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Exemptions:			

HEALTH AND SAFETY EXECUTIVE

HSE Board

Minutes of a finance meeting of the HSE Board held on Wednesday 27 November 2002 at 12:00 noon in the Rose Room, Rose Court.

Present

Paul Davies
 Adrian Ellis
 Alan Osborne
 Peter Graham
 Robert Humm
 Sian Lewis
 Justin McCracken
 Vivienne Dews
 Sandra Caldwell
 Nick Starling
 Kate Timms
 Laurence Williams
 Timothy Walker

Also attending

Jane Willis
 Pat Williams
 Colleen Bowen

Apologies; Robert Humm

Alastair Cannon - Secretariat

1 Draft minutes of the HSE Board meeting held on Wednesday 16 October (B/02/M011).

1.1 The minutes along with their open government status were agreed.

2 SR2002: Planning Implications B/02/055. Paper by Jane Willis.

2.1 As requested, The Board noted the strategic approach and the high level options being proposed in the draft paper to the HSC.

3 Autumn Planning Event: Allocations 2002/03 B/02/052 A paper Colleen Bowen.

3.1 Jane Willis introduced the paper drawing the Board's attention to the six specific recommendations.

3.2 Timothy Walker then made the following points by way of introduction;
 a Care should be taken on the language used; overall there are no cuts, we would spend more money next year, although there would be reallocations away from some work to others.

- b This paper deliberately was high level and focussed on the guiding principles to be applied in allocating budgets; it and the Board discussion would not be about the specifics of individual budgets.
- c The aim was to allocate budgets to primary budget holders, namely Justin and Kate, by the end of January, and PEFD were working toward this. By that time the position on rail, change programme moves and the collective IT bid for resource would be clearer. A Board meeting toward the end of January would discuss the final allocations.
- d The future-year projections in the paper, especially estate costs had to be kept firmly in mind.
- e HSE was right up against its gross admin. limit; this meant that any additional income earned would be of no benefit, indeed would be a disbenefit because the cost of earning the additional income could not be recovered. Therefore there could be no assumption that income related work pays for itself - decisions may have to be made on ranking the importance of different income generating work.

3.3 The following points were made in discussion;

- a If the proposed increase in charging fees were agreed by Ministers this would put further pressure on the gross admin. limit. In addition there was an income limit too beyond which any extra income earned had to be surrendered. Discussions are in hand with HMT to seek increases in these limits - these discussions may or may succeed.
- b Clarity was required on the position with regard to HSE's costs associated with HSL's PFI as this would impact on forward commitments. Colleen Bowen responded that PEFD were aware of the urgency and were actively working on this.
- c The budget for change implementation next year had to be considered; overall this is likely to be substantial.
- d The figures produced in Annex 2 to support the discussion on the principle that allocations for staff related costs be made on the basis of standard costs, raised interesting questions

Agreed Overall allocations should be made on the basis of balancing the budget with budget holders aiming, in the first instance, to contain in-year pressures within their budget groups. However the possibility of a major unforeseen external event forcing a reconsideration could not be ruled out.

Agreed A separate paper on the collective IT bid will come the same January Finance Board as the final Allocations paper.

Agreed The principles in paragraph 12 of the paper on change programme related staff moves were agreed.

Agreed An indicative budget would be prepared for the change programme

Action RPD to examine further the figures in Annex 2 to determine the reasons for the variances with a view to developing and promulgating good practice.

4 **AOB**

4.1 Timothy Walker raised the matter of HSE's policy on early retirements asking whether the policy should be a presumption against early retirement and in favour of redeployment. Early retirement is usually sought on actuarially enhanced rates and was expensive for HSE.

4.2 The following points were made in discussion;

- a Most people affected were likely to be in mobile grades so redeployment should be possible; the general employment principle was understood to be that alternative work should be of equal quality and standing
- b Advice would be required as to the legal position.
- c Some flexibility would be helpful, otherwise the situation might arise whereby someone highly paid could end up carrying out work that could be done equally well cheaper.

Agreed The presumption should be against any automatic right to early retirement, unless legal advice was otherwise.

Action Vivienne Dews to ensure that the Staff Handbook is changed to reflect the agreed position.

Director General's Private Office

December 2002