PROTECTING PEOPLE
AND PLACES

HSE

Health and Safety Executive
Annual Report and Accounts 2025/26

HC 727



Health and Safety Executive

Annual Report and Accounts 2025/26

For the period 1 April 2025 to 31 March 2026

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Performance

Performance overview

This section provides a summary of what the Health and Safety Executive (HSE) does, our purpose and how we have performed during the year.

Summary statement from our Chair and Chief Executive

What we do matters. It matters to everyone in Great Britain (GB). We protect people and places and help everyone lead safer and healthier lives.

We are proud that, in the years since HSE was formed, Great Britain has become one of the safest places in the world to work. Our success has been achieved through the dedication of our people, who deliver a combination of proportionate enforcement, targeted regulatory work, engagement and the development of standards and guidance.

We are pleased to have exceeded or delivered virtually all of our ambitious targets and goals set out in our Business Plan for 2025 to 2026. We have deployed our resources effectively, dynamically and in accordance with

our strategic objectives against a backdrop of ongoing change.

As a proportionate regulator, we continue to support the government's growth mission, including through safe innovation. We develop policies mindful of economic impact, mitigating potential negative effects. Our guidance and engagement give employers confidence to manage risk, supporting productivity, growth and a fairer society.

This year we have progressed work to contribute to the government's target to reduce the cost of administrative burdens on business by 25%, as outlined in the Government Regulation Action Plan (www.gov.uk/government/publications/a-new-approach-to-ensure-regulators-and-regulation-support-growth).

We have invested significant effort in evolving our regulatory processes and structures to ensure our focus remains on tackling higher-risk activities efficiently and effectively. This year we have delivered significant programmes of work that build upon that positive foundation. It is helping us to evolve into a more flexible, resilient and impactful regulator, one that continues to effectively protect people and places in a changing world.

Transformation works best when there is commitment from all levels of an organisation. It has been particularly pleasing to see so many colleagues across HSE engaged in changing how we deliver our work. We are committed to making further improvements. During the year we initiated

a review of our land use planning service to improve processes and replace technologies that support end-to-end delivery across digital and manual channels. This will be critical in supporting the delivery of our statutory duty to provide advice that safeguards public safety around major hazard sites. Continuing to modernise the tools our people use to deliver critical work ensures that we maximise our reach, impact and productivity to achieve our mission.

Establishing the Building Safety Regulator (BSR) through the Building Safety Act 2022 has seen us take on a distinct and challenging role. We are proud that we successfully set up a new regulator to give effect to the Ministry of Housing, Communities and Local Government's (MHCLG's) legislation. We have developed a regulatory regime to ensure the safety of residents of all higher-risk buildings (HRBs) in England and successfully driven a crucial cultural shift toward safer homes.

In June 2025 the UK Government announced a machinery of government change that created BSR as a separate arm's length body sponsored by MHCLG. On 27 January 2026, BSR moved into the next phase of creating a single construction regulator in England, as recommended in the Grenfell Tower Inquiry.

As part of our ongoing commitment to resident safety, we agreed with MHCLG to support the establishment of BSR as their new arm's length body and to deliver critical corporate functions for a period of up to three years.

This year, we have also continued to deliver robust regulation of chemicals within the UK as well as supporting the UK-EU negotiations in delivering a Sanitary and Phytosanitary (SPS) agreement.

We have contributed significantly to the safe development of net zero technologies by enabling innovation through research and safety assessments, including new areas of repurposing offshore installations for carbon capture utilisation and storage, and floating wind energy. In addition to supporting these new innovative areas, we will maintain our critical role in regulating major hazards in existing and other energy industries.

The latest health and safety statistics reinforce our investment to increase proactive interventions that address work-related health risks, including areas such as significant infrastructure projects. Our goal is for Great Britain to be among the healthiest countries in which to work; sharing knowledge, building expertise and reducing exposure to risk.

By actively collaborating with co-regulators, industry leaders, and trade unions, we will inspire impactful action to protect workers' health, and keep them in the workforce. Given the long latency of some of these health issues, our work will take some time to see real impact although there are other areas we can affect now.

An example of our impact is through our fantastic colleagues who worked closely with one proactive local

authority and identified alternative methods for minor road repairs following our research. They chose an adapted wheeled excavator with multiple attachments instead of the traditional handheld power tools. They reduced hand-arm vibration exposure by an incredible 97% while being able to repair more potholes each day.

During the year we have actively addressed the legacy of asbestos by targeting those most at risk, raising awareness among workers, and progressing targeted reforms to the Control of Asbestos Regulations.

We're a leading voice, but it is important to recognise that we do not act alone. This year we renewed our focus on collaboration with partners in trade unions, industry, wider government and other stakeholders. It included our second Prevention Programme workshop which brought together business leaders, trade unions, professional bodies and trade associations to collaborate on solutions for preventing work-related health issues.

In major hazard sectors, we have applied the learning from our Process Safety Leadership Principles programme with industry. This has meant focusing on areas of improvement, particularly the effectiveness of dutyholders' safety management system auditing and assurance arrangements. We are now planning to expand this to onshore health risks.

As we look to the future, we are confident that whatever changes we face, we will draw on our values and our

collective expertise. Acting as one HSE, we will rise to the challenge.



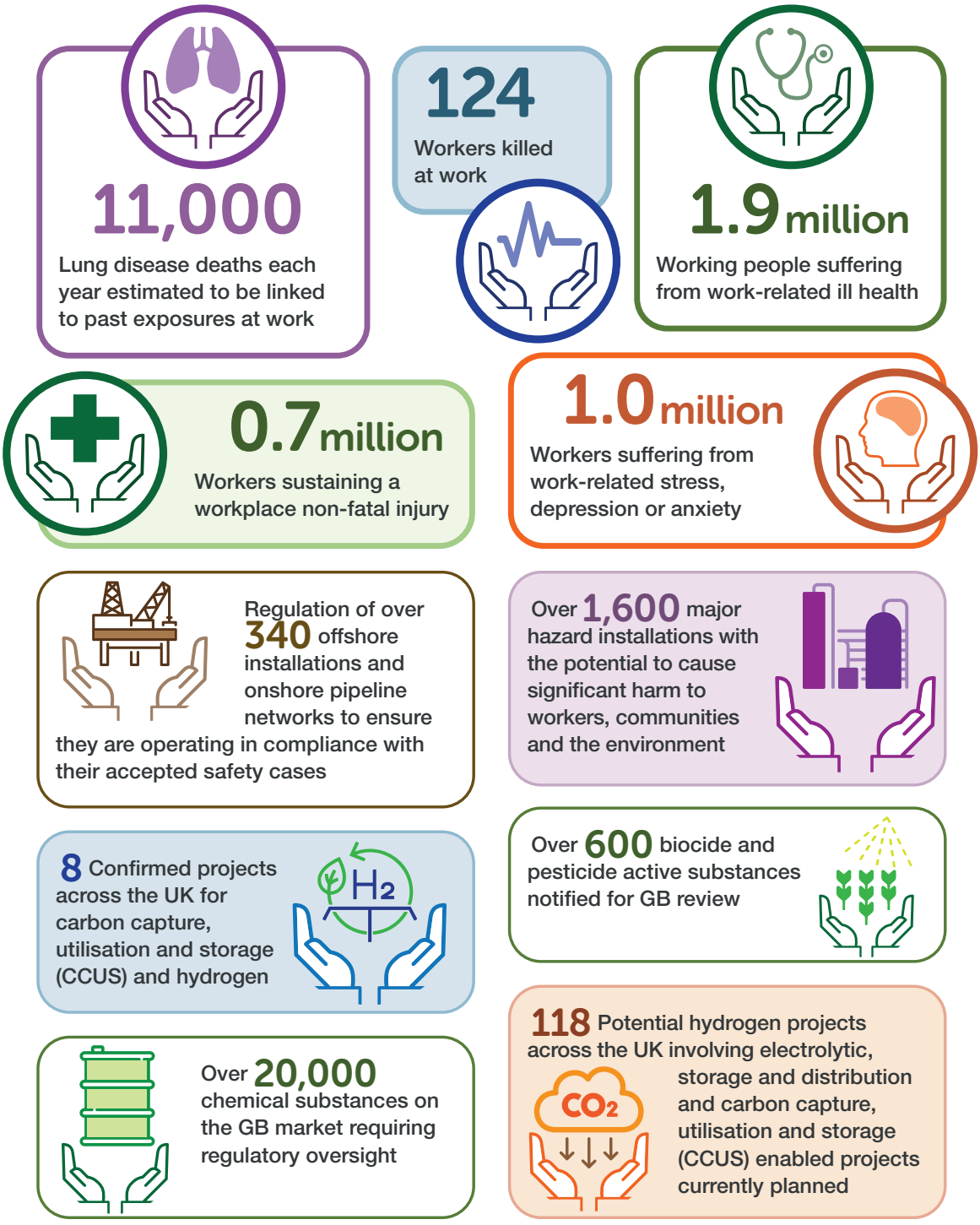
Sarah Newton
Chair



Sarah Albon
Chief Executive and Accounting Officer

Performance: summary

Our health and safety statistics[1] remain a stark reminder of the challenges we face.



1 Health and safety statistics - HSE (www.hse.gov.uk/statistics)

Who we are

The Health and Safety Executive (HSE) is Great Britain's national regulator for workplace health and safety. We are dedicated to protecting people and places and helping everyone lead safer and healthier lives.

What we do

As a proportionate and enabling regulator, we apply a range of regulatory approaches to improve health and safety, bringing together different interventions to achieve impact. Our guidance, communication and engagement give employers the confidence to manage risk appropriately. This approach helps boost productivity, supports the economy, and contributes to a fairer society.

Collaboration and partnerships significantly increase our reach, influence and impact. Advocacy is at the heart of how we protect people and places. We concentrate on the most serious risks and target industries with the greatest hazards, and sectors with the worst risk management record. We are fair and just when using our legal powers. Inspection and compliance checks help us to ensure that serious risks are managed sensibly.

When things go wrong, investigation helps us to get to the truth and learn lessons which we share with industry. We hold those responsible to account for their failures, and secure justice for victims and their families, making people and places safer. This was the third year of our ambitious

strategy, ‘Protecting people and places: HSE strategy for 2022 to 2032’[2].

Our role has evolved beyond worker protection and includes significant public assurance responsibilities. We work to ensure people feel safe where they live, where they work, and in their environment. The strategy has set five objectives that we will deliver over the 10-year period:

- Reduce work-related ill health, with a specific focus on mental health and stress.
- Increase and maintain trust to ensure people feel safe where they live, where they work, and in their environment.
- Enable industry to innovate safely to prevent major incidents, supporting the move towards net zero.
- Maintain Great Britain’s record as one of the safest countries to work in.
- Ensure HSE is a great place to work, and we attract and retain exceptional people.

Sitting under these strategic objectives are six strategic themes which guide our regulatory activities from 2022 to 2032. We will create an HSE that is:

- relevant;
- fair and just;
- people-focused;
- collaborative;

2 HSE strategy 2022 to 2032 (www.hse.gov.uk/aboutus/the-hse-strategy.htm)

- financially viable;
- accessible.

Our performance in 2025/26

Enforcement action

Completed **265** criminal prosecutions with a 88% conviction rate





Over **£34.5** million awarded in fines

Issued over **4,870** notices including approximately:

3,690 notices for improvement



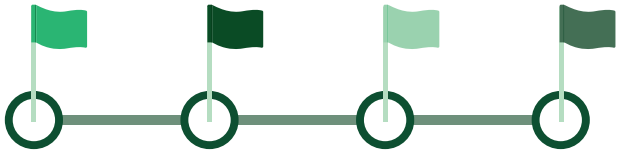
1,180 notices prohibiting work activity placing people at risk of death or serious injury

Completed **83%** of fatal investigations within 12 months of receiving primacy, against our target of 80%



Business Plan delivery

Delivered on **93%** of the commitments or milestone achievements set out in the Business Plan for the year



Over **14,900** inspections completed including:

Over **10,800** inspections focusing specifically on work-related health



Major hazard safety cases: **87%** achieved within statutory deadlines (against a target of 75% or greater)

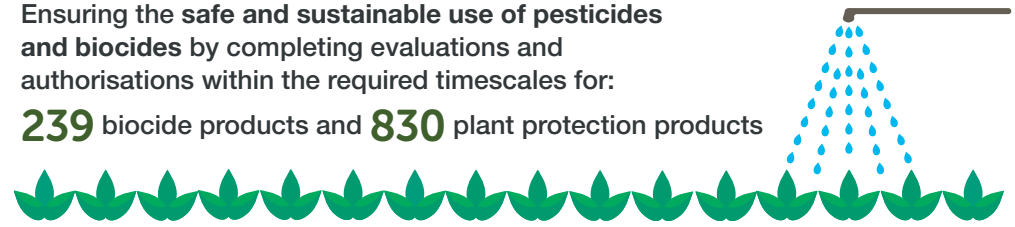
Asbestos: over **700** inspections under duty to manage and over **800** inspections of asbestos contractor licence compliance checks

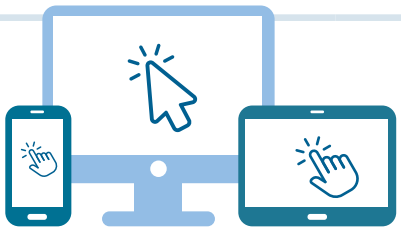


Business Plan delivery

Ensuring the **safe and sustainable use of pesticides and biocides** by completing evaluations and authorisations within the required timescales for:

239 biocide products and **830** plant protection products





Giving advice and guidance on health and safety throughout the year, our website was visited by **2.6 million** people with **16.4 million** page views and a 'usefulness' rating of **78%**[3]

Dutyholder feedback

74% of dutyholders said they had taken action as a result of a visit

92% stated the outcome of the visit was proportionate to the risks identified



Responding to customers

Received over **3,900** Freedom of Information requests and responded to **73%** within deadlines (against a target of 90% or greater)

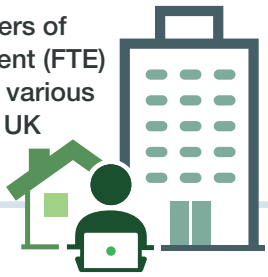
Received over **133,900** contacts and handled over **28,500** concerns from members of the public about workplaces and activities

£345 million
Total expenditure for year

£155 million
Income and cost recovery

£219 million
Government funding

3,230 members of full-time equivalent (FTE) staff (working at various locations) in the UK



Sickness absence increased to **7.3** days per full-time equivalent (FTE) against a target of 6.5 days per FTE[4]



3 An improvement on last year's rating of 76%.

4 Our year-end performance of 7.3 days compared favourably with the wider cross-Civil Service benchmark (8.2 days for the year). For a more detailed narrative go to the 'Average working days lost' section on page 60.

Performance analysis



Objective 1: reduce work-related ill health, with a specific focus on mental health and stress

Key achievements and interventions

Working with partners in business and across government, we led continued delivery and developments towards reducing work-related ill health.

We targeted a range of health risks in workplaces and higher-risk sectors to influence employers to take the actions necessary to build capabilities that ensure these risks are managed. Overall, we delivered 14,997 inspections, which is almost 14% more than last year and incorporates 10% more focus on our broad health priorities than we planned.

Some examples of our work this year are outlined in this section.

Work-related stress research programme

Work-related stress is a leading cause of work-related ill health in the UK. Research and evidence on what employers are doing to tackle the risks of work-related stress, and what preventative measures are effective in the workplace, is still limited. The commissioned research

and operational insights consistently show that, while awareness of work-related stress is high, this is not translating into effective or sustained risk management practice.

Organisational stress risk assessments remain valid and essential for identifying specific problems and selecting appropriate controls but are underutilised and not systematically embedded within a cyclical, hazard-led approach.

Our research programme is nearing completion to provide robust evidence on the following questions:

- What interventions are effective for preventing and reducing work-related stress?
- How is work-related stress defined and identified by organisations and medical professionals?
- What are the enablers and barriers to organisations effectively reducing the risk of work-related stress?

The research has confirmed that the theoretical and empirical foundations of the HSE Management Standards approach remain sound. However, it also highlights that current HSE guidance (including the Management Standards) is perceived as complex and misaligned with modern workplace realities. International and comparative evidence points to a growing shift towards clearer psychosocial risk frameworks, reinforcing the need for more defined, consistent, and practical approaches. Results from this programme of research are being used

to inform strategic planning and intervention design, based on improving the understanding of psychosocial hazards leading to work-related stress.

Our Working Minds campaign continued help businesses to improve their approach to work-related stress and promote good mental health. We have raised awareness of the principle-based guidance through communications, and by engaging with stakeholders to promote opportunities for businesses to share them through their own networks. This focus on prevention supports the government's agenda for keeping people in work and we have forged links with the Keep Britain Working review led by Sir Charie Mayfield.

We have also inspected these issues in relation to the education sector, with a significant inspection carried out at a university, and are continuing to follow-up an earlier inspection of an ambulance trust.

Prevention programme

The Prevention Programme brings together industry leaders, trade unions and stakeholders to address critical health risks.

This year, the actions agreed at the Prevention Summit in 2024 informed roundtable discussions at HSE's Annual General Meeting in July 2025. Following this, we hosted a Prevention Programme workshop in February 2026,

bringing over 90 industry leaders together to collaborate and share ideas.

The workshop focused on industry-led sessions exploring practical solutions and next steps across key sector priorities:

- principles of workplace health and wellbeing leadership;
- influencing government – looking at ‘Benefit in Kind tax’;
- tackling work-related stress using HSE’s Management Standards approach;
- musculoskeletal disorders (MSDs) – risk profiling and data sharing;
- hand arm vibration (HAV) risk reduction;
- wellbeing within the Prevention Programme;
- improving the quality of occupational health provision.

Commitments from these workshops are now being taken forward by industry leaders. For example, we welcome the steps the construction industry is taking to address the challenge of fostering better mental health among its workforce, and the new Joint Code of Practice places a valuable emphasis on the importance of early prevention. We will continue to work with the sector to support their efforts to tackle the causes of work-related ill health in the construction industry.

Looking ahead, we will sharpen our focus on reaching those parts of the workforce that are traditionally harder

to engage, including transient workers, SMEs, and supply chain roles where risk is often concentrated but less visible. Through targeted engagement, improved data, and practical, accessible tools, the Prevention Programme will continue to support industry leaders to reduce work-related ill health in their sectors.

Noise-induced hearing loss

We completed over 2,613 assessments of compliance with controlling noise and the risk of hearing loss and served over 150 Improvement Notices. This developing approach has successfully established expectations for the 'condition, use, fit to ear and fit to purpose' (CUFF) for hearing protection worn by workers. This enables the focus to move on to securing sustainable compliance by eliminating noise at source through:

- establishing enforcement expectations in line with the Noise at Work Regulations (NAWR);
- driving systematic improvements in engineering controls ('buy quiet' suppliers); and
- improving consultant and supplier advice to dutyholders.

Our specialist inspectors have also engaged stakeholders to establish enforcement expectations with third-party consultants and professional bodies to clarify that providing personal protective equipment (PPE) alone is not an easy solution. This work has also provided evidence to support more specific targeting of sectors in

subsequent years' inspections where intelligence shows the greatest risk.

Health surveillance

Control measures may not always be entirely reliable in preventing exposure and health surveillance is legally required as a critical element of a health management system. It means work-related disease can be identified as early as possible, so the risk for the affected individual can be managed. It also protects similarly exposed workers by requiring a review of the risk assessment and controls where work-related disease is identified.

During inspections we carried out over 3,336 assessments of compliance where heath surveillance was required. Enforcement expectations are now more clearly established, and inspectors have increasingly interrogated health surveillance systems with relevant dutyholders, identifying gaps in health surveillance being carried out, and further issues with actions being taken in response to findings of health surveillance.

While our inspection findings point to widespread systemic failings across a range of dutyholders with regards the provision of appropriate health surveillance, there is evidence that employers are responding positively to the information provided to them by occupational health providers of health surveillance.

Dusty ingredients

We inspected nine head offices of large bakeries and confirmed compliance through inspecting individual sites of large multi-site employers. This work aims to drive top-down changes in this industry to eliminate dusty ingredients in bakeries and ensure any controls are adequate.

The effectiveness of this approach has been continued for 2026/27 and is being complemented with stakeholder engagement including trade bodies and occupational hygiene professionals. The goal is to normalise risk management actions that design out risk where possible, and to avoid reliance on controls that depend on regular intervention to maintain their effectiveness.

Isocyanate spraying

Spraying isocyanates is a diverse trade in the motor vehicle repair sector across Great Britain. It includes car body repairs being carried out by multi-site national businesses, small to medium sized enterprises (SMEs) often with less than five sprayers, and large multinational businesses with premises. Our multi-channel intervention is based around a strong communications campaign using the Work Right website to launch resources for dutyholders. We have positive measures that this is being effective in terms of reach and impact.

Our inspectors also carried out co-ordinated targeted inspections to relevant sites. We found problems requiring inspectors to take action at half of these inspections. Smaller business had more frequent failures in biological monitoring, extraction testing, maintenance, and RPE controls. While HSE is just one of the providers of biological monitoring testing in this industry, we know there has been a 100% uplift in samples being submitted to HSE's laboratory services for analysis.

Further inspections into 2026/27 will drive impact and specifically address the provision of biological monitoring to meet established requirements for monitoring to avoid workers being exposed to isocyanates. Industry representatives have been particularly receptive to opportunities to expand on HSE's influencing, which we welcome and will support where we can.

Engineered stone research programme

Respirable crystalline silica (RCS) from stone dust can cause irreversible lung damage, silicosis, chronic obstructive pulmonary disease (COPD) and lung cancer. Engineered stone, a type of artificial stone, is now used widely for kitchen or bathroom worktops. Resin-based engineered stone often has a high silica content, and anyone working it is at risk of exposure to RCS, for example when cutting, polishing or drilling it.

This year HSE scientists, policy experts, and specialist inspectors have collaborated with industry partners on

a research programme into stone processing and RCS exposure control practices. The research comprised visits to worktop producers, to investigate workers' exposure to RCS and assess control measures, and detailed laboratory analysis. We looked at composition, health risk and hardness, and the research found there are many lower silica content engineered stones that could be suitable and safer alternatives to high-crystalline silica engineered stone.

The research also demonstrated that water suppression is effective at reducing respirable crystalline silica levels to below workplace exposure limits.

The findings have improved our understanding of the problem. The evidence gained informed our guidance on control practices and has the potential to help employers protect their workers more effectively from the risk of occupational ill health. This underlies publicity around HSE's updated guidance and the inspection programme targeting users of engineered stone being delivered through 2026/27.

Asbestos

We have continued to develop the research base on asbestos, building on the outcomes of our Asbestos Research Summit in February 2025 to meet a key recommendation from the Work and Pensions Select Committee report on our approach to asbestos management in 2022.

Our communications campaigns have carried on the key intervention of raising awareness among those with duties that must be fulfilled in managing asbestos, and those who need to recognise the risks and take practical precautions.

We inspected how effectively the duty to manage asbestos was being complied with in 739 public sector premises. We found that around 1 in 20 dutyholders had failings in their systems for sustaining their management of asbestos, requiring us to serve them with Improvement Notices.

We also identified asbestos-containing materials in 1,963 other sites, resulting in serving 163 Improvement Notices. Our work to ensure the safe management of asbestos in construction activities has remained a priority this year, and we have ensured more inspector attention has gone into assuring the public that the asbestos licensing regime remains effective.

We carried out 823 inspections of licensed asbestos removal contractors and continued to assess new applicants and existing licence holders renewing their licences. We inspected 92% of these contractors at least once in 2025/26, which represents the highest ever proportion of these dutyholders and a significant shift in focus aimed at increasing assurance in the activities of this high-risk industry.

We continue to explore the initial development stage for surveying central government departments in order to

build a picture of the asbestos remaining in buildings, which will support work towards the census announced by Sir Stephen Timms and inform future policy development for addressing the asbestos legacy in Great Britain.

Control of Asbestos at Work Regulations consultation

In 2025/26 we ran a consultation on legislative and guidance proposals for the Control of Asbestos Regulations (CAR) 2012. This continues our work on addressing the historic use of asbestos in the built environment and its legacy. The consultation asked for stakeholders' views on three proposals to:

- ensure the independence and impartiality of roles in the four-stage clearance process to further minimise the risk of exposure from asbestos to workers and building users after the removal of asbestos;
- drive up the standard of asbestos surveys to ensure dutyholders have the information they need to safely manage asbestos risks;
- clarify the type of work that constitutes work with asbestos known as notifiable non-licensed work (NNLW).

Through the consultation we explored how changes to CAR 2012 and its associated guidance could enhance worker and public protection from asbestos exposure.

The consultation ran for nine weeks, from November 2025 to January 2026, receiving over 350 responses from stakeholders.

Legionella

We targeted inspections in the plastics and food and drink sectors, to gain assurance of risk control and maintain operational readiness regarding the potential for outbreaks. We found a high level of compliance with regulatory requirements, which is likely to be linked with ongoing impact achieved in previous inspection programmes and engagement activities aimed at improving management controls in these industry sectors.

We found a positive picture of legionella risk being eliminated or effectively controlled, with dutyholders having improved their management systems and, in several cases, opted for substituting water-cooling systems with alternative systems without legionella risk.

Milestones and KPI statuses against objective 1

Reduce work-related ill health, with a specific focus on mental health and stress	Status
Complete research programme building the evidence base for practical measures addressing work-related stress	**met** ✓
Complete research programme evidencing issues involved in the control of risk from stone dust containing higher levels of silica	**met** ✓
Actions following on from the Prevention Summit 2024 to be agreed with participating stakeholders	**met** ✓
Complete proposal for consultation about targeted reform to the Control of Asbestos at Work Regulations	**met** ✓
Deliver 14,000 proactive inspections	**met** ✓
Deliver and evaluate interventions targeting failure to manage risks causing ill health including noise-induced hearing loss, MSDs, health surveillance, asbestos, hazardous dusts (including silica and wood dust), isocyanates, lead exposure, chromium VI compound, and radiation	**met** ✓
Deliver and evaluate interventions targeted to provide assurance that key health risks are being managed including legionella and asbestos contractor licence compliance	**met** ✓



Objective 2: increase and maintain trust to ensure people feel safe where they live, where they work, and in their environment

Key achievements and interventions

Our range of interventions extend across multiple hazards and industry sectors. Some examples of our work this year are outlined in this section.

Successful transition of the Building Safety Regulator

January 2026 marked the start of an important new chapter for the Building Safety Regulator (BSR). The regime moved into the next phase of creating a single construction regulator in England, as recommended in the Grenfell Tower Inquiry. It officially became a non-departmental public body, independent of HSE and sponsored by the Ministry of Housing, Communities and Local Government (MHCLG).

In this period, we successfully transferred leadership of the new BSR to Charlie Pugsley, as acting CEO. We agreed an agency agreement and accompanying memorandum of understanding to ensure work continued effectively during the transition. The move of BSR represents a major step forward. The transition project has

achieved a significant amount this year, at considerable pace, while maintaining vital services. None of this would have been possible without the collective efforts of colleagues across HSE, BSR, MHCLG and DWP. In this period, we also worked with MHCLG and BSR to put in place plans for future transfer of people and services.

Research programme on fire spread on large areas of exposed rigid insulation

HSE was commissioned, through BSR, to deliver two major experimental programmes examining the spread of fire in buildings. These programmes are designed to consider:

- fire behaviour in open insulation and façade systems;
- fire spread associated with the installation of photovoltaic (PV) systems in buildings.

Both programmes benefit from HSE's science, engineering and analysis capabilities, particularly our established expertise in fire safety research. We designed and built bespoke experimental facilities to meet BSR's specific evidence needs.

We completed the PV experimental programme this year, to support BSR's public consultation on 'Approved Document B', the statutory guidance for meeting the fire safety requirements of the Building Regulations in England. We identified a series of additional experiments during the research which were added to the programme

to ensure emerging evidence needs were addressed. The outputs have directly informed BSR's statutory and policy development work.

Our façade experimental research began during this year and will continue in 2026/27. We are working in close collaboration with BSR colleagues to ensure research outputs remain aligned with regulatory and policy requirements.

We received positive feedback from BSR colleagues for both research programmes. End users particularly recognised the collaborative approach taken and the high quality, relevance and timeliness of the research outputs.

Consultation: biocides approval

In June 2025 we launched our consultation on reforms to three pieces of assimilated EU chemicals legislation:

- Great Britain Biocidal Products Regulation (GB BPR);
- Great Britain Classification, Labelling and Packaging Regulation (GB CLP);
- Great Britain Prior Informed Consent Regulation (GB PIC).

We sought to rectify issues that could not be addressed at the point of EU Exit due to the limited powers available under the European Union (Withdrawal) Act 2018.

The consultation also delivered our commitment in the government's Regulation Action Plan to consult on how

international approvals can be recognised to reduce the time and cost to bring chemical products, including biocides, to the GB market.

Draft regulations were laid in Parliament on 24 February 2026 to:

- prevent disruption to critical biocidal products that safeguard public health;
- reduce unnecessary burdens on businesses while keeping protections in place;
- enable us to focus our resources on the hazards that matter most to Great Britain;
- strengthen the coherence, efficiency and future readiness of our chemicals regulatory system.

Chemicals regulation

We continued building on last year's successes and exceeded our Business Plan objective of delivering 95% of planned permissions for biocides and pesticides and authorisation opinions under UK REACH (Registration, Evaluation, Authorisation and Restriction of Chemicals) to time. This was achieved, while also meeting our target for delivering CLP opinions and technical reports.

We issued statutory approvals for two new low-risk pesticide active substances:

- elemental iron, which controls slugs and snails on all edible and non-edible crops;

- aqueous extract from germinated seeds of sweet ‘Lupinus albus’, which controls fungal diseases in strawberry and tomato.

These approvals show our continuing work to ensure GB farmers and growers have continuing access to a variety of new crop protection solutions.

We significantly exceeded our planned target of ensuring the continued availability of biocides in Great Britain including approval work under the Control of Pesticides Regulation. We ensured necessary regulatory approvals stayed in place for nationally critical areas – for both water treatment and aviation fuel preservation. We approved creosote for use (under the Biocidal Products Regulations), ensuring the preservation of wooden infrastructure could take place, including nationally important uses like treating railway sleepers and telecommunications poles.

We continued to review chemicals that no longer meet health and environmental protection standards. This included not approving the renewal of a plant protection product containing tau-fluvalinate to protect non-target insects, and removing this active substance from the GB market and its products in a managed way.

We introduced control restrictions for those plant protection products containing pyraclostrobin to further protect amphibians. We also progressed the renewal assessment of glyphosate, which will lead to a public

consultation in summer 2026 to feed into our assessment work.

As part of enforcing compliance with Official Control Regulations, which are designed to provide national assurance on pesticides use, we delivered 594 controls across pesticide supply chains, exceeding our target of 475. This assurance work sat alongside the ongoing pesticides residue monitoring in food scheme, which HSE administers on behalf of the Department for Environment and Rural Affairs (Defra). This provides public assurance that food products treated with pesticides remain safe for public consumption.

We actively supported the government's preparatory work and negotiations to secure a new sanatory and phytosanitary agreement with the EU. The negotiations included both biocides and pesticides. We worked closely with Defra colleagues across government departmental boundaries to ensure significant technical and policy input was provided at pace to support the government's preparatory work. Read more about our consultation on biocides approval on page 34.

UK REACH: proposals for the restriction of PFAS in firefighting foams

We published our technical dossier of information to support a proposed REACH restriction on per- and polyfluoroalkyl substances (PFAS) in firefighting foams. We also held a six-month public consultation exercise on

it, which closed in February 2026. The responses will be used to formulate HSE's opinion on its risk assessment.

This will allow us to hold another 60-day consultation on our socioeconomic analysis, and produce our final opinion for submission to the Secretary of State for Defra and Scottish and Welsh ministers for them to decide whether to bring a restriction under UK REACH into law. HSE also appeared before the Environmental Audit Committee in February 2026 to answer questions on our regulatory role and actions in regulating PFAS and preventing harm to the environment from these 'forever chemicals'.

Domestic gas safety: increasing trust through engineer competence checks

With over 20 million homes in the UK relying on gas for their appliances, it is imperative that we ensure the businesses and engineers installing, repairing and servicing them are competent and working to the highest of standards.

The Gas Safety (Installation and Use) Regulations require any person who carries out gas work is competent to do so. Following a successful retender exercise, the Gas Safe Register is again operated by our commercial partner – Capita Business Services Ltd. The Gas Safe Register is the only official register of gas engineers and businesses who are qualified to conduct gas work across the UK, Guernsey, Jersey and Isle of Man. In year one of the new concession, Gas Safe Register carried out

48,291 competency checks – providing assurance that the registered engineers are carrying out gas work safely and competently.

The Register can be used to search and check the status of gas engineers and businesses to enable people to feel safe where they live and work.

Milestones and KPI statuses against objective 2

Increase and maintain trust to ensure people feel safe where they live, where they work and in their environment	Status
Support national and local remediation acceleration plans for removal of unsafe cladding	**met** ✓
Establish the Remediation Enforcement Unit (subject to funding)	**met** ✓
Complete research programme on the fire spread on large areas of exposed rigid insulation	**met** ✓
Commence consultation to update Approved Document B	**met** ✓
Procure and establish the Voluntary Occurrence Reporting scheme	**met** ✓
Agree a plan for the delivery of the preferred option for inspection of gas pipeline isolation valves, responding to the Grenfell Inquiry recommendation	**met** ✓
Deliver 95% of planned permissions for biocides and pesticides, authorisation opinions under UK REACH and CLP Opinions/Technical Reports to legislative timescales	**met** ✓
Launch a consultation on future options for biocides approvals	**met** ✓
Finalise restriction opinion under UK REACH for firefighting foam	**not met** ✗ [5]
Support Pesticides Fee review to ensure full cost recovery	**met** ✓
Deliver a programme of 48,000 domestic gas safety engineer competence checks through our commercial partner	**met** ✓

5 UK REACH: For a more detailed narrative go to the ‘UK REACH’ section on page 37.



Objective 3: enable industry to innovate safely to prevent major incidents, supporting the move towards net zero

Key achievements and interventions

Using our expertise to explore the safe use of hydrogen

We provided our regulatory and scientific expertise, critical insights and independent scrutiny to the Department for Energy Security and Net Zero (DESNZ) programme on the decarbonisation of heat. This meant helping to ensure safety considerations were fully integrated into the development of national policy.

We assessed technical evidence and the regulatory framework required for the safe distribution, storage and use of hydrogen gas in domestic, industrial, and commercial premises to support DESNZ and feed into government policy decisions. Drawing on specialist expertise from across HSE and a broad evidence base, we produced an independent assessment report which was published by DESNZ in March 2026 and will be used to support national policy decisions on the future role of hydrogen in heat decarbonisation.

We also reviewed the safety demonstration underpinning the H100 project in Fife and provided our expert conclusions to stakeholders including the gas network operator SGN, DESNZ and Ofgem. Our independent assessment provided assurance to key stakeholders and supported decision making on the safe delivery of this nationally significant trial.

In our role as the independent regulator for workplace health and safety, we will also use this case for safety as a reference document to support targeted, risk-based inspections, strengthening our regulatory oversight and informing future approaches to hydrogen deployment.

Our research into safer liquid hydrogen refuelling stations has given us and international partners robust data on the hazards. The evidence will enable us to recommend updates to codes and standards, supporting Great Britain's safe transition to net zero technologies.

Using AI: Exploring the opportunities and risks

AI is a transformative technology that is rapidly developing in capability. It can create or exacerbate health and safety risks but also has the potential to bring real benefits for health and safety.

We have carried out research this year to increase our understanding of how AI is used in the sectors which we regulate. We also looked at the impact on health and safety from AI in these sectors. We identified 250

use cases, across a wide range of industry sectors, and identified key areas where AI could significantly impact health and safety. These include maintenance systems, health and safety management, control of equipment and process plant, and occupational monitoring.

Our findings strengthened understanding of both the opportunities and emerging risks associated with AI and provided an important evidence base to inform our future regulatory approach, as well as information provided to stakeholders. We are supporting the deployment of AI through our involvement in developing standards and working with industry on guidance.

We have also been working with industry and academia through research projects and events to share knowledge and learning. This collaborative engagement has enabled us to draw on expertise from across sectors while building a shared understanding of emerging challenges and good practice. This helped us clarify our regulatory approach to AI this year. We worked with other government departments and regulators to support a consistent approach.

Because AI is a rapidly evolving technology we will continue to identify AI developments and build AI capacity and experience across HSE, ensuring we remain equipped to respond to future health and safety challenges and opportunities arising from AI adoption.

Consultation on legislation to regulate offshore hydrogen production and carbon capture and storage

The UK government is supporting the development of industrial clusters of co-located high energy industries, carbon capture utilisation and storage (CCUS) projects and hydrogen production. This includes the announcement of £21.7billion of funding for two CCUS clusters, and the Hydrogen Allocation Rounds programme, which allocates support for non-CCUS enabled hydrogen production.

We have been working with the Department for Energy Security and Net Zero to support these industries to develop safely by identifying which health and safety regulations currently apply, and where potential issues need to be addressed. This work has helped ensure the regulatory framework remains fit for purpose as these emerging technologies are developed and deployed at scale.

In summer 2025 we consulted on proposals for legislative changes in relation to offshore CCUS operations and associated pipelines. Through the consultation we were able to ensure that the proposals are appropriate to the hazards associated with the CCUS and offshore hydrogen production industries, and that HSE has a clear understanding of any costs to industry for compliance with new regulatory requirements.

There was broad support for the proposals, and the consultation findings have fed directly into the development of regulatory amendments which came into force in April 2026. This demonstrates the value of engagement with industry and stakeholders in developing proportionate and effective regulation.

Commissioning research for hydrogen and carbon capture and storage

If there is a lack of evidence, data, standards and benchmarks early on when developing new technologies, then this presents a potential risk to their safe use and effective regulation.

Supporting policy development and regulatory activity, we worked collaboratively with government, industry and research partners to identify and prioritise research needs for hydrogen and carbon capture and storage (CCS).

Informed by our Areas of Research Interest[6], we have initiated eight hydrogen and three carbon capture utilisation and storage research projects, to address key areas of knowledge development with further areas under review for potential future projects. These projects are addressing critical uncertainties in the evidence base and providing the insight needed to support future policy, standards development and regulatory decision making.

6 https://www.hse.gov.uk/research/assets/docs/hse-areas-of-research-interest.pdf

We have also worked with industry and international stakeholders to develop our knowledge and understanding. One of the ways we have done this is through participating in the International Association of Hydrogen Safety's (HySafe's) research priorities workshop and joint workshops with the Energy Institute on CCS. These collaborations enabled us to share expertise, learn from international experience and contribute to shaping future research priorities.

Findings from this work supported carbon capture and storage and offshore hydrogen production legislation amendments. It also strengthened understanding of the risks and potential control measures associated with new energy technologies, helping to support the safe deployment of low-carbon technologies while enabling the UK's wider energy transition ambitions.

Milestones and KPI statuses against objective 3

Enable industry to innovate safely to prevent major incidents, supporting the move towards net zero	Status
Provide health and safety expertise to the Department for Energy Security and Net Zero (DESNZ) Clean Heat Programme completing the comprehensive formal assessment	**met** ✓
Launch public consultation on legislation to regulate offshore hydrogen production and carbon capture and storage	**met** ✓
Develop a plan for delivery of the preferred cost recovery option for work as a statutory consultee to the Nationally Significant Infrastructure Projects (NSIP) process	**met** ✓
Deliver an annual status update for identified knowledge gaps in the evidence base for hydrogen and carbon capture	**met** ✓
Submit a business case for funding a capability for testing liquid hydrogen	**met** ✓
Refresh Sustainability Strategy	**met** ✓
Reduce environmental impacts from information and communication technology (ICT) waste through new waste disposal arrangements	**met** ✓
Report our performance in line with HM Treasury's TCFD-aligned guidance	**met** ✓
Achieve our Greening Government Commitments against agreed baseline	**met** ✓



Objective 4: maintain Great Britain's record as one of the safest countries to work in

Key achievements and interventions

Our achievements involve exceeding our safety case assessment and reports target, some examples of our work this year are outlined in this section.

Managing major risks through our new regulatory processes

Great Britain depends on specialised, strategically important industries that underpin economic growth and support vital national infrastructure. These sectors involve significant hazards that can affect workers, the environment, and the public. Our regulatory approach ensures industry effectively manages major risks to protect critical infrastructure and nearby communities.

This year, we delivered 85% of safety case assessments and reports within agreed timescales, exceeding our 75% target.

Enforcement and prosecutions

We used a range of enforcement powers to secure compliance with health and safety law, including issuing over 4,800 notices.

Prosecutions were commenced in cases involving a serious breach of the law where HSE's Enforcement Policy Statement and the Code for Crown Prosecutors were met. Examples of such cases could include:

- matters where a death has resulted from a failure to comply with the law;
- where there have been repeated breaches which give rise to significant risk;
- where there has been persistent and significant poor compliance.

We completed 265 criminal prosecutions, with fines over £34 million being awarded to government for this activity.

Prosecutions provide justice for families and important learnings for industry. Details of our prosecutions can be found on our website (www.press.hse.gov.uk/category/prosecution/).

The following are examples of prosecutions, under the Health and Safety at Work Act 1974 (HSWA), which concluded during 2025/26.

Industrial Chemicals Limited

Industrial Chemicals Limited was fined £2.5 million on 28 March 2025 following two serious chemical leaks in 2020 caused by poor maintenance. The first incident released hydrochloric acid continuously for 24 hours, forming a toxic gas cloud that spread to nearby towns and forced schools and businesses to close. The second involved a

major sulphuric acid spill that exposed workers to harmful fumes. Joint investigations by HSE and the Environment Agency confirmed both incidents resulted from failures to correctly install, maintain and inspect pipework. The judge increased the fine due to the company's poor history of similar safety failings.

Explosives sector

A defence technology company, QinetiQ Limited, was fined £800,000 after a worker was paralysed when they were accidentally shot during ammunition testing at a Ministry of Defence range in March 2021. HSE found the company failed to conduct an adequate risk assessment, leaving the worker positioned in front of the target when a round was fired.

In response to the 2025 Strategic Defence Review, we expanded our regulatory capability to match increased demand following higher defence investment after the invasion of Ukraine. This included licensing BAE Systems to operate a new £150 million facility to increase production of 155mm artillery shells 16-fold, strengthening a key capability for the British Army.

Offshore industry – process safety isolation webinar

Failures in plant isolation remain an area of concern for HSE. Proactive inspections and reactive investigations continue to find non-compliance, leading to varying levels

of enforcement including several Improvement Notices. Some failures in the isolation process led to significant high-pressure gas releases with major accident potential if ignited.

Working with Offshore Energies UK, HSE brought a previously unrecognised systemic issue to the industry's attention, which led to organisations being more transparent about the challenges they faced in this area. A webinar extended industry awareness of failings in isolation management and achieved a more impactful outcome by using real-life anonymised incidents and near-misses that would otherwise not be discussed. It was attended by over 550 people, with more than 330 later viewing the recording.

The engagement led directly to a shift in how organisations approached competency management across the isolation lifecycle. They are moving towards greater practical demonstrations of competence and, in some instances, bespoke training courses using onshore process plant mock-ups, allowing learning in a safe and controlled environment.

Risk-based decision model for non-fatal safety RIDDOR reports

We conducted a review into the efficiency and resourcing of our risk-based decision model for targeting investigations of non-fatal safety reports under RIDDOR

(the Reporting of Injuries, Diseases and Dangerous Occurrences Regulations).

The review concluded that the process is selecting non-fatal safety RIDDORs in a consistent and repeatable way before they are passed to our Investigation Division. This is a new way of working for HSE and we are continuing to make improvements based on lessons from the first full year of operation and the review findings.

In 2025/26 we received 10,793 enquiries that HSE could not resolve because we were not the correct enforcing authority. Every single enquiry received a response directing the sender to the appropriate regulatory body, supporting risk management across Great Britain.

Develop a new process for other regulators commissioning HSE specialist support

HSE and other regulators are recognised for our frontline intervention work, but our science, engineering and analysis specialists also provide engineering and occupational health expertise in support of those functions and HSE's 'Protecting people and places 2022 to 2032' strategy.

This year we have developed a new process to commission specialist support and implementing it is bringing many benefits, including:

- a single way to request specialist support;

- commissioning requests handled automatically in a single system;
- a user-friendly, real-time system which allows for consistent planning, tracking and reporting for this work;
- support and guidance throughout the life of the request;
- more efficient delivery of strategic activities.

The new process has captured over 400 strategic activities to date and raised the profile of how our specialists enhance and improve health and safety across industries and other regulators.

Consultation on RIDDOR

As part of the government's Regulation Action Plan, HSE committed to developing proposals to consult on potential changes to RIDDOR. The proposals also consider improvements to the reporting process to help enable businesses comply in the most efficient way possible.

During 2025 HSE carried out informal engagement on RIDDOR and reviewed the outcomes from previous post-implementation reviews to inform and develop policy options for consultation.

The consultation proposals include legislative changes to clarify definitions and revise the list of dangerous occurrences, to better reflect modern risks, and the list of occupational diseases to ensure serious instances

of ill health are captured. Notably, we are consulting on making silicosis reportable again, reflecting concerns about reports of lung disease cases and fatalities linked to cutting engineered stone without effective controls.

We are also consulting on broadening the definition of who can diagnose an occupational disease under RIDDOR to other types of registered health practitioners. This has previously been limited to registered doctors who hold a licence to practice with the General Medical Council.

In addition, we have begun work to improve the RIDDOR reporting process to reduce both under-reporting and over-reporting. We will use the consultation responses to further shape this work.

Review of pressure systems and lifting equipment regulations

HSE committed to review:

- the Pressure Systems Safety Regulations 2000 (PSSR);
- the Lifting Operations and Lifting Equipment Regulations 1998 (LOLER).

We consulted to identify and remove unnecessary regulatory burdens and identify potential changes to this legislation to reflect technological advances and reliability of work equipment.

This formed part of HSE's response to the government's Regulation Action Plan. In October 2025, HSE delivered this Business Plan milestone, through the launch of two call for evidence questionnaires over a six-week period. Their purpose was to gather evidence on:

- whether aspects of PSSR and LOLER create unnecessary administrative burdens;
- whether elements of the regulatory frameworks have become outdated in practice;
- opportunities to support growth innovation and economic growth without compromising safety outcomes.

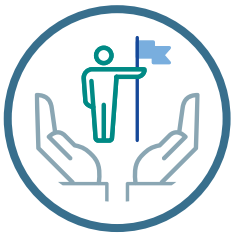
The questionnaires received over 100 responses each. These have been analysed and the majority of responders continue to support the purpose and application of both regimes. The responses will help inform HSE's prioritisation of any future work to support the Regulation Action Plan's aims.

Milestones and KPI statuses against objective 4

Maintain Great Britain's record as one of the safest countries to work in	Status
Review impact on effectiveness and resource of the new risk-based decision model for non-fatal safety RIDDORs	**met** ✓
Deliver 90% of major hazard interventions within agreed timescales	**met** ✓
Complete 80% of fatal investigations within 12 months of primacy	**met** ✓
Complete 90% of non-fatal investigations within 12 months of incident date	**met** ✓
Achieve an average increasing rate of enforcement action as investigations progress through the formal review points	**not met** ✗ [7]
Deliver time spent on direct casework outcomes associated with inspection within expected ranges including fairgrounds, cladding, and reactive inspections	**met** ✓
Achieve 85% investigation of standard concerns within agreed timescales	**met** ✓
Develop a new process for other regulators who commission specialist support from HSE	**met** ✓

7 We are continuing to embed a new way of selecting non-fatal incidents for investigation to better improve our targeting based upon risk. Alongside a continuing programme of improvements to our professional practice in conducting investigations, this is expected to improve our performance against these measures.

Maintain Great Britain's record as one of the safest countries to work in	Status
Carry out informal engagement and develop policy options for RIDDOR by mid-year, and launch formal public consultation	**met** ✓
Carry out informal engagement and develop policy options for PSSR by mid-year, and launch formal public consultation	**met** ✓
Carry out informal engagement and develop policy options for LOLER by mid-year, and launch formal public consultation	**met** ✓



Objective 5: ensure HSE is a great place to work, and we attract and retain exceptional people

Our people are at the heart of what we do and the difference we make. We continued to strive to ensure that HSE is a great place to work. We continued to strive to ensure that HSE is a great place to work. This sees us building a more diverse and inclusive workplace, where everyone feels valued, and treated with dignity and respect to support the delivery of our strategic objectives.

Key achievements and interventions

Our achievements involve developing our approach to strategic workforce planning and introducing new policies to support managers and colleagues. This section gives a summary of major activities carried out throughout the year.

Recruitment: increasing diversity using social media

This year, we focused on using social media to increase and diversify our applicant pool. ‘HSE Jobs’ – our recruitment LinkedIn profile, has grown significantly to nearly 100,000 followers. We have improved engagement metrics including reactions, comments and impressions.

Data shows consistent year-on-year growth of applications from the age groups 25 to 29, 30 to 34, and 35 to 39.

Redesigning our regulatory training

In June 2025, we rescoped the programme of work for the Regulatory Training Programme (RTP) redesign project. The redesign will have significant impact on the approach to regulatory recruitment, the regulatory model and operational ways of working. As a result, while we missed two specific RTP milestones, our delivery confidence has increased.

We appointed a digital partner following a major procurement exercise and the project is on track for delivery in quarter three 2026.

Our People Strategy and Workforce Plan

Delivering a Strategic Workforce Plan for future capability is a core objective in HSE's People Strategy and Business Plan.

In this period, we have created a new Establishment Control List to consolidate workforce data across HSE, creating a single baseline for understanding our workforce capacity and structure. We have also developed a strategic workforce plan approach that allows us to analyse capability, identify gaps and assess future workforce requirements over a longer planning period.

This approach is allowing us to have a more consistent and evidence-based understanding of workforce capability across the organisation. These two developments are important steps in developing HSE's first organisation-wide strategic workforce plan.

Our health, safety and wellbeing

Building on the foundations set out in previous reports, we have focused on evolving the effectiveness of health, safety and wellbeing activities. This includes developing digital data and management information availability, providing improved physical and mental health insight. This was enabled through adoption of our accident and near miss reporting tool.

Our health, safety and wellbeing contracts are control measures in themselves. Contracts are being retendered, particularly in occupational health and employee assistance. These actions collectively provide a baseline of an organisational view that informs continuing improvement as part of our People Plan, which aims to 'ensure HSE is a great place to work'.

Average working days lost

Across 2025/26 our average working days lost (AWDL) per full-time equivalent (FTE) was 7.29 days, against a target of 6.5 days or less. This is a very slight increase of 0.05, from 7.24 in 2024/25 but compares favourably with the cross-Civil Service benchmark of 8.2 days for the year.

AWDL is comprised of short and long-term absences. Long-term absences increased in 2025/26 from 4.43 to 4.53 and short-term absences decreased from 2.81 to 2.76. Mental health remains our largest cause of long-term absence at 51%, a decrease from 2024/25 when it was 54%. Respiratory conditions continue to be the main cause of short-term absence.

We continue to see cases involving complex situations across a range of HR policies, resulting in extended timelines to resolve the long-term absences. We provide a range of support to managers in relation to attendance issues including those which have involved employees with a neurodiversity, and this year we again provided neurodiversity training. We will shortly publish refreshed guidance on supporting attendance which will assist managers in helping our people stay in work.

Milestones and KPI statuses against objective 5

Ensure HSE is a great place to work, and we attract and retain exceptional people	Status
Evaluate the effectiveness of social media platforms to expand and diversify the applicant pool	**met** ✓
Implement enhanced digitalisation and blended delivery to reform health and safety regulatory training	**not met** ✗ [8]
Implement modular inspection and investigation pathways for all grades and specialists	**not met** ✗ [9]
Develop workforce plan for future capability	**met** ✓
Embed the culture maturity framework to enable health, safety and wellbeing activities and evaluate effectiveness	**met** ✓
Embed diversity and inclusion practices to ensure that: • percentage of inclusion and fair treatment at work exceeds 78%; • percentage of staff who have personally experienced bullying or harassment does not exceed 7%; • percentage of staff who have personally felt discriminated against does not exceed 9%.	**met** ✓

8 Reform regulatory training: for a more detailed narrative go to ‘Redesigning our regulatory training’ on page 59.

9 Modular inspection and investigation pathways: for a more detailed narrative go to 'Redesigning our regulatory training' on page 59.

Ensure HSE is a great place to work, and we attract and retain exceptional people	Status
Ensure average working days lost does not exceed 6.5 days per FTE	**not met** ✗ [10]
Achieve engagement index of 60% (58% in 2024)	**met** ✓
Deliver 90% of HR performance metrics including average time to recruit, percentage of organisational turnover, percentage of successful recruitment campaigns, and the improvement of gender and diversity pay gaps	**met** ✓

10 Average working days lost: for a more detailed narrative go to page 60.



Enabling activities

A series of critical activities underpin our strategic objectives and form the foundations for our transformation over the next decade.

Key achievements and activity

Digital services

Through the HSE Portfolio Board, we agreed that future rollout of new digital services which use the Dynamics platform will be managed through a single overarching programme rather than discrete projects. This approach will make the best use of our resources and ensure we leverage existing solutions.

Data strategy and delivery plan

Working with our strategic partners, we have developed and agreed a high-level data strategy and delivery plan. The strategy recognises the value of data use across the organisation and how this aligns with our ‘Protecting people and places’ strategy, as well as our internal transformation and digital programmes. It addresses how our data capabilities can be used to best effect and ways

we could utilise a data hub approach run by our new Chief Data Officer (CDO).

Defining a centralised tasking operating model

We have made our centralised tasking model for our regulatory operations more efficient. We will continue to develop and refine as we move into 2026/27.

In this period, we have created a new Establishment Control List approach to consolidate workforce data across HSE, creating a single baseline for understanding our workforce capacity and structure.

Developing a contact strategy

We reviewed our current telephony services in 2025/26. This work helped identify opportunities for improvement. We have developed plans for taking forward priority changes in 2026/27. The review of telephony services also identified an opportunity for us to carry out a review of HSE's wider contact strategy, and we have begun to develop these future plans.

Replacing our HR and payroll platform

We have made significant progress on replacing our Single Operating Platform (SOP) by working as a partner in the cross-government initiative to deliver the Civil Service Strategy for Shared Services. We are implementing a common, modern, cloud-based enterprise

resource management system that integrates HR, payroll, and finance.

Progress made in 2025/26 includes finalising the new design following significant input from colleagues to ensure the system will meet our needs. Work on building the solution also commenced this year, and the project will continue into 2026/27, with the new system due to go live in late summer 2027.

Inspection of our prosecution processes

In 2025/26, HM Crown Prosecution Service Inspectorate completed the first ever inspection of HSE's prosecution processes. Their findings were generally positive but included eight recommendations which aim to improve some areas of our prosecution work, including:

- improved identification of anticipated guilty and not guilty cases, and the expectations on disclosure for each type of case;
- improved disclosure training;
- better communications;
- clarity around the roles of inspectors, lawyers and paralegals;
- better victim and witness resources;
- performance metrics for file quality and decision making;
- quality assurance processes.

We accepted the recommendations in full and have put a plan in place for implementation in 2026/27.

Training and events

In 2025/26 we exceeded our target to engage 25,000 attendees by 22%. This was achieved through a combination of:

- training courses delivered to industry and government;
- technical conferences and webinars to highlight support available from HSE;
- qualifications developed in collaboration with our partners.

Feedback we collected from our course or events participants showed that 98% felt intended learning outcomes had been met, and 90% stated they intended to make a change to their working practices, policies or procedures as a result of attending.

Cyber security

Cyber security resilience is critical to HSE's ability to deliver our statutory functions, protect the integrity and availability of the data we rely on, and maintain public confidence.

HSE operates a mixed technology estate comprising both modern and legacy systems. Recognising the increasing cyber threat landscape across government, and in response to independent assurance activity, we

have established cyber security as a strategic risk. This was formally approved by the Executive Committee and the Audit Risk and Assurance Committee (ARAC), with a defined ‘cautious’ risk appetite that prioritises safe, well-controlled solutions.

We have made significant progress against recommendations from an independent IT health check and GovAssure, the cyber security scheme for assessing government critical systems. Delivering a targeted cyber security action plan has strengthened HSE’s overall security posture, with controls increasingly aligned to ISO27001, the Cyber Assessment Framework and National Cyber Security Centre guidance.

We have also enhanced monitoring across the technology estate and begun six-monthly ‘exercise in a box’ scenarios, promoting continuous learning and cross-functional readiness. Compliance indicator reporting provides regular oversight of control effectiveness and informs prioritisation of further risk reduction activity.

Progress with our website modernisation project

We are in our final year of a three-year website modernisation project focused on improving accessibility, quality of content, ease of search and navigation, as well as decluttering outdated materials.

Our aim is to ensure those who use our website service have a much better experience. This includes dutyholders,

workers, trade and industry bodies, trade unions and employee groups, plus other regulators.

Improvements delivered during the second year of the programme are having a positive impact, as we:

- exceeded our target of an overall website usefulness rating of 70% (achieving a rating of 78%);
- consistently rank in the top 10 out of over 200 government and public bodies websites when it comes to quality of content and accessibility;
- met an HSE Business Plan objective to migrate the separate Solutions for HSE website, which had been run by Science Division. This meant moving it over to our main hse.gov.uk website to improve user experience and increase visibility and income from our training, products and support services;
- implemented the gov forms service to further improve accessibility;
- refreshed our guidance on topic areas including:
  - waste and recycling;
  - bloodborne viruses;
  - worker involvement and consultation;
- continue to make use of the National Archives to host content that is past its retention date, or no longer meets a clear user need or our updated website proposition.

Our work to declutter and ensure accuracy helps users, especially in a world where we are seeing businesses use

artificial intelligence to pull content into their systems and technologies.

Milestones and KPI statuses against critical activity

Enabling activities	Status
Agree a programme to roll-out new digital services using the Dynamics platform	met ✓
Develop a data strategy and implementation plan	met ✓
Define a centralised tasking operating model for regulatory operations	met ✓
Define and agree a systematic review of functions to develop a contact strategy, including our future approach to telephony	met ✓
Implement a programme to replace the Single Operating Platform (SOP)	met ✓
Support HMCPSI inspection of HSE prosecution processes	met ✓
Implement HMCPSI inspection recommendations	✓
Continue our programme of work to modernise our website(s) by retiring Solutions for HSE and implementing the gov forms service solution to further improve accessibility	met ✓
Engage 25,000 delegates through training and events	met ✓
Agree activity and productivity measures as part of activity-based costing model to inform efficiency plan	met ✓
Enhance cyber security through action plan mitigations and compliance indicator reporting	met ✓
Achieve 90% of enabling corporate service performance measures	not met ✗

While improvements were made on a number of targets, we did not achieve the 90% composite target due to achieving 89% against a 90% target for responding to Freedom of Information requests with deadline and achieving 83% against a 90% for a prosecution charging decision within 12 weeks.



Financial performance

2025/26 Financial outturn

HSE's total operating expenditure was £345 million which is shown in Table 1, with comparators for the previous four financial years. Total expenditure is the sum of operating expenditure of £335 million and finance expense of £10 million, which is included in the SOCNE on page 192. This expenditure was partly funded through income of £155 million, with the balance of funding provided by government.

We have delivered our objectives for the year, as measured by the milestones in our Business Plan, within the budget we agreed with DWP.

Our financial results include the costs of the Building Safety Regulator until 26 January 2026, as BSR remained part of HSE until that date. BSR continued to grow until that point, which explains the increased staff costs during the year.

Table 1 Our costs across the past 5 years by main categories of spend

	2021/22 £m	2022/23 £m	2023/24 £m	2024/25 £m	2025/26 £m
Staff costs	170	170	192	200	225
Estates and accommodation	35	33	35	37	36
IS/IT	12	15	25	19	15
Depreciation and amortisation	7	9	9	10	10
Other	46	34	52	44	59
Total	**270**	**261**	**313**	**310**	**345**

The increase in our expenditure across the five-year period reflects investment in development of BSR, particularly in the recruitment of its workforce. HSE continues to provide corporate services to BSR which means some of the costs remain and we charge for the provision of services.

We continue to participate in the programme to replace the Single Operating Platform (SOP), which covers our human resources, finance and procurement shared service platforms. This will involve building a new operating model to replace SOP and Business Process Outsourcing, as well as developing a commercial strategy. It will require significant HR and finance support, working with DWP to support the SOP replacement solution.

During 2025/26, Executive Committee took the decision to fully impair one of the intangible assets on our balance

sheet. The Biocides and Pesticides Transformation (BPT) digital asset was created to deliver biocides and pesticides services, following the UK exit from the European Union (EU). The environment in which the BPT asset was developed has changed with greater co-operation and potential alignment between the UK and EU on chemicals.

Supporting the UK/EU negotiations in delivering a Sanitary and Phytosanitary (SPS) agreement is a priority for HSE in 2026/27, together with ensuring that we can deliver the required outcomes of this in practical terms. The decision was taken to continue to pause this development until there is further clarity on how arrangements will work.

Continuing uncertainty and potential changes to the regulatory model and operations mean that the systems we have developed will not deliver any imminent economic benefit to HSE. The capitalised value of the BPT intangible asset that has been impaired is £3.062 million.

Financial outlook

We recognise that there are considerable financial constraints and we set a Business Plan for 2026/27 that reflects our financial challenges including:

- efficiency challenges set as part of prior-year spending reviews (SRs) and the impact of real-terms reductions in SR 2025 funding;

- inflationary pressures across all services, including two Public Finance Initiatives agreements, which increase annually by inflation;
- loss of sub-tenants within the estate;
- supporting effort and response to the COVID pandemic and Lampard inquiries;
- the financial de-coupling of BSR from the rest of HSE, which will lead to a loss of economies of scale and a reduction in overhead recovery through the charging regime.

Our medium-term financial plan will reflect this and seek to manage known cost pressures through a combination of:

- cost recovery income (both new and existing regimes);
- productivity efficiencies delivered through the strategic effort we have invested in transforming key processes.

Previous restructuring of our operations has delivered benefits, including improved visibility of demand and control of resourcing. As part of the planning process, expectations have been agreed for time spent on regulating in the new divisions to deliver improved efficiency and impact.

This year's projects, outlined in our Business Plan, demonstrate our continued commitment to operating efficiently, effectively and economically. We will deliver government priorities in a cost-effective manner and seek to increase our partner collaboration to enhance our reach, influence and impact through low-cost channels.

Our corporate services functions perform well when benchmarked against relevant comparators. Investment in new and improved systems will drive further improvement against these measures. A benchmarking exercise, led by the Cabinet Office across government arm's length bodies, concluded that HSE is a strong performer. In all areas, including finance, HR, digital and IT, estates and internal communications, our running costs are below the average when compared to similar regulators.

Overall, we recognise the challenge of continuing to try to drive efficiencies across our operations while still delivering similar outcomes and impact, and we will need to continue to prioritise within increasingly constrained resources.

2026 to 2027 budget

The SR informs our budget for 2026 to 2027, which comprises:

- planned total expenditure of £315 million;
- £176 million funded through grant in aid;
- £139 million recovered through cost recovery, externally funded income, estate sub-lets and BSR service recharge.

The expenditure budget is broken downs as follows:

Expenditure	£m
Staff costs	197
Staff-related costs	13
Estates and accommodation	44
Information systems/information technology	18
Technical/research support	7
Depreciation	9
Legal costs	2
Equipment	3
Other, including programme expenditure	8
Baseline capital and research and development	14

Sustainability

This report provides a summary of HSE's sustainability performance in accordance with the HM Treasury Sustainability Reporting Guidance 2025/26. The guidance mandates Task Force on Climate-related Financial Disclosures (TCFD)-aligned reporting and Greening Government Commitments (GGC) for central government bodies.

We seek to comply with all applicable legal and other relevant requirements that relate to sustainability. This includes official codes of practice and, as far as practicable, accepted best practice in environmental management. We aim to minimise HSE's environmental impact in line with the government objectives for net zero. We do not yet collect all the information necessary for

minimum reporting requirements, but where this is the case and a robust estimate cannot be calculated, it is stated in the sections below.

The HSE strategy ‘Protecting people and places 2022 to 2032’ demonstrates our focus on reducing our own emissions, and how we are playing our part in enabling others to reduce their own to meet government net zero greenhouse gas targets. Our contribution is reflected in the activities outlined in this report.

Greening Government Commitments

Total greenhouse gas emissions for 2025/26 were 5,190 tonnes CO_2e (carbon dioxide equivalent). This is a decrease of 6% on the previous reporting year and a 39% reduction from the 2017/18 baseline.

It should be noted that these figures include the impact of HSE becoming the Building Safety Regulator (BSR) and the associated growth in staff numbers to deliver its functions, which was not included in the original Greening Government Commitments (GGC) baseline set in 2017/18. BSR has subsequently transferred to the Ministry for Housing, Communities and Local Government with effect from 27 January 2026. There was no baseline adjustment for this machinery of government change.

Until this reporting period the retained estate at HSE’s Science and Research Centre in Buxton has been exempt from GGC reporting due to the nature of the experiments

undertaken on the site (which include explosions, hydrogen testing and fire testing). This exemption no longer applies for 2025/26 onwards. The associated variances are explained in this report.

Reduction in greenhouse gas emissions from 2017 to 2026

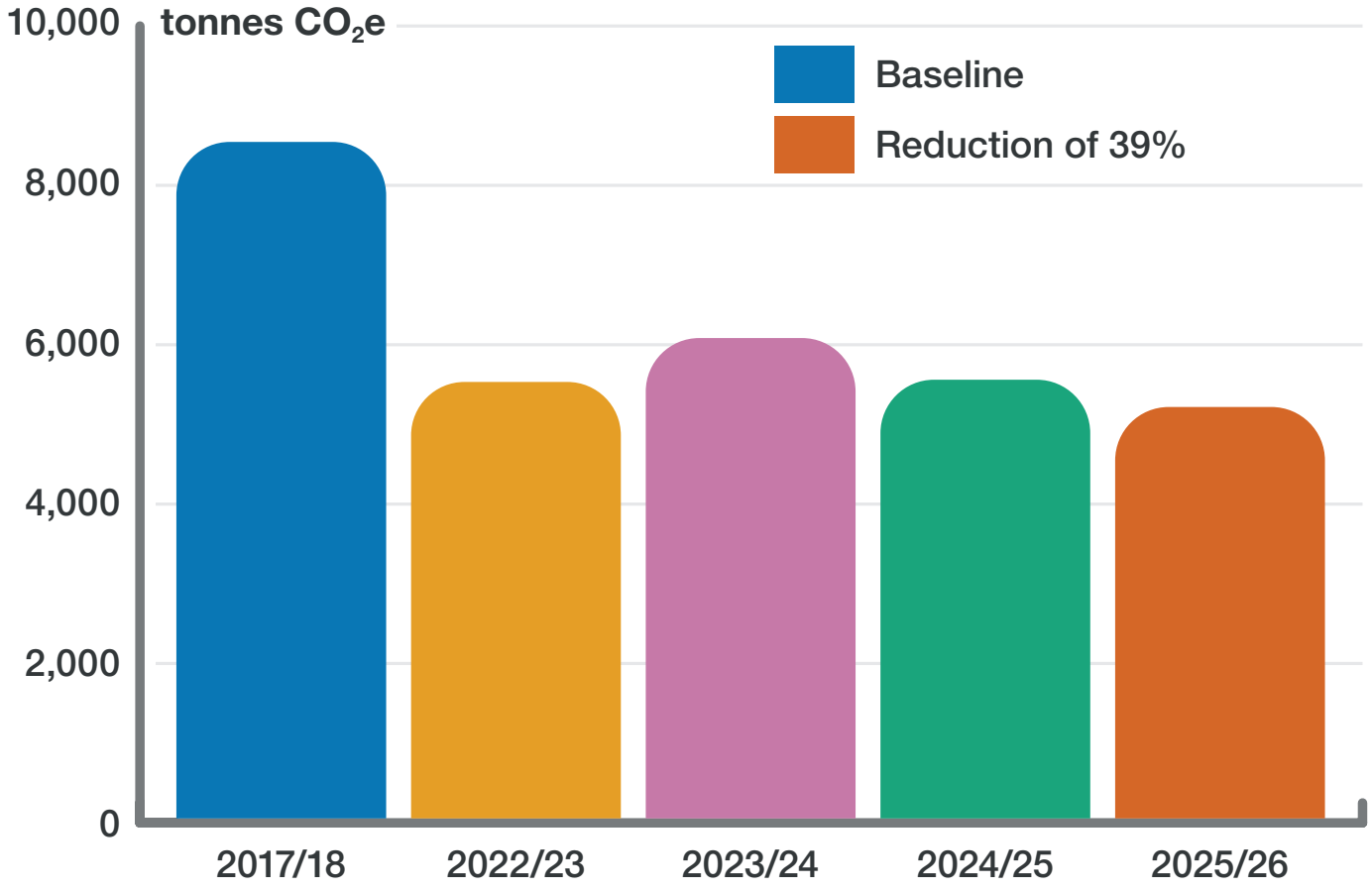


Table 2 HSE total greenhouse gas emissions

	2017/18	2022/23	2023/24	2024/25	2025/26	% Reduction to 2017/18 baseline
Reduce Greenhouse Gas Emissions (tonnes CO_2e)	8,534	5,506	6,060	5,534	5,191	39%
Direct Greenhouse Gas Emissions, scope 1 (tonnes CO_2e)	2,936	2,391	2,528	2,381	2,422	18%
Energy indirect emissions, scope 2 (tonnes CO_2e)	3,802	1,902	2,229	1,935	1,587	58%
Other Greenhouse Gas Emissions, scope 3 (tonnes CO_2e)	1,795	1,213	1,303	1,218	1,182	34%
Reduce the distance travelled on domestic business travel flights by 30% (miles)	2,125,914	725,766	652,305	680,659	751,093	65%
Report distance travelled on international flights (miles)	2,991,642	715,853	824,722	738,941	643,783	78%
Continue to reduce the amount of waste generated by 15% from baseline (tonnes)	440	304	278	290	250	43%

	2017/18	2022/23	2023/24	2024/25	2025/26	% Reduction to 2017/18 baseline
*Reduce waste sent to landfill to less than 5% of overall waste (tonnes)	2%	0%	0%	0%	1%	56%
Increase recycling to at least 70% (tonnes)	94%	85%	97%	100%	99%	N/A
Continue to reduce water consumption by at least 8% from baseline figure (m^3)	27,692	27,177	20,198	19,674	19,067	31%
Reduce the amount of paper used by 50% (reams)	10,870	3,750	3,698	5,128	3,581	67%

* Note: The retained estate at Buxton was excluded from the GGC targets for waste sent to landfill due to the nature of the experiments undertaken on site. From 2025/26 there is no longer an exemption for this waste disposal method.

HSE does not calculate internal carbon prices or monetary values of greenhouse gas (GHG) emissions as these are considered immaterial in value.

Scope 3 emission categories includes business travel emissions and a small element of transmission and distribution losses in the UK electricity sector.

The gross expenditure on the purchase of energy in 2025/26 was £3.7 million (this includes £2.9 million in electricity and £0.8 million in gas) and we did not have any accredited offset purchases. It should be noted that some energy usage costs in sub-lets is included in the overall charge and therefore not separately identifiable.

Total expenditure on business travel in 2025/26 was £6.1million including £0.35 million directly related to BSR travel. Excluding BSR travel costs, the figure of £5.8 million represents a significant real term reduction compared to £7.115 million incurred in the baseline year of 2017/18. The distance travelled on domestic flights has marginally increased from last year reflecting the increased staffing and travel associated with BSR.

Mitigating climate change: working towards net zero by 2050

Sustainable procurement

We have fully embedded sustainability principles into our commercial activity which now aligns to our refreshed Sustainability Strategy. This is ensuring that sustainability is considered at all levels of the supply chain. We aim to ensure that our supply chain is fully sustainable by 2029.

Travel

We continue to encourage green travel options for staff when commuting to work, alongside our successful work to reduce emissions from business travel. All our non-exempt fleet vehicles are set to be electric by 2027.

IT equipment

All IT hardware items we procure are required to have energy efficiency functionality (going to sleep mode or turning off after a period of no use). We dispose of all legacy IT equipment in an environmentally sustainable manner through our new disposal contract.

Estate

Sustainability is a required consideration in all business cases put to our Executive Committee for strategic decision making.

We are delivering our nature recovery commitments through work at our Science and Research Centre in Buxton with partners Derbyshire Wildlife Trust and the ‘Vision for Nature Recovery’.

We are developing a business case to install solar panels and battery storage at our Buxton site.

Communications

We are developing an internal sustainability communications strategy to engage with our people and drive a sustainability-focused culture.

Taskforce on Climate-Related Financial Disclosures: compliance statement

We are adopting TCFD-aligned disclosure in a phased approach consistent with the application guidance. We acknowledge there is further work to be done to meet all the requirements. This report demonstrates progress towards full compliance with the TCFD.

We have completed the materiality assessment based on the TCFD-aligned disclosure guidance. Climate is not considered a principal risk to HSE although we regulate the energy industry and are actively supporting innovations and emerging technologies.

Strategy

We apply the materiality principles included in the application guidance. This means that:

- we disclose climate related information when it is material to HSE's ability to operate effectively as an organisation;

- materiality assessments focus solely on our organisational strategy, financial planning and operational resilience;
- we do not publish the full materiality assessment.

We have identified climate related risks and opportunities that may impact on HSE's ability to deliver our organisational objectives and maintain operational resilience. These are considered longer-term risks (over 5 years) and medium-term opportunities (2 to 5 years).

Risks are:

- increased frequency of extreme weather events that could impact our offices, IT systems, continuity of operational delivery, such as offshore travel, is considered the greatest risk to manage;
- heatwaves, as any associated travel disruption may adversely impact on staff wellbeing and availability;
- financial, from inflationary pressures on travel, utilities, provision of IT services, and increased procurement costs arising from climate related impacts;
- supply chain resilience issues resulting from climate driven global disruption.

Opportunities are:

- estate efficiency improvements, through investment in energy-efficient buildings that deliver real term savings;
- digital transformation supporting remote and hybrid working capabilities that strengthens organisational resilience during climate related disruption;

- sustainable procurement to reduce future exposure through the adoption of low-carbon or more resilient solutions.

These climate related risks and opportunities may influence our business model and strategy.

HSE's strategy 'Protecting people and places 2022 to 2032' includes our commitment to supporting the delivery of net zero to mitigate the risks through our direct actions and our supporting role as an enabler for innovation and change. HSE keeps its strategic objectives under constant review and would pivot these to reflect increased risks. This would include reflecting on our people, estate and digital strategies alongside our regulatory approach for the various industries we regulate.

Our current hybrid working business model and national presence reduces our vulnerability to localised climate impacts and support continuity of operational and support functions. We continue to seek opportunities through technology to reduce the need for the existing levels of on-site regulation and associated travel where this is possible.

HSE uses a medium-term financial planning model (MTFP) to identify financial risks and opportunities and mitigate any forecast risks to maximise operational delivery against our objectives. Increased climate related risks are included in the MTFP process and considered by senior leaders, the Executive Committee and HSE Board

alongside all other risks and opportunities to inform future year budgets and Spending Review submissions.

We have analysed a range of plausible climate scenarios to test our strategic resilience.

A high impact scenario (increased heatwaves, storms and flooding) could lead to:

- increased regulatory risk and potential adverse impact on health and safety outcomes;
- HSE requiring additional short- and medium-term funding as our funding model is based on cost recovery offsetting gross expenditure.

An orderly transition scenario (gradual impact of climate change) could lead to:

- an ability to gradually strengthen sustainability standards around reduced emissions, procurement and estates strategy;
- moderate cost pressures associated with strengthening standards to mitigate the impact;
- increased innovation across a longer period to mitigate the impact on HSE's delivery.

In both scenarios, our hybrid working model, proven digital capability and business continuity arrangements would act as HSE's primary organisational resilience measures. It would be unlikely to impact on the long-term viability of the organisation but could have significant financial and

operational consequences that would need to be managed in a proactive manner.

Governance

We recognise the importance of incorporating environmental, social and governance factors into our decision-making processes.

The Director of Finance and Corporate Services is the Senior Responsible Owner (SRO) for sustainability. As a member of the HSE Executive Committee, they have ultimate accountability and responsibility for compliance and the achievement of targets. Issues are escalated to the Executive Committee on an ad-hoc basis when risks or opportunities arise.

The Executive Committee takes all key operational decisions, for example the approval of estate events which includes the relevant sustainability considerations such as:

- energy efficiency of proposed locations;
- proximity to the organisations that HSE regulates;
- public transport links for office-based staff.

The HSE Board approved the Business Plan for 2026/27 and objectives which includes supporting delivery of net zero and reducing our own carbon footprint.

The HSE Sustainability Steering Group is chaired by the SRO and includes representation from the main functions with potential for identifying, and assessing, climate-

related risks and opportunities. Issues are escalated to the Executive Committee.

We are represented by our Deputy Director of Finance on the DWP Arm's Length Body Sustainability Working Group which meets quarterly. This provides a wider view on emerging issues and options for mitigation as well as best practice across government and the private sector.

Climate risk management

HSE successfully delivered against all the relevant commitments in the Government Greening Commitments (GGCs) 2021 to 2025. The HSE Board and Executive Committee are fully committed to ensuring we maintain an effective risk management strategy that is an integral part of governance, leadership and control at all levels within the organisation.

The HSE SRO for sustainability attends all Executive Committee and HSE Board meetings and ensures sustainability risk, including likelihood, materiality and options to mitigate the impact, are considered as part of the strategic decision-making process.

We work with DWP and other arm's length bodies, through the Arm's Length Body Sustainability Working Group, to collectively review risks and assess the impact (if any) on HSE's people, premises, providers, and processes.

Climate-related risks are identified using existing risk management processes, annual risk reviews and horizon

scanning activities. They are evaluated using HSE's risk assessment matrix, which includes likelihood, impact, control effectiveness and appetite.

Any significant risks identified across HSE, including climate-related risks, are escalated in line with HSE's risk management framework.

Risks are first reviewed by the relevant function Director before being escalated to the Executive Committee and subsequently reported to the Audit and Risk Assurance Committee and the Board. There is no standalone climate framework and no specific climate change processes outside of the existing risk management processes.

Metrics and targets

Our performance against the GGC metrics is shown on page 81. HSE's methodologies to calculate the metrics are aligned with the existing reporting framework and we will align our reporting to the new GGC 2025 to 2030 metrics.

Our Sustainability Steering Group is also considering other key metrics specific to HSE which support the management of the identified risks for inclusion in the 2026/27 Sustainability Report.



Sarah Albon
Chief Executive and Accounting Officer
Health and Safety Executive
29 October 2026

Accountability

Corporate governance report

This report explains HSE's governance structures and how these support the achievement of our objectives. It consists of the Statement of Accounting Officer's responsibilities, Directors' report and Governance Statement.

The Directors' report

HSE structure

HSE is led by a non-executive Board, chaired by Sarah Newton. The Board sets the organisation's long-term direction, strategy and objectives. The delivery of these, along with the day-to-day management of HSE, is the responsibility of the Chief Executive and the Executive Committee (ExCo).

Further details on HSE's organisational structure can be found on our website.

HSE Board

Non-executives at 31 March 2026



Sarah Newton
Chair of the Board



Chyrel Brown



David Coats



Martin Esom



Debbie Gillatt



Chris Johnson



Cathie Mackay



Ged Nichols



Gina Radford



Ken Rivers



Claire Sullivan

Note: Graham Farrant attended two Board meetings in 2025/26 before his resignation.

Executives at 31 March 2026



Sarah Albon
Chief Executive



Rick Brunt
Engagement and Policy



Andrew Curran
Science



Dan Ellis
Human Resources



Ranuka Jagpal
Digital and Information Technology



Michael Jennings
Legal



Jane Lassey
Regulation



David Murray
Planning, Finance and Corporate Services



Angela Storey
Transformation

Diversity of the Board and Executive

Due to the relatively small size of our Board, ExCo and Senior Civil Service (SCS) groups, we have opted not to share detailed diversity data without compromising individual privacy. It is also important to note that the current composition of our leadership does not fully reflect the broader diversity present across HSE (as set out in the HSE Workforce 2024/2025 Report).

We recognise that we need to improve diversity of representation at senior grades, and we are committed to making meaningful progress in this area, as we believe diversity is essential to foster innovation and create an inclusive culture. To support this, we are investing in initiatives that promote the development of our diverse talent and working to build a more diverse pipeline into senior grades and roles. Where appropriate, we will continue to review and improve our diversity data.

SCS diversity as at 31 March 2026 is as follows:

- 32% responded ‘Yes’ to SEB self-assessment (lower socio-economic background);
- gender distribution:
  - 49% female;
  - 51% male;
- average age is 53.

Managing conflicts of interest

Members of the HSE Board and ExCo are asked to declare any potential conflicts of interest at each meeting, and this is recorded in the minutes, along with any action taken. No members had company directorships or other significant interests conflicting with their management responsibilities.

Personal data-related incidents

Information on personal data-related incidents can be found in the report of HSE's Data Protection Officer on page 136.

Statement of Accounting Officer's responsibilities

Under paragraphs 10(1) of Schedule 2 of the Health and Safety at Work etc Act 1974, HSE is required to prepare a Statement of Accounts for each financial year in the form and on the basis determined by the Secretary of State, with the consent of HM Treasury. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of HSE and of its income and expenditure, Statement of Financial Position and cash flows for the financial year.

In preparing their accounts, the Accounting Officer is required to comply with the requirements of the Government Financial Reporting Manual (FReM) and in particular to:

- observe the Accounts Directions issued by the Secretary of State, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- make judgements and estimates on a reasonable basis;
- state whether applicable accounting standards, as set out in the FReM, have been followed, disclose and explain any material departures in the Accounts, and prepare the Accounts on a going-concern basis, unless it is inappropriate to presume that the Executive will continue in operation.

The Accounting Officer for the Department for Work and Pensions has designated the Chief Executive of HSE as Accounting Officer for HSE.

The responsibilities of the Accounting Officer are set out in 'Managing Public Money', published by HM Treasury. They include:

- accountability for the propriety and regularity of the public finances for which they are answerable;
- the maintenance of proper accounting records;
- the safeguarding of HSE's assets.

Accounting Officer's statement

As the Accounting Officer, I have taken all the steps that I ought to have taken to make myself aware of any relevant audit information and to establish that HSE's auditors are

aware of that information. To the best of my knowledge and belief, there is no relevant audit information of which the auditors are unaware.

I confirm that the Annual Report and Accounts, taken as a whole, are fair, balanced and understandable. I accept personal responsibility for the Annual Report and Accounts and for the judgements required in determining that they are fair, balanced and understandable.

Governance statement

This Governance Statement sets out HSE's governance, risk management and internal control arrangements which have operated in 2025/26.

As the Accounting Officer, I have maintained effective governance arrangements during 2025/26 which comply with relevant guidelines, including 'Managing Public Money' and the 'Corporate governance in central government departments: Code of good practice'.

While the Code of Practice is primarily for ministerial departments, arm's length bodies such as HSE are expected to adopt and adhere to the Code to the extent that it is practical, appropriate and consistent with any statutory or other authoritative requirements which apply.

Ministerial and departmental oversight

The Secretary of State has principal responsibility for HSE. The DWP Minister with responsibility for health and safety will account for HSE's business in Parliament, including its use of resources and the policy framework within which HSE operates.

The HSE Board is responsible to the relevant ministers for the administration of the 1974 Act. Meetings also take place between the Minister with responsibility for oversight of HSE, the Chair and the Chief Executive. The arrangements between DWP and HSE within which

corporate governance operates are set out in a framework document, which is available on HSE's website.

DWP formally exercises its sponsorship of HSE through quarterly meetings of a Partnership Board at which senior officials from both bodies review HSE's operational and financial performance, key risks and emerging issues. Additionally, HSE submits monthly data to DWP on its forecast for, and use of, resources.

Ministerial directions

Ministerial directions are formal, technical instructions from the Secretary of State which allow the department to proceed with a spending proposal in a situation where the Accounting Officer has raised an objection. No ministerial directions were given in 2025/26.

Governance within HSE

Figure 1 sets out the structure of our senior committees as at 31 March 2026. This structure and board/sub-committee terms of reference and membership is kept under regular review.

Figure 1 Governance structure of senior committees



Note: The Building Safety Committee sat for two meetings before the announcement to set up a separate statutory body, at which point the committee was disbanded.

HSE Board

The Board is comprised of non-executive members appointed by the Secretary of State following consultation with representative bodies, including employers, employees, local authorities and other stakeholders. Through this appointment process, the Board reflects a balanced range of stakeholder perspectives.

The Board is independently chaired by a non-executive Chair, who is responsible for leading the Board and ensuring its ongoing effectiveness, as well as upholding the high standards of regularity and propriety expected of an arm's length public body. The Chair is also responsible for ensuring the Board provides appropriate support to the Chief Executive and Executive Committee members, while holding them to account for HSE's performance, and that the Board collectively assumes responsibility for the organisation's overall success. The Chief Executive and other Executive Committee members attend Board meetings.

In exercising effective governance in HSE during 2025/26, the Board has fulfilled its responsibilities by maintaining a strong focus on ensuring the long-term sustainability of the organisation, and overseeing progress and assurance on the delivery of strategic objectives set out in the Business Plan 2025/26, including:

- intervention activity aimed at reducing workplace ill health, as well as progress in building the research evidence base;
- setting up the Building Safety Regulator as a separate statutory body from 27 January 2026;
- HSE activity in the major hazards sector, including support of safe transition to net zero. This included developing the evidence base in hydrogen, battery storage and carbon capture, as well as working across government departments and industry;

- chemicals regulation in relation to building capability for a UK chemical regime, as well as amendments to biocides data requirements to reflect technical and scientific progress;
- the strategy for recruitment and retention of a high-calibre, diverse workforce;
- holding a number of planning sessions to develop the 2026/27 Business Plan.

A detailed Business Performance Report is presented at each Board meeting, setting out performance against the measures and milestones in the 2025/26 Business Plan. The report is reviewed by the Finance and Performance Committee to ensure it highlights the key performance indicators and provides sufficient assurance on overall performance against the Annex of the Business Plan.

This regular standing item includes:

- challenging performance against Business Plan objectives and milestones;
- reviewing people and capability matters, including organisational culture, leadership and values;
- overseeing financial performance linked to operational delivery, as well as assurance in respect of financial forecasts, risk and opportunities, considering medium-term financial planning and its alignment to strategic priorities;
- ensuring HSE's cost recovery arrangements are robust.

In addition, the members of the Board attended the HSE Prevention Conferences, and participated in a chemicals and high hazards industry group, which published 'The Principles of Workplace Health and Wellbeing Leadership'.

During the year, the Board also maintained active oversight of assurance and risk management, ensuring effective frameworks are in place to identify, assess and manage the key risks facing the organisation. It has received regular reports on the risk profile, scrutinised mitigation plans, and sought assurance from management, internal audit and relevant committees on the effectiveness of controls to ensure appropriate governance processes remain in place and are aligned with best practice.

In discharging these responsibilities, the Board carried out the following activities:

- overseeing a complete refresh of HSE's strategic risks, which are the most pressing facing HSE in delivering its strategic objectives as set out in our strategy 'Protecting people and places';
- regular review of strategic risks and ensuring appropriate mitigations are in place, together with planned assurance activities in respect of mitigating actions;
- obtaining assurances, including through via its sub-committees, on HSE's risk control environment.

The Board has four sub-committees, all of which are chaired by members of the Board or an independent appointee.

People and Remuneration Committee

The People and Remuneration Committee is chaired by Claire Sullivan, Non-Executive Director, and provides assurance to the Board on pay policy. This involves:

- setting the framework for the performance management and remuneration of the Chief Executive;
- assessing and approving Senior Civil Service (SCS) pay awards;
- providing assurance on the effective implementation of HSE pay policies for all other roles;
- monitoring all pay outcomes to ensure no bias, inconsistencies or anomalies.

The Committee also provides appropriate challenge and support to Executive Directors in relation to HSE's:

- succession planning and the effectiveness of systems to identify and develop leadership capability;
- People Survey;
- Diversity and inclusion;
- Reward strategies.

Audit and Risk Assurance Committee

The Audit and Risk Assurance Committee is chaired by Martin Esom, and provides assurance to the HSE Board

and the Accounting Officer on the appropriateness, adequacy, propriety and value for money of HSE's arrangements for audit, risk management and internal control.

It reviews, monitors and challenges an Integrated Assurance Plan and ensures necessary actions are taken in response to recommendations arising from Internal Audit and other assurance activities. It also oversees arrangement for the external audit of HSE accounts, including recommending the signing of the accounts by HSE's Accounting Officer.

Key areas of focus in 2025/26 included:

- an integrated approach to assurance planning and reporting which brings together all the planned assurance activities, including the outcomes of the broad range of assurance activity carried out, irrespective of provider;
- reviewing performance of the Government Internal Audit Agency (GIAA) against their annual audit plan to ensure the service provided was in line with expectations;
- seeking assurances of improvement where control gaps have been identified through audit and assurance activity;
- ongoing scrutiny of the risk management framework and the key risks being managed to deliver HSE's strategic objectives;

- a follow-up risk mitigation deep dive into the concerns handling review to improve consistency and efficiency of HSE's approach to escalated concerns;
- a follow-up risk mitigation deep dive into the legacy case management system replacement programme to improve resilience, cyber security and efficiency through a modern and stable digital platform;
- carrying out full scrutiny and review of HSE's Annual Report and Accounts and Governance Statement for 2024/25 and recommending approval to the Accounting Officer following assurances from the National Audit Office;
- regular reviews of reports on whistleblowing and internal complaints handling, and counter fraud, bribery and corruption including forward strategy.

Finance and Performance Committee

The Finance and Performance Committee is chaired by Non-Executive Director Debbie Gillatt. The Committee's key purpose is to support the HSE Board to meet its obligations in relation to financial and performance management and people capability risk.

Science Quality and Assurance Group

The Science Quality and Assurance Group (SQAG) provides HSE with an independent assurance on the relevance and quality of our scientific research and carries out deep dives of our work. It is chaired by Professor

Catherine Noakes, an appointed academic independent of HSE.

Executive Committee

The Executive Committee (ExCo) is the strategic decision-making body, supporting the HSE Board and Accounting Officer to carry out the legislative, policy, operational and administrative functions and requirements. It meets monthly and its key responsibilities are:

- formulating and implementing strategy, operational plans, procedures and budgets;
- monitoring of operational and financial performance;
- assessing and controlling risk;
- prioritising and allocating resources.

ExCo is accountable to the HSE Board for delivery of its strategy and objectives, and to Parliament for effective day-to-day management of HSE. Governance arrangements aim to improve effective decision making, with each committee having a distinct function and clear requirement of its membership:

- **The Strategic Design Authority** ensures HSE has the right business and operating model in place and that any proposed change initiatives align with strategic priorities and are compliant with statutory requirements and good practice, as well as providing steer and direction for initiatives within the change programme.

- **The Portfolio Board** is responsible for governance of all significant change projects and maintaining the overall HSE Change Governance Framework.
- **The Operations and Regulation Committee** is responsible for reviewing and driving the performance of the operational divisions, evaluation of regulatory interventions, and the effectiveness of our regulatory processes.
- **The Health, Safety and Wellbeing Committee** is the main forum for joint consultation between management and unions on health and safety matters affecting HSE's people.

The remuneration of members of the Executive Committee is reported in our Remuneration Report.

Board and committee attendance 2025/26

Table 3 Board and committee attendance by member and eligibility

Name of Board/ Committee member (and term held)	HSE Board 8 meetings	Audit and Risk Assurance Committee 4 meetings	People and Remuneration Committee 2 meetings	Science Quality and Assurance Group 3 meetings	Finance and Performance 4 meetings	Executive Committee 11 meetings
Non-executive members						
Sarah Newton (1 Aug 2020 to 31 Jul 2027)	8 of 8	-	-	-	-	-
Cathie Mackay (1Oct 2024 to 30 Sept 2029)	7 of 8	3 of 4	-	-	2 of 2	-
Martin Esom (1 Jul 2017 to 30 Mar 2026)	7 of 8	4 of 4	-	-	-	-
Claire Sullivan (1 Aug 2019 to 31 Jul 2024)	8 of 8	-	0 of 1	-	2 of 3	-
Ged Nichols (1 Sep 2019 to 31 Aug 2024)	7 of 8	-	-	-	3 of 4	-
Graham Farrant (1 Jan 2026 to 27 Feb 2026)	2 of 2	-	-	-	-	-
Debbie Gillatt (27 Sep 2021 to 26 Sep 2026)	8 of 8	-	1 of 1	-	4 of 4	-

Name of Board/ Committee member (and term held)	HSE Board	Audit and Risk Assurance Committee	People and Remuneration Committee	Science Quality and Assurance Group	Finance and Performance	Executive Committee
Gina Radford (27 Sep 2021 to 26 Sep 2026)	7 of 8	-	-	-	4 of 4	-
Chyrel Brown 1 Sep 2022 to 31 Aug 2027	8 of 8	4 of 4	-	-	1 of 1-	-
David Coats 1 Sep 2022 to 31 Aug 2027	7 of 8	3 of 4		-	1 of 1	-
Ken Rivers (1 Jul 2023 to 31 July 2028)	8 of 8	4 of 4	-	4 of 4	-	-
Christopher Johnson (1 Oct 2024 to 30 Sep 2029)	6 of 8	-	-	3 of 4	-	-

Table 4 Committee attendance in 2025/26

Name of Board/ committee member	HSE Board 9 meetings	Audit and Risk Assurance Committee 4 meetings	People and Remuneration Committee 2 meetings	Science Quality and Assurance Group 3 meetings	Finance and Performance 4 meetings	Executive Committee 11 meetings
Independent member of a sub-committee and representatives of other government departments (OGDs)						
Charmion Pears	-	4 of 4	-	-	-	-
Cath Noakes (Leeds University)	-	-	-	4 of 4	-	-
Peter Buckle (Imperial College)	-	-	-	4 of 4	-	-
Shareen Doak (Swansea University)	-	-	-	1 of 1	-	-
Camilla Alexander-White (Royal Society of Chemistry)	-	-	-	4 of 4	-	-
Neil Bourne (Manchester University and Thomas Ashton Institute)	-	-	-	4 of 4	-	-
Elaine Cloutman-Green (Consultant Clinical Scientist)	-	-	-	4 of 4	-	-
Gary Macfarlane (Interdisciplinary Research and Research Impact)	-	-	-	3 of 4	-	-
Abigail Hathway (Sheffield University)	-	-	-	3 of 4	-	-
Philipp Thies (Exeter University)	-	-	-	4 of 4	-	-

Name of Board/ committee member	HSE Board 9 meetings	Audit and Risk Assurance Committee 4 meetings	People and Remuneration Committee 2 meetings	Science Quality and Assurance Group 3 meetings	Finance and Performance 4 meetings	Executive Committee 11 meetings
Independent member of a sub-committee and representatives of other government departments (OGDs)						
Anthony Graham (OCEA Shipbuilding UK)	-	-	-	4 of 4	-	-
Mark Berry (Food and Life Sciences Consulting Ltd)	-	-	-	4 of 4	-	-
Richard Plumbly-Clegg (scientist engineer)	-	-	-	4 of 4	-	-
Mikela Chatzimichailidou (University College London)	-	-	-	4 of 4		
Laura Dean University of Sheffield				1 of 1		
Catherine Adam (Director of Buildings Systems and Net Zero, DLUHC)	-	-	-	-	-	-
Neil O'Connor (Independent Adviser, DLUHC)	-	-	-	-	-	-
Richard Goodman (Greener Buildings, DLUHC)	-	-	-	-	-	-
Sarah Crawley (Director, Fire Events and Central Management, Home Office)	-	-	-	-	-	-

Name of Board/ committee member	HSE Board 9 meetings	Audit and Risk Assurance Committee 4 meetings	People and Remuneration Committee 2 meetings	Science Quality and Assurance Group 3 meetings	Finance and Performance 4 meetings	Executive Committee 11 meetings
Independent member of a sub-committee and representatives of other government departments (OGDs)						
William Peart (MCHLG)	-	-	-	-	-	-
Richard Moriarty (Independent Adviser)	-	-	-	-	-	-
Independent member of a sub-committee and representatives of other government departments (OGDs)						
Liam Spender (Independent Adviser)	-	-	-	-	-	-
Giles Grover (Independent Adviser)	-	-	-	-	-	-
Executives						
Sarah Albon	8 of 8	3 of 4	1 of 1	-	3 of 4	10 of 10
Dan Ellis	7 of 8	-	1 of 1	-	-	6 of 6
Rick Brunt	8 of 8	-	-	-	-	9 of 10
Andrew Curran	8 of 8	-	-	3 of 4	-	9 of 10
Michael Jennings	8 of 8	-	-	-	-	8 of 10
Jane Lassey	8 of 8	-	-	-	-	9 of 10
Clare Millington-Hume	1 of 1	-	-	-	1 of 1	2 of 2
David Murray	8 of 8	4 of 4	-	-	4 of 4	10 of 10
Angela Storey	7 of 8	-	-	-	-	8 of 10
Philip White	4 of 5	-	-	-	3 of 3	5 of 7
Ranuka Jagpal	5 of 5					4 of 4

Risk management framework

Risk management is a key aspect of HSE's internal control framework and is aligned to the government's Orange Book. ExCo regularly considers strategic, operational and external risks that are reported through relevant risk registers that detail the controls or actions required to mitigate these risks to a manageable level.

During 2025/26, each risk, which is owned by a director, was reviewed by ExCo at monthly meetings where they challenge the mitigating actions put forward and collectively agree the approach to be taken to manage the risk.

When considering proposed mitigating actions, ExCo considers the cost and benefit of the action. Divisions are responsible for ensuring they routinely consider risks to the delivery of their objectives through the effective application of HSE's risk management procedures.

The most severe risks are reported quarterly to the HSE Board, which provides oversight and challenge on these. Additionally, the Audit and Risk Assurance Committee (ARAC) scrutinises the effectiveness of the risk management framework through quarterly meetings.

Following on from HSE's commitment to review and refresh ExCo strategic risks during 2025/26, we continued our programme of review of the supporting internal risk management processes and guidance. We designed and launched a risk maturity model and self-assessment tool

for core divisions to assess and continuously improve their risk management effectiveness.

In addition, and to further enhance our oversight in this area and ensure that our risk management systems remain robust and effective, we embedded our new risk appetite statement. This varies in levels; in some areas our risk tolerance is cautious, in others we are open for risk and willing to carry it in the pursuit of HSE's strategic objectives.

HSE's risk profile

HSE continues to face risks associated with capability and capacity, in particular aligning our workforce to our priorities. To ensure resources are consciously matched to strategic priorities, recognising that resource requirements will fluctuate over the period of our strategy, we began developing a multiple talent attraction pipeline and pathways. This will help to mitigate the risks around operational capacity.

We are also building on our strategic workforce plan to better inform our future size, shape and skill set to deliver for the future. We continue to develop the framework for the deployment of resources and will be standardising performance expectations across all areas of HSE.

In our transformation area, our pace of change has been impacted by the decommissioning of legacy IT systems. However, this risk has a number of controls

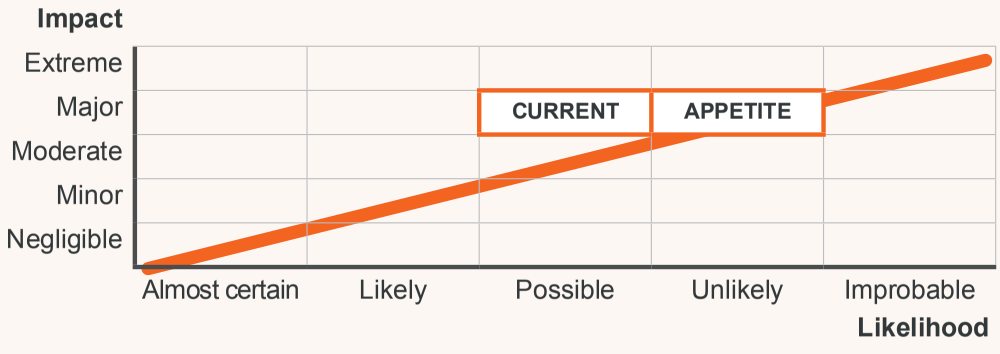
and mitigations in place across HSE. We have assessed HSE's vulnerability to cyber attacks, and have a detailed strategy for cyber security to strengthen our processes and continually manage improvements, working with teams across HSE to reduce the overall risk.

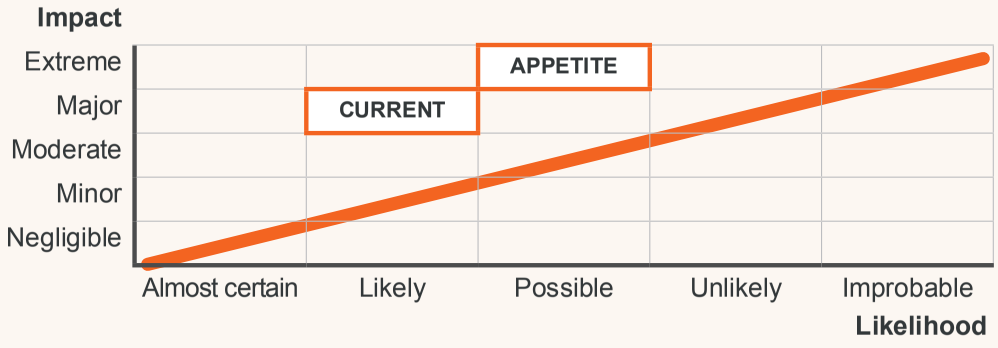
We are conscious that managing our risk relating to ensuring HSE has sufficient financial resource is fundamental to delivering our full ambition of the strategy. To address this we have medium-term financial planning in place, which will recognise efficiencies we would achieve through organisational growth and judicious management of our overheads. This is underpinned by ongoing work across all operational functions to clarify cost recovery and external income, as well as programme funding requirements.

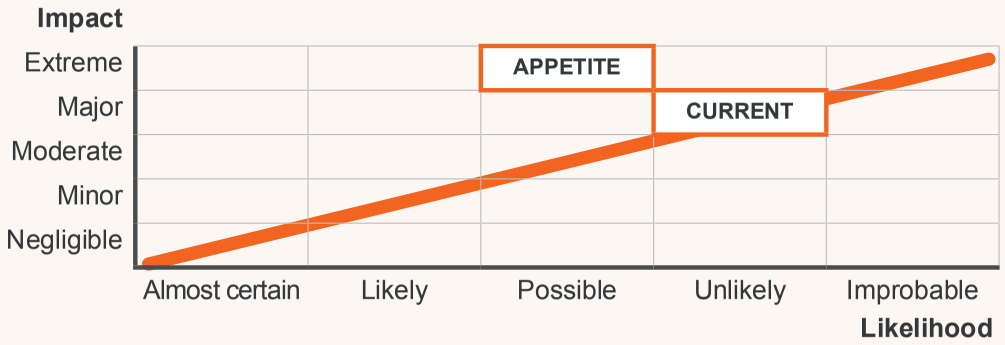
HSE continues to carry out horizon scanning to identify and mitigate against any emerging risks, and we work closely with other government departments to keep abreast of the evolving risk landscape.

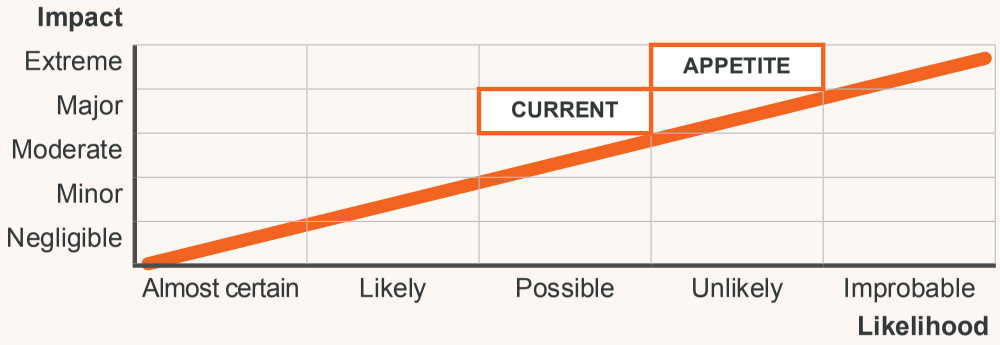
HSE's strategic risks

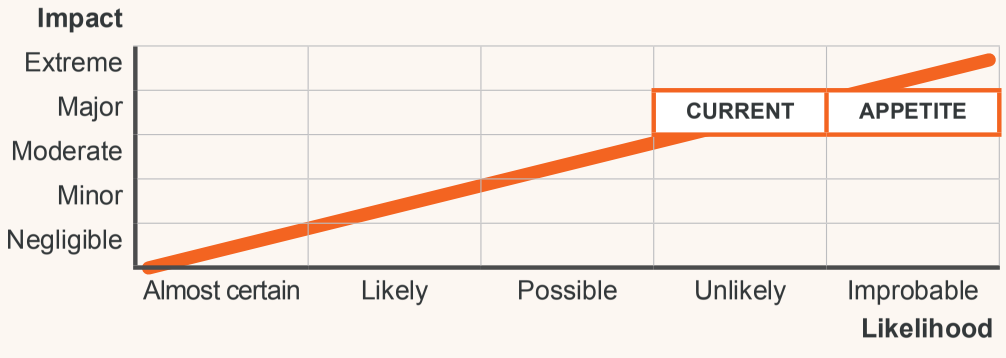
In this section you will find a summary of HSE's strategic risks. This includes the 'Current' risk rating position in comparison to the tolerable position 'Appetite', which is the amount of risk HSE is willing to take in order to meet its strategic objectives.

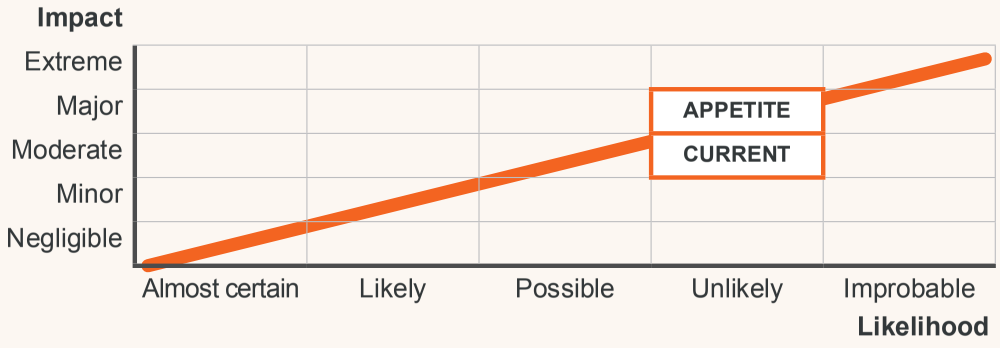
Risk description	Key controls and activities to manage risks
Matching specialist resource to priority areas  	Mitigations enabled resource to be matched to activity demands as part of a coherent organisational strategic plan. This recognised that resource requirements will increase/decrease over the period of the Strategy. Key mitigating actions include: ○ regulatory routine reviews; ○ performance metrics; ○ creating a partnership network across industry and Civil Service for hydrogen; ○ developing a framework for resource deployment (operational units and other divisions).

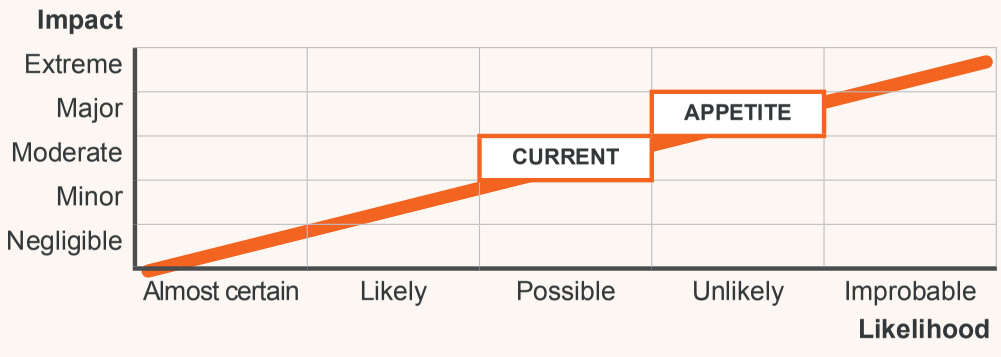
Risk description	Key controls and activities to manage risks
Optimisation of benefits from the change portfolio  	Long-term rolling intervention plans were aligned to the portfolio planning process to tackle strategic priorities in health, net zero and areas of maintaining safety. A new structure was embedded across change and digital functions. Key mitigating actions include: ○ enhancement of existing change frameworks; ○ alignment to spending review and portfolio planning, Strategic Roadmap cycle for three years; ○ an integrated benefits realisation lifecycle.

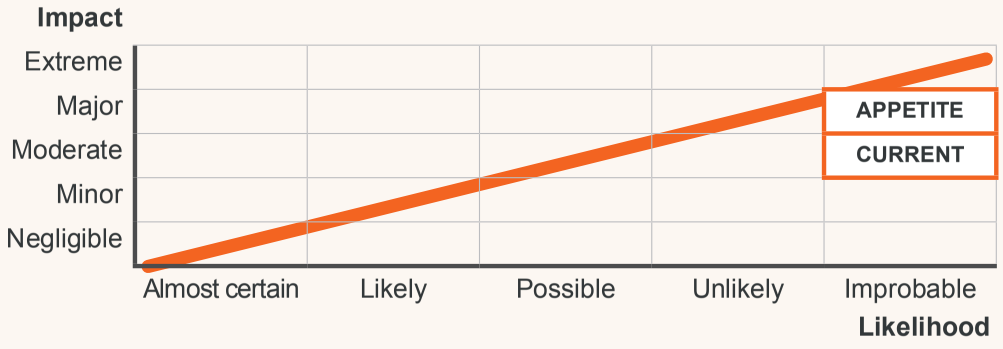
Risk description	Key controls and activities to manage risks
Delivery on the reduction of work-related ill health  	Work on interventions, evidence and understanding is a long-term approach. Mitigation delivered consisted of interventions to improve quality and consistency of: • occupational health; • further developing the evidence base to understand the risk to workers provision and the development of approaches to identify new and more efficient control measures. During the year Science Quality and Assurance Group carried out a series of reviews on the mitigations in place. Key mitigating actions include: • developing a strategy to monitor the impact of activity; • strategic advisers helping to focus the research activity; • focused engagement with external stakeholders to draw in leadership and commitment.

Risk description	Key controls and activities to manage risks
Right organisational capability and capacity  	Our flexible approach to work has enabled greater attraction for roles that are difficult to recruit, and improved both diversity and inclusion during 2025/26. Next year the regulatory training programme, alongside dedicated HR resource, will further support building capacity and capability, supplemented by specialist secondments. Key mitigating actions include: - people metrics being reported and scrutinised at the Performance Hub and the Finance and Performance Committee; - Civil Service Commission reviews; - a robust recruitment campaign process.

Risk description	Key controls and activities to manage risks
Reduction in regulatory activities creating budgetary pressures 	Due to the uncertainty around the future of our regulatory activities, we further developed a medium-term financial plan, which was underpinned by clear expectations across all operational functions. Key mitigating actions include: ○ a service management agreement with the new Building Safety Regulator; ○ activity-based costing to the medium-term financial plan; ○ reviewing external opportunities through external income.

Risk description	Key controls and activities to manage risks
Deliver modern IT and infrastructure at a sufficient pace  	The focus throughout the year has been on the investment in the transition from digital service development to Live Service. The Service Support Model for Live Digital Services was agreed and has replaced our key digital services. Key mitigating actions include: • developing a clear Digital Data and Technology strategy; • developing and completing a system development methodology including testing with associated KPI and quality metrics; • carrying out a legacy network infrastructure review to remove legacy infrastructure from our estates ahead of implementing a replacement wide area network.

Risk description	Key controls and activities to manage risks
Optimise relationships with stakeholders  	HSE has multiple stakeholders with differing requirements. A stakeholder mapping exercise was carried out to baseline against our strategic objectives, to ensure the salience mapping remained valid. This was supported by a comprehensive communications strategy. Key mitigation actions include: ○ establishing a hub to support overview and consistency of approach; ○ relationship owners being assigned to each priority area; ○ development of an engagement plan using the 'develop, maintain or exit' approach.

Risk description	Key controls and activities to manage risks
Protect HSE's IT systems from exposure to security vulnerabilities 	With dependency on legacy systems, which are out of support contract for the delivery of departmental services and strategic outcomes, remedial work continued to be carried out by the Cyber Security team. Key mitigating actions includes: ○ continuing work by the Cyber Security team to strengthen the system security. ○ prioritising the decommissioning, replacement or isolation of high-risk legacy systems to reduce cyber and operational risk. ○ enhancing resilience through defined recovery objectives, business impact assessments and regularly tested incident and continuity plans.

Accounting Officer's annual review of effectiveness

As Accounting Officer, I have undertaken a review of the effectiveness of HSE's governance structures, risk management and internal control arrangements, informed by the range of assurance sources available to me. Figure 2 illustrates how these sources of assurance align, and how their findings and outcomes are reported to me as Accounting Officer and to the relevant governance forums within HSE.

Figure 2 Framework for considering effectiveness

Annual assessment		**Accounting Officer** Assessment of effectiveness	
Reporting to Executive Committee and Audit and Risk Assurance Committee	**Quarterly Integrated Assurance Report**		
Assurance components used to determine effectiveness	1st line **Directors' Letters of Assurance** – Subject to independent review **Government functional Standards** – In-year self-assessments against full standards **Concern mechanisms**	2nd line **Business Assurance Teams** – In-year reviews – Annual assessment **Data Protection Officer** – In-year reviews – Annual report **Programme Management Office** – In-year health reviews **Health, Safety and Wellbeing Team** – In-year reviews **Audit and Risk Assurance Committee** – Annual report and assessment	3rd line **Internal Audit** – Individual reviews – Annual opinion **Other external assurances including:** – DWP Annual Assurance Assessment – Government Business Services in relation to SSCL – Government Security Group – Investigatory Powers Commissioner's Office – Infrastructure and Projects Authority – Independent Board effectiveness review
Underlying foundations	**HSE Governance, Risk and Control Framework**		

Overall governance and control framework

Risk management is a key aspect of HSE's internal control framework, described on page 116. The framework is supported by appropriate policies, procedures and guidance for staff, and based on a continuous process designed to identify and prioritise the risks to the achievement of our aims and objectives.

A fundamental part of the risk management process is the regular review of individual risks to evaluate the likelihood of them being realised, the impact should they materialise, and to manage them effectively and economically by members of ExCo.

Risks managed during 2025/26 are indicated on pages 118-126, and in the regularly updated HSE Assurance Map which provides assurance that controls continue to be effective. The Assurance Map is one of a number of mechanisms HSE uses to identify potential control gaps and drive assurance activity within HSE's annual Integrated Assurance Plan (see page 128 or figure 2).

In 2025/26 we further embedded the suite of indicators, developed and implemented in 2024/25, which measures levels of compliance against key expectations, both external and internal. The outcomes were reported to ExCo twice during the year. This process has strengthened oversight of compliance and driven sustained improvement across all areas of activity.

Our holistic approach to second and third-line assurance planning, which is firmly embedded and draws all significant internal and external assurance activity together, continues to ensure HSE uses its assurance resource in the most effective way. Progress against the Integrated Assurance Plan outcomes is reported and scrutinised quarterly by both ExCo and ARAC.

My and ExCo's commitment to improving our control environment and operational performance is demonstrated by the timely implementation of audit recommendations. Any high-priority actions overdue at year end are subject to active management and oversight.

First-line assurance

Directors' Letters of Assurance

As the Accounting Officer, I am responsible for ensuring there is an effective process in place for monitoring and reporting governance issues during the year. I am supported by members of the Executive Committee who all have delegated financial and risk management authority appropriate to their responsibilities.

All members have provided me with a Letter of Assurance (LoA) that outlined their assessment of the effectiveness of the governance, risk management and internal control arrangements within their areas of responsibility. I reviewed each of the LoAs, and a review was undertaken by the Head of Business Assurance and Risk from a

quality perspective to consider whether any issues raised should be incorporated into this Governance Statement. Our reviews did not highlight any issues of which I was not previously aware, nor which would require separate reporting within this Statement.

Functional standards

All relevant functional standards have been tabled and discussed at HSE's Operations and Regulation Committee (ORCo) during this year. The discussions at ORCo indicated the significant majority of mandatory elements were being met and good progress has been made in relation to the implementation of both mandatory and advisory elements, with clear actions to further progress of continuous improvement where appropriate. Going forward, the functional standards will be tracked through the Performance Hub with the option for persistent issues or queries to be brought to ORCo.

Effectiveness of mechanisms for raising concerns

In reaching my conclusions, I have considered any issues identified through our mechanisms for raising a concern (whistleblowing and fraud).

Whistleblowing arrangements

HSE has a well-established policy to support whistleblowers, and our procedures offer a number

of routes for employees to raise concerns, including nominated officers of the Executive Committee (David Murray and Dan Ellis) and the Board (Debbie Gillatt CBE). In 2025/26, three whistleblowing cases were raised. Two were rejected due to no evidence of wrongdoing, and one was closed as the matter had already been addressed by the DPO. The whistleblowing policy and associated guidance have been updated to reflect changes introduced by the Employment Rights Act 2025.

Counter fraud, bribery and anti-corruption

HSE has established policies in relation to fraud, bribery and corruption, which are aligned to the Government Functional Standard 013 for Counter Fraud. These policies apply to all HSE employees, suppliers and contractors, and cover relevant legislation and individual responsibilities.

Senior management are briefed on counter fraud performance and emerging risks through regular reporting to the Audit and Risk Assurance, and Executive Committees. HSE recognises the need to promote understanding of risks across the organisation, and mandates counter fraud awareness training annually for all employees.

During 2025/26, HSE delivered a programme of work in line with its annual action plan for counter fraud, bribery and corruption. This included pro-active detections exercises, fraud risk assessments, and awareness

activities. During this period, 14 instances of potential fraud were reported, with six instances of fraud being found to have occurred as defined by the Fraud Act 2006. There was also one report of attempted bribery.

HSE will continue to develop its counter fraud capability in 2026/27 through a further programme of work. This will include our participation in the National Fraud Initiative, and a series of thematic fraud risk assessments being conducted across business areas.

Application of business appointments

HSE has fully complied with the government's Business Appointment Rules throughout the reporting period and is transparent in the advice given to individual applications for senior staff, including non-executive directors. The process is managed in accordance with the established internal protocols, which include managing outside interests, in line with the guidance published on GOV.UK.

Civil Service Commission

HSE was formally audited by the Civil Service Commission in October 2024. Due to the high score received in the 2024 Audit, HSE was not audited in 2025/26. However, HSE was asked by the Commission to prove compliance against three Commission Recruitment Recommendations and against six Commission Recommendations on Approving Exceptions Under Delegated Authority. In both cases, HSE was found by the Commission to be fully

compliant with no issues or breaches. Due to HSE's high performance/compliance it is not expected that HSE will be formally audited again until 2027/2028.

Second-line assurance

HSE Business Assurance and Risk Team activity

During the year, the Business Assurance and Risk team has delivered reviews across a variety of functions which continue to help build a more extensive, robust evidence base to support decision making. While the reviews have identified where controls could be improved, they have not identified any fundamental control gaps. Actions to enhance controls are being taken forward. Additionally, we built on the framework of compliance indicators which was successfully implemented in 2024/25.

This highly innovative approach has continued to bring visibility of the organisation-wide compliance picture across key areas such as HR, Finance, Information Management, Property and Regulation and is driving improvements. This work will continue to evolve and will be supported by the business partnering approach the Head of Business Assurance Risk will adopt in 2026/27 to further embed effective risk and assurance discipline. It will enable early identification, management and escalation of issues.

Physical security activity

The HSE Security Team have conducted assurance activities throughout 2025/26 and have been assessed by external audit in the Department Security Health Check (Govs 007), which has scored HSE as at or above other government departments in many areas. Additional internal security audits have included security assurance visits. All HSE locations have now been audited over the last year with a particular focus on HSE locations, such as Bootle and Buxton. Recommendations have been captured and working groups established to monitor progress. Risks and recommendations have been escalated to relevant risk holders and committees.

Highlights from the year include:

- the redesign of HSE's security induction course, which now forms part of the improved corporate induction aimed at new joiners. This is now required learning and is available from 'day one' to all staff. Completion rates are now recorded. It has received overwhelmingly positive feedback as well as external recognition of best practice;
- improvements to security information on the intranet;
- process improvements to make security incident and travel reporting easier;
- security desktop exercise held at Buxton which included a range of staff from HSE SCS level to Mitie contractors. It led to improvements in processes and planning;

- continued external engagement with external enforcement agencies;
- providing vetting services in a timely manner, including identifying posts that should require security vetting and engaging with the appropriate line managers;
- direct input into the Cyber Security GovAssure process to highlight how risks are elevated up to senior leaders and appropriate committees;
- support to the contracting teams;
- greater incidents of security advice being provided to staff. This highlights an improvement in security culture as staff are now reaching out;
- monthly reporting on security incidents and trend analysis;
- specialist information security advice to subject matter experts within HSE such as the Land Use Planning team.

Data Protection Officer (DPO): activity and assessment

HSE's Data Protection Officer (DPO) is tasked with monitoring compliance with the General Data Protection Regulations (GDPR) and other data protection laws, our data protection policies, awareness-raising, training, and audits. I have therefore taken assurance from the work of the DPO and their team.

Throughout the year, the DPO has undertaken spot checks on areas where the impact of non-compliance

with GDPR is the most significant. This has included quality checks of HSE's public registers of convictions and enforcement notices to ensure all entries are appropriately validated and anonymised. No significant examples of non-compliance were identified. The DPO team has continued to mature HSE's compliance with the Information Commissioner's Office (ICO) expectations, driving compliance in a systematic way, reporting progress monthly to the Senior Information Risk Owner (SIRO), and providing assurances to the Information Governance Committee (IGC) quarterly.

In December 2025, the ICO agreed closure of the consensual audit which it conducted in October 2024. The ICO acknowledged the progress HSE is making towards the completion of the original recommendations. A working group was stood up to continue to monitor the progress toward fully remediating the remaining recommendations.

During the year, the Government Independent Audit Agency (GIAA) undertook an audit into HSE's information governance, issuing a 'moderate' opinion. As a result, improvements have been made in various areas, including the key performance indicators (KPIs) being reported to the SIRO and IGC.

During the year, 150 breaches of personal data (previous year: 95) were notified to the DPO, of which three (previous year: 0) were deemed to meet the threshold for self-reporting to the Information Commissioner's Office. All resulted in a 'no further action' outcome from the ICO.

Portfolio Management Office activity

During the year, the HSE Portfolio Management Office has continued to carry out health checks across key programmes and projects within the change portfolio. The outcomes of these reviews are reported quarterly to the Portfolio Board and are incorporated into the integrated assurance reporting provided by the Business Assurance team.

Where improvements are identified, actions are agreed and are being actively implemented to strengthen delivery confidence and increase the likelihood of successful outcomes. In parallel, monthly compliance checks are undertaken to ensure robust controls are in place and that projects adhere to HSE's change framework, standards and continuous improvement approach.

The strength and maturity of the Portfolio Management Office's assurance of project delivery has been further endorsed by the Government Internal Audit Agency (GIAA), whose assessment against the Project Delivery Functional Standard identified substantial evidence and provided a high level of assurance in support of the organisation's internal compliance assessment.

Health, Safety and Wellbeing team activity

During 2025/26, the Health, Safety and Wellbeing (HSW) team manage compliance within HSE's health and safety management system through a framework of risk

committees. Their outcomes are incorporated into the integrated assurance reporting discussed at ExCo and ARAC each quarter. No significant control issues from their activities have been identified.

Audit and Risk Assurance Committee Annual Report and Assessment

Given the remit of the Audit and Risk Assurance Committee (ARAC) as described on pages 106, I have considered its views as part of my assessment. Having received and challenged reports from HSE management, the National Audit Office (NAO) and the Government Internal Audit Agency (GIAA), and taken into account the range of assurance outcomes reported via the integrated assurance report, the Committee's conclusion is 'HSE's risk, governance and internal control framework is satisfactory and fit for purpose'. The ARAC noted where reviews have highlighted areas for improvement. The Committee has noted actions are agreed to address the control weaknesses, and the implementation of these is monitored and reported to ExCo and ARAC.

Third-line assurance

Government Internal Audit Agency annual opinion

The Government Internal Audit Agency (GIAA) provides internal audit services to HSE. Annually a report is

prepared which provides an opinion on the adequacy and effectiveness of risk, internal control and governance arrangements. This opinion is based on the results of individual audit engagements undertaken throughout the year, attendance at boards and committees and regular meetings with senior management. The Head of Internal Audit (HIA) has provided an overall 'Moderate' audit opinion for 2025/26.

HSE continues to maintain a proportionate level of key controls, but like in any control environment there are still weaknesses to address. Both I and ARAC will closely monitor the implementation of actions agreed during internal audits, using existing governance arrangements to ensure the control gaps are rectified and mitigated.

Other external assurances

I have also considered other external assurances I have received during the year. These have included the following.

DWP Annual Assurance Assessment: This annual exercise is undertaken by the Department of Work and Pensions (DWP), our parent body, to enable it to assess the risk posed to the department by its public bodies and to manage that risk in a proportionate way. The rating is also arrived at based on a comparison to other bodies within the DWP family. I have taken assurance from the DWP assessment which indicates that overall HSE is

considered to be medium risk which represents no change from last year.

The medium risk definition as defined by DWP states: 'requires some immediate resource commitment to mitigate risk. Satisfactory awareness of impact of risk with some inconsistencies and support required to address. Some reputational and/or financial risk to DWP and the Body'.

Shared Services Connected Limited (SSCL): SSCL continues to operate employee related HR, payroll and expenses administration, financial accounting, procurement, and relevant IT processes for HSE as part of a wider service to government. The Government People Group, which manages the shared services contract with SSCL, has provided me with a Letter of Assurance outlining the findings from assurance activity conducted in-year by Ernst and Young LLP (EY) as the Independent Service Auditor (ISA).

For the period 1 April to 31 March 2026, SSCL confirmed there is no material impact on the financial accounts as a result of the findings.

Government Business Services (GBS): GBS manages the shared services contract with SSCL, and has provided me with a Letter of Assurance outlining the findings from assurance activity conducted in-year by both GIAA and Price Waterhouse Coopers LLP (PWC) as the Independent Service Auditor (ISA).

The audits identified that 10 control objectives out of 42 have been qualified in the period 1 April 2025 to 31 March 2026. However, SSCL confirmed that there is no material impact on financial accounts as a result of these findings.

Government Security Group (GSG): The departmental security health check measures compliance with the Technical Security Standards (Personnel, Physical and Incident Management) and the Government Functional Security Standard (GovS 007). The self-assessment has been independently reviewed by Cabinet Office and I have taken assurance from their report which indicated HSE was in line with or above the government average.

Investigatory Powers Commissioner's Office (IPCO): HSE was subject to an inspection by IPCO to examine compliance with the legislative provisions which govern the use of communications data. The information provided by HSE demonstrated a good level of legislative compliance in respect of lawful acquisition of communications data. The inspector provided advice to help improve guidance, update templates and development of data flow diagrams, which it is hoped will assist in improving already good standards.

Government Internal Audit Agency annual audit opinion: (GIAA) the Government Internal Audit Agency (GIAA) provides internal audit services to HSE. They have carried out a portfolio of work to provide assurance on the adequacy and effectiveness of risk, control, and governance arrangements. The Head of Internal

Audit (HIA) has provided an overall moderate opinion for 2025/26. This opinion is based on the results of individual audit engagements carried out throughout the year, attendance of boards and committees, and regular meetings with senior management.

This opinion remains unchanged from the previous year. The HIA has indicated, 'Overall, I observe that control, risk, and governance arrangements are on a slight upward trajectory compared to the previous year'. Although HSE continues to demonstrate the need for strong governance frameworks, areas of strength were identified in relation to effective work of the second-line assurance as demonstrated in the pesticides permissioning audit and travel and expenses processes.

Board Effectiveness review

This year's Board Effectiveness Review was conducted internally during the 2025/26 reporting cycle. The results of the review are largely positive, which is consistent with previous years. From this year's internal review, the results showed improvements across all themes, such as clarity of the Board's role, Board performance, as well as the Board and ExCo relationship. This has been a steady improvement on all themes over the past three or more years. Next year's review, for the 2026/27 reporting year, will be conducted externally.

Overall conclusion

I have considered all the evidence provided for the production of the Annual Governance Statement and the independent advice and assurance provided by the Audit and Risk Assurance Committee. From my review of this evidence, I am satisfied that HSE has satisfactory governance and risk management systems in place, with effective plans to ensure continuous improvement.

Remuneration and staff report

Remuneration and staff report overview

This report sets out HSE's policy for remuneration of senior civil servants, how that policy has been implemented and the amounts rewarded to our Chief Executive and Board members. Further details are provided on remuneration and staff that Parliament and other users of this report see as key to accountability.

Service contracts

The Constitutional Reform and Governance Act 2010 requires Civil Service appointments to be made on merit, on the basis of fair and open competition. The Recruitment Principles published by the Civil Service Commission specify the circumstances when appointments may be made otherwise.

Unless otherwise stated on pages 147-164, the officials covered by this report hold appointments which are open-ended. Early termination, other than for misconduct, would result in the individual receiving compensation as set out in the Civil Service Compensation Scheme.

Further information about the work of the Civil Service Commission can be found at www.civilservicecommission.org.uk.

Remuneration policy

The remuneration of senior civil servants is set by the Prime Minister following independent advice from the Review Body on Senior Salaries.

In reaching its recommendations, the Review Body is to consider the following:

- the need to recruit, retain and motivate suitably able and qualified people to exercise their different responsibilities;
- regional or local variations in labour markets and their effects on the recruitment and retention of staff;
- government policies for improving public services;
- the funds available to departments as set out in the Government's Departmental Expenditure Limits;
- the government's inflation target.

The Review Body takes account of the evidence it receives about wider economic considerations and the affordability of its recommendations.

Remuneration (including salary) and pension entitlements

The following sections provide details of the remuneration and pension interests of the Chief Executive, Executive Committee and Board members of HSE.

We have restated total remuneration bands in the prior year so that these are presented in £5k increments

beginning at £0 to £5. In 2024/25 we disclosed the range using the actual total remuneration figures.

Table 5 Single total figure of remuneration (subject to audit)

Remuneration bands are presented in £5k increments beginning at £0 to £5. We have restated bands in the prior year, in 2024/25 we disclosed the range using the actual total remuneration figures.

	Salary (£'000) Expenses		Bonus payments (to nearest £1,000)		Taxable expenses and other benefits-in-kind (to nearest £100)		Pension benefits (to nearest £1,000)[11]		Total (£'000)	
	2025/26	2024/25	2025/26	2024/25	2025/26	2024/25	2025/26	2024/25	2025/26	Represented 2024/25
Sarah Albon[12] Chief Executive	165-170	160-165	10-15	15-20	19 700	24 400[13]	55	110	250-255	310-315
James Anderson[14]	-	25-30 (115-120 FYE*)	-	-	-	-		1		25-30
Rick Brunt	110-115	105-110	-	5-10	-	-	38	78	150-155	190-195
Andrew Curran CBE	110-115	105-110	5-10	5-10	-	-	39	73	155-160	185-190
Dan Ellis[15]	80-85 (110-115 FYE)		-				33		115-120	
Ranuka Jagpal[16]	55-60 (120-125 FYE)	-	-				125		180-185	
Michael Jennings	110-115	105-110	5-10	5-10	-	-	37	66	155-160	180-185
Jane Lassey	115-120	110-115	5-10	-	-	-	40	83	160-165	190-195
Clare Millington-Hume[17]	15-20 (105-110 FYE)	105-110		5-10	-	-	6	43	30-35	155-160
David Murray	135-140	130-135	5-10	5-10	-	-	25	116	165-170	255-260
Angela Storey	115-120	110-115	-	5-10	-	-	45	44	160-165	160-165
Philip White[18]	95-100 (130-135 FYE)	125-130	5-10	5-10	-	-	33	242	135-140	375-380

* Full Year Equivalent (FYE).
The CETV at 31 March 2025 has been reviewThe prior year total remuneration figures have been represented to align with the standard £5k remuneration bands. This is a presentational change only and does not affect the underlying remuneration figures.

11 The value of pension benefits accrued during the year is calculated as the real increase in pension multiplied by 20, plus the real increase in any lump sum less individual contributions. This is a notional figure that accounts for changes in post-retirement pension payments over a standard 20-year period. The figure can therefore be dominated in the first year following an uplift to salary on promotion. The real increases exclude increases due to inflation or any increase or decrease due to a transfer in pension rights.

12 Sarah Albon was appointed Non-Executive Director of the Defence Infrastructure Organisation (DIO) for a period of three years, commencing on 1 October 2024. Sarah is not personally remunerated for this position – the annual fee is paid directly by DIO to HSE, to cover the cost of Sarah's salary for the time she spends undertaking the DIO role.

13 HSE's Bootle headquarters is treated as a second permanent workplace for Sarah Albon which means that the cost of her travel to Bootle is treated as taxable. During the year the total value of expenses, tax and national insurance was £19.7k.

14 James Anderson left HSE on 18 June 2024.

15 Dan Ellis joined HSE on 23 June 2025.

16 Ranuka Jagpal joined HSE on 13 October 2025.

17 Clare Millington-Hume retired on 30 May 2025.

18 Philip White retired on 31 December 2025.

Table 6 Board (non-executive directors) single total figure of remuneration (subject to audit)

	Salary (£'000)		Bonus payments (£'000) (to nearest £1,000)		Taxable expenses and other benefits-in-kind to nearest £100		Total (£'000)	
	2025/26	2024/25	2025/26	2024/25	2025/26	2024/25	2025/26	2024/25
Sarah Newton	85-90	80-85	-	-		200	85-90	80-85
Chyrel Brown	15-20	15-20	-	-	-	-	15-20	15-20
David Coats	15-20	15-20	-	-	-	-	15-20	15-20
Martin Esom[19]	15-20	15-20	-	-	-	-	15-20	15-20
Graham Farrant[20]	0-5 (15-20 FYE)	-					0-5	-
Debbie Gillatt CBE	15-20	15-20	-	--	-	-	15-20	15-20
Christopher Johnson	15-20	5-10 (15-20 FYE)	-		-	-	15-20	5-10 (15-20 FYE)
Susan Johnson	-	5-10 (15-20 FYE)	-	-	-	-		5-10 (15-20 FYE)
John McDermid[21]	-	5-10 (15-20 FYE)	-	-	-	-		5-10 (15-20 FYE)
Cathie Mackay	15-20	5-10 (15-20 FYE)	-	--	-	-	15-20	5-10 (15-20 FYE)
Gerard Nichols	15-20	15-20	-		-	-	15-20	15-20
Gina Radford	15-20	15-20	-	--	-	-	15-20	15-20
Ken Rivers	15-20	15-20	-		-	-	15-20	15-20
Claire Sullivan	15-20	15-20	-		-	-	15-20	15-20

19 Martin Esom left HSE 29 March 2026.

20 Graham Farrant joined HSE 2 February 2026 and left 27 February 2026.

21 John McDermid's term ended 31 July 2024.

Salary

‘Salary’ includes gross salary, overtime, reserved rights to London weighting or London allowances, recruitment and retention allowances, and any other allowance to the extent that it is subject to UK taxation.

Benefits in kind

The monetary value of benefits-in-kind covers any benefits provided by HSE and treated by HM Revenue and Customs as a taxable emolument. These benefits for Board members include travel and subsistence payments associated with home to office travel, as appropriate. Any ensuing tax liability is met by HSE.

Bonuses

Bonuses are based on performance levels attained and are made as part of the appraisal process. Bonuses relate to the performance in the year in which they become payable to the individual. The bonuses reported in 2025/26 are based on 2024/25 performance and comparative bonuses for 2024/25 are based on 2023/24 performance.

Pay multiples (subject to audit)

Reporting bodies are required to disclose the relationship between the remuneration of the highest paid director in their organisation and the median remuneration of the organisation’s workforce. The banded remuneration of the

highest paid director in HSE in the financial year 2025/26 was £195k to £200k (2024/25 £200k to £205k). This was 4.1 times (2024/25, 4.2) the median remuneration of the workforce, which was £48,494 (2024/25, £46,729).

Total remuneration includes salary, non-consolidated performance-related pay, and benefits-in-kind. It does not include severance payments, employer pension contributions and the cash equivalent transfer value of pensions.

The highest paid director's remuneration reduced year on year as the impact of a pay award on basic pay was more than offset by lower taxable expenses and performance pay.

Table 7 Pay ratios of organisation (total pay and benefits) (subject to audit)

Year	25th percentile ratio/ total remuneration (salary element)	Median ratio/ total remuneration (salary element)	75th percentile ratio/ total remuneration (salary element)
2025/26	5.2 / £38,005 (£38,005)	4.1 / £48,494 (£47,686)	3.1 / £63,706 (£62,898)
2024/25*	5.8 / £34,121 (£33,346)	4.2 / £46,729 (£45,954)	3.2 / £61,535 (£60,760)

*2024/25 figures have been restated (go to explanation in the notes section of table 8).

In 2025/26, two employees (two employees in 2024/25) were paid in excess of the highest paid director.

Remuneration ranged from £26,780 to £233,000 (2024/25 £19,324 to £242,000).

Table 8 Fair pay disclosure (subject to audit)

	2025/26	2024/25*	% change	Explanation
Highest paid director's salary and allowances	£167,500	£162,500	3%	Increase reflects impact of pay award.
Highest paid director's performance pay/bonuses (mid-point of range)	£12,500	£17,500	(29%)	Reflects actual performance bonus paid.
FTE staff numbers	3,242	2,985	9%	Growth in FTE mainly through BSR (BSR staff still legally HSE employees at 31 March 2026).
All employees' salary, allowances and bonuses	£170,478,335	£147,793,497	15%	The increase in salary is due to the growth in staff numbers, particularly contingent labour (higher cost), and the effect of the 2025 pay award.

	2025/26	2024/25*	% change	Explanation
Average salary, allowances and bonuses	£52,584	£49,520	6%	The increase in average salary is due to the increase in use of contingent labour and the effect of the 2025 pay award effect of the 2025 pay award.
Total salary and allowances excluding bonuses	£168,217,415	£145,731,435	15%	The increase in average salary is due to the increase in use of contingent labour and the effect of the 2025 pay award.
Average salary and allowances excluding bonuses	£51,887	£48,829	6%	The increase in average salary is due to the increase in use of contingent labour and the effect of the 2025 pay award.

	2025/26	2024/25*	% change	Explanation
Total performance pay/bonuses	£2,261,000	£2,062,062	10%	The increase in total performance bonuses is due to additional staff numbers in 2025/26.
Average performance pay/bonuses	£697	£691	1%	

Note: We have changed the calculation in 2025/26 to show total salaries at FTE cost, rather than gross up to reflect all staff as if they were full-time employees. We have restated 2024/25 figures accordingly.

Table 9 Pension benefits[22] (subject to audit)

Officials	Accrued pension at pension age as at 31/3/2026 and related lump sum	Real increase in pension and related lump sum at pension age	CETV at 31/3/2026	CETV at 31/03/2025*	Real increase in CETV
Sarah Albon Chief Executive	80–85 plus a lump sum of 200–205	2.5–5	1 978	1 830	39

22 Accrued pension benefits included in this table for any individual affected by the Public Service Pensions Remedy have been calculated based on their inclusion in the legacy scheme for the period between 1 April 2015 and 31 March 2022, following the McCloud judgment. The Public Service Pensions Remedy applies to individuals that were members, or eligible to be members, of a public service pension scheme on 31 March 2012 and were members of a public service pension scheme between 1 April 2015 and 31 March 2022. The basis for the calculation reflects the legal position that impacted members have been rolled back into the relevant legacy scheme for the remedy period and that this will apply unless the member actively exercises their entitlement on retirement to decide instead to receive benefits calculated under the terms

Officials	Accrued pension at pension age as at 31/3/2026 and related lump sum	Real increase in pension and related lump sum at pension age	CETV at 31/3/2026	CETV at 31/03/2025*	Real increase in CETV
James Anderson	-	-	-	498	-
Rick Brunt	65–70 plus a lump sum of 50–55	0–2.5	1 448	1 367	28
Andrew Curran	50–55 plus a lump sum of 125–130	0–2.5	1 264	1 167	28
Dan Ellis	20–25	0–2.5	296	272	19
Ranuka Jagpal	50–55 plus a lump sum of 120–125	5–7.5 plus a lump sum of 12.5–15	1 066	932	116
Michael Jennings	50–55 plus a lump sum of 120–125	0–2.5	1 164	1 076	24

of the alpha scheme for the period from 1 April 2015 to 31 March 2022.

Officials	Accrued pension at pension age as at 31/3/2026 and related lump sum	Real increase in pension and related lump sum at pension age	CETV at 31/3/2026	CETV at 31/03/2025*	Real increase in CETV
Jane Lassey	50–55 plus a lump sum of 130–135	0–2.5	1 282	1 182	28
Clare Millington-Hume	10–15	0–2.5	181	168	4
David Murray	80–85	0–2.5	1 696	1 592	8
Angela Storey	25–30	2.5–5	408	353	34
Philip White	70–75 plus a lump sum of 175–180	0–2.5	1 593	1 552	26

* The CETV at 31 March 2025 has been reviewed by Civil Service Pensions as part of the transition from MYCSP and resulted in a small restatement in respect of Rick Brunt and Clare Millington-Hume.

Civil Service pensions

Pension benefits are provided through the Civil Service pension arrangements. Before 1 April 2015, the only scheme was the Principal Civil Service Pension Scheme (PCSPS), which is divided into a few different sections:

- classic;
- premium;
- classic plus (provide benefits on a final salary basis);
- nuvos (provides benefits on a career average basis).

From 1 April 2015 a new pension scheme for civil servants was introduced, the Civil Servants and Others Pension Scheme or alpha. This scheme provides benefits on a career average basis. All newly appointed civil servants, and the majority of those already in service, joined the new scheme.

The PCSPS and alpha are unfunded statutory schemes. Employees and employers make contributions (employee contributions range between 4.6% and 8.05%, depending on salary). The balance of the cost of benefits in payment is met by monies voted by Parliament each year. Pensions in payment are increased annually in line with the Pensions Increase legislation. Instead of the defined benefit arrangements, employees may opt for a defined contribution pension with an employer contribution, the partnership pension account.

In alpha, pension builds up at a rate of 2.32% of pensionable earnings each year, and the total amount

accrued is adjusted annually in line with a rate set by HM Treasury. Members may opt to give up (commute) pension for a lump sum up to the limits set by the Finance Act 2004. All members who switched to alpha from the PCSPS had their PCSPS benefits 'banked', with those with earlier benefits in one of the final salary sections of the PCSPS having those benefits based on their final salary when they leave alpha.

The accrued pensions shown in this report are the pension the member is entitled to receive when they reach normal pension age, or immediately on ceasing to be an active member of the scheme if they are already at or over normal pension age. Normal pension age is 60 for members of classic, premium, and classic plus, 65 for members of nuvos, and the higher of 65 or State Pension Age for members of alpha. The pension figures in this report show pension earned in PCSPS or alpha – as appropriate. Where a member has benefits in both the PCSPS and alpha, the figures show the combined value of their benefits in the two schemes but note that the constituent parts of that pension may be payable from different ages.

When the government introduced new public service pension schemes in 2015, there were transitional arrangements which treated existing scheme members differently based on their age. Older members of the PCSPS remained in that scheme, rather than moving to alpha. In 2018, the Court of Appeal found that the

transitional arrangements in the public service pension schemes unlawfully discriminated against younger members (the 'McCloud judgment').

As a result, steps are being taken to remedy those 2015 reforms, making the pension scheme provisions fair to all members. The Public Service Pensions Remedy is made up of two parts. The first part closed the PCSPS on 31 March 2022, with all active members becoming members of alpha from 1 April 2022. The second part removes the age discrimination for the remedy period, between 1 April 2015 and 31 March 2022, by moving the membership of eligible members during this period back into the PCSPS on 1 October 2023.

The accrued pension benefits, Cash Equivalent Transfer Value and single total figure of remuneration reported for any individual affected by the Public Service Pensions Remedy have been calculated based on their inclusion in the PCSPS for the period between 1 April 2015 and 31 March 2022, following the McCloud judgment. The Public Service Pensions Remedy applies to individuals that were members, or eligible to be members, of a public service pension scheme on 31 March 2012 and were members of a public service pension scheme between 1 April 2015 and 31 March 2022.

The basis for the calculation reflects the legal position that impacted members have been rolled back into the PCSPS for the remedy period and that this will apply unless the member actively exercises their entitlement on retirement

to decide instead to receive benefits calculated under the terms of the alpha scheme for the period from 1 April 2015 to 31 March 2022.

The partnership pension account is an occupational defined contribution pension arrangement which is part of the Legal & General Master trust. The employer makes a basic contribution of between 8% and 14.75% (depending on the age of the member). The employee does not have to contribute but, where they do make contributions, the employer will match these up to a limit of 3% of pensionable salary (in addition to the employer's basic contribution). Employers also contribute a further 0.5% of pensionable salary to cover the cost of centrally provided risk benefit cover (death in service and ill health retirement).

Further details about the Civil Service pension arrangements can be found on the website www.civilservicepensionscheme.org.uk.

Cash Equivalent Transfer Values

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the

member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies.

The figures include the value of any pension benefit in another scheme or arrangement which the member has transferred to the Civil Service pension arrangements. They also include any additional pension benefit accrued to the member as a result of their buying additional pension benefits at their own cost.

CETVs are worked out in accordance with the Occupational Pension Schemes (Transfer Values) (Amendment) Regulations 2008 and do not take account of any actual or potential reduction to benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are taken.

Real increase in CETV

This reflects the increase in CETV that is funded by the employer. It does not include the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period.

Independent members of sub committees

Table 10 Honoraria and expenses paid to independent members of the Audit and Risk Assurance Committee

	2025/26 Total honoraria and expenses £'000	2024/25 Total honoraria and expenses £'000
Charmion Pears (1 Oct 2021 to 30 Sept 2026)	3	3

Staff report

Analysis of staff numbers and costs is provided in Tables 11–13 and Figures 11 and 13.

Table 11 Staff costs (subject to audit)

	2025/26			2024/25
	Permanently employed staff	Others*	Total	Total
	£'000	£'000	£'000	£'000
Wages and salaries	151 924	11 379	163 303	143 939
Employers' National Insurance[23]	20 370	-	20 370	16 141
Pension costs	41 000	-	41 000	39 646
Lump sum exit costs	401	-	401	339
Total (as reported in the SoCNE)	213 695	11 379	225 074	200 065
Less recoveries in respect of outward secondments	(126)	-	(126)	(263)
Total net costs	213 569	11 379	224 948	199 802

23 Includes Apprenticeship Levy payments of £736k during 2025/26 (2024/25 £703k).

* Note temporary staff not on HSE's payroll, which may include agency workers, specialist contractors, interim managers and secondees.

The Principal Civil Service Pension Scheme (PCSPS) and the Civil Servant and Other Pension Scheme (CSOPS) – known as 'alpha' are unfunded multi-employer defined benefit schemes. However, it is not possible to identify our share of the underlying assets and liabilities. The scheme actuary valued the scheme as at 31 March 2024. You can find details in the resource accounts of the Cabinet Office: Civil Superannuation (www.civilservicepensionscheme.org.uk). For 2025/26, employers' contributions of £41 million were payable to the PCSPS 2024/25: £39 million) at 1 of 4 rates in the range 26.6% to 30.3% of pensionable earnings, based on salary bands. The Scheme Actuary reviews employer contributions usually every four years following a full scheme valuation. The contribution rates are set to meet the cost of the benefits accruing during 2025/26 to be paid when the member retires and not the benefits paid during this period to existing pensioners. Employees can opt out to open a partnership pension account, a stakeholder pension with an employer contribution.

Employers' contributions of £251,070 were paid to one or more of the panel of three appointed stakeholder pension providers. Employer contributions are age-related and range from 8% to 14.75%. Employers also match employee contributions up to 3% of pensionable earnings. In addition, employer contributions of £8,835, 0.5% of pensionable pay, were payable to the PCSPS to cover the cost of the future provision of lump sum benefits on death-in-service or ill health retirement of these employees. Contributions due to the partnership pension providers at 31 March 2026 were £72,024. Contributions prepaid at that date were £nil. Two people (2024/25: 0 people) retired early on ill health grounds; the total additional accrued pension liabilities in the year amounted to £0 (2024/25: £0).

Table 12 Staff numbers (subject to audit) – the average number of full-time equivalent (FTE)

Permanent staff	Other	2025/26 total	2024/25 total
3 027	87	3 108	2 954

Table 13 The total HSE staff in post by FTE and occupational group as at 31 March 2026

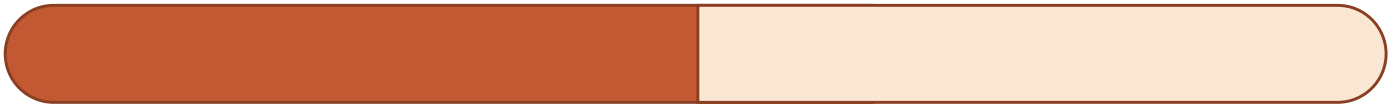
Occupational group	31 March 2026	31 March 2025	31 March 2024
Inspectors and visiting health and safety staff[24]	940	975	976
Other professional or specialist staff	1 916	1 688	1 607
Other staff (of whom apprentices)	267 (10)	267 (15)	289 (29)
Contingent labour[25]	119	56	50
Total staff[26]	3 242	2 986	2 922

24 Comprises inspectors and visiting officers and regulatory compliance officers.

25 Contingent labour is defined as temporary staff not on HSE's payroll, who may include agency workers, specialist contractors, interim managers etc.

26 Total staff equals the sum of all rows excluding the figures in brackets.

Figure 3 Total HSE staff in post by FTE and gender (excluding Chair and contingent labour) as at 31 March 2026



1,557 Female 1,554 Male

Figure 4 Senior civil servants' FTE gender split as at 31 March 2026



18 Female 19 Male

Figure 5 Senior civil servants' pay band as at 31 March 2026



SCS3 (1) SCS2 (8) SCS1 (27.49)

Health, safety and wellbeing

See the Performance health, safety and wellbeing section on page 60.

Diversity and inclusion

See our commitment to diversity and inclusion under our 'Recruitment: increasing diversity using social media' section on page 58.

Staff turnover

HSE turnover for 2025/26 was 8.7%.

In 2025/26 the number of staff leaving HSE has reduced from 278 to 266. Of the leavers:

- 56 moved to new posts in other government departments;
- 81 retired;
- 14 employees were dismissed;
- 10 fixed-term appointments concluded;
- 2 sadly passed away;
- 103 employees resigned.

The average age of employees is 45.7 (2024/25: 45.4), representing a slight increase on the previous year.

Expenditure on consultancy and contingent labour

There was nil consultancy spend during the financial year (2024/25: £nil).

HSE spent a total of £13.0 million (2024/25: £7.3 million) on contingent labour during the financial year, with an increase in the average number of staff engaged on short-term contracts compared to the previous year.

Highly paid off-payroll engagements

Following the Review of tax arrangements of public sector appointees (www.gov.uk/government/publications/review-of-the-tax-arrangements-of-public-sector-appointees) published by the Chief Secretary to the Treasury on 23 May 2012, departments and their arm's length bodies must publish information on their highly paid and/or senior off-payroll engagements.

Tables 14 to 16 indicate the number of off-payroll arrangements HSE has had in place.

Table 14 Highly paid off-payroll worker engagements as at 31 March 2026, earning £245 per day or greater

Number of existing engagements as of 31 March 2026	45
Of which:	
Number that have existed for less than one year at time of reporting	40
Number that have existed for between one and two years at time of reporting	2
Number that have existed for between two and three years at time of reporting	3
Number that have existed for between three and four years at time of reporting	-
Number that have existed for four or more years at time of reporting	-

Table 15 All highly paid off-payroll workers engaged at any point during the year ended 31 March 2026, earning £245 per day or greater

Number of temporary off-payroll workers engaged during the year ended 31 March 2026	80
Of which:	
Not subject to off-payroll legislation	-
Subject to off-payroll legislation and determined as in-scope of IR35	80
Subject to off-payroll legislation and determined as out-of-scope of IR35	-
Number of engagements reassessed for compliance or assurance purposes during the year	57
Number of engagements that saw a change to IR35 status following review	-

Table 16 For any off-payroll engagements of Board members, and/or senior officials with significant financial responsibility, between 1 April 2025 and 31 March 2026

Number of off-payroll engagement of Board members, and/or senior officials with significant responsibility, during the financial year	0
Total number of individuals on-payroll and off-payroll that have been deemed 'Board members and/or senior officials with financial responsibility' during the financial year. This figure should include both on-payroll and off-payroll engagements	3

Exit packages (subject to audit)

Redundancy and other departure costs are paid in accordance with the provisions of the Civil Service Compensation Scheme, a statutory scheme made under the Superannuation Act 1972. Exit costs are accounted for in full in the year of departure. Where HSE has agreed early retirements, the additional costs are met by HSE and not by the Civil Service pension scheme. Ill health retirement costs are met by the pension scheme and are not included in the table.

There were no compulsory redundancies in 2025/26 (2024/25: nil).

Table 17 Number of other departures by cost band

Exit package cost band	2025/26		2024/25	
	Severance	Other	Severance	Other
£0 – £25,000	3	-	5	4
£25,001 – £50,000	3	-	2	-
£50,001 – £100,000	4	-	2	-
£100,001 – £150,000	-	-	-	-
> £150,001	-	-	-	-
Total number of exit packages by type	10	-	9	4
Total resource cost £	401 056	-	304 951	34 462

Employee relations

Recruitment practice

Read the Recruitment section on page 58.

Sickness absence

Read the Average working days lost section on page 60.

Parliamentary accountability report

The report brings together the key Parliamentary accountability disclosures.

Regularity of expenditure

Claims waived or abandoned include debts where a company has gone into liquidation or administration.

Special payments made by HSE to staff and members of the public amounted to four cases during 2025/26, totalling £1,000 (2024/25: 1 case to the value of £60).

Table 18 Losses and special payments (subject to audit)

	2025/26 No. of cases	2025/26 £'000	2024/25 No. of cases	2024/25 £'000
Losses arising from overpayments	-	-	2	1
Cash losses	192	53	35	<1
Claims waived or abandoned*	3 383	4 588	1 368	1 731
Fruitless payment	2	2	4	2
Stock, stores and obsolete publications				
Total losses	3 577	4 643	1 409	1 734
Special payments	4	1	1	-
Total losses and special payments	3 581	4 644	1 410	1 734

* It was decided that invoices amounting to £2 855k which were not issued to 2439 dutyholders due to system errors, would not be issued retrospectively. This relates to the Building Safety Regulator chargeable time and the system issues were addressed prior to the creation of BSR as a separate organisation

HSE fees and charges

The following table includes information regarding HSE's significant statutory chargeable activities. HSE's fees and charges are set in accordance with the principals set out in its Fees and Charges policy[27].

27 https://www.hse.gov.uk/fee-for-intervention/assets/docs/hse-costing-and-pricing.pdf.

The financial objective of each regime is to fully recover our costs and not make significant surplus or deficit.

Table 19 HSE fees and charges (subject to audit)

	2025/26			2024/25		
	Income	Costs	Surplus/ (Deficit)	Income	Costs	Surplus/ (Deficit)
	£'000	£'000	£'000	£'000	£'000	£'000
Enforcement of offshore safety regulation	18 467	15 487	2 980	17 858	17 657	201
Control of major hazards	9 612	9 913	(301)	8 926	10 127	(1 201)
Biocides and plant protection	27 653	29 183	(1 530)	20 526	24 014	(3 488)
UK REACH	4 990	4 840	150	5 800	5 560	240
Fee for intervention	16 337	16 542	(205)	17 180	17 342	(162)
BSR	34 034	34 158	(124)	20 668	22 151	(1 483)
Total	111 093	110 123	970	90 958	96 851	(5 893)
Other HSE fees	4 098			3 029		
Total fees and charges	115 191			93 987		

See note 4 in Financial statements



Sarah Albon
Chief Executive and Accounting Officer
Health and Safety Executive

29 October 2026

The Certificate and Report of the Comptroller and Auditor General to the Houses of Parliament

Opinion on financial statements

I certify that I have audited the financial statements of the Health and Safety Executive for the year ended 31 March 2026 under the Health and Safety at Work etc Act 1974.

The financial statements comprise the Health and Safety Executive's:

- Statement of Financial Position as at 31 March 2026;
- Statement of Comprehensive Net Expenditure, Statement of Cash Flows and Statement of Changes in Taxpayers' Equity for the year then ended; and
- the related notes including the significant accounting policies.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and UK adopted International Accounting Standards.

In my opinion, the financial statements:

- give a true and fair view of the state of the Health and Safety Executive's affairs as at 31 March 2026 and its Net Expenditure for the year then ended; and

- have been properly prepared in accordance with the Health and Safety at Work etc Act 1974 and Secretary of State directions issued thereunder.

Opinion on regularity

In my opinion, in all material respects, the income and expenditure recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

Basis for opinions

I conducted my audit in accordance with International Standards on Auditing (UK) (ISAs UK), applicable law and Practice Note 10 Audit of Financial Statements and Regularity of Public Sector Bodies in the United Kingdom (2024). My responsibilities under those standards are further described in the 'Auditor's responsibilities' for the audit of the financial statements section of my certificate.

Those standards require me and my staff to comply with the Financial Reporting Council's Revised Ethical Standard 2024. I am independent of the Health and Safety Executive in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK. My staff and I have fulfilled our other ethical responsibilities in accordance with these requirements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions relating to going concern

In auditing the financial statements, I have concluded that the Health and Safety Executive's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Health and Safety Executive's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.

My responsibilities and the responsibilities of the Accounting Officer with respect to going concern are described in the relevant sections of this certificate.

The going concern basis of accounting for the Health and Safety Executive is adopted in consideration of the requirements set out in HM Treasury's Government Financial Reporting Manual, which requires entities to adopt the going concern basis of accounting in the preparation of the financial statements where it is anticipated that the services which they provide will continue into the future.

Other information

The other information comprises information included in the Performance and Accountability Report but does not include the financial statements and my auditor's certificate and report thereon. The Accounting Officer is responsible for the other information.

My opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in my certificate, I do not express any form of assurance conclusion thereon.

My responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

Opinion on other matters

In my opinion the part of the Remuneration and Staff Report to be audited has been properly prepared in accordance with Secretary of State directions issued under the Health and Safety at Work etc Act 1974.

In my opinion, based on the work undertaken in the course of the audit:

- the parts of the Accountability Report subject to audit have been properly prepared in accordance with Secretary of State directions made under the Health and Safety at Work etc Act 1974; and
- the information given in the Performance and Accountability Reports financial year for which the financial statements are prepared is consistent with the financial statements and is in accordance with the applicable legal requirements.

Matters on which I report by exception

In the light of the knowledge and understanding of the Health and Safety Executive and its environment obtained in the course of the audit, I have not identified material misstatements in the Performance and Accountability Reports.

I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- adequate accounting records have not been kept by the Health and Safety Executive or returns adequate for my audit have not been received from branches not visited by my staff; or
- I have not received all of the information and explanations I require for my audit; or
- the financial statements and the parts of the Accountability Report;
- certain disclosures of remuneration specified by HM Treasury's Government Financial Reporting Manual have not been made or parts of the Remuneration and Staff Report to be audited is not in agreement with the accounting records and returns; or
- the Governance Statement does not reflect compliance with HM Treasury's guidance.

Responsibilities of the Accounting Officer the financial statements

As explained more fully in the Statement of Accounting Officer's Responsibilities, the Accounting Officer is responsible for:

- maintaining proper accounting records;
- providing the C&AG with access to all information of which management is aware that is relevant to

the preparation of the financial statements such as records, documentation and other matters;

- providing the C&AG with additional information and explanations needed for his audit;
- providing the C&AG with unrestricted access to persons within the Health and Safety Executive from whom the auditor determines it necessary to obtain audit evidence;
- ensuring such internal controls are in place as deemed necessary to enable the preparation of financial statements to be free from material misstatement, whether due to fraud or error;
- preparing financial statements which give a true and fair view in accordance with Secretary of State directions issued under the Health and Safety at Work etc Act 1974;
- preparing the annual report, which includes the Remuneration and Staff Report, in accordance with Secretary of State directions issued under the Health and Safety at Work etc Act 1974; and
- assessing the Health and Safety Executive's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Accounting Officer anticipates that the services provided by the Health and Safety Executive will not continue to be provided in the future.

Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit, certify and report on the financial statements in accordance with the Health and Safety at Work etc Act 1974.

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a certificate that includes my opinion.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Extent to which the audit was considered capable of detecting non-compliance with laws and regulations including fraud

I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of non-compliance with laws and regulations, including fraud. The extent to which my procedures are capable of detecting non-compliance with laws and regulations, including fraud is detailed below.

Identifying and assessing potential risks related to non-compliance with laws and regulations, including fraud

In identifying and assessing risks of material misstatement in respect of non-compliance with laws and regulations, including fraud, I:

- considered the nature of the sector, control environment and operational performance including the design of the Health and Safety Executive's accounting policies;
- inquired of management, the Health and Safety Executive's head of internal audit and those charged with governance, including obtaining and reviewing supporting documentation relating to the Health and Safety Executive's policies and procedures on:
  - identifying, evaluating and complying with laws and regulations;
  - detecting and responding to the risks of fraud; and
  - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations including the Health and Safety Executive's controls relating to the Health and Safety Executive's compliance with the Health and Safety at Work etc Act 1974, The Legislative Reform (Health and Safety Executive) Order 2008; The REACH Enforcement Regulations 2008; Building Safety Act 2022 and Managing Public Money.

- inquired of management, the Health and Safety Executive's head of internal audit and those charged with governance whether:
  - they were aware of any instances of non-compliance with laws and regulations;
  - they had knowledge of any actual, suspected, or alleged fraud;
- discussed with the engagement team and the relevant internal property specialists, regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, I considered the opportunities and incentives that may exist within the Health and Safety Executive for fraud and identified the greatest potential for fraud in the following areas: revenue recognition, posting of unusual journals, complex transactions, bias in management estimates.

In common with all audits under ISAs (UK), I am required to perform specific procedures to respond to the risk of management override.

I obtained an understanding of the Health and Safety Executive's framework of authority and other legal and regulatory frameworks in which the Health and Safety Executive operates. I focused on those laws and regulations that had a direct effect on material amounts and disclosures in the financial statements or that had a fundamental effect on the operations of the Health and Safety Executive.

The key laws and regulations I considered in this context included Health and Safety at Work etc Act 1974, The Legislative Reform (Health and Safety Executive) Order 2008; The REACH Enforcement Regulations 2008; Building Safety Act 2022, Managing Public Money, employment law and tax Legislation.

Audit response to identified risk

To respond to the identified risks resulting from the above procedures:

- I reviewed the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described above as having direct effect on the financial statements;
- I enquired of management, the Audit and Risk Assurance Committee and in-house legal counsel concerning actual and potential litigation and claims;
- I reviewed minutes of meetings of those charged with governance and the Board and internal audit reports;
- I addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and other adjustments; assessing whether the judgements on estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business; and

- In addressing the risk of fraud through revenue recognition, I tested a sample of fees and charges transactions and other operating income contracts, including testing the recognition of accrued and deferred income.

I communicated relevant identified laws and regulations and potential risks of fraud to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

A further description of my responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of my certificate.

Other auditor's responsibilities

I am required to obtain sufficient appropriate audit evidence to give reasonable assurance that the expenditure and income recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including

any significant deficiencies in internal control I identify during my audit.

Report

I have no observations to make on these financial statements.

Gareth Davies
Comptroller and Auditor General
National Audit Office
157-197 Buckingham Palace Road
Victoria
London
SW1W 9SP

Date 30 October 2026

Financial statements

Statement of comprehensive net expenditure for the year ended 31 March 2026

(The notes on pages 200–255 form part of these accounts.)

All income and expenditure for the year ended 31 March 2026 is derived from continuing operations.

	Notes	**2025/26 £'000**	2024/25 £'000
Revenue from contracts with customers	4	**12 680**	13 557
Fees and charges	4	**115 191**	93 987
Other operating income	4	**27 494**	18 561
Total operating income		**155 365**	**126 105**
Staff costs	2	**225 074**	200 065
Purchase of goods and services	3	**84 956**	80 397
Depreciation and impairment charges	3	**18 858**	16 022
Provision expense	3	**3 034**	127
Other operating expenditure	3	**2 985**	3 052
Total operating expenditure		**334 907**	**299 663**
Net operating expenditure		**179 542**	173 558
Finance expense	3	**10 272**	10 467
Net expenditure for the year		**189 814**	**184 025**

	Notes	**2025/26 £'000**	2024/25 £'000
Other comprehensive net expenditure			
Items which will not be reclassified to net operating costs:			
Transfer of function		**25 347**	-
Net gain/loss on revaluation of property, plant and equipment		**(1 618)**	(4 236)
Comprehensive net expenditure		**213 543**	**179 789**

Statement of financial position as at 31 March 2026

(The notes on pages 200–255 form part of these accounts.)

	Notes	**2025/26 £'000**	2024/25 £'000
Non-current assets			
Property, plant and equipment	5	**101 653**	102 890
Right-of-use assets	7a	**14 766**	16 307
Intangible assets	6	**-**	8 129
Trade and other receivables due after more than one year	8	**2 428**	2 704
Total non-current assets		**118 847**	**130 030**
Current assets			
Trade and other receivables	8	**84 119**	75 115
Cash and cash equivalents	9	**-**	-
Total current assets		**84 119**	**75 115**
Total assets		**202 966**	**205 145**
Current liabilities			
Trade and other payables	10	**(50 931)**	(55 861)
Provisions and pension liabilities	11	**(84)**	(82)
Total current liabilities		**(51 015)**	**(55 943)**
Total assets less current liabilities		**151 951**	**149 202**
Non-current liabilities			
Other payables	10	**(132 473)**	(138 022)
Provisions and pension liabilities	11	**(3 801)**	(851)
Total non-current liabilities		**(136 274)**	**(138 873)**
Total assets less total liabilities		**15 677**	**10 329**

	Notes	**2025/26 £'000**	2024/25 £'000
Taxpayers' equity			
General fund		**(29 606)**	(33 336)
Revaluation reserve		**45 283**	43 665
Total taxpayers' equity		**15 677**	**10 329**



Sarah Albon
Chief Executive and Accounting Officer
Health and Safety Executive
29 October 2026

Statement of cash flows for the year ended 31 March 2026

(The notes on pages 200–255 form part of these accounts.)

	Notes	2025/26 £'000	2024/25 £'000
Cash flows from operating activities			
Net operating cost		**(189 814)**	(184 025)
Adjustments for non-cash transactions		**24 412**	18 769
Less finance costs	3	**10 272**	10 467
(Increase)/decrease in trade and other receivables	8	**(8 727)**	(18 722)
Less movements in receivables relating to impairments	3	**(2 520)**	(2 621)
Increase/(decrease) in trade payables	10	**(9 757)**	(6 385)
Movements in receivables/payables relating to items not passing through the Statement of Comprehensive Net Expenditure		**7 224**	5 759
Non-cash transfer of function movement not passing through the Statement of Comprehensive Net Expenditure		**(25 347)**	
Use of provisions	11	**(82)**	(81)
Net cash outflow from operating activities		**(194 339)**	**(176 839)**
Cash flows from investing activities			
Purchase of property, plant and equipment		**(2 884)**	(4 975)
Purchase of intangible assets			(3 005)
Proceeds of disposal of property, plant and equipment		**102**	107

	Notes	2025/26 £'000	2024/25 £'000
Net cash outflow from investing activities		**(2 782)**	**(7 873)**
Cash flows from financing activities			
Funding from DWP		**218 891**	205 981
Capital element of payments in respect of finance leases and on-statement of financial position PFI contracts		**(9 520)**	(9 170)
Repayment of principal on IFRS 16 leases		**(2 704)**	(2 302)
Interest charges on PFI and Lease contracts	3	**(10 272)**	(10 467)
Net financing		**196 395**	**184 042**
Net increase/(decrease) in cash and cash equivalents in the period after adjustment for receipts and payments to the consolidated fund	**9**	**(726)**	**(670)**
Cash and cash equivalents at the beginning of the period	**9**	**(754)**	**(84)**
Cash and cash equivalents at the end of the period	**9**	**(1 480)**	**(754)**

Statement of changes in taxpayers' equity for the year ended 31 March 2026

(The notes on pages 200–255 form part of these accounts.)

	Notes	(a) General Fund £'000	(b) Revaluation Reserve £'000	Total Reserves £'000
Opening balance at 1 April 2024		**(55 292)**	**39 429**	**(15 863)**
Movement in G/F for IFRS 16 transition of PFI liabilities at 1 April 2024		**-**		**-**
Funding from DWP		**205 981**		**205 981**
Comprehensive expenditure for the year		(179 789)		(179 789)
Movements in reserves:				
Additions - net gain on revaluation	6		4 236	4 236
Recognised in Statement of Comprehensive Net Expenditure		(4 236)		(4 236)
Balance at 31 March 2025		**(33 336)**	**43 665**	**10 329**
Funding from DWP		218 891		218 891
Comprehensive expenditure for the year		(213 543)		(213 543)

	Notes	(a) General Fund £'000	(b) Revaluation Reserve £'000	Total Reserves £'000
Movements in reserves:				
Additions - net gain on revaluation			(1 618)	(1 618)
Recognised in Statement of Comprehensive Net Expenditure		(1 618)		(1 618)
Balance at 31 March 2026		**(29 606)**	**45 283**	**15 677**

Notes to the Accounts

1 Statement of accounting policies

1.1 Basis of preparation and statement of compliance

These accounts have been prepared on a going concern basis, in accordance with the 2025/26 Government Financial Reporting Manual (FReM) and the Accounts Direction issued by the Secretary of State with the approval of HM Treasury.

The functions and purpose of HSE are delivered in accordance with the Health and Safety at Work etc Act 1974, under statutory funding from the Department for Work and Pensions (DWP). HSE has no reason to assume that its current funding, functions and purpose will not continue.

The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector. Where the FReM permits a choice of accounting policy, that which is judged to be most appropriate for the purposes of giving a true and fair view has been selected. The particular accounting policies adopted by HSE are set out below. They have been applied consistently in dealing with the items that are considered material in relation to the accounts.

1.2 Accounting standards, interpretations and amendments

We have adopted all IFRS, International Accounting Standards (IAS), International Financial Reporting Interpretations Committee (IFRIC) interpretations and amendments to published standards that were effective at 1 April 2025. We have also taken into account the specific interpretations and adaptations included in the FReM.

Non-investment asset valuations

The following changes to the valuation and accounting of non-investment assets are included in the 2025/26 FReM for mandatory implementation:

‘References to assets being held for their ‘service potential’ and the terms “specialised/non-specialised” assets are being removed from the FReM. Non-investment assets are instead described as assets held for their ‘operational capacity.’

This change has no impact on the valuation basis of non-investment assets, which remains Existing Use Value (EUV).

An adaptation to IAS 16 was introduced to withdraw the requirement to revalue an asset where its fair value materially differs from its carrying value. Assets will be valued using one of the following processes:

- a quinquennial revaluation supplemented by annual indexation;
- a rolling programme of valuations over a 5-year cycle, with annual indexation applied to assets during the 4 intervening years;
- for non-property assets only, appropriate indices;
- in rare circumstances where an index is not available, a quinquennial revaluation supplemented by a desktop revaluation in year 3.

Measuring intangible assets using the revaluation model was withdrawn in FreM 2025/26. The cost of intangible assets at 31 March 2026 is considered to be the carrying value at 1 April 2026.

Accounting Standards not yet effective

IFRS 18 will replace IAS 1 Presentation of Financial Statements and is effective for annual reporting periods beginning on or after 1 January 2027 in the private sector. The impact of IFRS 18 on the public sector is still being assessed, and a decision has not yet been taken on an implementation date.

IFRS 19 allows eligible subsidiaries to apply IFRS Accounting Standards with reduced disclosure requirements and is effective for annual reporting periods beginning on or after 1 January 2027 in the private sector. The impact of IFRS 19 on the public sector is still being assessed, and a decision has not yet been taken on an implementation date.

1.3 Accounting convention

These financial statements have been prepared under the historical cost convention modified to account for the revaluation of certain assets and liabilities at fair value, as determined by the relevant IFRS.

1.4 Areas of judgement

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenditure.

These are based on historic and other factors that are believed to be reasonable, the results of which form the basis for making judgements. The estimates and underlying assumptions are reviewed on an ongoing basis and at least annually.

Specific areas of judgement include the following:

Non-current asset revaluations: We obtain professional RICS valuations for our two Private Financial Initiative (PFI) buildings where changes in valuation could potentially be material. Redgrave Court is valued on an existing use basis, using market evidence. Buxton Laboratory is valued on a depreciated replacement cost basis; the gross rebuild cost is estimated using the latest RICS approved construction cost indices. The cost is then reduced for factors relating to the building's age and an

estimate for functional obsolescence. This recognises that our requirements have changed, and the design of the building would therefore be different now than when commissioned before the design and build.

In accordance with **IFRS 16 Leases**, HSE defines the capitalised lease term as the non-cancellable period of the lease, together with an assessment by management about whether we are reasonably certain to exercise extension options (for example, where we are in a rolling one-year agreement). This is completed by assessing our future organisational strategy, together with long-term estate plans, and is reassessed at each reporting period.

The **recoverability of trade receivables** is reviewed annually at year-end as well as periodically during the year. HSE recognises expected credit losses using a forward-looking model that assesses the recoverability across its debt population. The model segregates debt into performing and non-performing categories. We apply a combination of historical recoverability trends and our assessment of the likely collectability of significant individual debts based on payment performance and any information about the financial status of the company. The result is applied in accordance with IFRS 9.

Capitalisation of intangibles

We capitalise internally developed software if it meets the criteria in IAS 38 Intangible Assets. Such costs comprise particular activity during the Beta phase of projects to

develop digital assets, which we measure through activity recording for both internal staff and external suppliers and contractors. Our judgements about technical feasibility, intention to complete and use or impair the asset, are informed by HSE's programme governance, taking expert advice from digital and project professionals.

This is overseen by our Portfolio Board, which is responsible for governance of all significant change projects.

Useful economic life of newly created digital assets

The useful economic life (UEL) of newly created digital assets is based on an assessment of each asset and the expectations of how it will be used and further development. Factors we consider include whether technology platforms procured commercially have finite lives, any external technological changes and the likelihood or need for future improvements and modifications.

1.5 Employee benefits

In accordance with IAS 19 Employee Benefits, short-term employee benefits, such as salaries and paid absences, are accounted for on an accruals basis over the period for which employees have provided service in the year.

Bonuses are recognised when HSE has a present obligation as a result of past service and the obligation

can be measured reliably. When payable, organisational bonuses are accrued in the year to which the performance relates and paid in the following financial year. HSE calculates annual leave balances using an estimate of the amount of annual and flexi-leave that staff have accumulated at year-end.

1.6 Value added tax

Most of HSE's activities are outside the scope of VAT and, in general, output tax does not apply and input tax on purchases is not recoverable.

Irrecoverable VAT is charged to the relevant expenditure category or included in the capitalised purchase cost of non-current assets. Where output tax is charged or input tax is recoverable, the amounts are stated net of VAT.

1.7 Income

Income is reported by significant streams in accordance with IFRS 15. It principally comprises fees, charges and commercial services provided on a full-cost basis to external customers, and is recorded net of VAT.

Revenue from contracts with customers

The transaction price is the amount of consideration HSE expects to be entitled to in exchange for transferring commercial services to a customer, excluding amounts collected on behalf of third parties. This is determined to be the fixed price agreed with the customer for the

majority of commercial contracts. That price is calculated in accordance with methodology set out in our costing and pricing policy.

The majority of income relating to customer contracts (those with a value above £25k) is recognised, in proportion to the stage of completion of the project. Income from low-value contracts is recognised evenly over the expected period of the contract. HSE's performance obligations are satisfied when the service has been fully delivered, for example completion of a report for the customer.

Prosecution cost recovery

Income relating to prosecution costs is recognised when, and to the extent that, the Court has awarded costs to HSE. This can be less than the full cost of the work carried out as the award is at the discretion of the Court.

Fees and charges

Income from fees and charges relates to certain activities carried out by HSE, where legislation allows it to recover the cost of delivering regulatory functions. This income is recognised over time as the chargeable activities are performed and payment becomes due. In line with IFRS 15, the statutory work has no alternative use for HSE and this payment would be required for the work done to date. This method is considered appropriate as it recognises

that this represents the amount HSE would be entitled to based on performance to date.

1.8 Non-current assets

Assets are capitalised where they have an expected useful life of more than one year and where the original cost of the item exceeds the capitalisation threshold. Property, plant and equipment are stated at fair value. However, as permitted by the FReM, HSE has elected to adopt a depreciated historical cost basis as a proxy for fair value where non-property assets have a short useful economic life or are of relatively low value. This therefore applies to IT hardware, plant and machinery, motor vehicles and furniture.

Land and buildings are initially measured at cost, restated to current market value using external professional valuations at least every 5 years and in the intervening years by use of regular desktop valuations. Land and buildings are valued on an existing use basis except for the specialist laboratory site in Buxton, which has been included at depreciated replacement cost. Expenditure in respect of major capital refurbishment and improvement of properties occupied, but not owned by HSE, is capitalised because the expenditure provides a long-term continuing benefit for HSE.

Intangible assets

Intangible assets are measured at cost, in line with FReM 2025/26 withdrawal of revaluation. The cost as a proxy is taken as the opening balance on 1 April 2025.

Internally developed software

Internally developed software is capitalised if it meets the criteria specified in IAS 38 Intangible Assets. Expenditure that does not meet the criteria is recognised as an expense in the year in which it is incurred. We classify development costs as assets under the course of construction until the asset is available for use. At that point, we transfer it to the relevant asset class.

Website development costs are capitalised in line with the requirements of SIC 32 Website Costs and the specific criteria as determined by IAS 38 Intangible Assets. Individual purchased software licences and applications are capitalised at cost as intangible assets if the licence is greater than one year and costs more than £100,000.

Spending on annual software licences is charged to the SoCNE when incurred. Multi-year software as a service agreement, comprising software licence and service elements paid for on a subscription basis, are reviewed individually to determine the extent of the service provision. Any licensing component in the agreement is assessed against IAS 38 Intangible Assets to determine whether it meets the criteria for recognition as an intangible asset. Where it does meet the criteria, a

threshold of £100k is applied. We later revalue these using appropriate indices as a proxy for fair value.

Capitalisation and depreciation/amortisation

The charge for depreciation or amortisation is calculated to write down the cost or valuation of property, plant and equipment and intangible assets to their estimated residual values by equal instalments over their estimated useful lives. No depreciation or amortisation is charged in the month of disposal. The following thresholds/useful lives apply to each category.

Asset category	Threshold	Depreciation/amortisation period
Freehold buildings	n/a	Remaining life as assessed by valuers
Leasehold buildings	n/a	Period remaining on lease or next rent review
PFI buildings	n/a	60 years' designated life
Leasehold improvements	£100 000	Remaining lease period, up to 20 years
Individual IT assets	£1 000	2 to 7 years
Plant and machinery	£1 000	3 to 10 years on initial recognition. Scientific equipment and major facilities are reviewed annually and can be re-lifed beyond 10 years
Individual furniture and fittings	£1 000	2 to 15 years (except 30 years Buxton PFI)
Motor vehicles	£1 000	3 to 10 years
Internally developed digital systems	£100 000	5 to 10 years depending on an assessment of each asset and expectations about how it will be used and further development
Individually purchased software licences	£100 000	5 to 10 years or licence period if shorter
Minor software and digital products	£1 000	2 to 5 years depending on the licence period. Assets are grouped by UEL
Websites	£100 000	5 years or licence period if shorter

Revaluation and impairment

Increases in value are credited to the Revaluation Reserve, unless they reverse a previous impairment, in which case they are credited to the SoCNE. All assets are reviewed for impairment if circumstances indicate that the carrying amount may not be recoverable. In accordance with the FReM, impairment losses that result from clear consumption of economic benefit or service potential are recognised in the SoCNE.

Downward revaluations, resulting from changes in market value, only result in an impairment where the asset is revalued below its historic cost carrying amount. In these cases, the accounting treatment is as for any other impairment, with amounts being first set against any accumulated balance in the revaluation reserve, and any amount in addition to this being recognised and recorded in the SoCNE.

1.9 Financial instruments

Financial assets and liabilities are recognised when HSE becomes party to the contracts that give rise to them. IFRS 9 requires disclosure of financial instruments by classification, but our assessment is that all of HSE's asset and liabilities are sufficiently basic to be measured at amortised cost.

As the cash requirements of HSE are met through the Parliamentary estimate process, financial instruments play a more limited role in creating and managing risk

than would apply to a non-public sector body and HSE is therefore exposed to little credit, liquidity, market or maturity risk.

To calculate expected credit losses, we segment our trade receivables into categories based on historical recoverability trends. We use historic analysis of invoices outstanding at year-end and combine this with an assessment on the recoverability of significant receivables. The performance analysis is then used to calculate impairment rates across the remainder of the debt population. In assessing expected credit losses, HSE also considers forward-looking macro-economic factors that may affect the recoverability of debt. This has included review of Bank of England monetary forecasts and whether factors such as employment rates by sector would significantly affect the level of impairment. HSE takes into account engagement with customers to inform its assessment of the potential likelihood of delinquency. The calculation of expected credit losses is explained further in 1.4 Areas of judgement.

Our debt policy involves writing off balances when there is no reasonable expectation of recovery, usually when an insolvency practitioner has provided evidence that a company will no longer continue to trade, and no further enforcement action is possible.

1.10 Provisions

Provisions are recognised in accordance with IAS 37 and are valued using the best estimate of the expenditure required to settle the obligation.

Where the effect of the time value of money is significant, the estimated risk-adjusted cash flows are discounted using the real rate set by HM Treasury.

1.11 Pensions

Past and present employees are covered by the provisions of the PCSPS and Civil Servants and Others Pension Scheme (alpha), which are unfunded, defined benefit, contributory, public service occupational pension schemes made under the Superannuation Act 1972. HSE recognises the expected cost of future pension liabilities in a systematic and rational basis over the period during which it benefits from employees' services, by payment to the PCSPS/alpha of amounts calculated on an accruing basis.

Liability for payment of future benefits is a charge on the PCSPS/alpha. In respect of the defined contribution schemes, HSE recognises the contributions payable for the year.

HSE pays a pension to certain former Chairs, based on what they would receive had they been members of the PCSPS. The pension liability is valued each year using

published actuarial assumptions and the full amount calculated is treated as a provision.

1.12 Leases

HSE applies IFRS 16 Leases which requires recognition of assets and liabilities for all leases in the Statement of Financial Position (SoFP), with exemption given to low-value leases and short-term leases, ie those with lease terms of less than 12 months. The adoption of the standard results in the recognition of a right-of-use asset, representing a right to use the underlying leased asset and a lease liability, and therefore an obligation to make lease payments.

HSE as a lessee

Right-of-use assets are measured at an amount equal to the lease liability, adjusted by any prepaid or accrued lease payments. HSE uses HM Treasury's central internal rate of borrowing when it cannot obtain the rate implicit in the lease contract.

A contract is defined as 'a contract, or a part of a contract that conveys the right to use an asset for a period of time in exchange for consideration'.

The definition of a contract is expanded to include intra-UK government agreements. This includes, for example, agreements termed Memorandum of Terms of Occupation (MOTO) for leasing office space.

We apply the following recognition exemptions:

- leases with a lease term of 12 months or less and containing no purchase options;
- leases where the underlying asset has a low value which we align to our capitalisation policy thresholds (read note 1.8).

Lease term

HSE define the lease term as the non-cancellable period of the lease, together with an assessment on whether it is reasonably certain to exercise break options or extension options (such as where HSE is in a longer-term rolling one-year agreement). HSE reassesses this if there are changes in circumstances that were not anticipated at commencement.

Measurement of right-of-use assets

Initial measurement is at the commencement date. HSE measures the right-of-use asset at cost, which comprises:

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date less any lease incentives received.

Depreciation of right-of-use assets

Right-of-use assets are depreciated on a straight-line basis from commencement date to the end of the lease term.

HSE as lessor

Income relating to sub-leases is recognised over the life of the lease, in accordance with the formal lease agreement or memorandum of terms of occupation. Most of HSE's activity as a lessor (either by formal sub-lease to the Office for Nuclear Regulation or Memorandum of Terms of Occupation) relates to its headquarters building in Bootle, with some minor arrangements at Basingstoke and Aberdeen for 2024/25.

HSE maintains regular dialogue with tenants about their strategic estate plans and potential impact on HSE's future financial position. It also works closely with the Government Property Agency and DWP to ensure any future sub-let opportunities for space are proactively progressed to minimise the financial risk to HSE and provide value to the taxpayer.

1.13 Private Finance Initiative (PFI) transactions

PFI transactions have been accounted for in accordance with IFRIC 12 and from 1 April 2023 IFRS 16. Where HSE has control over PFI assets, or where the balance of risks and rewards of ownership are borne by HSE, the asset is recognised and the liability to pay for it is accounted for as

a finance obligation. Contract payments are apportioned between a reduction in capital obligation, an imputed finance lease charge and a service charge (which is separately treated as an expense). This apportionment is estimated using the value of services charges included in the base payment calculated in the closing financial operator model. This methodology is compliant with FReM.

Where HSE does not have control over the PFI asset and the balance of risks and rewards of ownership are borne by the PFI contractor, the PFI payments are recorded as an expense. Where HSE has contributed assets, a prepayment for their fair value is recognised and amortised over the life of the PFI contract. Where at the end of the PFI contract a property reverts to HSE, the difference between the expected fair value of the residual on reversion and any agreed payment on reversion is built up over the life of the contract by capitalising part of the unitary charge each year.

1.14 Contingent liabilities

Contingent liabilities are disclosed in the notes to the accounts in accordance with IAS 37. HSE also discloses, for Parliamentary reporting and accountability purposes, certain statutory and non-statutory contingent liabilities which have been reported to Parliament in accordance with the requirements of ‘Managing Public Money’. Where

the time value of money is material, contingent liabilities are stated at discounted amounts.

1.15 Operating segments

IFRS 8 requires operating segments to be identified on the basis of internal reports about parts of HSE that are regularly reviewed by the Chief Operating Decision Maker to allocate resources to the segments and to assess their performance. The Board has identified the Chief Executive as the Chief Operating Decision Maker. The Chief Executive reviews HSE's operational and financial performance at an aggregated level and these accounts do not include a statement of operating costs by operating segment.

1.16 Government grants

Government grants are accounted for in accordance with IAS 20 – Accounting for Government Grants, as interpreted by the FReM. The accounting treatment will be a grant either taken to income or deferred income depending upon the nature and any terms and conditions attached to the grant.

1.17 BSR transition

The Building Safety Regulator was created as a separate arm's length body sponsored by MHCLG on 27 January 2026. In accordance with FReM, the transition has been accounted for as a transfer by absorption. The nature

of transfer requires assets and liabilities relating to BSR to be identified and transferred to the new entity. At 26 January 2026, the following assets and liabilities had been identified as relating to BSR:

	BSR assets and liabilities £000
Non-current assets	4 650
Trade and other receivables	33 413
Total assets	38 063
Current liabilities	
Trade and other payables	12 716
Total assets less total liabilities	25 347
Taxpayers' equity	
General Fund	25 347
Total taxpayers' equity	25 347

These assets and liabilities were transferred to BSR effective 27 January 2026.

2 Staff costs

	2025/26			2024/25
	Permanently employed staff	Others *	Total	Total
	£'000	£'000	£'000	£'000
Wages and salaries	151 924	11 379	163 303	143 939
Employers' National Insurance[28]	20 370	-	20 370	16 141
Pension costs	41 000	-	41 000	39 646
Lump sum exit costs	401	-	401	339
Total (as reported in the SoCNE)	**213 695**	**11 379**	**225 074**	**200 065**
Less recoveries in respect of outward secondments	(126)	-	(126)	(263)
Total net costs	**213 569**	**11 379**	**224 948**	**199 802**

* Temporary staff not on HSE's payroll, who may include agency workers, specialist contractors, interim managers, secondees.

Further detail about staff costs and the number of people employed by HSE is included on pages 165–173 of the Accountability report.

28 Includes Apprenticeship Levy payments of £736k during 2025/26 (2024/25 £703k).

3 Operating costs

	2025/26 £'000	2024/25 £'000
Purchase of goods and services		
Rentals under operating leases	231	1 077
PFI service charges[29]	13 556	12 648
Accommodation	12 252	12 353
Travel and subsistence	6 117	6 234
IT and telecoms	14 598	18 739
Legal costs	2 113	3 760
Sub-contract technical support	1 270	1 600
Staff development and training	1 531	1 875
Publications	884	555
Shared Services costs[30]	3 112	3 158
Scientific equipment (non-capital)	2 007	2 246
Research and development	2 371	2 440
Pesticides – purchase of samples	2 209	1 626
Chemicals regulation testing	2 589	1 678

29 PFI service and interest charges relate to provision of accommodation for Redgrave Court, Bootle and Laboratory/IT services in Harpur Hill, Buxton. PFI transactions have been accounted for in accordance with IFRS 16, as interpreted for the public sector.

30 Shared Services costs include the provision of finance, HR and procurement transactional processing provided by Shared Services Connected Ltd and Internal Audit Services provided by the Government Internal Audit Agency

	2025/26 £'000	2024/25 £'000
Purchase of goods and services		
Specialist support services[31]	16 773	6 552
Recruitment expenditure	571	526
Publicity	338	920
Other expenditure	2 434	2 410
	84 956	80 397
Depreciation, amortisation and impairment		
(Profit)/loss on disposal of non-current assets	36	7
Depreciation and amortisation of non-current assets	6 869	7 198
Charge to SoCNE for losses on revaluation of land and buildings	(289)	542
Depreciation and amortisation of non-current assets – IFRS 16	2 795	2 767
Impairment of non-current assets	3 223	-
Remeasurement PFI leases and right of use assets	6 224	5 508
	18 858	16 022
Provisions expense		
Provision provided in year	3 034	127
Provisions release	(82)	(81)
Provisions cash payment	82	81
	3 034	127
Finance expense		
PFI interest charges	9 854	10 141

31 Of the £16 773k (24/25: £6 552k) for Specialist Support Services £16 046k (24/25: £5 964k) relates to BSR.

	2025/26 £'000	2024/25 £'000
Purchase of goods and services		
IFRS 16 lease interest charges	418	326
	10 272	10 467
Other		
Audit fees – Statutory audit[32]	162	140
Apprenticeship Levy Expenditure	303	291
Impairment of Trade Receivables	2 520	2 621
	2 985	3 052
Total operating expenditure	**120 105**	**110 065**

32 During the year, HSE has not purchased any non-audit services from its auditor, National Audit Office (NAO).

4 Income

	2025/26 £'000	2024/25 £'000
Revenue from contracts with customers	**12 680**	**13 557**
Fees and charges		
Biocides and plant protection	27 653	20 526
Control of major accident hazards	9 612	8 926
Enforcement of offshore safety legislation	18 467	17 858
Fee for intervention	16 337	17 180
UK REACH fees	4 990	5 800
BSR*	34 034	20 668
Other fees and charges	4 098	3 029
Total fees and charges	**115 191**	**93 987**
Other operating income		
Prosecutions	1 984	1 959
Income from estate sublets	11 156	11 516
DEFRA Transition Funding	-	-
Other income	2 385	2 991
Government grants	136	1 804
Non-cash government grant – Apprenticeship Levy	303	291
Services provided to BSR	11 530	-
Total other operating income	**27 494**	**18 569**
Total income	**155 365**	**126 105**

* Income from BSR activities is from 1 April 2025 to 26 January 2026 due to BSR becoming a separate entity from 27 January 2026.

Revenue is reported by significant income streams in accordance with IFRS 15. It principally comprises fees and

charges and revenue from contracts with customers. Fees and charges are set with the objective of recovering full cost and revenue from contracts with customers is based on the price agreed with the customer. Both are recorded net of VAT.

Fees and charges and transaction price of revenue from contracts with customers are calculated in accordance with methodology set out in the Cost and pricing policy (www.hse.gov.uk/fee-for-intervention/assets/docs/hse-costing-and-pricing.pdf).

Fees and charges

Income from fees and charges relates to activities carried out by HSE where legislation allows recovery of the cost of delivering regulatory functions. Income is recognised over time as the chargeable activities are performed and payment becomes due. This method is considered appropriate as it represents the amount HSE is entitled to, based on performance to date.

- Income relating to enforcement of offshore safety legislation and control of major accident hazards is based on published hourly rates for work done by HSE staff plus other recoverable costs.
- Income relating to biocides and plant protection is recognised depending on the type of work being delivered. Fees can be fixed or costs recovered based on the actual cost to HSE. Income is recognised in relation to the stage of completion of the project.

- Income from UK REACH (Registration, Evaluation, Authorisation and Restriction of Chemicals) is recognised depending on the type of work being delivered. Fees can be fixed or costs recovered based on the actual cost to HSE. Income is recognised in relation to the stage of completion of the project.
- Fee for intervention (FFI) income is recoverable when a material breach of health and safety regulations has been identified. Income is recognised based on published hourly rates for work done by HSE plus other recoverable costs including the cost of the original inspection.
- Income relating to building safety legislation consists of:
    - fixed fees – these are charged for registrations of registered building control approvers (RBCAs), registered building inspectors (RBIs) and high-rise residential buildings, which can be valid for between one and 5 years. The initial recognition point is when the registration is initially processed by HSE and the application or building is added to the register. Income is then released across the financial periods over which HSE's performance obligation is discharged, corresponding with the duration of the registration period. It is based on the value of service the dutyholder receives during the approved period;

- annual maintenance charges for RBCAs and RBIs – these are recognised across the financial year over which the support service is provided;
- hourly rates – these are charged for the assessment of RBCA applications as well as a range of building control, investigation and audit activities. They are recognised over time as the work is carried out. They are based on published hourly rates for work done by HSE staff plus other recoverable costs.

An analysis of fees and charges is set out in the 'Regularity of expenditure' section of the 'Accountability report'.

Prosecution cost recovery

Income relating to prosecution costs is recognised when, and to the extent, that the Court has awarded costs to HSE. This can be less than the full cost of the work carried out as the award is at the discretion of the Court.

Revenue from contracts with customers

The following table sets out the income streams from activities that HSE offers outside of activities performed under fees and charges.

Income stream	Activity	2025/26 £'000	2024/25 £'000
Scientific research	HSE offers bespoke research and consultancy options to organisations looking to go beyond regulatory compliance and achieve health and safety excellence. This can include many different areas related to health and safety in the workplace, from mechanical engineering and explosive hazards, to footwear slip testing and data analytics.	4 455	5 749
Training and events	HSE offers specialist in-person and online training and events aimed to build confidence, ensure compliance and protect people and places.	3 690	3 528
Standardised testing	HSE offers testing services in areas including health and hygiene, product and process validation and performance proficiency.	3 114	2 812
Explosives Approved Body	The UK Explosives Approved Body (UK-EAB) offers an independent, specialised technical service in the assessment and certification of explosives.	-	8
Other	Other includes revenue from sale of publications and contract management fees.	1 421	1 460
Total		**12 680**	**13 557**

The transaction price is the amount of consideration HSE expects to be entitled to in exchange for transferring commercial services to a customer, excluding amounts collected on behalf of third parties. It is the fixed price agreed with the customer for the majority of commercial contracts.

Income relating to customer contracts with a value above £25k is recognised in proportion to the stage of completion of the project. Income from low-value contracts is recognised evenly over the expected period of the contract. HSE's performance obligations are satisfied when the service has been fully delivered.

HSE applies the practical expedient available in IFRS 15.121(b) regarding the transaction price allocated to the remaining performance obligations on the basis that HSE recognises revenue from contracts with customers in proportion to the amount owed at the time it is due.

5 Property, plant and equipment

2025/26	Land	Buildings	Leasehold improve-ments	IT	Motor vehicles	Plant and machinery	Furniture and fittings	Assets under construction	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost or valuation opening balance at 1 April 2025	6 333	77 896	9 133	13 578	892	21 266	7 875	1 895	138 868
Reclassifications	-	267	132	340	-	235	-	(974)	-
Additions	-	312	21	750	93	1 119	65	1 228	3 588
Revaluations	-	70	-	-	-	-	-	-	70
Impairments	-	-	-	-	-	(266)	-	-	(266)
Disposals	-	-	(674)	(1 489)	(231)	(4 489)	(708)	-	(7 591)
Transfers (Machinery of Government changes)	-	-	-	(516)	-	-	-	-	(516)
Balance at 31 March 2026	**6 333**	**78 545**	**8 612**	**12 663**	**754**	**17 865**	**7 232**	**2 149**	**134 153**
Depreciation opening balance at 1 April 2025	-	28	7 445	7 746	652	14 240	5 867		35 978
Reclassifications	-	-	-	-	-	-	-	-	-
Charge	-	2 182	395	2 057	59	958	469	-	6 120
Revaluations	-	(1 837)	-	-	-	-	-	-	(1 837)
Impairments	-	-	-	-	-	(106)	-	-	(106)
Disposals	-	-	(674)	(1 486)	(198)	(4 387)	(708)	-	(7 453)

2025/26	Land	Buildings	Leasehold improve-ments	IT	Motor vehicles	Plant and machinery	Furniture and fittings	Assets under construction	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Transfers (Machinery of Government changes)	-	-	-	(202)	-	-	-	-	(202)
Balance at 31 March 2026	**-**	**373**	**7 166**	**8 115**	**513**	**10 705**	**5 628**	**-**	**32 500**
Net book value at 31 March 2026	6 333	78 172	1 446	4 548	241	7 160	1 604	2 149	101 653
Asset financing									
Owned	6 333	8 162	1 446	4 548	241	7 160	746	2 149	30 785
On-statement of Financial Position PFI contracts	-	70 010	-	-	-	-	858	-	70 868
Net book value at 31 March 2026	**6 333**	**78 172**	**1 446**	**4 548**	**241**	**7 160**	**1 604**	**2 149**	**101 653**

HSE's headquarters in Redgrave Court, Bootle was constructed under the Private Finance Initiative (PFI). It is owned by Bootle Accommodation Partnerships Ltd (BAPL), which provides HSE with serviced accommodation. An interim valuation of Redgrave Court was carried out by BNP Paribas Real Estate UK as at 31 March 2026, resulting in an existing use valuation of £10 million. This follows a full valuation of £10 million carried out as at 31 March 2025.

NPS Property Consultants Ltd provide HSE with a professional and independent valuation service. They carried out an interim valuation of the PFI building at the Buxton Laboratory site as at 31 March 2026. The valuation was carried out on a depreciated replacement cost (DRC) basis and provides a value of £60.4 million, once adjusted for irrecoverable VAT on build costs. This follows a full valuation of £60.3 million carried out as at 31 March 2025. The valuation considers the rebuild costs of the building and factors in the age of the facility together with an assessment of functional obsolescence.

Building	Last full revaluation date and professional valuation service
Redgrave Court, Bootle	31 March 2025 – BNP Paribas Real Estate UK
Health and Safety Laboratory, Buxton	31 March 2025 – NPS Property Consultants Ltd

2024-25	Land	Buildings	Leasehold Improve-ments	IT	Motor vehicles	Plant and machinery	Furniture and Fittings	Assets under Construction	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost or valuation opening balance at 1 April 2024	3 878	81 343	10 302	14 843	1 035	19 262	8 059	1 877	140 599
Reclassifications and transfers	-	(101)	(98)	101	-	1 262	-	(1 164)	-
Additions	-	361	(21)	1 227	95	2 076	-	1 182	4 920
Revaluations	2 455	(3 624)	-	-	-	(860)	-	-	(2 029)
Disposals	-	(83)	(1 050)	(2 593)	(238)	(474)	(184)	-	(4 622)
Balance at 31 March 2025	**6 333**	**77 896**	**9 133**	**13 578**	**892**	**21 266**	**7 875**	**1 895**	**138 868**
Depreciation opening balance at 1 April 2024	-	2 010	8 084	8 552	761	14 764	5 531	-	39 702
Reclassifications and transfers	-	3	(3)	-	-	-	-	-	-
Charge	-	2 330	414	1 787	72	1 043	536	-	6 182
Revaluations	-	(4 304)	-	-	-	(1 094)	-	-	(5 398)
Disposals	-	(11)	(1 050)	(2 593)	(181)	(473)	(200)	-	(4 508)
Balance at 31 March 2025	**-**	**28**	**7 445**	**7 746**	**652**	**14 240**	**5 867**	**-**	**35 978**
Net book value at 31 March 2025	6 333	77 868	1 688	5 832	240	7 026	2 008	1 895	102 890
Asset financing									
Owned	6 333	7 929	1 688	5 832	240	7 026	1 049	1 895	31 992

2024-25	Land	Buildings	Leasehold Improve-ments	IT	Motor vehicles	Plant and machinery	Furniture and Fittings	Assets under Construction	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
On-statement of Financial Position PFI contracts	-	69 939	-	-	-	-	959	-	70 898
Net book value at 31 March 2025	**6 333**	**77 868**	**1 688**	**5 832**	**240**	**7 026**	**2 008**	**1 895**	**102 890**

6 Intangible assets

Intangible assets comprise purchased software licences, development costs for websites that deliver services and internally developed software.

2025/26	Websites	Purchased software licences	Internally developed software	Assets under development	Total
	£'000	£'000	£'000	£'000	£'000
Cost or valuation at 1 April 2025	261	2 588	6 834	3062	12 745
Reclassifications and transfers	-	-	-	-	-
Additions in year	-	-	-	-	-
Revaluations	-	-	-	-	-
Impairments	-	-	-	(3 062)	(3 062)
Disposals	(97)	(743)	(142)	-	(982)
Transfers (Machinery of Government changes)	-	-	(6 288)	-	(6 288)
Cost at 31 March 2026	**164**	**1 845**	**404**	**-**	**2 413**
Amortisation at 1 April 2025	261	2 588	1 767	-	4 616
Charge in year	-	-	898	-	898
Revaluations	-	-	-	-	
Disposals	(97)	(743)	(142)	-	(982)

2025/26	Websites	Purchased software licences	Internally developed software	Assets under development	Total
	£'000	£'000	£'000	£'000	£'000
Transfers (Machinery of Government changes)	-	-	(2 119)	-	(2 119)
Amortisation at 31 March 2026	**164**	**1 845**	**404**	**-**	**2 413**
Net book value at 31 March 2026	**-**	**-**	**-**	**-**	**-**

2024/25	Websites	Purchased software licence	Internally developed software	Assets under development	Total
	£'000	£'000	£'000	£'000	£'000
Cost or valuation at 1 April 2024	801	3 761	6 642	1 643	12 847
Reclassifications	-	-	(229)	229	-
Additions in year	-	5	(3)	1 190	1 192
Revaluations			424		424
Impairments		-		-	-
Disposals	(540)	(1 178)			(1 718)
Cost at 31 March 2025	**261**	**2 588**	**6 834**	**3 062**	**12 745**
Amortisation at 1 April 2024	756	3 689	774		5 219
Charge in year	45	77	895		1 017
Revaluations			98		98
Disposals	(540)	(1 178)			(1 718)
Amortisation at 31 March 2025	**261**	**2 588**	**1 767**	**-**	**4 616**
Net book value at 31 March 2025	**-**	**-**	**5 067**	**3 062**	**8 129**

7 Leases

7a Right-of-use assets

2025/26	31 March 2026 £'000	31 March 2025 £'000
Cost balance at 1 April 2025	**23 077**	**21 737**
Additions in year	362	1 366
Remeasurements in year	893	709
Disposals in a year	-	(735)
Cost balance at 31 March 2026	**24 332**	**23 077**
Amortisation balance at 1 April 2025	**6 770**	**4 738**
Charge in year	2 796	2 767
Disposals in year	-	(735)
Revaluations in year	-	-
Accumulated amortisation	**9 566**	**6 770**
Net book value	**14 767**	**16 307**

7b Lease liabilities

	31 Mar 2026 £'000	31 Mar 2025 £'000
Gross liabilities		
Not later than one year	3 005	2 994
Later than one year and not later than 5 years	8 095	8 699
Later than 5 years	10 573	11 626
Total gross liabilities	**21 673**	**23 319**
Less: interest element	**(6 519)**	**(6 716)**
Present value of lease obligation	**15 154**	**16 603**

In the financial year, total cash paid for leases amounted to £3.1 million.

HSE does not present a liquidity risk analysis for leases as it is exposed to little liquidity risk as referenced in accounting policies note 1.9.

7c Rental income from sub-leases

As at 31 March 2026, HSE had granted leases for buildings with rental income expected to be received, which falls due as shown in the following table.

Income from rental under operating leases for the following periods comprise:	31 Mar 2026 £'000	31 Mar 2025 £'000
Not later than one year	8 368	3 660
Later than one year and not later than 5 years	20 070	1 773
Later than 5 years	11 386	-
Total committed	**39 824**	**5 433**

8 Trade receivables and other current assets

	2025/26 £'000	2024/25 £'000
Amounts falling due within one year		
Trade receivables*	20 218	26 503
Deposits and advances	294	255
Accrued income	37 322	38 340
Prepayments	4 187	5 006
VAT	2 623	3 263
Other receivables	1 840	1 748
Other receivables from BSR**	17 635	-
Total	**84 119**	**75 115**
Amounts falling due after more than one year		
Trade receivables	2 428	2 704
Total	**86 547**	**77 819**

* The trade receivables and accrued income balances at 31 March 2026 are stated net of expected future credit losses. These amount to £7 568k (31 March 2025 £10 018k) regarding trade receivables and £3 925k (31 March 2025 £1 572k) of accrued income.

** BSR receivable relates to the net value of transactions undertaken by HSE on behalf of BSR over the period 27 January 2026 to 31 March 2026.

8a Impairment of receivables

	Fee for Intervention £'000	Prosecutions £'000	BSR £'000	Other £'000	Total £'000
Impairment at 1 April 2025	**9 483**	**919**	**882**	**395**	**11 679**
Written off in year	(1 646)	(133)	-	(19)	(1 798)
Derecognised in year*	-	-	(882)	-	(882)
Increase/(decrease) in impairment	**2 259**	**270**	**-**	**(35)**	**2 494**
Impairment at 31 March 2026	**10 096**	**1 056**	-	**341**	**11 493**

* BSR became a separate entity on 27 Jan 2026. The related impairment balance transferred to BSR on that date

HSE's receivables impairments mainly relate to fees and charges. HSE uses historic analysis of invoices outstanding at year-end and combine this with an assessment on the recoverability of significant receivables.

The performance analysis is then used to calculate impairment rates across the remainder of the debt population.In assessing expected credit losses, HSE also considers forward-looking macro economic factors that may affect the recoverability of debt, including review of Bank of England monetary forecasts

and whether factors such as employment rates by sector would significantly affect the level of impairment.

Contract assets

IFRS 15 Revenue from contracts with customers requires disclosure of contract assets (which are shown in the following content) and contract liabilities (included in note 10).

HSE's contract assets represent our right to payment for goods or services which have been provided to customers and are conditional on the completion of further work to satisfy our performance obligations. These relate to services provided to customers on a commercial basis and are included within the accrued income balance above.

At 31 March 2026, the accrued income balance relating to commercial work where further work must be completed before we are able to invoice customers is £1.9 million (31 March 2025 £0.9 million). These balances are distinct from other receivables for which only the passage of time is required before consideration is due from customers or dutyholders.

Income which is expected to be recognised in future years related to performance obligations that are partially unsatisfied at the reporting date:

Recognised:	31 March 2026		31 March 2025	
	Within 1 Year £'000	More than 1 Year £'000	Within 1 Year £'000	More than 1 Year £'000
Commercial contracts	3 076	1 457	1 492	73

9 Cash and cash equivalents

	2025/26 £'000	2024/25 £'000
Opening balance	(754)	(84)
Net change in cash and cash equivalent balances	(726)	(670)
Closing balance*	(1 480)	(754)

* The closing balance as at 31 March 2026 is an overdraft and is disclosed in the following content – Trade and other payables.

All cash is held within the Government Banking Service.

10 Trade and other payables

	2025/26 £'000	2024/25 £'000
Amounts falling due within one year		
Taxation and social security	4 440	3 765
Pension contributions	4 543	4 102
Trade payables	3 543	3 256
Accrued expenses	14 319	21 544
Deferred income	8 524	9 866
Capital accruals	1 474	770
On-Statement of Financial Position PFI contracts	10 025	9 200
Lease obligations	2 583	2 604
Balance with Government Banking Service*	1 480	754
Other payables	-	
	50 931	**55 861**
Amounts falling due after more than one year		
Imputed finance lease element of on-Statement of Financial Position PFI contracts**	119 902	124 023
Lease obligations**	12 571	13 999
Other payables	-	-
	132 473	**138 022**
Total	**183 404**	**193 883**

* Represents an overdraft. Overdrafts occur due to timing differences between HSE payments made and drawdown of funding from sponsor department (DWP).

** PFI and lease liabilities details can be found in notes 7b and 12.

Contract liabilities

IFRS 15 revenue from contracts with customers requires disclosure of contract assets included in note 8 and contract liabilities. HSE's contract liabilities reflect our obligations to transfer goods or services to customers where we have been prepaid. These are accounted as deferred income in the previous table above and total £7.1million (31 March 2025 £9.9 million). Of the deferred income opening balance, £5.3m was recognised as income in the year.

11 Provisions

	Chairs' Pension* £'000	Other Provisions £'000	Total £'000	2024/25 £'000
Balance at 1 April 2025	**933**	**-**	**933**	**887**
Provided in year	34	3 000	3 034	127
Provisions utilised	(82)	-	(82)	(81)
Balance at 31 March 2026	**885**	**3 000**	**3 885**	**933**
Expected timing of payments				
No later than 1 year	84	-	84	82
After more than 1 year	801	3 000	3 801	851
Total	**885**	**3 000**	**3 885**	**933**

* For HSE Chairs appointed before 2008 a provision has been made for their pensions in HSE financial statements as if they had been members of PCSPS.

12 Commitments under PFI contracts

HSE has entered into the following contracts let under the Private Finance Initiative that have been assessed under IFRIC 4, IFRIC 12, IAS 16 and IFRS 16.

Redgrave Court (Bootle)

The 30-year contract with Kajima Development (Bootle Accommodation Partnerships) Ltd for the provision of fully serviced accommodation runs from May 2005 to May 2035.

HSE Science and Research Centre (Buxton)

With effect from 28 October 2004, HSE took occupation of serviced accommodation for laboratory and support functions. This was provided under a 32 years and 29 weeks term, ‘design, build, finance and operate’ contract with Investors in the Community (Buxton) Limited. The design and build period before occupation was 2 years and 29 weeks.

Charge to the Statement of Comprehensive Net Expenditure and future commitments

The total amount charged in the Statement of Comprehensive Net Expenditure regarding the service element of PFI contracts was £13.4 million (2024/25 £12.6 million) and the payments to which HSE is committed are as follows:

	31 March 2026 £'000	31 March 2025 £'000
Not later than one year	**13 637**	13 091
Later than one year and not later than 5 years	**54 742**	53 246
Later than 5 years	**50 984**	62 781
Total committed	**119 363**	129 118

Total finance lease obligations under the On-Statement of Financial Position PFI contract

Total obligations for the following periods compriseare shown in the following table:

Gross liabilities	31 March 2026 £'000	31 March 2025 Restated* £'000
Not later than one year	**19 276**	18 698
Later than one year and not later than 5 years	**77 121**	74 059
Later than 5 years	**86 500**	99 832
Total committed	**182 897**	192 589
Less interest element	**(52 970)**	(59 366)
Present value of obligations	**129 927**	133 223

Present value of obligations	**31 March 2026 £'000**	31 March 2025 £'000
Not later than one year	**10 025**	9 200
Later than one year and not later than 5 years	**47 825**	43 112
Later than 5 years	**72 077**	80 911
Total present value of obligations	**129 927**	133 223

* The PFI commitments disclosure has been restated. In the prior year financial statements, the gross liability disclosed included only interest payable within the subsequent 12 months. This should have included all future interest payable over the remaining term of the PFI contracts. As a result, the comparative gross liability at 31 March 2025 has been increased by £49.225 million from £143.364 million to £192.589 million. There is no impact on the Statement of Financial Position, Statement of Comprehensive Net Expenditure, taxpayers' equity or net expenditure, as the error relates solely to a note disclosure.

13 Other financial commitments

HSE has entered into non-cancellable contracts, which are not leases or PFI contracts, for:

- ancillary services which are provided alongside the rental of buildings (service charges, insurance and business rates);
- IT managed services;
- pesticide testing services;
- regulatory training modernisation;
- call-centre services;
- services provided by Shared Services Connected Limited and Software as a Service.

	31 March 2026 £'000	31 March 2025 £'000
Not later than one year	**7 668**	8 139
Later than one year and not later than 5 years	**10 355**	12 749
Later than 5 years	**6 674**	7 281
Total committed	**24 697**	28 169

14 Related party transactions

HSE is a Crown Non-Departmental Public Body and is sponsored by DWP, which is regarded as a related party. During the year, HSE had transactions on an arm's length basis with DWP that mainly related to the sharing of premises costs. HSE has also received significant funding from the Ministry of Housing, Communities and Local Government (MHCLG) for its Building Safety Regulator functions.

HSE has an agreement with the Department for Food and Rural Affairs (Defra) in relation to the funding and delivery of competent authority functions carried out by HSE for pesticides, plant protection products and detergents, as well as the functions of 'the Agency' and enforcing authority for UK REACH. The agreement covers these functions across England, Scotland, Wales and Northern Ireland.

HSE sublets a significant proportion of its PFI accommodation at Redgrave Court to the Office for Nuclear Regulation, the Home Office, HM Passport Office and DWP through property leases.

In addition, HSE had transactions with other government departments and other central government and public bodies, none of which are considered material.

HSE retains a fully updated Register of Interests. During the year, we had material transactions with one organisation for which Board or Executive Directors

have declared a related party interest. Professor Andrew Curran, HSE's Director of Science and Chief Scientific Adviser, is an Honorary Professor at University of Manchester, for which he receives no remuneration. During 2025/26, the University of Manchester has delivered scientific research work on behalf of HSE, with a value of £305k. To manage the potential conflict of interest, Professor Curran has not been involved in reviews of tenders where University of Manchester has bid for work. Details of remuneration for key management personnel can be found in the remuneration and staff report within the accountability report.

15 Contingent liabilities

HSE is defending a small number of claims which could result in a liability, none of which are considered to be material (either individually or cumulatively) to the financial statements.

16 Financial instruments

As the cash requirements of HSE are met through the Parliamentary Estimate process, financial instruments play a much more limited role in creating or changing risk than would apply to a private-sector body. The majority of financial instruments relate to contracts to buy non-financial items in line with HSE's expected purchase and usage requirements. HSE is therefore exposed to little credit, liquidity, exchange rate or market risk.

17 Third-party assets

The Gas Safe Register Service Concession Agreement (SCA) operates a profit-capping mechanism known as Gain Share. Revenue that qualifies as Gain Share is shared between the service provider (if they meet certain performance criteria) and Funds for Distribution.

Funds for Distribution are administered by HSE under the terms of the SCA and are reviewed by the Gain Share Governance Board before Executive Committee approval. At 31 March 2026, the balance within the Gain Share account was £261k. As the funds cannot be used by HSE, this is a third-party asset which is not recognised within HSE's Statement of Financial Position.

18 Events after the reporting period

There have been no events after the reporting period that require adjustment to or disclosure in these financial statements. The date on which these accounts are authorised for issue is the date of the Certificate and Report of the Comptroller and Auditor General.



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