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HEALTH AND SAFETY COMMISSION

HSC/E Management Statement

A Paper by

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Cleared by Geoffrey Podger on 11 August 2006

Issue

1. To note that a Management Statement (MS) <http://www.hse.gov.uk/testbed/aboutus/management.htm> (Annex A) should replace the current Framework of Accountabilities (FOA) <http://www.hse.gov.uk/aboutus/framework/f-2001.htm>

Timing

2. Routine

Recommendation

3. HSC is invited to agree the proposed MS linked/attached as Annex A to this paper and its Code of Practice For Commissioners: annex 1.

Background

4. A draft MS was included on the agenda for HSC's meeting in September 2005 ([HSC/05/88::HSC Commission Paper - HSC/E Management Statement](#) (Annex B) The addendum which was subsequently compiled identified the substantive changes between the existing Framework of Accountabilities (FOA) and that version of the MS ([HSC/05/88a::Addendum to HSC Commission Paper - HSC/E Management Statement](#) (Annex C). It confirmed that the introduction of a MS, while important to demonstrate HSC/E was abreast of good practice, was largely a good housekeeping exercise. There were no 'root and branch' issues. Consideration of the paper was deferred pending Geoffrey Podger's appointment and HSC's planned, informal discussion on governance.
5. To reaffirm, the main text of the FOA has been in place for five years and in parts, its terminology and arrangements are obsolete. Only the Financial Memorandum - <http://www.hse.gov.uk/aboutus/framework/f01-a5.pdf> (Annex D), which is an annex

of the FOA, has been recently updated. Treasury considers change to a MS format fundamental to effective governance arrangements: an issue that it is pushing hard - especially Departments' arrangements with 'arms length bodies'. In light of the above and their appreciation of HSC/E's commitment to improving financial management/governance, **DWP has signalled that they would welcome an up to date replacement of the FOA by a MS as soon as is practicable.**

Argument

6. The proposed MS will deliver this. It is based on Treasury's model for Non-Departmental Public Bodies and should therefore be fit for purpose and should not require its approval. The proposed MS **simply updates the draft circulated in September by: sharpening presentation; using current terminology. It also brings the Code of Practice for Commissioners in line with latest guidance.**
7. The proposed MS does not address the separate, more far-reaching issues arising from HSC Paper 06/57, (Future Governance of the Health And Safety Commission and Executive) <http://www.hse.gov.uk/aboutus/HSC/meetings/2006/040706/c57.pdf>. (Annex E). If the merger of HSC and HSE, which that paper posed as an option, is agreed, the MS will require further amendment. However, we believe that this MS will have sufficient longevity to justify updating it now and will, in any event, provide a clear baseline for any further amendment required.
8. The proposed MS reflects feedback on September's draft: acronyms have been better explained and annexes have been reduced from six to one. For ease of reference, only the Code of Practice for Commissioners has been retained as an annex. The others have either been incorporated in to the main body of the MS and/or hyperlinks have been added to facilitate access to the relevant area of HSC/E's website.
9. To ensure that the Code of Practice for Commissioners meets the latest guidance, the substantive changes focus on:
 - the Audit Committee – change to paragraphs 45 & 46 and appendix D bring content in to line with latest arrangements;
 - Openness/public access to papers - insertion of a new link in paragraph 16 to guidance on the Freedom of Information Act;
 - Gifts/hospitality – additional text in paragraph 34 which provides advice on recording significant offers that have been refused.

Consultation

10. DWP, HR Directorate, Internal Audit, Business Services Division, HSL, CEPS and the Legal Advisor's Office (LAO) were consulted on the proposed MS attached to paper 05/88. In addition, The Project Officer coordinating future options for governance has also commented on this paper.

Presentation

11. Two copies will be provided for signature by the HSC Chair and HSE Chief Executive. These will be forwarded to DWP for agreement and signature by the Permanent Secretary DWP and the Secretary of State Work and Pensions. Once finalised, the MS will replace the FOA on HSE's website.

Costs and Benefits

12. The benefits of an updated MS are:
 - it reflects Treasury best practice;
 - the existing FOA, last updated 5 years ago and in the public domain will be replaced by a MS which reflects current structures, terminology and arrangements;
 - it should be relevant for at least two years;
 - it will provide a clear baseline for any further amendment that might be required.
13. Costs relate solely to staff effort estimated at £25k.

Financial/Resource Implications for HSE

14. See above

Environmental Implications

15. None

Other Implications

16. As indicated above, the project officer working up the consultation document on the case for merging HSC/E has seen this paper and will continue to be kept informed of the proposed MS' progress.

Action

17. The Commission is asked to agree:
 - the proposed MS and its annex: Code of Practice for Commissioners.