular impetus on near-miss reporting and the immediate removal of potential hazards. The target to reduce injuries by 10% due to slips and trips has been met;
- work-related road risk: Guidance on controlling work-related road risks was produced. There has been a reduction in work-related road incidences;
- monitoring and review: Workshops were run for contract managers and HSE's contractors to ensure that:
 - contractors deliver their services to equivalent standards of health and safety;
 - performance is monitored; and
 - management is in place to rectify shortfalls.

Health and safety performance: Accident / ill-health / near-miss reports

273. Accidents, work-related ill health and near-misses are reported and investigated. The Board sponsor for health and safety is notified, within 48 hrs, of all incidents identified as reportable under RIDDOR.

	April-March 2004	April-March 2003	April-March 2002
RIDDOR:			
Fatal injuries	0	0	0
Major injuries	3	1	2
Dangerous occurrences	0	0	2
Over-three-day injuries:	8 (1)	10 (1)	8(3)
Ill health	0	4 (1)	3
Other over-three-day injuries, eg Road traffic accidents	1	3	1
Ill health, other	101 (2)	154 (4)	126 (1)
Minor injuries	128 (17)	148 (17)	114 (19)
Near misses, including verbal abuse and possible accidental asbestos exposure	90 (4)	85 (6)	72 (12)
TOTAL	331	405	328

Note: The figures for non-HSE staff are included and shown in brackets.

274. There were 11 RIDDOR reports during 2003/04, (one of which was reported by an employer of non-HSE staff). This compares with 15 last year (including two non-HSE staff) and 15 in 2001/02 (including three non-HSE staff). The incident rate for RIDDOR is 233 per 100 000 employees. HSE estimates the total cost of the accidents/ill health to be approximately £356 000. There were three claims settled during the year relating to work-related accidents.

275. Enforcement action against HSE: There were no prosecutions or convictions against HSE during the year. However, following a serious accident at the Health and Safety Laboratory, a Crown improvement notice was served by the Enforcing Authority, which in this case is the Field Operations Directorate of HSE. Following this, changes in procedures and training were implemented.

276. Our priorities in the 2004/05 Corporate Health and Safety Plan will include:

- continued commitment in the reduction of musculoskeletal disorders;
- reduction of slips and trips;
- management of stress; and
- monitoring performance of contractors.

277. The Board has set targets for 2004/05 to:

- further reduce reports due to DSE and accidents causing injury due to slips and trips by 10% on 2003/04 figures;
- reduce RIDDOR incidents to single figures.

Timothy Walker CB

Director General
Health and Safety Executive
Accounting Officer
24 June 2004

Bill Callaghan

Chairman
Health and Safety Commission
Accounting Officer
24 June 2004

ANNEX 1

END YEAR OPERATIONAL OUTPUTS AND PERFORMANCE REPORT

The following table provides information on HSE's key operational outputs and performance measures for 2003/04.

Operational output and performance measures

	2003/04 Plan	2003/04 Outturn
% Safety cases, safety reports and safety submissions processed in accordance with published arrangements for quality and timeliness	100%	94.67%*
% Resource committed to HSC Priority Programmes as published in our business plan	100%	113%
% Complaints (about work activities) followed up	90%	94.8%
% Incidents meeting HSE investigation criteria which were investigated	95%	97.66%
% Higher-risk sites or clients visited to secure compliance and improved health and safety performance	100%	97.6%**

**The shortfall in performance was due to a small shortfall early in the reporting year in the rail sector (the issue has now been addressed and there have been significant month-on-month improvements sustained over the last nine months, with all railway safety cases meeting the performance standard during that time); and the need to respond to reactive work and to channel resources into higher priority in the nuclear sector.*

*** The slight shortfall (of 24 workplaces) is due in almost all cases to continuing enforcement action, other interventions already under way, transfer of the premises to local authorities or a very recent previous visit.*

Other output and performance measures

	2003/4 Plan	2003/4 outturn
Sets of regulations, ACOPS, Consultative Documents and new guidance documents introduced	62	50*
% sets of regulations, ACOPs, Consultative Documents and guidance documents introduced to time	90%	92%
Number of publicity products purchased or accessed (including electronic) millions	50 m	92.8 m
Number of publicity products made available	25 000	39 379
Number of enquiries dealt with	Target not set	284 229
% Infoline calls answered within 15 seconds	85%	86%
% public enquiries responded to within ten days	100%	100%
Number of projects completed within risk and technical policy programmes	80	The measure was originally set for each Technology Division (TD) unit, aggregated to give a total. TD has now dispersed and the projects have now been absorbed into the other measures in this table
% of research projects to be let through competition or collaboration	55-65%	58
Providing regulatory services, eg issuing exemptions, statutory certificates (this is a reactive demand-led measure)	4496	1966
% service products (statutory certificates etc) processed to time	95%	95%+
Management of HSE		
Efficiency gains (cash and productivity) as % of total running costs	5.0%	6.0%
% staff payroll costs devoted to central services, eg personnel, planning, finance	8.0%	7.22%

**Reason for shortfall: re-prioritisation of work*

ANNEX 2

LEGISLATIVE TIMETABLE

European projects

All projects and projected milestones in this timetable are subject to the results of consultation and, where applicable, the adoption of the relevant European Directives. Where it is possible to give months for milestones these are given, where 'quarters' of a year are referred to the following convention is used: Quarter 1 = April to June, Quarter 2 = July to September, Quarter 3 = October to December, Quarter 4 = January to March.

Title of Project/Directive	Action planned	Milestones	Progress
Carcinogens Directive 1999/38 2nd amendment.	Directive to be implemented by amending COSHH 2002.	Regulations in force April 2003.	Regulations in force from 29 April 2003.
Draft 2nd Indicative Occupational Exposure Limit (OEL) Value Directive.	This draft Directive will introduce occupational exposure limits to be agreed by the EU and will be implemented through new OEL framework following consultation.	Vote on technical progress expected.	Possible UK implementation date December 2005.
Dangerous Substances Directive 29th Adaptation to Technical Progress (ATP).	Discussions on the 29th ATP to the Dangerous Substances Directive recently completed. Publication Quarter 4 2003/04.		Voting expected 14 April 2004. Consultation Document (CD) published November 2004. Expected UK implementation and enabling regulations October 2005.
Asbestos: EU proposals to amend the Worker Protection Directive 83/477/EEC.	Final adopted text was published in the Official Journal 15 April 2003.	Commence informal consultation during Quarter 4 2003/04.	Delayed until Quarter 1 2004/05.
Amendment to Marketing and Use Directive: Chromium VI in cement.	Directive expected to be adopted in Quarter 1 2003. Regulations to implement Directive due one year after publication in the Official Journal.	CD to be published by Quarter 4 2003/04.	CD published 8 March 2004. Consultation closes 28 May 2004.
EC Regulation on the Import and Export of Dangerous Chemicals.	Proposed EC Regulation to introduce enhanced measures to inform non-EU countries about the dangers of exported chemicals. To replace the current Regulation. This proposal will implement the Rotterdam Convention on Prior Informed Consent (PIC).	Enforcement Regulation expected Quarter 2 2004/05.	Launch of UK Regulation. CD expected March 2004. Regulation expected to be in force by July 2004. However, EU Regulation 304/2003 is under legal challenge by the EC and may delay UK regulation.

Title of Project/Directive	Action planned	Milestones	Progress
Existing Substances Regulations (ESR) and the programme for Registration, Evaluation and Authorisation of Chemicals (REACH).	Competent Authority management with the Department of the Environment, Food and Rural Affairs (DEFRA) for 2003. HSE to support DEFRA with work such as ongoing development of transitional arrangements between ESR and REACH.	On-going programme of risk reduction strategy work.	
New EU Chemicals Scheme for registration and authorisation (REACH)	Discussions in Council led by DEFRA with HSE advice.		No HSE milestones set. Timetable uncertain.
Physical agents			
Proposal for a European Parliament (EP) and Council Directive on Physical Agents (Vibration).	Directive adopted July 2002. Implementation due July 2005.	CD to be published Quarter 2 2003/04.	CD published November 2003 with closing date for comments end March 2004.
Proposal for a European Parliament and Council Directive on Physical Agents (Noise).	Adopted February 2003 with an implementation date for February 2006.	CD to be published Quarter 4 2003/04.	Agreed by Commission in March. To be published in April 2004.
Proposal for European Parliament and Council Directive on Physical Agents (Electromagnetic fields).	Proposed December 2002, currently under negotiations in Council Working Group.	If adopted would need to be transposed into UK legislation timetable to be set.	Common position reached December 2003. Adoption expected April 2004.
Rail transport			
Interoperability of the trans-European conventional rail system (2001/16).	Department for Transport (DfT) lead, HSE will contribute.	Directive to be implemented by Quarter 3 2003/04.	Consultation on implementing package began in January 2004. HSC will respond formally.
Proposed Railway Safety directive.	Common Position has been achieved, now working with DfT on progress through European Parliament (EP) to achieve a favourable outcome in line with UK negotiating strategy. These Directives etc are commonly known as the 'Second Railways Package'.	Adoption expected Quarter 1 2004/05.	Package now subject to 'conciliation procedure' between EP, Council and Commission. Conciliation process started end January.
Proposed Interoperability amending Directive 96/48/EC on high-speed interoperability and Directive 2001/16/EC on conventional interoperability.			
Proposed European Railway Agency Regulation.			

Title of Project/Directive	Action planned	Milestones	Progress
Proposed Decision on the Convention of International Transport by Rail (COTIF).			
Proposed Market Access Directive.			
Proposed Directive on the certification of train drivers (COM (2004) 142).	DfT lead, HSE will contribute.	Proposals published 3 March 2004.	Analysis and negotiations continue.
Transport of dangerous goods			
Amendment to the UN model regulations on the transport of dangerous goods.	DfT lead, negotiations on the revised 14th edition began in 2003 and are expected to be completed by end 2004.	Negotiations to be completed by end 2004.	Negotiations on target to date. Work transferred to DfT with effect from 1 April 2004
Transport of Dangerous Goods by Road Commission Directives 2001/7 and 2003/28/EC adapting for the third time Council Directive 94/55/EC.	Current Transport of Dangerous Goods Regulations and approved documents will be replaced by a single set of regulations implementing all requirements.	CD to be published Quarter 2 2003/04. Regulations to be made Quarter 1 2004/5.	CD published to time. Regulations due to come into force 1 April 2004, supported by a free guidance leaflet.
Transport of Dangerous Goods by Rail Commission Directives 2001/6 and 2003/29/EC adapting for the third time Council Directive 96/49/EC.			
Completion of implementation of the Transportable Pressure Equipment Directive 1999/36/EC and implementation of Directive 2002/50/EC adapting it to technical progress.			
Work equipment			
Proposal for Third amendment to the Machinery Directive.	DTI lead.	Council agreement due Quarter 3 or Quarter 4 2003/04.	Still awaiting Council agreement, not likely until 2004/05.
Use of Work Equipment Directive (dealing with Temporary Work at Heights) 2nd amendment.	To be implemented by July 2004 as a single set of Work at Heights Regulations.	Publish CD in Quarter 2 2003/04.	Consultation period ends 2 April 2004, Regulations expected to be in place by end 2004.

Title of Project/Regulations	Action planned	Milestones	Progress
Major hazards			
Proposal for an amendment to the SEVESO Directive (96/82/EC).	Common Position adopted Feb 2003.	HSC to endorse implementation proposals during Quarter 4.	HSC endorsed implementation strategy on 10 February 2004.
	Directive 2003/105/EC adopted 31 December 2003 for implementation by 1 July 2005.		
	Amending Directive to be implemented through amendment to COMAH Regulations.		

Domestic projects

All projects and projected milestones in this timetable are subject to the results of consultation. Where it is possible to give months for milestones these are given, where 'quarters' of a year are referred to the following convention is used: Quarter 1 = April to June, Quarter 2 = July to September, Quarter 3 = October to December, Quarter 4 = January to March.

Title of project/regulations	Action planned	Milestones	Progress
Acetylene legislation	New framework for acetylene safety to replace requirements currently in Explosives Act 1875.	CD expected by April 2004.	Preparatory work on this project was carried out in 2003/2004, with a view to a CD in late 2004. Now waiting outcome from legislative programme exercise before progressing further.
Adventure Activities Regulations	HSE to advise HSC on response to Department for Education and Skills (DfES) consultation document/ triennial review of licensing.	Consultation period on DfES consultation document/triennial review of licensing closes on 30 April 2003. HSE advised HSC on response in early April 2003.	HSC agreed HSE's response to DfES consultation at its 8 April 2003 meeting. The draft revised Regulations were agreed by HSC in February 2004 and are due to come into force end May 2004.
Carriage of Dangerous Goods (CDG) 1996 Regulations 5, 6 and 20	Develop replacement for regulation 20 of CDG 1996, which governs unloading of petrol. Develop legislative framework to allow for the continuing approval of HSE document L93, which governs the design of road tankers so as to prevent vapour emissions (on behalf of DEFRA).	Consultation letter due Quarter 3 2003/4.	Target date revised to Quarter 1 2004/05.
Celluloid legislation	Review and modernise remaining elements of celluloid legislation (majority repealed by DSEAR).	Review completed April 2004.	This area is not considered a current priority and we plan to review whether any further action in this area is necessary during the coming year.
Construction (Design and Management) Regulations 1994 (CDM)	To amend the Regulations and Approved Code of Practice (ACOP).	CD planned for Quarter 3 2004-05; and revised Regulations to be laid Quarter 1, 2006/07.	On track with a revised timetable. Further time has been agreed to allow for a fuller consultation on the developing proposals and for revising the Regulations and preparing the CD.

Title of project/regulations	Action planned	Milestones	Progress
Construction (Health, Safety and Welfare) Regulations 1996	To amend the Regulations.	As for the Construction (Design and Management) Regulations. It is proposed to amend these two sets of Regulations and produce a single set of construction Regulations (to be set out in the CD).	As for CDM, page 92.
Control of Explosives Regulations 2001 (COER).	New Regulations to rationalise existing provisions.	CD to be published Quarter 2 2004/05. New Regulations laid Quarter 2 2005/06.	Work on COER delayed due to reduction in staff numbers as posts are moved to higher priority areas and additional work on manufacture and storage of explosives Regulations.
Dangerous Goods in Harbours Regulations	Regulations, ACOP and guidance to be amended in light of consultation exercise.	Regulations to be laid Quarter 3 2003/04.	At a meeting of the Advisory Committee on Dangerous Substances (ACDS) in February 2003, the Committee agreed to clear the final package by correspondence. We undertook discussions with the ports industry and the Maritime and Coastguard Agency (MCA) to resolve issues raised by late comments on the draft, which meant that instructions for drafting were not finalised until June. Thereafter the Government response to the Transport Select Committee Report on Docks indicated that, in the light of the HSC's revised strategy, HSE would be re-examining traditional interventions such as Regulations etc after consultation with the industry, to see whether they should be done differently or at all.
Dangerous Substances (Notification and Marking of Sites) Regulations 1990	Review of the Regulations.	Review completed by April 2004.	Informal review carried out within HSE, now on hold pending decision on HSE's legislative programme exercise.

Title of project/regulations	Action planned	Milestones	Progress
Dangerous Substances and Explosive Atmospheres Regulations 2002 (DSEAR)	Amendment to reflect revised interface with Marine and Coastguard Agency.	Consultation letter Quarter 3 2003/04.	To be reviewed in 2004/05. This is not a major priority and we plan to review whether any further action is necessary during the current year.
Docks Regulations	Regulations, ACOP and guidance in process of revision in consultation with the industry.	CD on draft package expected Quarter 3 2003/04.	Work on the revision of the ACOP Safety in docks (SID) proceeded more slowly than planned because of our increasing involvement in civil contingencies issues, which absorbed a great deal of the section's resources. Thereafter the Government response to the Transport Select Committee Report on Docks indicated that, in the light of the HSC's revised strategy, HSE would be re-examining traditional interventions such as Regulations etc. after consultation with the industry, to see whether they should be done differently or at all. The Government response refers to SID by name as an initiative which is to be re-evaluated
Duty to investigate workplace accidents etc	Consideration of responses to recent consultation exercise.	Guidance to be developed during 2003/04.	Proposed publication date, May 2004.
Factories Act 1961 and Offices, Shops and Railway Premises Act 1963	Consolidation and removal of remaining requirements where possible.	Complete review and issue Discussion Document Quarter 4 2003/04.	Priority given to other work, this work will be carried forward with a view to sunsetting in the near future.
Fire legislation	Review of legislation lead by Office of Deputy Prime Minister (ODPM). HSE will work with them to agree demarcation with Fire Authorities and to assist development of new legislation and guidance.	Input into any proposed legislation and guidance as required during 2003.	Considerable input to this exercise taken place during 2003 including commenting on several drafts of the proposed legislation, responding to the Fire White Paper and new Fire Rescue Bill, and working with ODPM to develop new legislation. To continue during 2004/05.

Title of project/regulations	Action planned	Milestones	Progress
First Aid at Work Regulations 1981	Follow on from research project leading to a consultation exercise in 2004.	Publish Discussion Document (DD) in Quarter 2 2003/04. Publish CD in Quarter 2, 2004/5.	Discussion Document published in Quarter 2 2003/04.
Gas Safety (Management) Regulations 1996	Consultation on Amending Regulations.	CD to be published Quarter 3, 2003/04.	Progress constrained by further competition proposals from Ofgem, including the sale of some Regional Distribution Networks, which may affect the Regulations. CD and instructions to Solicitors in progress with a view to consultation in Autumn 2004.
Gas Safety (Installations and Use) Regulations 1998	Consultation on amending Regulations and ACOP.	CD expected Quarter 4, 2003/04. Regulations to be submitted Quarter 4, 2004/05.	Progress constrained by further competition proposals from Ofgem which may have affected the Regulations. CD in preparation, instructions to Solicitors completed. Anticipated consultation in Autumn 2004.
Health and Safety (Employee Consultation and Safety Representatives) Regulations	Develop harmonised regulations to replace Safety Representatives and Safety Committees Regulations 1977 and Health and Safety (Consultation with Employees) Regulations 1996.	Draft CD and put out to consultation in Quarter 2, 2003/04.	HSC has decided to take forward voluntary measures that build on and develop existing law.
Health and Safety (Fees) Regulations 2003	Annual revision of fees to take account of inflation.	Regulations came into force 1 April 2003.	Regulations in force 1 April 2003.
Inhalable Dust in Coal Mines Regulations	New Regulations and ACOP.	CD expected Quarter 4 2003/04. Regulations to be submitted Quarter 4, 2004/05. ACOP to be published Quarter 4 2004/05.	CD published in February 2004.
Ionising Radiations Amendment Regulations	Amend the Ionising Radiations Regulations 1999.	CD to be published quarter 3 2003/04.	Awaiting the outcome of the Cannon Review. CD publication now likely to be Quarter 1 in 2004/05.
Management of Health and Safety at Work and Fire Precautions (Workplace) (amendment) Regulations 2003	Amend the Management of Health and Safety at Work Regulations 1999 and Fire Protection Regulations 1997 to remove civil liabilities exclusion.	Regulations to be in force by Quarter 2 2003/04.	Came into force January 2004.

Title of project/regulations	Action planned	Milestones	Progress
Manufacture and Storage of Explosives Regulations	Revise legal requirements in new Regulations - replacing some 40 pieces of earlier legislation.	The revised draft Regulations will be resubmitted to HSC in Quarter 2 2004/05.	Proposals approved by HSC; however, correspondence with the Office of the Parliamentary Counsel has raised further legal issues that will need to be resolved before the regulations can be finalised.
Petrol legislation	Phase 2 and 3 of the Modernising petrol project (Phase 1 completed by DSEAR).	CD on proposals for petrol filling stations (Phase 2) to be published by April 2004.	Petrol Phase 2: CD planned for Quarter 3 2004/05. The publication of the CD was delayed because of a lack of consensus on a satisfactory way forward between the various stakeholders. Phase 3 to be reviewed during 2004/05 to determine whether it is of sufficiently high priority (compared with other work) for resource to be made available to take forward this work.
Pipelines Safety (Amendment) Regulations	Amendments relating to iron mains replacement programme. - Amendments relating to the testing of emergency plans; - Additional duties relating to gasoline; and minor changes to existing definitions.	CD published June 2002 amending regulations to be laid Quarter 2 2003/04. CDs to be published Quarter 4 2003/4. Amending Regulations due Quarter 2 2004/5.	Regulations came into force 3 November 2003. CDs and Regulations now expected in 2004/05. The second part of this work consists of two changes: 1) To make gasoline a dangerous fluid and thus gasoline pipelines will become major accident hazard pipelines. This has been held up by a technical problem concerned with the determination of Consultation Distances for land use planning around pipelines. Discussions with industry via the sub-committees of the Advisory Committee on Dangerous Substances have resulted in an agreed compromise and the work is now anticipated to progress.

Title of project/regulations	Action planned	Milestones	Progress
			2) Require local authorities to test the pipeline emergency plans. This amendment will require LAs to test the pipeline emergency plans that PSR already requires them to prepare. Although LAs favour this, industry does not because of cost issues. This has required very careful consideration of legislative issues and consultation on implementation due to the possibility of substantial costs on industry. A group has been formed to consider this issue and has had one meeting to date.
Railway Safety Regulations	Dialogue with stakeholders following public Inquiry reports on regulations covering railway safety cases approvals and safety critical work.	Revised Regulations due by the end of Quarter 4 2004/05.	The Regulations implementing the Railway Safety Directive will come into force 31 March 2005. These Regulations will consolidate provisions relating to Railways and Other Transport Systems (ROTS), Railway (Safety Case) Regulations and Railways (Safety Critical Work) Regulations.
Railway Safety Regulations 1999	Review of requirements concerning TPWS for overspeed mitigation	Possible amendments in 2005.	
OEL Framework	Review of OEL framework in the Control of Substances Hazardous to Health framework.	Issue CD in September 2003. Regulations expected Quarter 1 2004/05.	CD published October 2003 Responses being analysed with a view to amending COSHH Regulations and ACOP in summer 2004.
Offshore Installations (Safety Case) Regulations 1992 (OSCR)	Revise 1992 Regulations to improve effectiveness and reduce bureaucracy.	CD to be published Quarter 1 2004/05 Regulations due Quarter 1	CD to be published end April / early May 2004. Regulations due end April / early May 2005.
Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 1995 (RIDDOR).	Fundamental review of legislation aimed at simplification and greater effectiveness.	Commission research and issue DD in 2003/04. Consider responses and issue CD 2004/05.	Research postponed pending the outcome of the DD and CD phases of the RIDDOR Review. The Review is expected to provide more up to date information on attitudes towards RIDDOR and reporting

Title of project/regulations	Action planned	Milestones	Progress
Shipbuilding/Ship Repair Regulations.	Revoke requirements superseded by Working at Heights Directive (WAH).	CD to be issued Quarter 2 2003.	CD issued December 2003. Consultation exercise closed 2 April 2004.
Standard of training in safe gas installations ACOP	Amend now outdated 1988 ACOP.	CD to be published in Quarter 4 2004/5.	Progress being made, progressing recommendations arising from the Fundamental Review of Gas Safety. Currently on target.

ANNEX 3

HSC ADVISORY COMMITTEES

Industry Advisory Committees

Agriculture
Construction
Mining Industry Committee
(formerly Deep mined coal)
Nuclear Safety
Health Services
Higher and Further Education
Offshore
Paper and Board
Printing
Railways
Rubber
Schools Education
Textiles

Subject Advisory Committees

Dangerous Substances
Genetic Modification
Occupational Health
Toxic Substances
Biocides Consultative

Other Committees

HSE and Local Authorities Enforcement Liaison (HELA)

When committees produce and publish guidance they do so with the Commission's endorsement. Subject Advisory Committees allow the Commission to take views on difficult issues, typically of cross-departmental interest. They provide formal consultation mechanisms in areas of high public and political sensitivity, such as genetic modification; and the involvement of outside experts helps give legitimacy to their, and to the Commission's, activities. They also act as a sounding board for HSE proposals.

HSC's Advisory Committees encourage the joint participation of all representative organisations in the improvement of health and safety at work; draw on the expertise and advice available on both sides of industry and elsewhere; give the problems of particular industries closer and more detailed attention than the Commission itself is able to do; and allow an industry focus on general issues (such as noise and COSHH).

HSC also takes advice from the HSE and Local Authorities Enforcement Liaison Committee (HELA), which seeks to ensure consistency of approach among local authorities and HSE.

Agendas, papers and minutes of the HSC's Advisory Committees (and sub-committees) are published on the Internet as well as summaries of open meetings. These can be found on <http://www.hse.gov.uk/aboutus/hsc/iacs/index.htm>

Examples of activities during the year:

● Occupational Health Advisory Committee (OHAC)

- had an open meeting in November as part of the Securing Health Together: Changing Gear conference. It had over 100 attendees. OHAC chaired the afternoon workshops where important issues about delivering better onhealth at work issues were discussed;
- produced a horizon scanning report in May 2003. It emphasised the need for more work on occupational health support and vocational rehabilitation. The musculoskeletal disease (MSD) working group has made a significant contribution to taking forward the MSD programme.

- **Agriculture Industry Advisory Committee (AIAC)**
 - the health-working group initiated discussions with the industry and have been successful in securing the agreement of seed suppliers to stop using 50kg bags by the autumn of 2007;
 - the safety-working group (ASAG) worked with the industry to agree a training scheme for dealer handover. The training scheme aimed at equipment dealers is to ensure they provide proper handover procedures and training when supplying equipment to customers. ASAG also participated in the revision of HSE's *Tractor action* video and associated leaflet.

- **The Higher and Further Education Advisory Committee (HIFEAC) and the Schools Education Advisory Committee (SEAC)**
 - held a joint open meeting on 1 April 2003 at Loughborough University attended by 93 delegates from all sectors of education. The open meeting was based around the Revitalising theme and held workshops on the priority topics of stress, MSD, Falls/Slips/Trips and Occupational Health provision;
 - the Safety Representatives Charter was developed by employer and employee representatives of both the committees. Educational establishments which sign up to the Charter would demonstrate recognition of the contribution that partnerships between employers and safety representatives can make towards improving health and safety standards at work. The Charter is available on HSE's website at <http://www.hse.gov.uk/workers/index.htm>

- **The Nuclear Safety Advisory Committee (NuSAC)**
 - provided considered responses to a variety of Consultative Documents (CDs) including: DTI's CDs 'Draft Nuclear Sites and Radioactive Substances Bill' and 'Modernising the Policy for Decommissioning the UK's Nuclear Facilities'; HSE's 'Delicensing Policy'; the Environment Agency's 'Improved Regulatory Arrangements for ILW Conditioning'; and HSC's *A strategy for workplace health and safety in Great Britain to 2010 and beyond*;
 - completed a joint study working with its radioactive waste management counterpart, Defra's Radioactive Waste Management Advisory Committee (RWMAC). The study reviewed the regulation of nuclear safety and the management of radioactive materials and radioactive waste within the United Kingdom, the report of which 'Review of the regulation of nuclear safety and the management of radioactive waste within the United Kingdom: Structures and principles of the regulation of nuclear licensed sites' was published by HSE.

- **The Mining Industry Committee (MIC)**
 - occupational health: Consultation and support to progress the development of the proposed Inhalable Dust in Coal Mines Regulations;
 - assessment of the periodic X-ray scheme report detailing prevalence of pneumoconiosis occurring in the industry;
 - musculoskeletal disease: Continuing work throughout the mining industry to reduce exposure to Hand Arm Vibration syndrome (HAVS) and Whole Body Vibration (WBV) particularly in respect of the use of hand power tools and WBV associated with the use of Free Steered Vehicles (FSVs) underground.

- Workplace transport: continuing initiative to encourage compliance with the industry agreement, through MIC that Mine Operators report near miss Free Steered Vehicle (FSV) and Rope Haulage incidents to HM Inspectorate of Mines.
- **Printing Industry Advisory Committee (PIAC)**
 - held a successful Open Meeting on the theme of manual handling at Leeds Town Hall in October 2003, attended by around 70 employers and employees from the printing industry. Attendees were given a demonstration of how to use HSE's MAC tool (Manual Handling Assessment Chart) using video clips of poor manual handling practice and good practice solutions;
 - is currently working on six projects. The main thrust of its work falls within HSE's Chemical Strategy on reducing ill health from exposure to printing chemicals, particularly solvents. There are projects on glove selection for reducing the significant levels of dermatitis among printers, on the feasibility of substituting bio-solvents for the hydrocarbon based cleaning solvents used for cleaning printing machinery, and on developing a module for printers on HSE's eCOSH Essentials website. PIAC is also developing a manual handling module for HSE's 'Printing' web pages showing good practice solutions to those activities that cause the most manual handling injuries to printers.
- **Textiles Industry Advisory Committee (TEXIAC)**
 - held their Open Meeting at Pudsey Civic Hall in January 2004, on the same 'manual handling' theme, again using a demonstration of the MAC tool with videoed examples of poor practice from the textiles industry. The audience of around 90 were given the opportunity to assess the tasks using the MAC tool and then to look at measures to reduce the manual handling risk factors.
- **Construction Industry Advisory Committee (CONIAC)**
 - dealt with a wide range of issues to support industry in striving for the challenging improvement targets it set at the 2001 Health and Safety Summit. In particular, CONIAC contributed to the current review of regulations affecting the construction industry and assisted the development of 'Constructing better health', an initiative to pilot an occupational health support service for the construction industry. CONIAC has recently been reconstituted to make it more strategic and to better reflect the industry.
- **The Advisory Committee on Toxic Substances (ACTS)**
 - held its first Open Meeting on Friday 17 October 2003 (during the European Week for Health and Safety at Work). Some 38 people attended the meeting, representing 32 organisations. The conclusion from an evaluation questionnaire was that the meeting was a great success. Useful feedback was received from attendees on some of the Committee's on-going priority work, eg asthma and the review of the OEL framework. Planning is already underway for the 2004/05 open meeting.

Key activities in 2003/04:

- Further development of proposals to introduce a new occupational exposure limit (OEL) framework, resulting in the publication of a consultative document (CD 189) in autumn 2003. There was widespread public support for almost all aspects of the proposals. Recommendations will go to HSC later in 2004;
- ACTS members visited 13 other HSC advisory committees (mainly IACs) to: promote HSC/E's new Chemicals Strategy (HSC/02/136); publicise and promote the new ACTS work plan and initiative to prevent occupational asthma; encourage AC support of European Week for Health and Safety at Work 2003; and to identify opportunities for joined-up working. All ACs visited were very enthusiastic and pleased to be recognised by ACTS. Numerous potential initiatives are currently being scoped and worked-up that will result in joint chemical-related initiatives between ACTS and other ACs;
- ACTS has also helped HSE develop sub-programmes on skin disease and occupational cancer in support of HSE's Chemicals Programme.

The recently reconstituted **Advisory Committee on Genetic Modification** came to the end of its term of office on 31 December 2003 and in the light of the lack of a substantial work programme, and of HSC's review of its own ways of working, a renewal of ACGM's term of office was not appropriate. In its place a purely scientific advisory committee (the Scientific Advisory Committee on Genetic Modification (Contained Use) - SACGM (CU)) has been set up by HSE to advise the Competent Authorities on the contained use of genetically modified organisms.

Offshore Industry Advisory Committee (OIAC) was reconstituted in April 2003 for another three years. It held an open session in September 2003 as part of the Offshore Europe events in Aberdeen. The session was reasonably well attended and produced a lively debate on current offshore safety issues. Other than that OIAC has been considering a work programme, though members have commented on the developing proposals to revise the Offshore Installations (Safety Case) Regulations 1992.

PART 2

**Health and Safety Commission
Accounts**

and

**Health and Safety Executive
Accounts**

2003/04

FOREWORD

1 Background information

The Health and Safety at Work etc. Act 1974 provided for the creation of a Health and Safety Commission (HSC) and Health and Safety Executive (HSE) and the continuation of the Employment Medical Advisory Service (EMAS). The Commission came into being on 1 October 1974 and appointed the Health and Safety Executive on 1 January 1975. The aims of the Commission and the Executive, whose existence and functions derive from the 1974 Act, are to protect the health, safety and welfare of employees and to safeguard others, principally the public, who may be exposed to risks from work activities. For further information refer to paragraphs 1 to 277 of the Annual Report.

The financial statements of the Commission and Executive have been prepared pursuant to paragraphs 14 (1) and 20 (1) of Schedule 2 of The Health and Safety at Work etc. Act 1974 in a form determined by the Secretary of State with the approval of the Treasury. They are accruals based financial statements that show the full in-year costs of the Commission and Executive. The financial statements consolidate the figures for the Health and Safety Laboratory (HSL). HSL became an in-house agency of HSE on 1 April 1995 and operates on 'Next Steps Agency' principles under the direction of a Chief Executive, who is also their Accounting Officer. They are required to recover the full cost of their operations in accordance with HM Treasury's 'The Fees and Charges Guide' and are subject to the controls imposed on a net running costs regime.

2 Results and appropriations

Net operating cost and resource outturn for HSC was £643 959. The net operating cost for HSE was £197 265 390 and the net resource outturn was £198 050 728. Income earned to the value of £785 338 is required to be paid to the Department for Work and Pensions (DWP, Request for Resources 2) and is included in Schedule 4.

3 Review of activities

The Annual Report reviews the delivery of plans published in the HSE Business Plan 2003/04.

4 Market value of land and buildings

The leasehold building at Stoneleigh, which has an existing use value of £225 000 has an open market value of nil due to the strict user clause and the bar on assignment and sub-letting. Other than this property, there is no significant difference between the book values and the market values of land and buildings included in these accounts.

5 Research and development

HSE's research and development and technical support are detailed in paragraphs 199 to 200 of the Annual Report.

6 Future development

The Commission's and Executive's strategic direction for health and safety activity was set out in the Health and Safety Commission's 'A strategy for workplace health and safety in Great Britain to 2010 and beyond', published in February 2004. Further details of HSC's Strategic Plan can be found on HSE's website (<http://www.hse.gov.uk/aboutus/hsc/strategy.htm>).

The Sheffield laboratories of HSL will relocate to Buxton in the Autumn of 2004. A new building, which will also house most of the existing Buxton staff, is currently being built by a consortium, Investors in the Community (Buxton) Ltd.,

under the Government's Private Finance Initiative. Further details, plus photographs of the construction, can be found on HSL's website (<http://www.hsl.gov.uk>).

Following a competitive exercise to provide new serviced accommodation for its North-West Headquarters, HSE chose Kajima Development as the preferred bidder in December 2002. The full business case was approved by DWP in August 2003 and negotiations concluded in October 2003 when contracts were exchanged. Construction has commenced and the projected date for building completion is May 2005.

7 Health and Safety Commission members

Chairman: Bill Callaghan.

Other members: George Brumwell CBE, Margaret Burns CBE, Abdul Chowdry, Judith Donovan CBE, Joyce Edmond-Smith, Judith Hackitt, John Longworth, Maureen Rooney CBE, Elizabeth Snape and Owen Tudor.

Owen Tudor resigned with effect from 31 March 2004 and was replaced on 1 April 2004 by Hugh Robertson.

8 Health and Safety Executive members

Director General: Timothy Walker CB.

Other members: Kate Timms CB and Justin McCracken.

9 Corporate governance

The Health and Safety Commission and the Health and Safety Executive are committed to supporting the Combined Code on Corporate Governance and the Turnbull Report to the extent that the Code can be applied to the Public Sector.

HSC, ('the Commission'), comprises a Chairman and nine members who are all the equivalent of independent non-executive directors. They are appointed on a fixed term basis (see Note 3 in the HSC accounts and Note 2 in the HSE accounts) with no automatic right of reappointment. The appointments are made by the Secretary of State through standard public appointment procedures. Commission members are appointed after consultation with organisations representing employers, employees, local authorities and other relevant bodies.

HSE, ('the Executive'), comprises a Director General and two Deputies who are all the equivalent of executive directors (see page x of the Annual Report). All three members of the Executive are appointed by the Health and Safety Commission under Civil Service rules administered by the Civil Service Commissioners and with the approval of the Secretary of State. The remuneration of the Executive members is arrived at by reference to the Civil Service annual pay review.

The general functions of the Commission and the Executive are specified in The Health and Safety at Work etc. Act 1974, the Executive being primarily responsible for operational matters. Regular meetings are held both by the HSC and the HSE Board to discuss strategic direction and plans, formulate policy on key issues etc. in order to maintain full and effective control over all significant policy, regulation and guidance, compliance, organisational and financial issues.

Throughout the year and in all material respects, the Executive complied with the terms of the financial memorandum issued by the Secretary of State. A separate statement is made on the system of internal control.

10 Equality and diversity

The Executive is an Equal Opportunities Employer with a determination to treat all people fairly, irrespective of gender, ethnic origin, marital status, religious belief, age, sexual orientation or disability. Main achievements during 2003/04 are shown in paragraph 240 of the Annual Report.

11 Employee involvement

There are well-established consultation arrangements in HSE for recognised trade unions to contribute to all matters affecting the staff. Staff involvement is actively encouraged as part of day-to-day line management and efforts are being made to improve methods and channels of communication. In addition to formal consultations with HSE Trade Unions, staff are directly consulted and briefed about major proposals for organisational or personnel changes. Further details are shown in paragraphs 266 to 267 of the Annual Report.

12 Prompt payments

HSE is committed to the prompt payment of bills for goods and services received and conforms to the principles of the Better Payment Practice Code, issued by the Better Payment Practice Group. Payments are normally made as specified in the contract. If there is no contractual provision, or other understanding, payment is due to be made within 30 days of the receipt of the goods or services or presentation of a valid invoice or similar demand, whichever is later. HSE's overall performance during 2003/04 was 98.9 per cent (2002/03 98.9 per cent) of invoices paid within the agreed credit period.

13 Health and safety within HSE

The Executive aims to set and maintain exemplary standards of performance which are consistent with those recommended by us to others, so as to ensure the health and safety of its staff, as well as others who may work at, or visit our premises. Further details are shown in paragraphs 268 to 269 of the Annual Report.

14 Environment

HSE has continued to pursue and promote best environmental practice and to implement initiatives set out in the model policy statement issued by the Department of the Environment, Food and Rural Affairs (DEFRA). Further details are shown in paragraph 258 of the Annual Report.

15 Introduction of the euro

On 1 January 2002, 12 euro countries completed their transition to the euro by introducing euro cash. This has had no significant effect on HSE.

While the UK stays outside the EMU, the euro is a foreign currency and HSE processes a relatively small number of foreign currency (European) transactions. HSE continues to manage preparations necessary for possible changeover to the single currency, in line with the Second National Changeover Plan.

16 Pension liabilities

Details of pension costs etc. are contained in HSC's Notes to the Accounts, (statement of accounting policies, Note 1(c) and also Note 3) and HSE's statement of accounting policies, (Note 1(k) and also Note 2).

17 Auditors

The financial statements of the Commission and Executive are audited under Schedule 2 paragraph 14(2) and 20 of The Health and Safety at Work etc. Act 1974 by the Comptroller and Auditor General whose Certificate and Report appear on pages 114 to 115 and pages 125 to 126.

NAO produced a report titled *Improving health and safety in the construction industry* (May 2004) which looked at the strategic approach taken by HSE in this area and the impact and success of HSE's work to improve the health and safety performance in the construction industry. In addition, HSE has provided information to a number of NAO studies including those on British Energy, improving passenger services through new trains, improving public transport through light rail and setting up Network Rail.

Timothy Walker CB

Director General
Health and Safety Executive
Accounting Officer
24 June 2004

Bill Callaghan

Chairman
Health and Safety Commission
Accounting Officer
24 June 2004

STATEMENT OF THE COMMISSION'S, THE EXECUTIVE'S, THE CHAIRMAN'S AND THE DIRECTOR GENERAL'S RESPONSIBILITIES

Under paragraphs 14(1) and 20(1) of Schedule 2 of The Health and Safety at Work etc. Act 1974 the Health and Safety Commission and the Health and Safety Executive are 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 the Treasury. The accounts are prepared on an accruals basis and must give a true and fair view of the Commission's and the Executive's state of affairs at the year-end and of their net resource outturn, resources applied to objectives, recognised gains and losses and cash flows for the financial year.

In preparing their accounts the Commission and Executive are required 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 have been followed, and disclose and explain any material departures in the financial statements;
- prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the Commission and the Executive will continue in operation.

The Accounting Officer for the Department for Work and Pensions has designated the Chairman of the Health and Safety Commission and the Director General of the Health and Safety Executive as Accounting Officers for the Commission and Executive respectively. Their relevant responsibilities as Accounting Officers, including their responsibilities for the propriety and regularity of the public finances for which they are answerable and for the keeping of proper records are set out in the Non-Departmental Public Bodies' Accounting Officer Memorandum, issued by the Treasury and published in Government Accounting.

STATEMENT ON INTERNAL CONTROL

1 Scope of responsibility

As Accounting Officers (for the Health and Safety Commission (HSC), the Chair, and for the Health and Safety Executive (HSE), the Director General), we have responsibility for maintaining a sound system of internal control that supports the achievement of HSC's and HSE's policies, aims, objectives and strategic priorities agreed with the Department's Ministers, while safeguarding the public funds and assets for which we are personally responsible, in accordance with the responsibilities assigned to us in Government Accounting.

HSC and HSE are Non-Departmental Public Bodies established under the Health and Safety at Work etc. Act 1974. (The Health and Safety Laboratory (HSL) is an operating division of HSE which provides health and safety science and research services. It has its own Accounting Officer and arrangements to manage risk.) The sponsoring department is the Department for Work and Pensions (DWP). DWP Ministers have responsibility for health and safety issues in Government. The Chair of the Commission and senior HSE managers meet the DWP Minister with responsibility for health and safety matters quarterly to consider progress towards strategic targets and any emerging risks which could impede progress.

Strategy for securing health and safety in relation to work activities is set by HSC with input and support from HSE. Our strategy in essence covers both immediate workplace risks and the control of major hazards. For the former, our long-term strategy is rooted in 'Securing Health Together' and 'Revitalising Health and Safety' both of which were published in 2000. These are supplemented by a Strategic Plan covering the three-year period from April 2001 to March 2004. Together these documents set out the aims and objectives for HSC/E for this period. On major hazards our strategies reflect the regulatory regimes for those hazards and the aim of avoiding serious failures.

For the future HSE has moved over the last year to improve its strategic focus and a 'Strategy for Workplace Health and Safety in Great Britain to 2010 and beyond' has been agreed with Ministers. This was published in February 2004 and signals our vision to see health and safety as a cornerstone of a civilised society. The focus of the strategy is on delivering the targets agreed with Ministers and set out in 'Revitalising Health and Safety' through well-resourced, efficient programmes of activity with published goals and milestones.

HSC/E's approach to business risk management took place against a change programme in 2003/04 which has created a more modern, responsive and flexible organisation better equipped to deliver HSC's 'Strategy for Workplace Health and Safety in Great Britain'. The strategy emphasises the need to ensure that our approach remains relevant to the modern and changing world of work, to develop and test new approaches and more clearly to factor in the contribution of others.

2 The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims, objectives and strategic priorities. It can therefore provide only reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of HSC/E's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. It has been progressively developed in HSC/E over the year ended 31 March 2004 and up to the date of approval of the annual report and accounts, and accords with Treasury guidance.

3 Capacity to handle risk

The HSE Board meets formally once a month. It monitors financial, manpower and operational performance, including health and safety, regularly. It also has overall responsibility for the system of internal control including implementing

systems of control and monitoring and reviewing their effectiveness. It has considered the strategic risk register four times in the course of 2003/04 and proposals for changes were adopted. The corporate risk register sets out HSE's strategic risks:

- strategic failure
- organisational capacity failure
- stakeholder management failure
- delivery and quality failure
- financial failure
- human resource management failure

For each of these generic risks a 'risk owner' at Board level has been identified. That owner is responsible for ensuring adequate measures for managing their risks are in place and their adequacy reviewed. Arrangements were also in place for the Accounting Officers to be given 'stewardship statements' by risk owners that the risks they own are being properly managed. The register has also been updated in relation to the detailed control measures in place (or being put in place) to ensure that the risks are adequately controlled.

The Board also agreed 'HSE's Risk Management Framework' in March 2004. This emphasises that HSE's overall strategy is for risk management to be integrated with the organisation's management system if risks to business are to be managed effectively and proportionately. The framework also recognises HSE's wide range of clients and the diverse nature of HSE itself – with people based at regional offices throughout the country, many with a range of specialist skills and knowledge dealing with a wide range of industries.

A work plan has been developed for 2004/05 to further embed the process of risk management across the organisation. This includes identification and delivery of any further training to support effective business risk management. It has been agreed by the Audit Committee, which is chaired by an HSC Commissioner. The Audit Committee is responsible for advising the Accounting Officers on corporate governance issues including risk and internal control.

4 The risk and control framework

The Strategic Risk Register described above is the focus for business risk management at corporate level. The controls designed to manage risk have been assessed by the managers concerned to consider effectiveness and, where appropriate, action has been taken or is in hand to add further controls considered necessary. Risk owners have also reviewed the risks they own to test whether the register still addresses those faced by HSE. Plans for mitigation for appropriate risks (eg sudden loss of key facilities) have also been developed.

The Change Programme has impacted on the management of business risk. A major outcome has been re-ordering of the management structure by the establishment of two senior committees to support HSE's main board. The Delivery Board has been established to manage the delivery of HSE's five major programmes. It is chaired by one of HSE's Deputy Director Generals. Its role is to oversee the progress of HSE's strategic programmes.

The Business Improvement and Efficiency Board is chaired by the Director General. Its role is to oversee HSE's business improvement and efficiency programme and ensure it contributes to delivery of HSC/E's mission. It also has a role in ensuring delivery of business improvement and efficiency programmes across the organisation.

Both committees have a specific responsibility for managing any risks to the programmes and projects within their commands where these cannot be effectively addressed at a lower level in the organisation.

A second major development from the Change Programme is that HSE decided to move to a programmes and projects approach to delivering a large proportion of its work. The guidance on developing programme and project work will have built-in guidance on the management of the business risks to those policies and projects.

Third, HSE has set up a Quality Policy and Decision Making Task Group to produce an overview of the various ways that HSE makes policy decisions and implements them and to identify any gaps or improvements that can be made. This cross-HSE group will produce firm proposals by July 2004 setting out how HSE will assure that the principles of good policy decision-making and delivery continue to be integrated into HSE's work. The Group will use the Risk Programme/NAO framework 'Early management of the Risks to Successful Delivery' directly to raise awareness of HSE Board members and senior policy managers. The Group will also use this framework as a primary source document and their project as the vehicle for the practical implementation of the framework, tools and guidance.

In the last year there has been a much greater emphasis on developing the organisation's strategic direction. This focused on the work of the Strategy and Intelligence Division, set up in 2002/03, to develop the strategy (which was agreed by Ministers in February 2004). The new strategy for Britain's health and safety system includes re-definition of how HSE will go about making its contribution to this overall strategy. In doing so the risks to delivering the strategy have been identified.

During 2003/04 a Balanced Scorecard approach for reporting performance was developed and reports to the Board using this format are now made quarterly. As part of this approach the risks which may emerge from 'red' or 'amber' signals and more recently identification of risks arising from movements in indicators (eg 'green' to 'amber') are being identified. Reports on the Balanced Scorecard and on business risk management will be considered quarterly by the Board at the same meeting. Alongside these changes established corporate policies continue to operate and cover a wide range of issues including the health and safety of HSE's own staff and contractors, personnel matters, planning, finance, accounting, procurement, information technology and regularity, propriety and authorisation of expenditure. All are communicated throughout the organisation and are set out in codes and other instructions available to all staff.

Use of resources is subject to clear delegation from HSE's Accounting Officer to individual senior managers and is specified and agreed in writing. Usage is monitored in year. The Accounting Officer, Finance Director and main Budget holders receive monthly finance reports; the Board receives reports quarterly. Formal project management techniques are used for the planning and delivery of all major projects.

Reducing risk to members of the public so far as is reasonably practical is an integral part of HSE's mission. HSC consults formally on all regulatory changes. It is also experimenting with new means of consultation. For example, it is piloting the use of interactive means of communication to consult on proposals to bring Section 28 of the Health and Safety at Work etc. Act 1974 into line with the provisions of the Freedom of Information Act.

5 Review of effectiveness

As Accounting Officers, we have responsibility for reviewing the effectiveness of the system of internal control. Our review of this is informed by the work of the internal auditors and executive managers within HSE who have responsibility for the development and maintenance of the internal control framework and comments made by the external auditors in their management letter and other reports. We have been advised on the implications of the result of our review of the effectiveness of the system of internal control by the Board, the Audit Committee and the Risk owners; a plan to address weaknesses and ensure continuous improvement of the system is in place.

The Audit Committee met twice in 2003/04. At its second meeting it agreed that for the future the Chair of the Committee should be taken by one of the non-Executive members of the Audit Committee. It discussed a report in January 2004 on progress on risk management in HSE and will receive regular reports on progress in future.

HSE has an Internal Audit unit, which has direct access to the Accounting Officer and operates to the Government Internal Audit standards. HSL has an internal audit function supplied by a private sector auditor which also works to Government Internal Audit standards. Their work plans are approved by their Audit Committees to whom they also submit regular reports, which include an opinion on the adequacy and effectiveness of the system of internal control, together with recommendations for improvement. The overall risk management arrangements have been developed in consultation with HSE's Internal Audit Unit and will be subject to regular review by it. The Internal Audit work programmes will continue to focus on testing the adequacy and effectiveness of the systems of internal control in HSE and HSL.

The overall opinion of the Head of Internal Audit is that HSC/E has a generally sound framework of control which provides reasonable assurance regarding the effective and efficient achievements of its objectives and that the organisation will be better able to demonstrate this when its arrangements for business risk management are fully embedded.

6 Significant internal control problems (if applicable)

There are no significant internal control problems.

Timothy Walker CB

Director General
Health and Safety Executive
Accounting Officer
24 June 2004

Bill Callaghan

Chairman
Health and Safety Commission
Accounting Officer
24 June 2004

HEALTH AND SAFETY COMMISSION

THE CERTIFICATE AND REPORT OF THE COMPTROLLER AND AUDITOR GENERAL TO THE HOUSES OF PARLIAMENT

I certify that I have audited the financial statements on pages 116 to 124 under The Health and Safety at Work etc. Act 1974. These financial statements have been prepared under the historical cost convention and the accounting policies set out on pages 118 to 119.

Respective responsibilities of the Commission, Chairman, and Auditor

As described on page 109, the Chairman of the Health and Safety Commission is responsible for the preparation of the financial statements in accordance with The Health and Safety at Work etc. Act 1974 and directions made thereunder by the Secretary of State and for ensuring the regularity of financial transactions. The Chairman and the Director General of the Health and Safety Executive are jointly responsible for the preparation of the other contents of the Annual Report. My responsibilities, as independent auditor, are established by statute and I have regard to the standards and guidance issued by the Auditing Practices Board and the ethical guidance applicable to the auditing profession.

I report my opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with The Health and Safety at Work etc. Act 1974 and directions made thereunder, and whether in all material respects the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them. I also report if, in my opinion, the Foreword is not consistent with the financial statements, if the Commission has not kept proper accounting records, or if I have not received all the information and explanations I require for my audit.

I read the other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. I consider the implications for my certificate if I become aware of any apparent misstatements or material inconsistencies with the financial statements.

I review whether the joint statement on pages 110 to 113 reflects the Commission's compliance with Treasury's guidance on the Statement on Internal Control. I report if it does not meet the requirements specified by Treasury, or if the statement is misleading or inconsistent with other information I am aware of from my audit of the financial statements. I am not required to consider, nor have I considered whether the Accounting Officers' Statement on Internal Control covers all risks and controls. I am also not required to form an opinion on the effectiveness of the Commission's corporate governance procedures or its risk and control procedures.

Basis of audit opinion

I conducted my audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts, disclosures and regularity of financial transactions included in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Chairman in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Commission's circumstances, consistently applied and adequately disclosed.

I planned and performed my audit so as to obtain all the information and explanations which I considered necessary in order to provide me with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by error, or by fraud or other irregularity and that, in all material respects, the

expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them. In forming my opinion I also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In my opinion:

- the financial statements give a true and fair view of the net operating cost of the Health and Safety Commission for the year ended 31 March 2004 and of the amount transferred to the Health and Safety Executive and have been properly prepared in accordance with The Health and Safety at Work etc. Act 1974 and with the directions made thereunder by the Secretary of State; and
- in all material respects the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

I have no observations to make on these financial statements.

John Bourn

Comptroller and Auditor General
National Audit Office
157-197 Buckingham Palace Road
London SW1W 9SP
30 June 2004

SCHEDULE I

HEALTH AND SAFETY COMMISSION: SUMMARY OF RESOURCE OUTTURN 2003/04

	Estimate Net expenditure £'000	Outturn Net expenditure £'000	Net total outturn compared with Estimate saving/(excess) £'000	Prior-year outturn 2002/03 £'000
Request for Resources - Health & Safety Commission	644	644	-	643
Request for Resources - Health & Safety Executive	219 983	198 051	21 932	203 628
Net resource outturn	220 627	198 695	21 932	204 271

Request for Resources is received on a combined basis for HSC and HSE. Any variance is allocated to HSE and is explained in their account (refer pages 127 to 156).

Actual outturn - resources

Request for Resources 2: (Health and Safety Commission and Executive): Actual amount net resource outturn £198 694 686.89. Actual amount of savings in resources over Estimate £21 932 313.11. (HSE only figures are detailed in their account). Net operating cost compared with estimate is made up as follows:

	Estimate £'000	Outturn £'000	Estimate minus outturn saving/(excess) £'000
Administration	226 751	218 474	8 277
Administration Other	10 726	9 462	1 264
Total Administration	237 477	227 936	9 541
Programme	66 311	53 920	12 391
Total Gross Expenditure	303 788	281 856	21 932
Appropriations in Aid (A in A)	(83 161)	(83 947)	786
Net Operating Cost	220 627	197 909	22 718
A in A surrendered to DWP	0	786	(786)
HSC/HSE net resource outturn	220 627	198 695	21 932
Less HSC	(644)	(644)	0
HSE net resource outturn	219 983	198 051	21 932

The Notes on pages 118 to 124 form part of these accounts.

SCHEDULE 2

HEALTH AND SAFETY COMMISSION: OPERATING COST STATEMENT FOR THE YEAR ENDED 31 MARCH 2004

	Notes	2003/04 £'000	2002/03 £'000
Administration costs			
Staff costs	3	331	387
Other administration costs	4	313	256
Gross administration costs		644	643
Operating income		-	-
Net operating costs		644	643
Net resource outturn	Schedule 1	644	643

All income and expenditure is derived from continuing operations.

The Notes on pages 118 to 124 form part of these accounts.

Bill Callaghan

Chairman

Health and Safety Commission

Accounting Officer

24 June 2004

HEALTH AND SAFETY COMMISSION

ANNUAL REPORT AND ACCOUNTS 2003/04

NOTES TO THE ACCOUNTS

1 Statement of accounting policies

The financial statements have been prepared in accordance with the 2003/04 Resource Accounting Manual (RAM) (<http://www.resource-accounting.gov.uk>) issued by HM Treasury. The particular accounting policies adopted by HSC are described below. They have been applied consistently in dealing with the items considered material in relation to the accounts.

(a) Accounts Directions

In accordance with Accounts Directions issued by the Secretary of State with the approval of the Treasury, the Health and Safety Commission and Health and Safety Executive have prepared a joint Foreword, Statement of Responsibilities and Statement on Internal Control and separate Summary of Resource Outturn (Schedule 1) and Operating Cost Statements (Schedule 2). HSC has not produced a Balance Sheet as any assets and liabilities of HSC are included in the HSE Balance Sheet (Schedule 3) and are not material in value in the context of HSE balances (see Note 2 Request for Resources). HSC has no bank account and all direct and indirect expenditure is paid for by HSE, so the production of a Cash Flow Statement (Schedule 4) is deemed inappropriate. As HSE is responsible for delivering the aims and objectives (Schedule 5), this schedule is not produced for HSC.

(b) Accounting convention

Consolidated accounts have not been prepared, with the agreement of HM Treasury and National Audit Office, on the basis that there is a statutory requirement to produce separate accounts for HSC and HSE and it would be administratively burdensome and provide no additional information for the reader of the accounts.

(c) Pension costs

The current Chairman is not a member of the Principal Civil Service Pension Scheme (PCSPS) but arrangements exist whereby the Health and Safety Executive make pension payments analogous to those that would have been made if he had been a member of the PCSPS and are payable out of the current year's funds that are made available. A notional pension cost of 18.5 per cent is added to the Chairman's emoluments.

In line with FRS 17, a pension provision has been set up on a 'by analogy to the PCSPS' basis to account for the value of an equivalent fund for the Chairman. An actuarial valuation of the fund was carried out as at 31 March 2004. It has been undertaken on the following assumptions:

- An investment return in excess of price increases of 3.5 per cent p.a.;
- The earnings cap increases in line with price inflation;
- The gross rate of return is assumed to be 6 per cent p.a. although this assumption has a minor impact on the calculation of the liability;
- In nominal terms these assumptions are then equivalent to an allowance for increases in pensionable salaries of 2.4 per cent p.a. and an allowance for price inflation of 2.4 per cent p.a.;

- Mr Callaghan is not reappointed at the end of his term, and his pension will be preserved until age 60 when it will come into payment.

The provision is included in the HSE accounts.

The appointment of Commission members is non-pensionable.

The employees of the Health and Safety Commission, other than the Chairman and Commission members, are civil servants to whom the conditions of the Superannuation Acts 1965 and 1972 and subsequent amendments apply. For details of the schemes please refer to HSE accounts, accounting policy Note 1(k).

2 Request for Resources

Pursuant to Section 43 of The Health and Safety at Work etc. Act 1974, the Commission is financed by Request for Resources from the Department for Work and Pensions (Request for Resources 2).

The total Request for Resources received by the Health and Safety Commission from the Department for Work and Pensions for the financial year 2003/04 was £197 066 000 and after deducting £330 939 for staff costs and £313 019 for other operating charges, the sum of £196 422 042 was allocated to the Health and Safety Executive. These transactions pass through Reserves in the Balance Sheet but produce a nil value in HSC.

	£'000
Opening general fund 1 April 2003	NIL
Net parliamentary cash funding	197 066
Net operating cost	644
Cash transfer to HSE (refer HSE Schedule 4)	196 422
Closing general fund 31 March 2004	NIL

3 Expenditure of the Health and Safety Commission

	2003/04 £'000	2002/03 £'000
Staff Numbers and Costs:		
(a) Staff costs of the Health and Safety Commission:		
Wages and salaries	267	312
Social security costs	23	24
Other pension costs	18	27
Pension paid to former Chairmen	23	23
Sub Total	331	386
Inward Secondments	-	1
Total	331	387
Less recoveries in respect of outward secondments	-	-
Total Net Costs	331	387

	2003/04 Nos.	2002/03 Nos.
(b) The average number of employees during the year of the account, other than the Chairman and Commission members was made up as follows:		
Non-specialist staff	4.5	6

Note:

For further details on pension arrangements for non specialist staff please refer to HSE accounts (accounting policy Note 1(k) and Note 2).

(c) Emoluments of the Chairman

2003/04					
Salary	Other taxable benefits (to nearest £100)	Real Increase in pension at 60	Total accrued pension at 60 at 31 March 04	CETV at 31 March 04	Real increase in CETV
£'000	£	£'000	£'000	£'000	£'000
Bill Callaghan 95-100	0	0-2.5 plus 2.5-5 increase in lump sum	35-40 plus 110-115 lump sum	482	20

2002/03					
Salary	Other taxable benefits (to nearest £100)	Real Increase in pension at 60	Total accrued pension at 60 at 31 March 03	CETV at 31 March 03	
£'000	£	£'000	£'000	£'000	
Bill Callaghan 95-100	0	0-2.5	0-5	450	

Notes:

Salary 'Salary' includes gross salary, performance pay or bonuses; overtime; reserved rights to London weighting or London allowances; recruitment and retention allowances; private office allowances and any other allowance to the extent that it is subject to UK taxation.

Pensions No Commission members, other than the Chairman, have pensions (see Note 1(c)). There are no outstanding contributions payable to the Civil Service Superannuation Vote at 31 March 2004. There were no Employer contributions to partnership pension accounts during the year.

CETV (Cash Equivalent Transfer Value) is the actuarially assessed value of the Chairman's pension scheme benefits accrued by him.

(d) Emoluments of the Commission members:

	2003/04			
	Salary	Fees	Other taxable benefits (to nearest £100)	Total
	£	£	£	£
George Brumwell CBE	1 475	1 836	-	3 311
Margaret Burns CBE	1 475	7 421	7 900	16 796
Abdul Chowdry	1 475	3 519	6 100	11 094
Judith Donovan CBE	1 475	4 590	3 100	9 165
Joyce Edmond-Smith	1 475	5 714	700	7 889
Judith Hackitt	1 475	2 142	-	3 617
John Longworth	1 475	2 924	300	4 699
Maureen Rooney CBE (1)	123	-	-	123
Owen Tudor	1 475	2 778	-	4 253
Elizabeth Snape (2)	615	918	-	1 533
	12 538	31 842	18 100	62 480

(d) Emoluments of the Commission members:

	2002/03			
	Salary	Fees	Other taxable benefits (to nearest £100)	Total
	£	£	£	£
George Brumwell CBE	1 443	1 820	-	3 263
Margaret Burns CBE	1 443	6 499	6 900	14 842
Abdul Chowdry	1 443	5 136	4 100	10 679
Judith Donovan CBE	1 443	5 100	3 000	9 543
Joyce Edmond-Smith	1 443	5 997	400	7 840
Judith Hackitt	1 443	1 816	-	3 259
John Longworth	1 443	1 445	100	2 988
Maureen Rooney CBE (1)	1 443	1 204	-	2 647
Owen Tudor	1 443	4 537	-	5 980
	12 987	33 554	14 500	61 041

Notes:

(1) *Died May 2003*

(2) *Appointment commenced 1 November 2003*

The monetary value of benefits in kind covers any benefits provided by the employer and treated by the Inland Revenue as a taxable emolument. Other taxable benefits for Commission members include mileage and an accommodation allowance, as appropriate. Any ensuing tax liability is met by HSC.

The Chairman and Commission members are appointed for a fixed term of up to three years. The Chairman is part-time, working four days a week. If the Chairman or a member leaves the Commission other than on the expiry of their term of office, and it appears to the Secretary of State that there are special circumstances that justify the payment of compensation, a payment can be made as determined by the Secretary of State with Treasury approval.

4 Non staff administration costs of the Health and Safety Commission

	2003/04 £'000	2002/03 £'000
General administrative expenses	212	130
Travel, subsistence and hospitality for:		
Chairman, Commission members and support staff (see note below)	60	65
Rent, rates, maintenance and other premises costs	41	61
	313	256

Note:

Travel, subsistence and hospitality expenses for the Chairman and Commission members was £51 726 (2002/03 £61 030), while the total for the support staff was £8 718 (2002/03 £3 888).

5 Related party transactions

The Health and Safety Commission is an Executive Non-Departmental Public Body with Crown status and is sponsored by the Department for Work and Pensions (DWP).

DWP is regarded as a related party. During the year, HSC did not have any material transactions with DWP or other entities for which DWP is regarded as the parent Department.

None of the Commission members or any persons connected with them have any interest in any material transactions with HSC/HSE or received benefits from their suppliers during the year.

HEALTH AND SAFETY EXECUTIVE:

THE CERTIFICATE AND REPORT OF THE COMPTROLLER AND AUDITOR GENERAL TO THE HOUSES OF PARLIAMENT

I certify that I have audited the financial statements on pages 127 to 156 under The Health and Safety at Work etc. Act 1974. These financial statements have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and the accounting policies set out on pages 134 to 137.

Respective responsibilities of the Executive, Director General and Auditor

As described on page 109 the Director General of the Health and Safety Executive is responsible for the preparation of the financial statements under The Health and Safety at Work etc. Act 1974 and directions made thereunder by the Secretary of State and for ensuring the regularity of financial transactions. The Director General and the Chairman of the Health and Safety Commission are jointly responsible for the preparation of the other contents of the Annual Report. My responsibilities, as independent auditor, are established by statute and I have regard to the standards and guidance issued by the Auditing Practices Board and the ethical guidance applicable to the auditing profession.

I report my opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with The Health and Safety at Work etc. Act 1974 and directions made thereunder by the Secretary of State, and whether in all material respects the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them. I also report if, in my opinion, the Foreword is not consistent with the financial statements, if the Executive has not kept proper accounting records, or if I have not received all the information and explanations I require for my audit.

I read the other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. I consider the implications for my certificate if I become aware of any apparent misstatements or material inconsistencies with the financial statements.

I review whether the joint statement on pages 110 to 113 reflects the Executive's compliance with Treasury's guidance on the Statement on Internal Control. I report if it does not meet the requirements specified by Treasury, or if the statement is misleading or inconsistent with other information I am aware of from my audit of the financial statements. I am not required to consider, nor have I considered whether the Accounting Officer's Statement on Internal Control covers all risks and controls. I am also not required to form an opinion on the effectiveness of the Executive's corporate governance procedures or its risk and control procedures.

Basis of audit opinion

I conducted my audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts, disclosures and regularity of financial transactions included in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Director General in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Executive's circumstances, consistently applied and adequately disclosed.

I planned and performed my audit so as to obtain all the information and explanations which I considered necessary in order to provide me with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by error, or by fraud or other irregularity and that, in all material respects, the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them. In forming my opinion I also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In my opinion:

- the financial statements give a true and fair view of the state of affairs of the Health and Safety Executive at 31 March 2004 and of the net resource outturn, resources applied to objectives, recognised gains and losses and cash flows for the year ended and have been properly prepared in accordance with The Health and Safety at Work etc. Act 1974 and the directions made thereunder by the Secretary of State; and
- in all material respects the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

I have no observations to make on these financial statements.

John Bourn

Comptroller and Auditor General
National Audit Office
157-197 Buckingham Palace Road
London SW1W 9SP
30 June 2004

SCHEDULE I

HEALTH AND SAFETY EXECUTIVE: SUMMARY OF RESOURCE OUTTURN 2003/04

	Estimate Net Expenditure £'000	Outturn Net Expenditure £'000	Net total outturn compared with Estimate saving/(excess) £'000	Prior-year outturn £'000
Net operating cost	219 983	197 265		201 633
Net resource outturn (see note below)	219 983	198 051	21 932	203 628

Note:

Analysis of income payable to the Department for Work and Pensions

As a Non-Departmental Public Body, the Health and Safety Executive retains income generated in order to fund its activities.

Amounts payable in 2003/04 were £786 692.48 of which £786 692.48 (see also Schedule 4) was outstanding at 31 March 2004.

Amounts paid in 2003/04 were £2 285 878.83 of which £2 285 878.83 related to 2002/03 and £0 related to 2003/04.

Actual outturn - resources

Request for Resources 2. Actual amount net resource outturn £198 050 728.35. Actual amount of savings in resources over Estimate £21 932 271.65. Net operating cost compared with Estimate is made up as follows:

	Estimate	Outturn	Estimate minus outturn saving/(excess)
	£'000	£'000	£'000
Administration	226 751	218 474	8 277
Administration Other	10 726	9 462	1 264
Total Administration	237 477	227 936	9 541
Programme	66 311	53 920	12 391
Total Gross Expenditure	303 788	281 856	21 932
Appropriations in Aid (A in A)	(83 161)	(83 947)	786
Net Operating Cost	220 627	197 909	22 718
A in A surrendered to DWP	0	786	(786)
HSC/HSE net resource outturn	220 627	198 695	21 932
Less HSC	(644)	(644)	0
HSE net resource outturn	219 983	198 051	21 932

The Notes on pages 134 to 156 form part of these accounts.

SCHEDULE 2

HEALTH AND SAFETY EXECUTIVE: OPERATING COST STATEMENT FOR THE YEAR ENDED 31 MARCH 2004

	Notes	2003/04 £'000	2002/03 £'000
Administration costs			
Staff costs	2	146 363	145 645
Other administration costs	3	81 569	80 679
Gross administration costs		227 932	226 324
Operating income	5	(51 304)	(46 477)
EU Income		(601)	(523)
Net administration costs		176 027	179 324
Programme costs			
Expenditure	4	29 603	29 161
Less income	4 & 5	(8 365)	(6 852)
Net programme costs		21 238	22 309
Net operating cost	6 & 7	197 265	201 633
Net resource outturn	6 & 7	198 051	203 628

All income and expenditure is derived from continuing operations.

Statement of Recognised Gains and Losses for the year ended 31 March 2004

	2003/04 £'000	2002/03 £'000
Net gain/(loss) on revaluation of tangible fixed assets (Refer Note 16)	31	724
Increase to provision arising on actuarial valuation of pensions by analogy	(83)	-
Total recognised gains and losses for the financial year	(52)	724

The Notes on pages 134 to 156 form part of these accounts.

SCHEDULE 3

HEALTH AND SAFETY EXECUTIVE: BALANCE SHEET AS AT 31 MARCH 2004

	Notes	£'000	31 March 2004 £'000	31 March 2003 £'000
Fixed assets				
Tangible assets	9		27 176	27 847
Debtors: falling due after more than one year	12		406	1 261
Current assets				
Stocks	11	2 255		1 883
Debtors	12	21 973		19 719
Cash at bank and in hand	13	137		91
		24 365		21 693
Creditors (amounts falling due within one year)	14	(11 312)		(9 859)
Net current assets			13 053	11 834
Total assets less current liabilities			40 635	40 942
Creditors (amounts falling due after more than one year)	14		-	(10)
Provisions for liabilities and charges	15		(3 435)	(3 522)
			37 200	37 410
Taxpayers' equity				
General fund	21		34 332	34 183
Revaluation reserve	16		2 868	3 227
			37 200	37 410

The Notes on pages 134 to 156 form part of these accounts.

Timothy Walker CB

Director General
Health and Safety Executive
Accounting Officer
24 June 2004

SCHEDULE 4

HEALTH AND SAFETY EXECUTIVE: CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2004

	Note	2003/04 £'000	2002/03 £'000
Net cash outflow from operating activities		(187 063)	(191 161)
Capital expenditure and financial investment		(5 887)	(7 897)
Receipts due to DWP which are outside the scope of HSE's activities		1	4
Payments of amounts due to DWP		(2 286)	(1)
Financing		196 422	193 070
(Decrease) / increase in cash in the period	Refer over	1 187	(5 985)
Notes			
Reconciliation of operating cost to operating cash flows			
Net operating cost		197 265	201 633
Adjust for non-cash transactions		(9 156)	(10 827)
Adjust for movements in working capital other than cash	10	(2 227)	(2 077)
Adjust for movements in creditors over one year	14	10	15
Use of provisions	15	1 171	2 417
Net cash outflow from operating activities		187 063	191 161
Analysis of capital expenditure and financial investment			
Purchase of fixed assets		6 295	8 489
Proceeds of disposal of fixed assets		(408)	(592)
Net cash outflow from investing activities		5 887	7 897
Analysis of financing and reconciliation to the net cash requirement			
From DTLR		-	145 418
From DWP		196 422	47 652
Decrease / (increase) in cash		(1 187)	5 985
Adjustment for payments and receipts not related to Supply			
Amounts due to DWP			
- received in a prior year and paid over		(2 286)	(1)
- received and not paid over		1	4
- Excess non operating Appropriations in Aid re. disposal of fixed assets		-	288
- Excess Appropriations in Aid included in income		786	1 995
Net cash requirement		193 736	201 341

The amount of grant actually issued to support the net cash requirement = £196 422 000

Reconciliation of net cash outflow as per Note 13 to movement in cash as per Schedule 4 above.

	2003/04	2002/03
	£'000	£'000
Net cash inflow (outflow) (as per Note 13)	46	(4 409)
Movement in uncleared payments (included within creditors)	1 141	(1 576)
Increase / (Decrease) in cash in the period (as per Schedule 4)	1 187	(5 985)

The Notes on pages 134 to 156 form part of these accounts.

SCHEDULE 5

HEALTH AND SAFETY EXECUTIVE: RESOURCES BY AIMS AND OBJECTIVES FOR THE YEAR ENDED 31 MARCH 2004

	2003/04			2002/03		
	Gross £'000	Income £'000	Net £'000	Gross £'000	Income £'000	Net £'000
Aims/objectives						
First aim:						
To modernise, simplify and support the regulatory framework, including EU and other international work	36 245	(4 052)	32 193	39 929	(3 781)	36 148
Second aim:						
To secure compliance with the law in line with the principles of proportionality, consistency, transparency and targeting on a risk related basis	142 741	(38 934)	103 807	145 141	(34 533)	110 608
Third aim:						
To improve the knowledge and understanding of health and safety through the provision of appropriate (and timely) information and advice	39 049	(12 397)	26 652	36 260	(10 353)	25 907
Fourth aim:						
To promote risk assessment and technical knowledge as the basis for setting standards and guiding enforcement activities	25 189	(2 282)	22 907	25 392	(1 994)	23 398
Fifth aim:						
To operate statutory schemes, including regulatory services, through, for example EMAS	14 311	(2 605)	11 706	8 763	(3 191)	5 572
Net operating costs	257 535	(60 270)	197 265	255 485	(53 852)	201 633

The Notes on pages 134 to 156 form part of these accounts.

HEALTH AND SAFETY EXECUTIVE:

NOTES TO THE ACCOUNTS

1 Statement of accounting policies

The financial statements have been prepared in accordance with the 2003/04 Resource Accounting Manual (RAM) (<http://www.resource-accounting.gov.uk>) issued by HM Treasury. The particular accounting policies adopted by HSE are described below. They have been applied consistently in dealing with the items considered material in relation to the accounts. The financial statements consolidate the figures for the Health and Safety Laboratory.

The accounting policies contained in the RAM follow generally accepted accounting practice for companies (UK GAAP) to the extent that is meaningful and appropriate to the public sector.

(a) Accounts Direction

In accordance with Accounts Directions issued by the Secretary of State with the approval of the Treasury the Health and Safety Commission and Health and Safety Executive have prepared a joint Foreword, Statement of Responsibilities and Statement on Internal Control. These accounts have been prepared under the historical cost convention modified to account for the revaluation of fixed assets (including the depreciated replacement cost of the specialist laboratory site at Buxton), and stocks where material, at their value to the business by reference to their current costs.

(b) Analysis of activities

All the activities of the Executive are designed to use the measures in The Health and Safety at Work etc. Act 1974 to further the reduction of occupational accidents and disease.

(c) Government grants

Pursuant to Section 43 of The Health and Safety at Work etc. Act 1974, the Commission has been financed by Request for Resources from the Department for Work and Pensions.

The Commission pays to the Executive such sums as the Commission considers appropriate for the purpose of enabling the Executive to perform its functions. The Request for Resources is credited to the General Fund in the year in which it is received.

(d) Assets

All assets are held by the Health and Safety Executive on behalf of the Health and Safety Commission.

Items of equipment costing less than £2 000 are charged to expenditure in the year of purchase, except for computer equipment (refer also Note 24) costing over £500 and items of furniture which are grouped for capitalisation by year of acquisition.

Items of equipment purchased under research contracts and held by outside bodies are charged to expenditure in the year of purchase.

Fixed assets are capitalised at cost of acquisition and installation.

Non-property assets are revalued to open market value. Price index numbers for current cost accounting (MM17) published by the Office for National Statistics are used to estimate value where market value is not obtainable. For 2003/04 tangible fixed assets were revalued at the Balance Sheet date. In previous years revaluation was carried out at 30th September.

Land and buildings are valued on an existing use basis except for the specialist laboratory site at Buxton which has been included at depreciated replacement cost.

In accordance with the Resource Accounting Manual and FRS 15 professional revaluations of land and buildings will be undertaken at least every five years. The respective values of all freehold properties and only those leasehold properties that qualify as finance leases (refer accounting policy Note 1) are included in the Balance Sheet. The freehold and leasehold properties at Sheffield and Buxton were independently valued during 2002/03 by Chesterton PLC, Chartered Surveyors. The property at Carlisle was independently valued during 2000/01 by Donaldsons, Chartered Surveyors. In each case the valuations were in accordance with the Appraisal and Valuation Manual of the Royal Institute of Chartered Surveyors. In the periods between formal valuations properties have been revalued in accordance with appropriate indices.

(e) Depreciation

Freehold land is not depreciated.

Depreciation is provided on all other tangible fixed assets from the date of acquisition.

Depreciation is calculated to write-off the replacement cost or valuation of an asset evenly over its expected useful life except for vehicles acquired for the car leasing scheme where 60 per cent of the original cost is depreciated over the three year life of the contract. Assets in the course of construction and residual interests in off-balance sheet PFI contract assets are not depreciated until the asset is brought into use or reverts to HSE respectively.

Tangible fixed assets are depreciated at the following rates to write them down to estimated residual value on a straight-line basis over their estimated useful lives.

Buildings:	Freehold	over 50 years or remaining life assessed by the valuers
	Leasehold	over period of lease or to next rent review
Specialist plant		over remaining life
Furniture		up to 15 years
Office machinery, publicity & major scientific equipment		up to 10 years
IT equipment		up to 5 years
Printing/typesetting & telecommunications equipment		up to 7 years
Vehicles		up to 7 years
Motor vehicles leased to staff		up to 3 years

(f) Revaluation reserve

The revaluation reserve reflects the unrealised element of the cumulative balance of indexation and revaluation adjustments. Surpluses arising on the revaluation of fixed assets are credited to the revaluation reserve. Deficits are charged to the reserve in respect of amounts previously credited; the balance of any deficit is charged to the operating cost statement.

(g) Stocks and work in progress

Stocks and work in progress are valued as follows:

- finished goods and priced goods for resale are valued at cost or, where materially different, current replacement cost, and at net realisable value only when they either cannot or will not be used. The cost of free publications is written off in the year in which it is incurred;
- work in progress is valued at the lower of cost, including appropriate overheads, and net realisable value.

(h) Foreign currency

Assets and liabilities denominated in foreign currencies are translated into sterling at the exchange rates prevailing at the year-end.

Translation differences are dealt with through the Operating Cost Statement.

(i) Research

Expenditure on research is written off in the year in which it is incurred.

(j) Capital charge

A charge, reflecting the cost of capital utilised by HSE, is included in operating costs. The charge is calculated at the Government's standard rate of 3.5 per cent (6 per cent in 2002/03) in real terms on the average of all assets less liabilities, except for donated assets and cash balances with Office of HM Paymaster General, where the charge is nil.

(k) Pension costs

Past and present employees are covered by the provisions of the Civil Service Pension Schemes which are described at Note 2. The defined benefit elements of the schemes are unfunded and are non-contributory except in respect of dependents' benefits. HSE recognises the expected costs of these elements on a systematic and rational basis over the period during which it benefits from employees' services by payment to the Principal Civil Service Pension Schemes (PCSPS) of amounts calculated on an accruing basis. Liability for payment of future benefits is a charge on the PCSPS. In respect of the defined contribution element of the schemes, HSE recognises the contributions payable for the year.

(l) Leases

Where substantially all risks and rewards of ownership of a leased asset are borne by HSE, the asset is recorded as a tangible asset and a debt is recorded to the lessor of the minimum lease payments discounted by the interest rate implicit in the lease. The interest element of the finance lease payment is charged to the Operating Cost Statement over the period of the lease at a constant rate in relation to the balance outstanding. Other leases are regarded as operating leases and the rentals are charged to the Operating Cost Statement on a straight-line basis over the term of the lease.

(m) Administration and programme expenditure

The Operating Cost Statement is analysed between administration and programme costs. Administration costs reflect the costs of running the organisation as defined under the administration cost-control regime, together with associated operating income. Income is analysed in the notes between that which, under the regime, is allowed to be offset against gross administrative costs in determining the outturn against the administration cost limit, and that operating income which is not. Programme costs reflect non-administration costs, including payments of grants and other disbursements by the Executive.

(n) Private Finance Initiative (PFI) transactions

PFI transactions (refer Note 24) have been accounted for in accordance with Treasury Technical Note No. 1 (Revised), entitled 'How to Account for PFI transactions' as required by the Resource Accounting Manual. Where the balance of risk and rewards of ownership of the PFI asset are borne by the PFI operator, the PFI payments are recorded as an operating cost. 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 assets 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.

Where the balance of risks and rewards of ownership of the PFI asset is borne by HSE, the asset is recognised as a fixed asset and the liability to pay for it is accounted for as a finance lease. Contract payments are apportioned between an imputed finance lease charge and a service charge.

(o) Provisions

HSE provides for legal or constructive obligations which are of uncertain timing or amount at the Balance Sheet date on the basis of 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 Treasury discount rate of 3.5 per cent in real terms.

(p) Contingent liabilities

Disclosure conforms to FRS 12, including discounting where the time value of money is material. In addition, cases that are subject to parliamentary reporting are also included.

(q) Value Added Tax

Most of the activities of HSE 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 fixed assets. Where output tax is charged or input tax is recoverable, the amounts are stated net of VAT.

(r) Operating income

Operating income is income which relates directly to the operating activities of HSE. It principally comprises fees and charges for services provided on a full cost basis to external customers. Operating income is stated net of VAT.

2 Staff numbers and costs of the Health and Safety Executive

(a) Staff costs consist of:	2003/04 £'000	2002/03 £'000
Wages and salaries	120 098	120 118
Social security costs	9 345	8 385
Other pension costs	16 986	17 150
Sub total	146 429	145 653
Inward secondments	111	195
Total	146 540	145 848
Less recoveries in respect of outward secondments	(177)	(203)
Total Net Costs	146 363	145 645

Note:

The Principal Civil Service Schemes (PCSPS) to which most of the department's employees are members are unfunded multi-employer defined benefit schemes but HSE is unable to identify its share of the underlying assets and liabilities. A full actuarial valuation was carried out as at 31 March 2003. Details can be found in the resource accounts of the Cabinet Office: Civil Superannuation (<http://www.civilservice-pensions.gov.uk>).

For 2003/04 employer contributions of £16 958 873 were payable to the PCSPS (2002/03 £16 939 964) at one of the four rates in the range 12 to 18.5 per cent of pensionable pay, based on salary bands. Rates will remain the same next year, subject to revalorisation of the salary bands. Employer contributions are to be reviewed in 2005/06 following a full scheme valuation by the Government Actuary. The contribution rates reflect benefits as they are accrued, not when the costs are actually incurred, and reflect past experience of the scheme.

Employees joining after 1 October 2002 could opt to join a partnership pension account, a stakeholder pension with an employer contribution. For 2003/04 employer contributions of £16 603.37 (2002/03 £5 630.68) were paid to three appointed stakeholder pension providers (refer also Note c).

(b) The average number of whole-time equivalent persons employed during the year was as follows:

Aims/ Objectives	Total 2003/04	Senior Management	Inspectors	Other Professional/ Specialists	Non Specialists	Staff on inward secondment	Agency, temporary and contract staff	Total 2002/03
First Aim	546	7	213	190	121	1	14	633
Second Aim	2589	33	1011	904	572	3	66	2619
Third Aim	497	6	194	174	110	1	12	561
Fourth Aim	258	3	101	90	57	0	7	235
Fifth aim	200	3	78	70	44	0	5	174
Total	4090	52	1597	1428	904	5	104	4222

Note:

Refer Schedule 5 for description of Aims / Objectives.

(c) Salary and Pension Entitlements of Director General

	Salary	Benefits in kind (to nearest £100)	Real increase in pension at 60	Total accrued pension at 60 at 31 March	CETV at 31 March	Real increase in CETV
	£'000	£	£'000	£'000	£'000	£'000

Timothy Walker CB

2003/04	145-150	0	2.5-5 Plus 10-12.5 lump sum	50-55 Plus 155-160 lump sum	957	92
2002/03	135-140	0	2.5-5	40-45	841	

Salary and Pension Entitlements of Executive Members

2003/04						
	Salary	Benefits in kind (to nearest £100)	Real increase in pension at 60	Total accrued pension at 60 at 31 March	CETV at 31 March	Real increase in CETV
	£'000	£	£'000	£'000	£'000	£'000
Kate Timms CB	130-135	0	5-7.5 Plus 17.5-20 lump sum	60-65 Plus 190-195 lump sum	1 181	122
Justin McCracken	115-120	0	0-2.5 Plus 2.5-5 lump sum	5-10 Plus 15-20 lump sum	87	36

Notes:

Details of HSL's senior management emoluments can be found in their own published accounts.

CETV (Cash Equivalent Transfer Value) is the actuarially assessed value of the pension scheme benefits accrued by a member.

Salary and Pension Entitlements of Executive Members

2002/03					
	Salary	Benefits in kind (to nearest £100) at 60	Real increase in pension	Total accrued pension at 60 at 31 March	CETV at 31 March
	£'000	£	£'000	£'000	£'000
Kate Timms CB	115-120	0	2.5-5	45-50	1 030
Justin McCracken	110-115	0	0-2.5	0-5	50

Notes:

Salary

'Salary' includes gross salary; performance pay or bonuses; overtime; reserved rights to London weighting or London allowances; recruitment and retention allowances; private office allowances and any other allowance to the extent that it is subject to UK taxation.

None of the Executive members received Benefits in kind.

The Director General is appointed for a fixed term of up to five years. The other Executive members are appointed for a fixed term of up to three years. None of the members receive any predetermined compensation payment on termination of office.

There were no employer contributions to partnership pension accounts during the year.

Notes:

Pension

The Executive are all members of the Principal Civil Service Pension Scheme (PCSPS).

Pension Benefits are provided through the Civil Service pension arrangements. From 1 October 2002, civil servants may be in one of three statutory based 'final salary' defined benefit schemes (classic, premium and classic plus). New entrants after 1 October 2002 may choose between membership of premium or joining a good quality 'money purchase' stakeholder based arrangement with a significant employer contribution (partnership pension account).

(a) Classic Scheme

Benefits accrue at the rate of 1/80th of pensionable salary for each year of service. In addition, a lump sum equivalent to three years pension is payable on retirement. Members pay contributions of 1.5 per cent of pensionable earnings. On death, pensions are payable to the surviving spouse at the rate of half the member's pension. On death in service, the scheme pays a lump sum benefit of twice pensionable pay and also provides a service enhancement on computing the spouse's pension. The enhancement depends on length of service and cannot exceed 10 years. Medical retirement is possible in the event of serious ill health. In this case, pensions are brought into payment immediately without actuarial reduction and with service enhanced as for widow(er) pensions.

(b) Premium Scheme

Benefits accrue at the rate of 1/60th of final pensionable earnings for each year of service. Unlike classic, there is no automatic lump sum, but members may commute some of their pension to provide a lump sum up to a maximum of 3/80ths of final pensionable earnings for each year of service or 2.25 times pension if greater (the commutation rate is £12 of lump sum for each £1 of pension given up). For the purposes of pension disclosure the tables assume maximum commutation. Members pay contributions of 3.5 per cent of pensionable earnings. On death, pensions are payable to the surviving spouse or eligible partner at the rate of 3/8ths of the member's pension (before any commutation). On death in service, the scheme pays a lump sum benefit of three times pensionable earnings and also provides a service enhancement on computing the spouses pension. The enhancement depends on length of service and cannot exceed 10 years. Medical retirement is possible in the event of serious ill health. In this case, pensions are brought into payment immediately without actuarial reduction. Here the member's ill health is such that it permanently prevents them undertaking any gainful employment, service is enhanced to what they would have accrued at age 60.

(c) Classic Plus Scheme

This is essentially a variation of premium, but with benefits in respect of service before 1 October 2002 calculated broadly as classic.

Pensions payable under classic, premium and classic plus are increased in line with the Retail Prices Index.

(d) Partnership Pension Account

This is a stakeholder type arrangement where the employer pays a basic contribution of between 3 per cent and 12.5 per cent (depending on the age of the member) into a stakeholder pension product. The employee does not have to contribute but where they do make contributions, these will be matched by the employer to a limit of 3 per cent (in addition to the employer's basic contribution). Employers also contribute a further 0.8 per cent of pensionable salary to cover the cost of risk benefit cover (death in service and ill health retirement). The member may retire at any time between the ages of 50 and 75 and use the accumulated fund to purchase a pension. The member may choose to take up to 25 per cent of the fund as a lump sum.

3 Non staff administration costs of the Health and Safety Executive

	2003/04 £'000	2002/03 £'000
Rentals under operating leases:		
Hire of plant and machines	169	116
Other operating leases	8 977	7 868
PFI service charges:		
Off-balance sheet contracts	17 680	16 951
Interest charges on finance leases	5	4
Auditor's remuneration	84	82
Non-cash items:		
Depreciation and amortisation of fixed assets	6 321	6 480
Cost of capital charge	1 384	2 430
Loss on revaluation of fixed assets	151	327
Loss on sale of fixed assets	212	131
Provisions: Provided in year	887	1 342
Other non-cash items	90	83
Other expenditure	45 609	44 865
	81 569	80 679

Notes:

Travel, subsistence and hospitality expenses for the Executive members was £39 152 (2002/03 – £39 101), whilst the total for all other staff was £11 392 420 (2002/03 - £11 415 430).

There were no payments made to the NAO for non-audit work carried out in the year.

	2003/04 £'000	2002/03 £'000
Analysis of other expenditure		
Accommodation	13 797	14 143
Travel and Subsistence	11 432	11 455
Other	20 380	19 267
	45 609	44 865

4 Net programme costs

	2003/04 £'000	2002/03 £'000
Research	16 248	17 763
Publicity, marketing and distribution	10 956	9 441
Other	2 399	1 957
Sub Total	29 603	29 161
Less programme income	(8 365)	(6 852)
Net total	21 238	22 309

5 Income

The activities of the Executive include certain chargeable services, each of which is subject to a financial objective of full cost recovery. Memorandum Trading Accounts are prepared where the cost of a particular service exceeds £100 000. The charges for these activities, which are exclusive of VAT, include provision for the recovery of notional interest, apart from the licensing of nuclear installations where the notional charge is not an expense that can be recovered under the Nuclear Installations Act 1965.

	Cost	Income	Surplus/ (Deficit) 2003/04	Surplus/ (Deficit) 2002/03
	£'000	£'000	£'000	£'000
(i) HSE fees and charges				
Licensing of nuclear installations	20 984	20 984	-	-
Safety related research in the nuclear industry	1 666	1 666	-	-
Genetically modified organisms	160	103	(57)	(47)
First-aid approvals	237	135	(102)	(25)
Electrical Equipment Certification Unit*	-	-	-	(912)
Asbestos Licensing Unit	345	300	(45)	(24)
Authorisation of biocides and pesticides	1 364	1 364	-	(61)
Notification of new substances	251	317	66	(27)
Control of major accident hazards	3 823	3 902	79	82
Enforcement of railway safety legislation	7 497	7 693	196	(562)
Enforcement of offshore safety legislation	8 744	9 082	338	(1 096)
Enforcement of Gas Safety Management Regulations	166	152	(14)	-
	45 237	45 698	461	(2 672)
Health and Safety Laboratory external customers	2 690	2 690	-	-
Health and Safety Laboratory EU income	412	412	-	-
Other fees and agency charges	-	197	-	-
Total fees and charges at 31 March 2004	48 339	48 997		
Total fees and charges at 31 March 2003	47 331	44 943		
(ii) HSE sales and other income				
Sale of publications	4 654	6 026	1 372	1 061
Other sales/income	-	5 058	-	-
EU income	189	189	-	-
Total sales and other income at 31 March 2004	4 843	11 273		
Total sales and other income at 31 March 2003	4 183	8 909		

This analysis conforms to the HM Treasury's 'The Fees and Charges Guide' and is not intended to comply with SSAP25 Segmental Reporting.

** The Electrical Equipment Certification Unit ceased trading at the end of September 2002.*

Rents receivable are as follows:

	2003/04 £'000	2002/03 £'000
Rents from other Government Departments	31	137
Rents from external tenants	0	74
Total	31	211

6 Reconciliation of net operating cost to net resource outturn

		2003/04 £'000	2002/03 £'000
Net operating cost	(Schedule 2)	197 265	201 633
Income to be surrendered to DWP		786	1 995
Resource budget outturn		198 051	203 628
Net resource outturn	(Schedule 2)	198 051	203 628

7 Analysis of net resource outturn by function and reconciliation to Operating Cost Statement

	2003/04					2002/03
	Admin £'000	Programme £'000	Current grants £'000	A-in-A £'000	Net Total £'000	Prior year outturn £'000
Request for Resources	227 932	29 603	-	(59 484)	198 051	203 628
Total					198 051	203 628
Resource outturn					198 051	203 628
Excess income (operating appropriations in aid) to be surrendered to DWP					(786)	(1 995)
Net operating cost					197 265	201 633

Functions represent the disaggregation of Requests for Resources for control purposes and parliamentary approval.

Excess non operating appropriations in aid:

	2003/04 £'000	2002/03 £'000
Disposal of fixed assets	0	288

8 Analysis of capital expenditure, financial investment and associated appropriations in aid

	2003/04			
	Capital expenditure £'000	Loans etc £'000	A-in-A £'000	Net Total £'000
Request for Resources	5 675	-	(408)	5 267
Total 2002/03	8 515	-	(592)	7 923

9 Tangible fixed assets

	Land & Buildings	Information Technology	Motor Vehicles	Plant & Machinery	Furniture & Fittings	Payments on Account & Assets under Construction	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost or valuation at 1 April 2003	17 834	3 711	3 681	14 282	11 413	-	50 921
Reclassifications (Cost)	-	(23)	-	(108)	-	131	-
Additions in year	2 825	419	619	1 079	564	169	5 675
Reclassifications (Additions)	-	-	-	91	-	624	715
Revaluations in year	-	(238)	11	(102)	74	-	(255)
Disposals during year	-	(280)	(846)	(1 269)	(1 065)	-	(3 460)
Balance at 31 March 2004	20 659	3 589	3 465	13 973	10 986	924	53 596
Depreciation at 1 April 2003	4 734	2 898	1 217	9 216	5 009	-	23 074
Charge in year	2 555	462	597	1 441	1 266	-	6 321
Revaluations in year	-	(122)	4	(53)	36	-	(135)
Disposals during year	-	(275)	(468)	(1 223)	(874)	-	(2 840)
Accumulated depreciation at 31 March 2004	7 289	2 963	1 350	9 381	5 437	-	26 420
Net book value at 31 March 2004	13 370	626	2 115	4 592	5 549	924	27 176
Net book value at 31 March 2003	13 100	813	2 464	5 066	6 404	-	27 847

Asset financing:

	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Owned	12 779	626	2 115	4 573	5 549	209	25 851
Finance leased	591	-	-	19	-	-	610
PFI residual interests	-	-	-	-	-	715	715
Net book value at 31 March 2004	13 370	626	2 115	4 592	5 549	924	27 176

Analysis of land and buildings between freehold, long and short leasehold

The net book value of land and buildings at 31 March 2004 comprises:

	2003/04 £'000	2002/03 £'000
Freehold	5 727	5 633
Long leasehold	-	1 197
Short leasehold	7 643	6 270
	13 370	13 100

10 Movements in working capital other than cash

	2003/04 £'000	2002/03 £'000
(Increase)/decrease in stocks/work in progress	(372)	136
Decrease /(increase) in debtors	(1 399)	3 182
Increase/(decrease) in creditors falling due within one year	2 594	1 070
Net decrease /(increase) in working capital other than cash	823	4 388
Less (increase)/decrease/in amounts payable to DWP	1 499	(2 285)
Less (increase) in capital creditor	(95)	(26)
	2 227	2 077

11 Stocks and work in progress

	2003/04 £'000	2002/03 £'000
Consumables	68	56
Work-in-progress	681	487
Finished stock for sale	1 506	1 340
	2 255	1 883

12 Debtors

	2003/04 £'000	2002/03 £'000
Debts falling due within one year:		
Trade debtors	7 169	5 045
Imprest/advances	598	495
Prepayments	2 156	2 609
Taxation: VAT debtor	2 728	2 720
Other debtors	10	4
Accrued income	9 312	8 846
Sub Total	21 973	19 719
Debts falling due after more than one year:		
IT Refit	-	643
Prepayments	84	-
Imprests/advances	322	618
	406	1 261
Total	22 379	20 980

Note:

The IT residual interest has been recategorised as a Tangible Fixed Asset in 2003/04.

The imprests/advances total of £920 667 (2002/03 - £1 109 000) includes £427 302 (2002/03 - £561 000) advances of salary for house purchase, £231 485 (2002/03 - £254 000) advances of salary for season ticket purchase, £153 028 (2002/03 - £171 000) imprests and £108 852 (2002/03 - £123 000) other advances.

There were 57 officers who had £2 500 or more outstanding at 31 March 2004 which totalled £382 039 (2002/03 - £501 000 - relating to 72 officers).

13 Cash at bank and in hand

	2003/04 £'000	2002/03 £'000
Balance at 1 April	91	4 500
Net cash inflow (outflow)	46	(4 409)
Balance at 31 March	137	91
The following balances at 31 March are held at:		
Office of HM Paymaster General	0	0
Commercial banks and cash in hand	137	91
	137	91

14 Creditors

	2003/04 £'000	2002/03 £'000
Amounts falling due within one year:		
Trade creditors - non capital	895	640
Trade creditors - capital	121	26
Other creditors	77	46
Accruals and deferred income	8 760	6 652
Payments on account	672	209
Receipts payable to DWP	787	2 286
	11 312	9 859
Amounts falling due after more than one year:		
Finance leases	0	10
Total	11 312	9 869

15 Provisions for liabilities and charges

	Early departure costs £'000	Dilapidations £'000	Other £'000	Total £'000
Balance at 1 April 2003	2 148	1 035	339	3 522
Increase in provision	147	458	913	1 518
Provisions not required written back	(40)	(427)	-	(467)
Amounts utilised	(800)	(354)	(16)	(1 170)
Unwinding of discount	32	-	-	32
Balance at 31 March 2004	1 487	712	1 236	3 435

Early departure costs

HSE meets the additional costs of benefits beyond the normal PCSPS benefits in respect of employees who retire early. HSE provides for this in full when the early retirement programme becomes binding on HSE by establishing a discounted provision. In past years HSE paid in advance some of its liability for early retirement and the balance remaining is treated as a prepayment.

Legal claims

Provision has been made for various legal claims against HSE. The provision (which is included in 'other') reflects all known claims where legal advice indicates that it is more than 50 per cent probable that the claim will be successful and the amount of the claim can be reliably estimated. No reimbursement will be received in respect of any of these claims.

Legal claims which may succeed but are less likely to do so or cannot be reliably estimated are disclosed as contingent liabilities in Note 25.

16 Reserves

	£'000
Revaluation reserve	
Balance at 1 April 2003	3 227
Arising on revaluation during the year (net)	31
Transfer to general fund of realised element of revaluation reserve	(390)
Balance at 31 March 2004	2 868

17 Capital commitments

	2003/04 £'000	2002/03 £'000
Contracted commitments for which no provision has been made	495	344

18 Losses and Special Payments

	2003/04 No. of Cases	2002/03 No. Of Cases	2003/04 £'000	2002/03 £'000
Cash	8	27	2	31
Claims abandoned	144	178	198	159
Administrative losses	0	0	0	0
Fruitless payments	43	80	24	9
Stores			317	153
Special payments	52	53	28	54
	247	338	569	406

19 Commitments under operating leases

Commitments under operating leases to pay rentals during the year following the year of these accounts are given in the table below, analysed according to the period in which the lease expires:

	2003/04		2002/03	
	Land and buildings £'000	Other £'000	Land and buildings £'000	Other £'000
Leases expiring within:				
One year	755	33	66	41
After one year but not more than five years	696	128	1 034	117
More than five years	8 761	0	6 924	0
	10 212	161	8 024	158

20 Finance leases

HSE's obligations under finance leases are as follows:

	2003/04		2002/03	
	Land and buildings £'000	Other £'000	Land and buildings £'000	Other £'000
Rentals due within one year	0	12	0	21
Rentals due after one year but within five years	0	0	0	12
Rentals due thereafter	0	0	0	0
	<u>0</u>	<u>12</u>	<u>0</u>	<u>33</u>
Less interest element		2		7
	0	10	0	26

Note:

The prior year comparatives have been re-stated gross as required by the RAM. The obligation under the lease for Land and Buildings ends in the next financial year as a result of the Private Finance Initiative arrangements, resulting in an obligation of less than £1 000.

21 Reconciliation of net operating cost to changes in general fund

	2003/04 £'000	2002/03 £'000
Net operating cost for the year (Schedule 2)	(197 265)	(201 633)
Net parliamentary funding	196 422	193 070
Excess appropriations in aid to be surrendered to DWP	(786)	(2 282)
Transferred to general fund in respect of realised element of revaluation reserve (Note 16)	390	573
Release from general fund (Chairman's pension)	(83)	168
Release from general fund (Other)	(3)	-
Non-cash charges (DWP Services)	90	83
Cost of capital	<u>1 384</u>	<u>2 430</u>
Net (decrease)/ increase in general fund	149	(7 591)
General fund at 1 April	34 183	41 774
General fund at 31 March (Schedule 3)	34 332	34 183

22 Related party transactions

The Health and Safety Executive is an Executive Non-Departmental Public Body with Crown status and is sponsored by the Department for Work and Pensions (DWP).

DWP is regarded as a related party. During the year, HSE had several transactions with DWP totalling £590 000 (2002/03 £603 000) that mainly related to the provision of pension services and premises costs. HSC and HSE did not have material transactions with other entities for which the DWP is regarded as the parent Department.

In addition, HSE had a number of material transactions with other Government Departments and other central government bodies. The significant transactions have been with the Central Office of Information (£288 000, 2002/03 - £514 000), Civil Service College (£302 000, 2002/03 - £314 000), Government News Network (£541 000, 2002/03 - £198 000), Department of Health (£205 000, 2002/03 - £223 000), Treasury Solicitor (£339 000, 2002/03 - £235 000), Office for National Statistics (£242 000, 2002/03 - £86 000), Department for Trade and Industry (£724,000, 2002/03 - £401,000) and Department of Environment, Food and Rural Affairs (£320 000, 2002/03 - £539 000) and mainly relate to premises, research, training, computer, legal services and administrative expenditure. None of the Executive members, the Director General or senior managers, or any person connected with these, had any interest in any material transactions with HSE or received benefits from HSE suppliers during the year.

23 Notes to Schedule 5

Our aims are those laid out in the Health and Safety at Work etc. Act 1974.

The Health and Safety Executive's operating cost has been allocated to aims/objectives wherever directly attributable or apportioned using normal management accounting practices.

24 Commitments under PFI contracts

HSE has entered into the following PFI contract.

Off-balance sheet

IT Services

In June 2001, HSE signed a 10 year contract with a partner (Logica CMG with Computacenter as the key sub-contractor) for the provision of information and communications technology and Information Strategy (IS) service across all HSE sites and to all HSE users.

The Agreement is based on a model agreement for PFI (Private Finance Initiative) contracts. Typically in PFI deals, the contractor provides services and risk is transferred to the party best able to manage it. The partner has taken over ownership of HSE's IT hardware and some software assets and is responsible for providing all future assets needed to deliver the IT service.

If Logica CMG were to meet the performance standards in the contract and the transaction levels and business developments fall within the agreed parameters, the payments under the contract at constant price levels would be:

	2003/04 £'000	2002/03 £'000
Amounts falling due within one year	12 997	12 691
Net present value of amounts falling due within two to five years	50 439	46 430
Net present value of amounts falling due within six to ten years	35 699	36 088

A discount rate of 3.5 per cent has been used to derive the net present cost of the non-discretionary payment streams in years two to ten.

The estimated capital value of the contract is £23m.

25 Contingent liabilities

In October 2001, a claim from Thames Trains Ltd following the Ladbroke Grove railway disaster was filed against HSE and Her Majesty's Railway Inspectorate for an amount in excess of £5 million. The basis of the claim is that HSE was negligent in connection with the railway infrastructure at the location of the crash. This claim will be rigorously defended and whilst the outcome of these matters cannot readily be determined or foreseen, it is considered that it is likely that the claim will be defended successfully.

HSE is currently defending two equal pay cases. HSE successfully appealed against an equal pay Employment Tribunal decision in June 2003. That appeal is now subject to a cross appeal, which will be heard at the Court of Appeal in July 2004. Arguments in the case may be referred to Europe and the litigation process could continue for a further two years or more. HSE won another equal pay case in December 2003 as a result of the appeal decision but that case is also subject to a cross appeal but this has been stayed pending the outcome of the first case. If we were to lose these cases, the financial consequences would depend on the nature of the judgement in relation to the employees who brought the cases, and the degree to which the judgements would apply to other members of staff, including the extent to which any awards made are backdated.

An estimate for the staff related costs of the HSL relocation to Buxton in the Autumn has been included in these accounts and is based on the information available at the time of preparation. However, qualifying staff have a period of 6 months from the date of their transfer to decide on relocation, and a higher number of individuals may ultimately take up this option, although at this stage this is considered to be sufficiently unlikely and difficult to quantify.

In addition, the likely costs of the physical move of assets to Buxton is, at the present time, difficult to estimate with any reasonable degree of certainty, given the unusual type of assets involved and the specialist nature of some of the work required.

26 Financial instruments

FRS 13, Derivatives and Other Financial Instruments, requires disclosure of the role which financial instruments have had during the period in creating or changing the risks an entity faces in undertaking its activities. Because of the largely non-trading nature of our activities and the way in which government bodies are financed, HSE is not exposed to the degree of financial risk faced by business entities. Moreover, financial instruments play a much more limited role in their ability to create or change risk than would be typical of the listed companies to which FRS 13 mainly applies. HSE has no powers to borrow or invest surplus funds and financial assets and liabilities are generated by day-to-day operational activities and are

not held to change the risks facing HSE in undertaking its activities.

Financial assets

These are non interest bearing imprests and advances to staff falling due after more than one year, as detailed in Note 12. As at 31 March 2004, the weighted average period to maturity was 5.0 years (2002/03 5.3 years).

Foreign currency risk

HSE's exposure to foreign currency risk is not significant. Disclosure of debtors and creditors due and payable after one year is made in the respective Notes to the Accounts.

Fair values

The fair values of HSE's financial assets has been calculated as £290 000 at 31 March 2004 (£381 000 at 31 March 2003). The basis of fair valuation has been to discount cash flows by the real rate set by HM Treasury (currently 3.5 per cent).

Liquidity risk

HSE's net revenue resource requirements are financed by resources voted annually by Parliament. HSE is not therefore exposed to significant liquidity risk.

Interest rate risk and profile

All of HSE's financial assets and liabilities carry nil rates of interest and hence are not exposed to significant interest rate risk.

GLOSSARY OF ABBREVIATIONS

A

ABI	Association of British Insurers
ACAS	Advisory, Conciliation and Arbitration Service
ACDS	Advisory Committee on Dangerous Substances
ACOP	Approved Code Of Practice
ACS	Accredited Certification Scheme for Individual Gas Fitting Operatives
ADR	The European Agreement concerning the International Carriage of Dangerous Goods by Road
AIAC	Agriculture Industry Advisory Committee
AIB	Asbestos Insulation Board
ALARP	As Low As Reasonably Practicable
ARK	All Round Knowledge
ASLEF	Associated Society of Locomotive Engineers and Firemen
ATEX	Explosive Atmospheres Directive
ATP	Adaptation to Technical Progress
AWE	Atomic Weapons Establishment

B

BE	British Energy
BI	Business Improvement
BIP	Business Improvement Plan
BOHS	British Occupational Hygiene Society
BP	British Petroleum
BREEAM	Building Research Establishment's Environmental Appraisal Method
BTP	British Transport Police
BWED	Better Working Environment Division

C

CA	Competent Authority
CAA	Civil Aviation Authority
CAD	Chemical Agents Directive
CAW	Control of Asbestos at Work Regulations
CAWR	Control of Asbestos at Work Regulations
CBI	Confederation of British Industry
CCTV	Closed Circuit Television
CD	Consultative Document
CDG	Carriage of Dangerous Goods
CDM	Construction (Design and Management) Regulations
CEN	Comite European de Normalisation (European standards committee)
CENELEC	European Committee for Electrotechnical Standardization
CETV	Cash Equivalent Transfer Value

CHIP	Chemical (Hazard Information and Packaging) Regulations
CHSC	Corporate Health and Safety Committee
CHSW	Construction (Health, Safety and Welfare) Regulations
CIA	Chemical Industries Association
CIF	Chemical Industries Forum
CITB	Construction Industry Training Board
CLAW	Control of Lead at Work Regulations
CLG	Constructors Liaison Group
COER	Control of Explosives Regulations
COIN	Corporate Operational Information System
COMAH	Control of Major Accident Hazards Regulations
CONIAC	Construction Industry Advisory Committee
COSHH	Control of Substances Hazardous to Health Regulations
CPA	Corrugated Packing Association
CRR	Contract Research Report
CSC	Care Standards Commission
CSCS	Civil Service Compensation Scheme
CSDN	Civil Service Disability Network
CSIW	Care Standards in Wales
CSR	Corporate Services Review
CV	Curriculum Vitae

D

D/D	Directorate/Division
DAG	Direct Access Government
DAP	Development Action Plan
DCI	Decompression Illness
DD	Discussion Document
DEFRA	Department for Environment, Food and Rural Affairs
DEL	Departmental Expenditure Limit
DfES	Department for Education and Skills
DfT	Department for Transport
DG	Director General
DH	Department of Health
DIAS	Directorate of Information and Advisory Services
DIS	Departmental Investment Strategy
DO	Dangerous Occurrence
DoH	Department of Health
DP	Dangerous Pathogens
DPA	Data Protection Act
DPD	Dangerous Preparations Directive
DSE	Display Screen Equipment
DSEAR	Dangerous Substances and Explosive Atmospheres Regulations
DTI	Department of Trade and Industry
DTLR	Department for Transport Local Government and the Regions
DWP	Department for Work and Pensions

E

EA	Environment Agency
EAU	Economic Advisors' Unit
EBRD	European Bank for Reconstruction and Development
EC	European Community
ECA	Electrical Contractors Association
eCOSHH	Internet version of <i>COSHH Essentials</i>
EEC	European Economic Community
EECS	Electrical Equipment Certification Service
EHO	Environmental Health Officer
ELOs	Enforcement Liaison Officers
EMAS	Employment Medical Advisory Service
EM	Ethnic Minority
EMF	Electromagnetic Fields
EMM	Enforcement Management Model
EMS	Environmental Management System
EMU	European Monetary Union
EP	European Parliament
EPS	Enforcement Policy Statement
ERTMS	European Rail Traffic Management Systems
ESAU	Economic and Statistical Analysis Unit
ETM	Essential Training for Managers
EU	European Union

F

FMB	Federation of Master Builders
FOD	Field Operations Directorate
FOI	Freedom of Information
FPSO	Floating Production, Storage and Offtake Installations Operations
FRS	Financial Reporting Standard
FSA	Food Standards Agency

G

GB	Great Britain
GHS	Globally Harmonised System
GP	General Practitioner
GSMR	Gas Safety (Management) Regulations 1996

H

H&S	Health and Safety
HAV	Hand Arm Vibration
HCA	Harassment Contact Adviser
HELA	Health and Safety Executive / Local Authorities Enforcement Liaison Committee
HIAG	Health in Agriculture Group

HID	Hazardous Installations Directorate
HIRERs	Hazard Identification Risk Evaluation Reports
HM	Her Majesty's
HMRI	Her Majesty's Railway Inspectorate
HPA	High Performance Award
HSA	Health and Safety Advisor
HSAC	Health Services Advisory Committee
HSC	Health and Safety Commission
HSE	Health and Safety Executive
HSG	Health and Safety Guidance
HSL	Health and Safety Laboratory
HSWA	Health and Safety at Work etc. Act 1974
HWI	Healthy Workplace Initiative

I

IAC	Industry Advisory Committee
IAEA	International Atomic Energy Agency
ICC	Incident Contact Centre
ICI	Imperial Chemical Industries
ICVS	Interdepartmental Committee on Violence to Staff
IEC	International Electrotechnical Commission
IES	Integrated Enforcement Strategy
IHA	Independent Health Care Association
IiP	Investors in People
ILGRA	Interdepartmental Liaison Group on Risk Assessment
ILO	International Labour Organisation
ILO OSH	International Labour Organisation Occupational Safety and Health
IMC	Infrastructure Maintenance Company
IMO	International Maritime Organisation
IN	Improvement Notice
IoD	Institute of Directors
IOELV	Indicative Occupational Exposure Limit Value
IOM	Institute of Occupational Medicine
IOSH	Institution of Occupational Safety and Health
IRAC	Ionising Radiations Advisory Committee
IS	Information Systems
IS/IT	Information Systems/Information Technology
ISGMD	Internal Steering Group on Musculoskeletal Disorders (now MSD PP Management Group)
ISO	International Standards Organisation
IUKE	Inside UK Enterprise

L

LA	Local Authority
LAC	Local Authority Circular
LAPS	Lead Authority Partnership Scheme
LAU	Local Authority Unit

LFS	Labour Force Survey
LPG	Liquefied Petroleum Gas
LUL	London Underground Limited

M

MAC	Manual Handling Assessment Chart
MAFF	Ministry of Agriculture, Fisheries and Food
MCA	Maritime and Coastguard Agency
MEL	Maximum Exposure Limit
MH	Manual Handling
MoD	Ministry of Defence
MoU	Memorandum of Understanding
MSD	Musculoskeletal Disorder
MSHQ	Merseyside Headquarters

N

NAfW	National Assembly of Wales
NAO	National Audit Office
NAPAE0	National Association of Principal Agricultural Education Officers
NAPEO	National Association of Professional Employer Organisations
NCSC	National Care Standards Commission
NDA	Nuclear Decommissioning Authority
NFU	National Farmers Union
NHS	National Health Service
NHSE	National Health Service Estates
NIG	National Interest Group
NONs	Notification of New Substances Regulations
NR	Network Rail
NSD	Nuclear Safety Directorate
NVQ	National Vocational Qualification

O

OCNS	Office for Civil Nuclear Security
OECD	Organisation for Economic Co-operation and Development
OEL	Occupational Exposure Limits
OfGEM	Office for Gas and Electricity Markets
OG	Open Government
OGB	Open Government Branch
OGC	Office of Government Commerce
OGD	Other Government Departments
OH	Occupational Health
OHAC	Occupational Health Advisory Committee
OIAC	Offshore Industry Advisory Committee
OMF	Operational Management Forum

ONS	Office for National Statistics
OPG	Operational Policy Group
OPM	Outputs and Performance Measures
ORR	Office of the Rail Regulator
OSD	Offshore Safety Division
OST	Office of Science and Technology
OT	Occupational Therapist

P

PACAR	Prevention of Accidents to Children in Agriculture Regulations
P@TH	Projects at the Health and Safety Executive
PAYPAR	Prevention of Accidents to Young Persons in Agriculture Regulations
PCA	Parliamentary Commissioner for Administration
PCSPS	Principal Civil Service Pension Scheme
PcSR	Pre-construction Safety Report
PCT	Primary Care Trust
PD	Personnel Division
PDP	Personal Development Plan
PEFD	Planning Efficiency and Finance Division
PFI	Private Finance Initiative
PIC	Prior Informed Consent
PMF	Progressive Massive Fibrosis
PN	Prohibition Notice
PP	Priority Programme
PPE	Personal Protective Equipment
PPP	Public-Private Partnership
PSA	Public Service Agreement
PSES	Pedestrian Slipping Expert System
PSR	Pipelines Safety Regulations 1996
PTO	Power Take Off

Q

QQR	Quinquennial Review
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R

R2P2	Reducing Risks Protecting People
RAIB	Rail Accident Investigation Branch
RAM	Resource Accounting Manual
REFIT	Business Consultancy & ICT Services Partner (Retendering for IT)
REPPIR	Radiation (Emergency Preparedness and Public Information) Regulations
RHS	Revitalising Health and Safety
RHSAT	Revitalising Health and Safety in Air Transport
RI	Railway Inspectorate
RIAC	Railway Industry Advisory Committee
RIBA	Royal Institute of British Architects

RICOs	Railway Inspectorate Contact Officer
RICS	Royal Institute of Chartered Surveyors
RID	The European Agreement concerning the International Carriage of Dangerous Goods by Rail
RIDDOR	Reporting of Injuries, Diseases and Dangerous Occurrences Regulations
RIMINI	Risk Minimisation (Network Rail's company standard)
RISB	Rail Industry Safety Body
RITC	Railways Industry Training Council
RoSPA	Royal Society for the Prevention of Accidents
ROTS	Railways and Other Transport Systems (Approval of Works, Plant and Equipment) Regulations
RPD	Resources and Planning Directorate
RPU	Risk Policy Unit
RRA	Race Relations Act
RRMPOL	Rolls Royce Marine Power Operations Ltd
RSC	Railway (Safety Case) Regulations
RSI	Repetitive Strain Injury
RSSB	Rail Safety and Standards Board

S

S&I	Science and Innovation
S&T	Science and Technology
S&T	Slips and Trips
SAC	Subject Advisory Committee
SAD	Safety Awareness Day
SASD	Strategy and Analytical Support Directorate
SBS	Small Business Scheme
SCS	Senior Civil Service
SE	Scottish Executive
SEPA	Scottish Environment Protection Agency
SFFS	Sustainable Food and Farming Strategy
SH2	Securing Health Together
SHA	Strategic Health Authority
SHAD	Safety and Health Awareness Day
SHCMOEI	Safety and Health Commission for the Mining and Other Extractive Industries
SHT	Securing Health Together
SI	Statutory Instrument
SID	Strategy and Intelligence Division
SIM	Sector Information Minute
SLA	Service Level Agreement
SLIC	Senior Labour Inspectors Committee
SME	Small and Medium Sized Enterprise
SO	Solicitor's Office
SPAD	Signal Passed at Danger
SPATS	Senior Professional Administrative Training Scheme
SR	Safety Report
SRA	Strategic Rail Authority
SRCC	Scottish Regulation of Care Commission
SSAP	Statement of Standard Accounting Practice
STF	Slips, Trips and Falls from Height
SWI	Self-Reported Work-related Illness Survey

T

TAIEX	Technical Assistance and Information Exchange
TD	Technology Division
TEC	Training and Enterprise Council
TEXIAC	Textiles Industry Advisory Committee
TGWU	Transport and General Workers Union
TOCs	Train Operating Companies
TPWS	Train Protection and Warning System
TU	Trade Union
TUC	Trades Union Congress

U

UCATT	Union of Construction, Allied Trades and Technicians
UK	United Kingdom
UKAEA	United Kingdom Atomic Energy Authority
UKAS	United Kingdom Accreditation Service
UK GAAP	United Kingdom Generally Accepted Accounting Practice
UKOOA	United Kingdom Offshore Operators Association
UN	United Nations
UV	Ultra Violet
UWED	Use of Work Equipment Directive

V

VAT	Value Added Tax
VFM	Value for Money

W

WAH	Temporary Work at Heights Directive
WCAR	Work in Compressed Air Regulations
WCO	Workplace Contact Officer
WDA	Welsh Development Area
WDC	Workforce Development Confederation
WENRA	Western European Nuclear Regulators Association
WHO	World Health Organisation
WRMSD	Work Related Musculoskeletal Disorders
WRULD	Work Related Upper Limb Disorder
WSA	Workers Safety Advisor
WWT	Working Well Together



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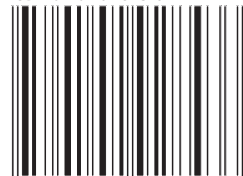
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