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HEALTH AND SAFETY EXECUTIVE

The HSE Finance Board

HSE Balanced Scorecard for 4th Quarter 2004/05

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Issue

1. Assessment of HSE's performance for the 4th quarter 2004/05 using the Balanced Scorecard.

Timing

2. Routine report for fourth quarter 2004/05.

Recommendation

3. That the Board:

- Notes the overall picture (paragraphs 6 - 8);
- Considers the key issues (paragraphs 9 –15) and discusses any remedial action required; and
- Agree proposals for changed indicators on Financial Management and Monitoring and Applying Business Improvements as described at Annex 3.

Background

4. The Balanced Scorecard can be found at annex 2. Supporting material is included for each of the indicators, including a narrative where required.
5. At the previous meeting, the Board requested that prior to the completion of the Balanced Scorecard and the paper that the status of the indicators should be agreed with relevant Board member to help clarify consequent discussion at the Board. Strategic Planning Unit (SPU) has done this with all the indicator 'owners'.

Overall Picture

6. HSE's overall performance in the 4th quarter 2004/05 is mixed, with 9 Green, 1 Amber/Green, 1 Amber, and 3 Red statuses assigned. Retention of Personnel and Allocating resources to priorities have both moved from an Amber to Green status. Good performances continues in Delivering Planned Work, Delivering the Major Hazards PSA, Financial Management and Monitoring, Recruitment, Applying Business Improvements and Applying Science and Technology, all maintaining a Green status. Amber status has again been assigned to Leadership.

7. Delivering Worker Health and Safety Targets has been awarded an Amber/Green status (in accordance with a newly introduced pan-government system that HSE will be adopting for the next report). This is based on largely positive progress with achievement of milestones in the Strategic Deliver Programmes (SDPs) and the Strategic Enabling Programmes (STEPs). This does not reflect any progress to meet Revitalising targets. Amber/Green status denotes “Mixed performance – aspects require substantial attention, some good”.
8. Delivering Health and Safety in HSE continues to be assigned a Red status. Internal Communications and Stakeholder Engagement have also both moved from amber status last quarter to a Red status this quarter.

Key Issues this quarter

9. In the absence of any objective metric, Internal Communications has subjectively been assigned a Red indicator by the indicator owner. The Cascade Briefing system was reviewed in February and an enhanced system will be introduced in the summer. The Pulse Panel continues to canvass views on key corporate issues, but will also be reviewed in the near future. It is intended to run a Staff Attitude Survey in September to compare results, particularly those on internal communication, with those from 2004.
10. Stakeholder Engagement has been assigned a Red status by the indicator owner. A large number of the engagement plans with c. 30 key Stakeholders remain at the drafting stage and some deadlines have been missed. Further effort working with lead contacts is required to bring the planning process back on track. It is hoped that then HSE can swiftly engage and develop key stakeholders with established common objectives, who actively promote areas for joint working, understand what HSE does and why and champion sensible Health and Safety.
11. The indicator owner has agreed a Green status to Applying Business Improvements this quarter. The two most significant end of year indicators show a good achievement. 5.5% of the total administrative costs were realised as benefits. Of this 46% was cash releasing. A forward look is not, however, so favourable. Efforts to improve productivity have so far been much less successful than those to improve economy or efficiency. But we are likely to need a step change in productivity if we are to deliver our objectives and targets with our available resources. RDG will be discussing this in July. Targets for each of the three years are proposed at annex 3.
12. Allocating Resources to Priorities has been assigned a Green status this quarter with all sub indicators reporting good performance except for one. An Amber has been assigned to Railway Inspectorate (RI) for the sub indicator measuring resources (inspector time) committed to Strategic Programmes as a proportion of that planned. This was due to a slight slippage because of a number of major incident investigations and the involvement of inspectors in projects in the final stages of the Rail Delivery Programme.
13. This headline Green status is based on the metrics currently available, which cover operational priorities such as Strategic Programme and frontline working. The introduction of Universal Work Recording (UWR) systems across HSE, planned for Summer 2006, will provide the mechanism for an additional objective assessment on non-operational priorities. Pending this, any assessment of resources allocated to non-

operational priorities is subjective. We have been advised that, subjectively, allocating resources to non-operational priorities would indicate Amber/Red status (denoting a problematic indicator requiring substantial attention, with some areas needing urgent attention).

Other Key Issues Already Discussed at Board or RDG.

14. The Amber/Green status assigned to the Delivering Worker Health and Safety Targets indicator has recently been discussed and agreed by HSE's Resource and Delivery Group (RDG). Both the Strategic Delivery Programmes (SDPs) and the Strategic Enabling Programmes (STEPS) report largely positive progress overall in the fourth quarter.
15. The Injury, Ill health and Days Lost reduction work blocks have been assigned Amber/Green status, as has the Disease Reduction programme. The Construction programme has been assigned a Green status for performance in this quarter.
16. The Local Authorities and HSE Working Together (LA) STEP has been assigned a Green status this quarter, however, the Worker Involvement and Business Involvement STEPs have both been assigned an Amber/Green status.
17. The indicator owner has assigned a Red status for Delivering Health and Safety in HSE. Due to current under performance in this important area, health and safety and sickness absence in HSE are discussed monthly at the Board meeting to ensure robust systems are in place to improve performance.
18. The number of reported injuries due to slip and trip incidents in HSE is assigned Red status. There has also been an increase in the number of RIDDOR reportable incidents on last quarter for both HSE and non-HSE staff.
19. The number of instances Sickness absence in HSE has slightly reduced this quarter, however the average days absence per staff year has slightly increased. This increase is due mainly to inclusion of the data for long-term absentees who have returned in this quarter.

Costs and Benefits/Financial/Resource Implications for HSE

20. Redirection of resource may be necessary to address issues highlighted in this paper although no specific issues have been reported to or raised with PEFD.

Development of the Balanced Scorecard.

21. A meeting has been held with Financial Management Team to discuss indicators for the Financial Management and Monitoring. Proposals for changes are at annex 3, where a Board steer is requested. Targets for each of the three years of HSE's efficiency plan are also detailed at annex 3 for Board agreement.
22. Work is progressing with Personnel Division to develop indicators to replace the Recruitment and Retention of Personnel indicators with more meaningful measures of the Human Resource function within HSE. Further details will be brought to the Board with the report for the first quarter.

Action.

23. SPU proposes:

- Modifying the indicators for Financial Management and Monitoring and Applying Business Improvements pending agreement of the Board; and
- Finalising the Scorecard for publication on the website.

24. The Board is asked to provide a steer on any additional follow up actions required.