

Lord Hunt of Kings Heath OBE  
Parliamentary Under Secretary  
Department for Work and Pensions  
Richmond House  
79 Whitehall  
London  
SW1A 2NS

29 March 2006

*Dear Philip,*

**Employers' Liability (Compulsory Insurance) Act 1969 ("ELCI")**

In 1975, an agreement was made to transfer functions exercised by the Secretary of State relating to administrative and enforcement activities under ELCI to the Health and Safety Commission ("the Commission"). This agreement was made in the form of letters between WJ Simpson, the then Chairman of the Commission and Harold Walker, Parliamentary Under Secretary of State at the Department of Employment.

Following that agreement, the Health and Safety Executive have carried out these functions under ELCI on behalf of the Commission, including the administration and enforcement of ELCI over employers in the rail industry.

However, as part of implementing the changes set out in the Future of Rail White Paper (published 2004) the Government decided to transfer responsibility for rail health and safety to the Office of Rail Regulation (ORR). From 1st April 2006, it will no longer be appropriate for the Commission's functions under ELCI to include the administration and enforcement of ELCI over employers in the rail industry.

In consequence of this change, I am proposing that the agreement for the enforcement of ELCI, between the Commission and the Department of Employment (now the Department for Work and Pensions), be varied, so that those functions transferred to the Commission will no longer include the administration and enforcement of ELCI over employers engaged in activities for which ORR is made enforcing authority under regulation 3(1) of the Health and Safety (Enforcing Authority for Railways and Other Guided Transport Systems) Regulations 2006. I am not proposing any other alteration to the agreement.

From ~~the~~ Chair

**Bill Callaghan**

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I understand that a separate agreement is being prepared to give ORR powers to administer and enforce ELCI over these employers.

I hope you are able to accept my proposal and, if so, would be grateful if you could formally communicate your acceptance of this variation in writing. I propose that this variation of the agreement shall take effect as of 1 April 2006 when the Health and Safety (Enforcing Authority for Railways and Other Guided Transport Systems) Regulations 2006 are expected to come into force.

*Yours ever*

A handwritten signature in black ink, appearing to read "Bill Callaghan". The signature is written in a cursive style with a large, prominent "C" at the end.

**Bill Callaghan**  
Chair, Health & Safety Commission



From the Parliamentary  
Under Secretary of State  
for Work and Pensions  
Lord Hunt of Kings Heath OBE



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30<sup>th</sup> March 2006

Dear Bill

**Employers' Liability (Compulsory Insurance) Act 1969 ("ELCI")**

Thank you for your letter of **29th** March

I am happy to consent to your proposals to vary the agreement for the enforcement of ELCI between the Commission and the Department for Employment (now Department for Work and Pensions) so that those functions transferred to the Commission will no longer include the administration and enforcement of ELCI over employers engaged in activities for which ORR is made enforcing authority under regulation 3(1) of the Health and Safety (Enforcing Authority for Railways and Other Guided Transport Systems) Regulations 2006.

PHILIP HUNT