MEMORANDUM OF UNDERSTANDING BETWEEN THE DEPARTMENT FOR ENVIRONMENT, FOOD AND RURAL AFFAIRS AND THE HEALTH AND SAFETY EXECUTIVE REGARDING THE COMPETENT AUTHORITY, AGENCY AND ENFORCEMENT FUNCTIONS FOR UK REACH, PLANT PROTECTION PRODUCTS, DETERGENTS AND DIRECTLY RELATED INTERNATIONAL TECHNICAL ACTIVITIES:

FINANCIAL YEARS 2025 – 2026

BACKGROUND

1. This Memorandum of Understanding (MoU) sets out the agreement between the Department for Environment, Food and Rural Affairs (Defra) and the Health and Safety Executive (HSE), in relation to the funding and delivery of Competent Authority (CA) functions undertaken by HSE for pesticides/PPPs (plant protection products) and detergents; the functions of 'the Agency' and enforcing authority for UK REACH (Registration, Evaluation, Authorisation and Restriction of Chemicals), and to provide directly related international technical capability. The agreement covers these functions as required for England, Scotland, Wales and Northern Ireland. It also sets out the broader context within which HSE and Defra will operate the chemicals regimes above. It covers a 12-month period.

2. HSE undertakes CA functions relating to PPPs and detergents by virtue of the Agency Agreements between the Secretary of State for Environment, Food and Rural Affairs, and the Health and Safety Executive as follows (or any succeeding Agency Agreements):

    - Agency Agreement between the Secretary of State for Environment, Food and Rural Affairs and the Health and Safety Executive relating to pesticides which came into force on 12 February 2021.

    - Agreement between the Secretary of State for Environment, Food and Rural Affairs and the Health and Safety Executive relating to detergents which came into force on 12 February 2021.

    - Any other agreements that are currently being developed and will be agreed by the Secretary of State for Environment, Food and Rural Affairs and the Health and Safety Executive.

3. HSE's functions as 'the Agency' for UK REACH are for the purposes of the retained version of Regulation (EC) No 1907/2006 (the "UK REACH Regulation"). The UK REACH Agency functions are conferred on the Health and Safety Executive by Article 2A of the UK REACH Regulation[1]. Annex A of this MoU relates to the power of the Secretary of State to give directions exercisable with respect to the Agency functions under UK REACH. HSE is a UK REACH enforcing authority under the REACH Enforcement Regulations 2008[2].

[1] www.legislation.gov.uk/ukdsi/2019/9780111178034

[2] www.legislation.gov.uk/uksi/2008/2852/contents/made

4. This MoU is intended to be read alongside the ‘Memorandum of Understanding between the Department of Environment, Food and Rural Affairs and the Health and Safety Executive on the ‘Comply with UK REACH’ IT system (also known as ‘UK REACH-IT)’ which sets out the responsibilities of the two parties in relation to the ‘Comply with UK REACH’ IT system.

5. This MoU is intended to ensure that there is an effective and coordinated approach to the regulation of chemicals for the protection of human health, worker safety, and the environment with respect to the regimes above. Both parties recognise that they need to work closely together to ensure the coherent management of all the regimes covered by this MoU, and across wider HSE-led chemicals regimes, and to enable effective and joined up working on chemicals policy within the UK Government.

6. This MoU should be considered alongside the agreed ways of working and joint decision-making responsibilities between Defra, HSE, the Environment Agency (EA), and the Devolved Administrations (DAs) as set out in the Chemicals and Pesticides Common Framework.

7. This MoU details:

    - how HSE and Defra will work together in respect of the above regimes;
    - arrangements for monitoring delivery and reporting of work;
    - arrangements for finance reporting and forecasting;
    - arrangements for review of this MoU and future planning.

8. This MoU is not intended to constitute a legally enforceable contract or to create any rights or obligations which are legally enforceable. It does not impinge on any other relationship specifically or more generally between HSE and Defra.

FINANCIAL GOVERNANCE

9. Defra will provide funding to HSE for the work agreed by Defra and HSE, covered by this MoU. The budget and the work that will be delivered will be agreed on an annual basis. The appropriate Defra Director will confirm the budget allocation by the end of March each year, dependent on departmental business planning processes. It is acknowledged that each annual allocation does not set a precedent for future funding and that these figures may either increase or decrease in future years. It is also recognised that decisions made each year, for example around recruitment, can create funding requirements into future years. Defra will work with HSE to resolve these if funding settlements for future years mean staffing levels are unsustainable. Future funding will be reviewed in line with HM Treasury guidelines and Spending Review allocations.

10. HSE may move money between budget lines as needed during the year, but not between programmes.

11. If it becomes clear that spending is varying significantly from the forecast, HSE must alert Defra at the earliest opportunity.

12. Defra will pay HSE on receipt of invoices, produced at the end of each quarter, in tandem with a quarterly report (see para 31). This report will include a high level breakdown of money spent, income received, relevant narrative to give a good overall sense of where the money was used, and explanation of any significant overspend or underspend, along with how this could be addressed.

13. There will be separate Purchase Orders for work relating to UK REACH & PPP respectively. Funds will be paid against the two generated Purchase Orders depending on the area of work. Separate invoices should be issued for each Purchase Order.

14. HSE will provide YTD (Year-To-Date) accruals by 12-noon on the 3rd working day of every month and will provide spend forecasts quarterly, accounting for any variance in expenditure and emerging overspend or underspend, so funds can either be reprioritised or discussed further. If Defra has confirmed HSE's annual funding allocation, HSE will aim to provide the first forecast of the financial year prior to the new financial year beginning, therefore by the 29th March with a realistic deadline.

PLANT PROTECTION PRODUCTS

Funding to be provided by Defra to HSE in relation to the staff and other resources to be committed by HSE to the UK PPP CA functions, relevant associated enforcement functions and any EU alignment related work.

15. This funding is for functions listed in paragraphs 1 to 12 of the Agency Agreement between the Secretary of State for Environment, Food and Rural Affairs and the Health and Safety Executive relating to pesticides which came into force on 12 February 2021 or, if superseded, the latest Agency Agreement for pesticides/PPPs in force.

16. The Pesticides Programme Plan provides further details of these functions. In addition, funding is provided for functions that enable HSE to carry out its role as agreed for implementing the Northern Ireland Protocol (NIP). Final decisions on funding for NIP related work rest with Defra as the funding department. In particular, strategic priorities for the delivery of official controls, under the Pesticides Programme Plan, will be agreed jointly by HSE and Defra based on evidence and policy needs.

17. Defra may request HSE to visit or investigate particular operators or business types; HSE will consider such requests, the reasons and evidence for them but the decision as to whether any visit takes place rests solely with HSE as the independent regulator.
18. Defra's contribution to the costs of monitoring schemes for pesticides includes funding for FERA Science Ltd under the renewed Specialist Science and Contingency Services contract which commenced on 1 April 2025. At the time of writing, Defra has confirmed allocations including 2025/26. If this arrangement were to change during the period of this MoU, the MoU would need to be amended and or taken via relevant governance boards. This is captured in the separate Fera/Defra commercial MoU.

UK REACH AND DETERGENTS

Funding to be provided by Defra to HSE in relation to the staff and other resources to be committed by HSE to the UK REACH Agency functions, relevant associated enforcement functions, continued development of UK REACH policy and the UK REACH IT service, and GB detergents CA functions.

19. This funding is for HSE to act as the 'the UK REACH Agency' in accordance with the retained version of Regulation (EC) No 1907/2006, and as a UK REACH enforcing authority. The Chemicals Programme Plan provides further details, incorporating the UK REACH Project Plan (which includes activities such as delivery of the UK REACH Work Programme, the UK REACH Service Release Plan, updates to policy and legislation, and communications and guidance work). In addition, funding is provided for functions that enable HSE to carry out its role as agreed for implementing the UK REACH requirements within the NIP. Final decisions on funding for NIP related work rest with Defra as the funding department.

20. This MoU does not cover the funds provided by Defra to the EA, which contribute to supporting EA's Chemicals Assessment Unit's input to HSE's 'Agency' functions. This excludes any fees collected by HSE on behalf of the Environment Agency.

21. This funding is also for functions listed in paragraphs 1 to 3 of the Agency Agreement between the Secretary of State for Environment, Food and Rural Affairs and the Health and Safety Executive relating to detergents which came into force on 12 February 2021 or, if superseded, the latest Agency Agreement for detergents in force.

22. For detergents, HSE will provide advice and guidance exclusively to the Secretary of State for Environment, Food and Rural Affairs regarding safeguarding the public and the environment under Article 15 of the detergents regulations and carry out investigation of scientific and technical aspects of false positive results; regarding control measures under article 10 of the detergents regulations.

INTERNATIONAL TECHNICAL CAPABILTY

Funding to be provided by Defra to HSE in relation to the staff and other resources by HSE to support Defra in the context of strategically important international activities.

23. The extent of delivery on these activities will be influenced by the availability of resource, depending on the requirements and other commitments, such as UN negotiations associated with legally binding Multilateral Environment Agreements (MEAs) on chemicals and waste, and other priority international workstreams given that the UK is now participating outside of the European Union. Deliverables will be set out in the International Chemicals and Pesticides Programme Plan.

BIOCIDES AND PESTICIDES TRANSFORMATION PROGRAMME (BPTP)

24. HSE is leading on delivering the Biocides and Pesticides Transformation Programme (BPTP) as set out in the BPTP Programme Plan and Business Case. From 2022/23, DWP will solely fund this programme of work. Defra contributed to funding for the first year of the programme and maintains a key interest in the delivery of the work, as a customer of the outputs.

25. A Defra representative will continue to sit on the Biocides and Pesticides Transformation Programme Board. Regular updates on progress will be provided via this Programme Board.

ANNUAL CHARGES, FEES AND OTHER CHARGES

26. For the PPP and detergents CA functions, and UK REACH Agency and enforcement functions, HSE will collect and account for all relevant annual charges, fees and other charges payable by bodies other than Defra in relation to the exercise of functions under this MoU. Annual charges, fees and other charges will be used to offset the costs of the CA and Agency and enforcement functions.

27. For 25/26, HSE will monitor income throughout the year and amend quarterly forecasts if actual income varies significantly from the estimate provided as part of their allocation letter. A substantial review should take place at the end of quarter 2 each year. If UK REACH fee income falls short of the estimated level during the year, Defra will supplement the UK REACH funding to HSE. This would only apply to financial pressures in relation to UK REACH funding, not any other overspend. Any income above the estimated level for 25/26 should be returned to Defra unless there is agreement for it to be used within HSE. Arrangements for future years will be covered in the relevant allocation letters. For years 26/27, 27/28 and onwards, HSE should work to develop and agree revised estimates for UK REACH income.

28. HSE will collect any annual charge, fee, or other charge payable to Scottish or Welsh Ministers as part of the Agency Agreements with the Secretary of State for Environment, Food and Rural Affairs and/or the HSE and remit appropriate sums to the DAs in Scotland and Wales. HSE will also collect annual charges on behalf of Northern Ireland Ministers and remit an appropriate sum to the DA in Northern Ireland. Including any fees collected by HSE on behalf of the Environment Agency.

29. Defra will not fund work requested by the DAs on an independent basis. Funding of such work will be discussed with the DAs on a case-by-case basis.

DELIVERY

Business Plan

30. At the start of the year Defra and HSE will agree any changes to the activities and specific deliverables for pesticides (PPP), UK REACH, detergents and international activities that Defra will fund HSE to deliver, as presented in the Chemicals Programme Plan and Pesticides Programme Plan. These plans are based on resource available and Defra priorities and will be used as a reference point to manage work, report on deliverables, and reprioritise if needed.

31. HSE and Defra will monitor delivery against the agreed HSE deliverables set out in the programme plans and HSE will report in line with the agreed performance monitoring

mechanism. This includes monthly, quarterly, or by exception updates on the key deliverables, with the frequency determined by the categorisation of each deliverable agreed in the respective plan. A quarterly report highlighting work against agreed performance indicators, risks and issues and budgets will be submitted to the relevant programme board. Forecasts will be provided to Defra finance colleagues at appropriate points throughout the year including an accurate Q4 forecast to be provided at the end of Q3.

Work area	**RDEL 2025/26**
Chemicals	£6,271,574
Pesticides Pesticides Shortfall Fees	£8,190,021 £7,090,030
International	£367,889
Total including additional funding	**£21,919,515**
Projected REACH Fees	-£1,529,871
Overall Total	**£20,389,644**

32. HSE will be members of all relevant governance Boards. HSE will report to these boards, as set out above. Any risks, issues, or decisions to be taken that could affect delivery should be discussed at these boards and HSE will bring papers to these boards where decisions are required. If a situation arises in which the position of the governance board(s) is inconsistent with the position of HSE's internal governance, HSE will engage with Defra to seek a resolution. It is recognised that HSE as an independent regulator has its own internal governance mechanisms and this will shape and dictate what is brought to the governance boards.

33. Any outstanding issues related to reporting that are unresolved by the governance board(s) can be escalated to Deputy Directors for resolution, including reviewing delivery against agreed plans and expenditure against agreed budgets. Where required, both parties can initiate ad-hoc review meetings.

34. The programme plans will be formally reviewed annually. If the agreed priorities or activities are subject to material change in-year, the relevant programme plan will be amended accordingly by mutual agreement (see para 36) and using the agreed upon Change Control process, if necessary, through the review process set out in paragraph 37. If any changes have implications beyond HSE and Defra, then others will be consulted as necessary.

REVIEW AND FUTURE PLANNING

35. HSE and Defra have developed a monitoring and reporting framework for this MoU as detailed in the Business Plan section above. HSE and Defra will continue to review and develop the planning, performance and financial monitoring process to ensure the most effective longer-term priority setting and reporting mechanisms.

36. Where it becomes apparent that programme plan deliverables may have to be varied, HSE will raise at the appropriate programme board or quarterly meeting. If there are implications for the devolved administrations, a discussion will normally take place through the Chemicals Delivery Board (CDB) and Pesticides Delivery Board (PDB) (as relevant) and could be escalated to the UK Chemicals Governance Group (UKCGG) if necessary. These discussions will then be taken into account in Defra's final decision on any changes to delivery plans or resources. HSE commit to flag any emerging underspend at the earliest opportunity, as well as through the quarterly forecasting report.

FUNDAMENTAL CHANGES TO FUNCTIONS

37. If changes to functions are identified during the agreement period, Defra would firstly discuss these requirements and the associated resourcing with HSE and if necessary, seek agreement through the relevant programme board, providing as much reasonable time as possible for HSE to adjust functions. If changes in circumstances necessitate it, this MoU can be amended or terminated at any time during the period of the agreement.

DISPUTE RESOLUTION

38. In the event of a dispute arising between Defra and HSE in relation to this MoU, both parties will attempt to resolve the dispute at an operational or policy working level by those closest to the issue(s) in question. If it is not possible to resolve at this level both organisations will use all further reasonable means to resolve the problem, including escalation to the relevant programme board in the first instance, quarterly meeting and then referral to the relevant senior official in the respective organisation, if required.

39. If the dispute cannot be settled between the Directors or Deputy Directors, the matter will be escalated to Director General/Chief Executive Officer or Ministers as required.

DATA PROTECTION AND INFORMATION MANAGEMENT OBLIGATIONS

40. There is an expectation that Defra and HSE will share relevant data and information with each other. Information obtained and provided by all parties must be managed in accordance with the relevant information management legislation and other relevant agreements, including but not limited to:

    a) Freedom of Information Act 2000 (FOIA);

    b) Environmental Information Regulations 2004 (EIR);

    c) UK General Data Protection Regulations 2018 (UK GDPR);

    d) Public Records Act 1958 and 1967;

    e) Privacy and Electronic Communications Regulations 2003 (PECR);

    f) Re-use of Public Sector Information Regulations 2015; and

g) REACH Data Sharing Agreement (DSA) between HSE, EA and Defra.

h) Data Sharing Agreement Between Defra and HSE for The Official Controls (Plant Protection Products) Regulations 2020

41. Information will only be retained by the parties for a period relevant to the discharge of that party's functions. Information will be held for no longer than is necessary for the purposes for which it is processed. Any decision to retain information will have regard to relevance, necessity and proportionality and must be in line with statutory requirements under all information management and access legislation. Information provided and obtained by all parties must be kept secure and all parties will ensure that adequate arrangements are in place to protect the confidentiality of information and that such arrangements are acceptable to all parties. The control and method of transmission of information between all parties must be managed in accordance with the Government's policy on marking of information. The top classification in scope for this MoU is 'OFFICIAL' with handling caveat 'SENSITIVE'. The recipient is responsible for ensuring any appropriate data handling activities meet the necessary controls for that classification. The nature of this data requires all individuals who have access to be cleared to Baseline Personnel Security Standard (BPSS). It is the responsibility of the recipient to ensure these criteria are met.

DATE OF OPERATION

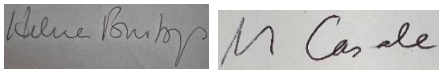
42. This MoU will take effect when two original copies are signed and dated by both Defra and HSE. The MoU may be varied at any time with the written agreement of Defra and HSE and will be reviewed in the final quarter of 2025/26 in preparation for the signing of a new agreement.

For Defra:

Name Helena Busby and Marc Casale

Position: Deputy Directors

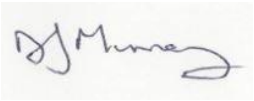
Chemicals, Pesticides and Hazardous Waste

Signature:  Date: **30/06/2025**

For HSE:

Name: **DAVID MURRAY**

Position: **Director of Planning Finance Procurement (PFPD), Corporate Services**

Signature:  Date: **16/07/2025**

ANNEX A – POWERS OF DIRECTION

1. Article 2A(4) of the UK REACH Regulation as defined above provides that the power of the Secretary of State under Section 12(2)(a) of the Health & Safety at Work etc. Act 1974 to give directions is to be exercisable with respect to the functions of the Agency (being HSE) under the UK REACH Regulation. This power will be referred to in this MoU as the 'power of direction'. This statement sets out the agreed expectation of the [parties] as to how the power of direction may be used by the Secretary of State (SoS) and the prior engagement that will take place before the power is exercised.

a. The intention is that the power of direction will only be used in exceptional circumstances. It is not intended that the power of direction will be used as part of the normal functioning of the UK REACH regime and it will only be exercised after other routes to resolve an issue have been explored. See paragraph (h.) below for examples of instances where exceptional circumstances may lead to the power of direction being used.

b. As detailed in the UK REACH Regulation, the exercise of the power of direction is subject to the consent of the Devolved Administrations (DAs) to the extent that the exercise of the power is within devolved competence. The Secretary of State must also consider any request by the DAs to exercise the power of direction. In such a case, the SoS would still be required to seek consent from the other DAs to the extent that the exercise of the power is within devolved competence.

c. The power of direction would not be used without prior discussion, between Defra and HSE (and the DAs to the extent that the exercise of the power is within devolved competence), about the issue that is to be addressed, the reasons for the proposed direction, its requirements and terms.

d. The Defra SoS would only use the power of direction after having understood any potential impacts on resourcing. Discussions would be held between Defra and HSE (and the DAs to the extent that the exercise of the power is within devolved competence) to identify whether there are any resource implications of a proposed direction and, if so, how they might be covered. Defra would not expect HSE to carry out unfunded work or incur additional unfunded costs as a result of reasonable actions taken to comply with any direction given.

e. In instances of disagreement, in particular with regard to resources and implications for HSE's non-REACH functions, it is anticipated that there would be discussion at senior official level in the first instance. If necessary, disagreements can be escalated by either party to Ministerial level before the power of direction is exercised.

f. It is intended that any exercise of the power of direction would include reasonable expectations with regard to the timescales and delivery requirements for HSE to comply with the direction.

g. As detailed in the UK REACH Regulation, the exercise of the power of direction would not be in relation to any individual enforcement cases, but with regard to HSE's broader approach to activities under UK REACH.

h. Below are some examples of instances in which Defra or HSE may find it appropriate for the Defra SoS to exercise in exceptional circumstances the power of direction for priority-setting or the allocation of finances or other resources across UK REACH functions. This should not be considered an exhaustive list:

    i. To reinforce* or clarify the application of the statutory requirements of Article 2B of the UK REACH Regulation, including the operational role of the environmental regulators.
    ii. To reinforce* or clarify Defra's policy intentions and regulatory approaches to the replacement, reduction and refinement of animal testing;
    iii. To reinforce* or clarify the Agency's approach to activities regarding the procurement of scientific advice in particular its duties under Article 77 of the UK REACH Regulation;
    iv. To reinforce* or clarify the level of, and priorities for, engagement with non-UK regulators and international bodies, e.g. ECHA and the OECD;
    v. To set out an approach to levels of, or prioritisation for, enforcement activity generally.

* Both parties agree that in this section 'to reinforce' should be interpreted as meaning to strengthen or back up or to emphasise an approach or intention, but not to alter or augment it substantially.