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HEALTH AND SAFETY COMMISSION

HSC/E Management Statement

A Paper by Bill Tomkins and Susan Mawer

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Cleared by Vic Coleman on 23 August 2005

Issue

1. Analysis of changes between Framework of Accountabilities (FoA) and proposed Management Statement MS.

Timing

2. Routine

Background

3. At its meeting on 26 July the Commission asked that this paper be discussed by the Commission. This addendum provides more detail on the draft MS and the changes between it and the current FoA.
4. The format and content of the proposed Management Statement is based on a model developed by HMT. HSC and HSE are encouraged to use this format by Treasury – if used DWP and HSC/E will not need to seek specific HMT agreement to a basic governance document. Much of the content is the same or set out in similar terms as in the Framework of Accountabilities (FoA).
5. Annex 1 describes the changes in more detail.

Argument

6. There is a number of reasons for moving from the existing FoA to the proposed MS –
 - the FA was due for revision to take account of changes since 2001;
 - the MS is with DWP (HSC/E's sponsoring department) and not the Department for the Environment, Transport and the Regions which no longer exists;
 - the MS reflects the greater emphases on getting the strategy right and delivering on it;

- the MS has a greater emphasis on defining roles as they are evolving rather than just re-iterating what the 1974 ACTS says are the roles of HSC and HSE; and
- the proposed MS is largely a “good housekeeping” exercise. There are no “root and branch” changes proposed.

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DRAFT MANAGEMENT STATEMENT & FRAMEWORK OF ACCOUNTABILITIES

Management Statement	F'work of Accountabilities	Comments
<p><u>Introduction (paras 1 – 7)</u> More extensive than in FoA. Includes elements on HSC's and HSE's status as non-Departmental Government Bodies NDPB. Includes provisions for amending MS and interpretation. DWP to place copies in libraries of both Houses of Parliament</p>	<p>Introduction simply describes FoA. NDPB status in Purpose and Structure section.</p> <p>Dealt with at end of FoA (para 58)</p>	
<p><u>Founding Legislation and Status (paras 8 – 11)</u> Sets out in detail legislative basis for HSC and HSE</p>	<p>Some elements in FoA (e.g. size of HSC) but not at same level of detail</p>	<p>Model MS sought this level of detail</p>
<p><u>Functions, duties and powers of HSC and HSE (paras 12 - 17)</u> All are described in detail drawing on the provisions of HSWA (S. 11, 13, 14 & 18 and Schedule 2)</p>	<p>Statutory duties and powers of HSC described at paras 16 – 18 and HSE at 22 - 29 of FoA (Role of HSC and Role of the Executive)</p>	<p>Model MS provided for this approach</p>

<p><u>Classification (Paras 18 – 20)</u> Identifies HSC and HSE as NDPBs. Further defines HSC and HSE as part of central government for accounts purposes. Includes description of Health and Safety Laboratory</p>	<p>Includes description of HSC and HSE as NDPB's</p>	<p>Again model MS asked for level of detail in draft MS.</p>
<p><u>Governance (Paras 21 & 22)</u> Refers to current approach to strategy</p>	<p>No equivalent section in FoA – but reference to HSC Strategic Plan in Introduction and at para 41</p>	<p>New text on draft MS reflects current practice and emphasis on getting strategy right. Also para 22 of MS is important – it defines parameters within which HSC and HSE have freedom of action.</p>
<p><u>Overall Aim, Objectives and Key targets (paras 23 – 27)</u> Described in terms of general duties in Part 1 of HSWA. Adds on role of DWP in approving the Strategy Document and adds commitment on Better regulation</p>	<p>Defined in the same terms at para 2 of FoA. Para 41 provides for SofS to approve Strategic Plan</p>	<p>Text of draft MS reflects current interests in strategic direction and better regulation</p>
<p><u>Secretary of State (Para 28)</u> Sets out roles of SofS as they derive formally from Act (e.g. appointing Commissioners), from practice (Parliamentary accountability, provision of resources) and how they have evolved (approval of plans)</p>	<p>Set out in similar terms at paras 9 – 12 of FoA</p>	
<p><u>General Roles of Secretaries of State (paras 29 & 30)</u></p>		<p>Text similar in both documents</p>

<p><u>Role of HSC Chair (Paras 31 – 36)</u> Sets out detail of appointment and reporting line to SofS. Also places emphasis on leadership role of Chair (incl. ensuring full brief of new commissioners). Includes accounting officer role</p>	<p>Definition of role short – accounting officer plus efficient and economical conduct of HSC business, propriety of HSC expenditure and HSE expenditure in accordance with HSC plans and priorities. It draws heavily on preceding definition of Commission’s role</p>	
<p><u>Role of HSC (paras 37 – 40)</u> Provides for appointment of Commissioners and describes role – includes text at bullet points 2 ND 3 WHICH Chair wanted</p>	<p>Fairly detailed definition of roles in terms of statutory duties and powers – drawn heavily from provisions of Act</p>	<p>The draft MS text reflects the more involved role the Chair and DG want Commissioners to take in defining strategy representation and challenging HSE on delivery. The fifth bullet of para 38 of draft MS has attracted comment – but there is similar text at para 14 of the current HSC Code of Practice. Also para 22 of draft MS is explicit about HSC’s freedom of action</p>
<p><u>Role of DG (Para 41)</u></p>		<p>Defined in similar terms in both documents – paras 30 & 31 of FoA and 41 of draft MS</p>
<p><u>DG as Consolidation Officer and Principal Officer for Ombudsman Cases (Paras 42 – 47)</u></p>		<p>Not included in FoA – derives from Model MS</p>
<p><u>Role of Executive (Para 48)</u> Simply defines constitution and lists main roles.</p>	<p>FoA defines role of Executive in some detail drawing on the provisions of HSWA</p>	<p>Much shorter than in the FoA – largely because of formal functions, powers and responsibilities as set out in Act are described earlier in draft MS.</p>
<p><u>Role of DWP Accounting Officer (Paras 49 – 51)</u> Text expanded here because it includes detail formerly contained in the Financial Memorandum</p>	<p>Limited coverage in FoA – with reference to Financial Memorandum (FM)</p>	<p>Change reflects structure of Model FM</p>

<u>Role of HSC/E Accounting Officers (Paras 52 – 55)</u>		Again extended in draft MS because text from old FM “promoted” to MS
<u>Delivery and Business Plans / Publication of Plans (Paras 56 – 63)</u> More detailed provisions on three year Delivery Plan and emphasis on targets Business Plan to be made available on internet	FoA simply refers to published Strategic Plan	New text reflecting emphasis on delivery and emergence of three year planning cycle / Spending reviews
<u>Reporting performance to DWP (Paras 64 – 67)</u> Provision calls for HSC/E to have management information and accounting systems to monitor performance; and report regularly on performance to DWP Also places responsibility on HSC/E to tell DWP about changes in environment which could make achievement of objectives	Sets out requirement to submit an Annual Report and Accounts to SofS. Adds requirement to report on central initiatives, efficiency and value for money	Draft MS provisions reflect greater emphasis on delivery and reflect current practice
<u>Budgeting procedures (Para 68)</u> Simply refers to FM	No similar provision – will have been covered in FM	
<u>Internal Audit (Paras 69 – 73)</u>		Covered in FoA but updated in line with model MS
<u>Additional Departmental Access (Para 74)</u> Provides for access to HSC/E records and personnel for matters other than financial audit (e.g. sponsorship audits)	No provision in FoA	
<u>Sponsoring team (Para 75)</u>		New text to reflect practice – DWP wanted this included
<u>Annual report (Paras 76 – 79)</u>		Both FoA and draft MS provide for annual report and accounts to be published.
<u>External Audit / VfM examinations Paras 80 – 82)</u>		Both provided for in FoA

<u>Staff Management (Paras 83 – 85)</u> <u>Text has been updated to provide for current practice</u>	FoA contains section on “Pay and Personnel Matters”	
<u>Review (Para 87)</u> Provides for periodic review of FM	Provides for formal review every 5 years	

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