

<b>Health and Safety Executive Board Paper</b>			<b>B/02/031</b>
<b>Meeting Date:</b>	<b>03 July 2002</b>	<b>Open Gov. Status:</b>	<b>Fully Open</b>
<b>Type of Paper:</b>	<b>Above the line</b>	<b>Paper File Ref:</b>	
<b>Exemptions:</b>	<b>None</b>		

## **HEALTH AND SAFETY EXECUTIVE**

### **The HSE Board**

#### **CORPORATE GOVERNANCE – A SCENE SETTING PAPER**

##### **A Paper by Tony Mulhall**

**Advisor(s): Bill Tomkins, Jane Willis, Tony Bandle, Gordon MacDonald  
Cleared by Richard Hillier on 24 June 2002**

#### **Issue**

1. A joined-up approach to the agenda for the Board meeting 3 July 2002

#### **Timing**

2. Urgent

#### **Recommendation**

3. The Board:
  - takes corporate governance as the theme for this meeting and considers the papers at para 4 as interrelated elements of this theme,
  - agrees the specifications at para 10 for a future paper setting out ways in which the Board handles corporate governance issues.

#### **Background**

4. The agenda for the 3 July meeting includes :
  - a) the End of Year performance report,
  - b) the Balanced Scorecard, and
  - c) Business Risk Management,
  - d) delivering the PSA targets.

## Argument

5. Items a) – c) consider information that is being or is proposed to be provided to the Board. It is likely that the PSA Plus initiative will introduce new pressures on corporate performance measurement and reporting. The Board presently has performance reports from a number of sources with potential for duplication and conflict/confusion in messages; the multiple information gathering streams involved significantly add to the bureaucratic burden for D/Ds.

6. Item d) on business risk management reviews where we are with our internal business risk management process and reviews the impact of the Cabinet Office's Performance and Innovation Unit draft report "Handling Risk and Uncertainty – Improving Government's Capability." This report is expected to be cleared by Ministers and Permanent Secretaries by this Autumn.

7. The PIU report recommends "ensuring decisions take account of risks – embedding risk handling in key decision process". Examples include the policy making process, the Spending Review, business planning, programme management and external risk and reputation management amongst others.

8. There is a common thread running through all the papers; after discussing each paper individually the Board may wish to review them all and what they mean jointly for HSE's corporate governance arrangements, perhaps using the template in para 10.

9. We recommend the Board specifies how it wishes to handle consideration of corporate governance issues in future; in particular how this links to the current planning, monitoring and reporting cycle and moves to a more integrated approach. For example the Board may wish to periodic reviews of corporate governance issues or to specify that information needed to make corporate decisions.

10. Such a specification should be based on principles of:

- being fit for purpose and timely,
- making best use of and developing existing management information,
- minimising bureaucracy and delivering best added value,
- a single information stream for data gathering with a central "recycling plant" to communicate the information to the required audience be it the Board, Executive, Commission, the Department, Cabinet Office or other external stakeholders,
- tackling issues in an integrated rather than piecemeal fashion.

11. PEFD (Finance Policy and Planning Units), RPU, SD and the Change Programme team all have an interest and role in this. We propose that the Board contract the development of this specification to a joint working group.

## **Presentation**

12. The appropriate embedding of broad risk management, including responsible risk taking, in all aspects of HSC/E business and at all levels is a key message to be communicated. This could be done as part of the change programme or separately. Either way this need to be progressed with the Board's full endorsement.

## **Consultation**

13. SASD and Change Programme Manager.

## **Costs and Benefits**

14. Not developed at this stage.

## **Financial/Resource Implications for HSE**

15. Not developed at this stage.

## **Environmental Implications**

16. None.

## **Other Implications**

17. None at this stage.

## **Action**

18. The Board agree a joint working group be set up to bring forward proposals for the Board's approach to Corporate Governance based on the specifications agreed by the Board.