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HEALTH AND SAFETY EXECUTIVE

Delivering the PSA: Summary Performance Report for Quarter 1 (2006/07)

A paper by Strategic Planning Unit

Agreed by Vivienne Dews on 26th July 2006

Issue

1. The Strategic Programmes' performance against the Public Service Agreement (PSA) targets during the first quarter (Q1) of 2006/07.

Timing

2. Routine.

Recommendation

3. The Board:
 - Discusses the Strategic Programmes' performance (see Annex A); and
 - Indicates whether it is happy for Strategic Planning Unit (SPU) to submit the summary report to the Minister.

Background

4. SPU prepares a quarterly summary report of the Strategic Programmes' performance, which we submit to the HSE Board, HSC, and the Minister.
5. Due to the fact that HSC brought its August meeting forward by a week, Commissioners have already discussed and cleared the submission in Annex A.

Argument

6. Annex A is a summary of the Strategic Programmes' performance during Q1, 2005/06. All the Strategic Programmes report good progress, leading to an overall marking of **Amber/Green**.
7. The 2005/06 fatal injury statistics are due for release on 27th July. We will reflect these in the final submission to the Minister. This paper seeks your clearance for the report before we submit it to Lord Hunt.

Consultation

8. Colleagues from across HSE have provided the information in Annex A. HSC discussed the report at its meeting on 25th July.

Financial/Resource Implications for HSE

9. The staff-related costs of producing this summary report are approximately £15k.

Action

10. SPU will make any amendments to the ministerial submission that the Board requests and submit it to the Minister. The submission is likely to be discussed at the meeting between Lord Hunt, the HSC Chair and senior HSE managers on 9th October.

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Delivering PSA 5: Summary Performance Report for Quarter 1 (2005-06)

Summary: This submission reports on delivery of the work-related health and safety Public Service Agreement (PSA 5) during the first quarter of 2006/07. The **Major Hazards** Strategic Programme remains on track to deliver its targets, although the continuing need to divert resources will reduce the programme's ability to maintain and improve control of major hazard risk in the longer-term. The programme to deliver the **conventional health and safety** targets is proceeding largely to plan, with some notable successes, but the tightening resource position means that the way ahead may be difficult. The overall status of PSA 5 remains at **Amber/Green**.

Issue

1. HSC/E's Quarter 1 performance report on delivery of the work-related health and safety Public Service Agreement targets arising from the Spending Review 2004 (PSA 5).

Recommendation

2. You note the progress of HSC/E's Strategic Programmes in delivering the **conventional health and safety** and **major hazards** elements of PSA 5.

Timing

3. Routine. You will have the opportunity to discuss this report at your next KIT meeting with Bill Callaghan (HSC Chair) and the HSE Executive team.

Background

4. PSA 5 (for the SR2004 period) comprises six sub-targets: three on **conventional health and safety** outcomes and three on precursor incidents in **major hazard industries**. Annex 1 contains further information on these targets.
5. This paper is a summary of the HSE's performance against the PSA targets during Q1 2006/07. It is based on reports from the two Strategic Delivery Programmes (SDPs) and four Strategic enabling Programmes (STEPs).

Where we are

6. HSE's current status in terms of delivering PSA 5 is **Amber/Green**. The table below provides a breakdown, showing how we have reached this assessment.

	2005/06			2006/07
	Qtr 2	Qtr 3	Qtr 4	Q1
PSA 5 overall assessment	Amber/Red	Amber/Green	Amber/Green	Amber/Green
Conventional health & safety	Amber/Red	Amber/Green	Amber/Green	Amber/Green
3% reduction in injuries	Amber/Green	Amber/Green	Amber/Green	Amber/Green
6% reduction in ill health	Amber/Green	Amber/Green	Amber/Green	Amber/Green
9% reduction in days lost	Amber/Red	Amber/Green	Amber/Green	Amber/Green

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	2005/06			2006/07
	Qtr 2	Qtr 3	Qtr 4	Q1
Major Hazards	Green	Green	Green	Amber/Green
Nuclear	Green	Green	Green	Green
Onshore	Green	Green	Green	Amber/Green
Offshore	Green	Green	Green	Amber/Green
Strategic Enabling Programmes				
LAs and HSE Working Together	Amber/Red	Amber/Green	Green	Green
Enforcement	Amber/Red	Amber/Green	Amber/Green	Amber/Green
Business Involvement	Green	Amber/Green	Green	Green
Worker Involvement	Amber/Green	Amber/Green	Green	Green

Key:

Green:

Good – requires refinement and systematic implementation

Amber/Green:

Mixed – aspects require substantial attention, some good.

Amber/Red:

Problematic - requires substantial attention, some aspects need urgent attention

Red:

Highly problematic – requires urgent and decisive action.

7. We have attached the reports from the Fit3 and Major Hazards Strategic Delivery Programmes at Annexes 2a and 2b respectively.

Overview

8. This report is for the first quarter of a new financial year. Last year, HSE spent around £30m more than it had previously, investing in new means of delivery such as big communication campaigns and Workplace Health Connect. Although we plan to spend the same this year, the effects of inflation and other factors (such as the having to meet a full year's cost for the Workplace Health Connect Pathfinders) will be to reduce our spending power. Inevitably, we will have to prioritise carefully, constraining spending in some areas, and this is reflected in some of the detailed Strategic Programme reports.
9. We have nearly completed our Fundamental Review; of which one of the main themes is improving our ability to deliver. The proposals coming from this work should help us make best use of our resource in working to deliver our targets.

Fit for work, Fit for life, Fit for tomorrow (Fit3)

A/G

10. In the first quarter of this programme's second year, there has been good progress on delivery activity, with six of the component programmes marked Amber/Green and Construction continuing to show Green. Fit3's status overall remains **Amber/Green**, in recognition of the good progress made on planned work, but recognising the scale of the task ahead (especially on injury reduction), the lack of evidence on the impact of Fit3's interventions and continuing resource challenges.
11. Fit3 is reliant upon HSE's Field Operations Directorate (FOD) and the local authorities (LAs) to deliver many of its interventions. During Q1, both FOD and LAs have shown commitment to Fit3's priorities. To maintain this, Fit3 has:
- Provided training and briefing on disease reduction for LA colleagues (upon whom the Disease Reduction Programme is largely dependent for delivery). Feedback has been positive and Fit3 anticipates a return on this enabling work in the next quarter.
 - Brought its planning timeline forward so that it can communicate the programme's 2007/08 portfolio to FOD and LAs earlier (mid-July) to fit in with their own delivery planning timetables.
 - Held a workshop with FOD's LA Partnership Managers, HSE's Local Authority Unit and the Local Authorities Coordinating Office on Regulatory Services (LACORS) to clarify roles and responsibilities for planning and reporting.
12. For Q1, Fit3's delivery highlights include:
- Improved working with FOD. Delivery is significantly above plan for falls and workplace transport and to plan for slips & trips, MSD, noise & HAV and disease reduction.

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- Increased website hits indicate that the Height Aware campaign is having a positive impact. The predicted data for falls incidence shows Fit3 is on track to deliver the 07/08 target.
 - The Construction Programme anticipates a substantial reduction in the number of fatal accidents (compared with 2004/05) when they are published in July. **[DN – To be updated following publication of fatal stats]**
 - The Public Services and Stress Programmes delivered stress management workshops and events to central government organisations. These were well received.
 - Changes to Workplace Health Connect's marketing strategy have accelerated the uptake of workplace visits, so that the overall target is close to being met (although calls to the adviceline remain below target).
13. Challenges for Fit3 include:
- Pressures on HSE's funding are creating uncertainty and may constrain Fit3's ability to deliver, especially communication-based activity.
 - Predictive statistics for incidence rates of injury due to slips & trips and workplace transport show that they are not reducing.
 - FOD's progress on delivery is less certain for the sector-based projects, stress and public services because of the limitations of our operational data collection system (COIN).
 - Limited feedback and reporting available from LA partners. Fit3 is looking to improve the reporting arrangements; so better information should be available from mid-year.
 - The HSE Board decided that it could not afford an additional Workplace Health Connect Pathfinder in the South East. Fit3 will make full use of all the lessons learnt from the existing WHC Pathfinders, which will continue until February 2008 as planned, and will be evaluated.

Major Hazards

A/G

14. The results for Q1 indicate that the Major Hazards Strategic Programme remains on track to deliver its targets. However, the programme's status has moved from Green to **Amber/Green**, to reflect the increased demands on the programme's resources.
15. The Government's Energy Review and its implications for nuclear new build, as well as the continuation of the Buncefield investigation, have placed increasing demands on already stretched staff and skills resources (although the cost of the latter will be mainly recoverable from dutyholders and should not have any *financial* impact on other work). While this issue is not expected to have a significant impact on delivery of the PSA targets in the short term, in the longer-term our ability to maintain and improve controls of major hazards risks overall will inevitably be reduced.
16. The nuclear indicator remains on track. During Q1, British Nuclear Group Sellafield Ltd. has pleaded guilty to charges laid in connection with the leakage of radioactive liquor at THORP reprocessing plant. This prosecution is intended to reinforce the importance of high safety standards with nuclear licensees.
17. The offshore indicator is marginally above plan (an outturn of 18 against a plan of 17). However, given the low figures involved, this is not of immediate concern and the offshore programme of work continues as planned.
18. The onshore/chemicals indicator is well below the first quarter predicted target (an outturn of 16 against a plan of 40). This surprisingly low figure is being investigated; the move to a new IT system may have resulted in some under recording of relevant incidents. The onshore programme of work continues as planned.

Local Authorities and HSE Working Together

G

19. The LA STEP has continued to make good progress. The programme remains **Green**, as it has delivered consolidated arrangements to sustain the LA/HSE partnership. But as the formal programme draws to a conclusion and the emphasis switches to delivery by the partnership against Fit3's targets, it would be realistic to mark the prospects for the partnership as Amber. Particular highlights during Q1 included:

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- Development of proposals to ensure adequate arrangements are in place to oversee and support the partnership through the next few years; and to provide an effective interface for our work with LAs and also with the Local Better Regulation Office's work.
 - Revised governance arrangements for the partnership included the first meeting between a newly established "Local Government Panel" and HSC in May.
 - Delivering key messages at the last of the joint HSE/LA Fit3 roadshows in April.
 - Organising training for LAs on agreed priority areas such as stress and asbestos, with further plans to address LA health and safety enforcement officers' long-term training needs.
 - Close liaison with Fit3 colleagues to ensure we are as organised as possible on e.g. LA reporting and early planning for the LA contribution to the Fit3 portfolio for 07/08.
20. A major challenge remains in supporting the delivery of LAs' pledges to Fit3 with guidance and active encouragement, and ensuring they have the desired impact on HSC's priorities. Partnership teams will be crucial in encouraging and interpreting good quality information from LAs so as to provide a positive picture of LAs' efforts at the half-year stage.
21. The effectiveness and sustainability of HSE's partnership with LAs still needs to be fully evaluated. Work on the Fundamental Review theme "working with others" has helped sharpen up the proposals for the criteria and process by which the success of the partnership will be judged.

Enforcement

A/G

22. The Enforcement STEP has made good progress on its three central workstreams. However, until the Programme's products are implemented and start to have an impact, its status remains **Amber/Green**.
- *Efficiency and effectiveness of reactive work:* The Programme has been developing measures to improve the efficiency and effectiveness of investigation and prosecution activities. Field Operations Directorate has started trialling the measures.
 - *Aligning enforcement with Fit3:* The STEP is working to provide inspectors with tools to aid them in taking prosecutions arising from preventive work, based upon a successful pilot in the construction sector. On its recommendation, a review is being conducted into the 'enforcement' content of the inspection topic packs, with a view to relaunching them.
 - *Communications:* The STEP continues to seek to ensure that a consistent message on the role enforcement plays in underpinning delivery of our goals, is communicated to inspectors. It expects to launch redesigned, more accessible and relevant enforcement Internet and intranet sites by the end of July. It is also looking at means by which inspectors can share and learn from each other's enforcement activities.

Business Involvement

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23. The Business Involvement Strategic Enabling Programme's is progressing well and its status remains **Green**. However, due to the STEP's dependence on communications and research activities, its status may change to Amber/Green for Q2 if it becomes necessary to constrain spending in these areas. In light of this situation, contingency planning is underway to find alternative ways of meeting programme objectives and avoid disruption. This could include a possible restructuring of the programme.
24. However, work is progressing well on the STEP's individual elements, particularly:
- The Large Organisations Partnership Pilot (LOPP), which has maintained its Green status and made encouraging progress. Nine organisations have agreed engagement/improvement plans and four others are working to agree their priorities.
 - The SME indicator exceeded initial targets for 06/07 with 800 completions in Q1. So far 4800 businesses have completed the self-assessment questionnaire against a target of 3375.
 - Use of the Corporate Health and Safety Performance Indicator (CHaSPI) is picking up. So far 60 organisations have completed, of which 35 have gone public with their results. The total number of registrations has increased from 305 last quarter to 480 this quarter.

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- Work to improve the STEP's reach with small businesses by improving information and tools on the business link website. The STEP is also engaged in thinking on the website's future, taking account of the transformational government strategy.

Worker Involvement

G

25. The Worker involvement Strategic Enabling Programme has continued to perform soundly against its planned activities and believes a **Green** status remains appropriate. Highlights during Q1 include:
- Communicating worker involvement messages by incorporating them into a project with the noise and vibration team, developing products for the forthcoming Backs! 2006 campaign and topic inspection packs for field staff. The STEP has published material on the HSE intranet and HELA extranet webpages and is arranging seminars for HSE staff.
 - Good progress with the 'Improving worker involvement, improving health and safety' consultation exercise. This work includes discussion meetings in London and Manchester, which delegates have welcomed, and presentations to business groups, including the Small Firms Trade Association Forum.
 - The STEP has also been exploring opportunities to share with safety representatives, information and guidance for inspection staff on stimulating more worker involvement.

TARGETS

Revitalising Health and Safety targets

By 2010, reduce:

- the incidence rate of fatal and major injury incidents by 10% (1999/00 baseline);
- the incidence rate of cases of work-related ill health by 20% (2001/02 baseline); and
- the number of working days lost per 100,000 workers from work-related injury and ill health by 30% (2000-02 baseline).

Achieve half the improvements under each target by 2004 (SR2000 PSA).

SR2004 PSA

By 2008, improve health and safety outcomes in Great Britain, through progressive improvement in the control of risks in the workplace.

We will measure progress against the following targets. These are grouped under the two main areas of HSC/E's work:

- Conventional health and safety - Achieve by 2007/08 (against a 2004/05 baseline):***
 - A 3% reduction in the incidence rate of work-related fatal and major injuries;
 - A 6% reduction in the incidence rate of work-related ill health;
 - A 9% reduction in the number of days lost due to injuries and ill health.
- Major hazards – Achieve by 2007/08 (against a 2001/02 baseline):***
 - A 7.5% reduction in the number of events reported by licence holders, which HSE's Nuclear Installations Inspectorate judges as having the potential to challenge a nuclear safety system;
 - A 45% reduction in the number of major and significant hydrocarbon releases in the offshore oil and gas sector;
 - A 15% reduction in the number of relevant RIDDOR reportable dangerous occurrences in the onshore sector.

Full details on the target are available in the PSA Technical Note - (<http://www.hse.gov.uk/aboutus/plans/sr2004.htm>).

**Fit3 Strategic Delivery Programme
Performance Report for Quarter 1, 2006/07**

1. Overall status			
Strategic Programme Target	3% reduction in the incidence rate of work-related fatal and major injuries; 6% reduction in the incidence rate of cases of work-related ill health; 9% reduction in the incidence rate of days lost due to work-related injuries and ill health	Current status ♣	Amber/Green

♣ *Status can be*

Green: *Good – requires refinement and systematic implementation.*

Amber / Green: *Mixed – aspect(s) require substantial attention, some good.*

Amber/Red: *Problematic – requires substantial attention, some aspects need urgent attention*

Red: *Highly problematic – requires urgent and decisive action.*

2. Strategic Programme Director's Assessment (including any decisions required)		
Construction Programme	Current status	Green
Injury Reduction Programme		Amber/Green
Public Services Programme		Amber/Green
Stress Programme		Amber/Green
MSD Programme		Amber/Green
Disease Reduction Programme		Amber/Green
Workplace Health Connect		Amber/Green
Current Performance		
<p>In the first quarter of the second year of the programme there has been very good progress on delivery activity with all component programmes marked Green or Amber/ Green.</p> <p>FOD colleagues have delivered significantly above target on falls and workplace transport, and are on target for MSDs, noise & HAV and disease reduction work. Web site hits indicate that the height aware campaign is achieving significant impact and the predictive statistics show that the 2007/08 target for reduction in falls injury incidence should be met. Evaluation of the construction good order campaign demonstrates that there has been a good impact on slips and trips injury reduction in this sector.</p> <p>However, progress on other injury reduction targets is slow. I believe we are engaged in the right delivery activity to achieve the required changes and that it is the time required that continues to be the challenge.</p> <p>LA colleagues too have signalled an impressive commitment to Fit3 priorities and the indications via FOD partnership managers are that significant progress is being made. We are unable to quantify this at present because of the limitations to our current reporting arrangements. Better information should be available from mid-year.</p> <p>The DRP programme has invested heavily in training and briefing of LA colleagues on whom they are largely dependent for delivery. Feedback has been positive and</p>		

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we anticipate seeing a return on this enabling work in the next quarter. Continuing support will be required of FOD locally from both general inspectors and specialists and this may put pressure on FOD's delivery.

The Stress/PSP programmes have delivered the 'Healthy Workplace Solutions' high-level events and workshops for central government with good feedback, although uncertainty remains around the ability of those attending to drive SMS implementation in their organisations.

Changes to the marketing strategy for WHC has accelerated the uptake of workplace visits to the point that the overall target is close to being met and will even be overtaken if the rate of progress is maintained.

At the overall Fit3 level there has been a significant investment in improving the planning process with clearer outcomes and earlier deliverables, assisted by the proof of concept for programme management software. This has enabled a clearer portfolio management process and FOD and LA delivery partners will be provided with the 2007/08 portfolio in July, in good time for their own delivery planning processes.

Significant resource challenges remain, particularly with research and communication funding and we have had to prioritise the work we continue, with the result that there may be insufficient delivery activity to achieve the programme targets

My overall assessment of the ability of the programme to deliver the targets remains as amber/green because we do not yet have sufficient evidence or assurance of the impact of our interventions, especially novel approaches on stress and return to work.

Delivery highlights this quarter include:

- FOD delivery has been significantly above plan for falls and workplace transport and to plan for slips & trips, MSD, noise & HAV and disease reduction work.
- Web site traffic to the falls web site pages indicate that the Height Aware campaign is achieving excellent impact, with hits mirroring communication and LA/FOD activity.
- The predicted data for falls incidence shows that the 2007/08 target should be achieved.
- The construction programme anticipates a substantial reduction in the number of fatal accidents from the 2004/05 figures.
- Evaluation of the construction Good Order Campaign shows that there has been a good impact on slips and trips accidents in the sector, although the statistics have not yet been validated by CoSAS.
 - I. Over 900 sites were inspected, and over 1100 contractors were contacted during the campaign
 - II. 211 sites were found in good order, advice given to 528 sites, however 43 sites required formal enforcement notices to address good order deficiencies and at 118 sites contractors agreed to voluntary cessation of work to address good order issues.
- The Noise Regulations have been successfully launched and we saw significant increases in calls to infoline and web-hits corresponding to the media campaign

III Health Reduction

- DRP has achieved successful engagement with a number of external partners.
- In-depth asbestos DTM training (6 events through May, June and July) led by Chartered Institute of Environmental Health (CIEH) has been delivered to LAs. Both DRP and CIEH training will equip H&S officers with knowledge and capability to undertake 30,000 LA DTM visits over the next year.
- The delivery of stress management workshops to central government

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organisations has been well received and has attracted the right attendees.

Reducing Days Lost

- The PSP planning is going well, with good groundwork being undertaken. The figures show the programme is moving in the right direction.

Enabling and planning highlights this quarter include:

- The Fit3 planning timeline has been brought forward and we are on track to agree the 2007/08 portfolio for development on 13 July, and to communicate this to LAs and FOD to allow earlier delivery planning. Presentation of programme work will be on a sector/business group-facing basis to aid delivery planning.
- Workshops have been held with the FOD LA Partnership Managers, LACoRS and LAU to clarify roles and responsibilities for planning and reporting.
- Agreement of criteria for project prioritisation and portfolio management within the programme
- Performance frameworks agreed for all Fit3 programmes to give greater visibility of progress towards target delivery.

Lowlights this quarter include:

- The progress on delivery by FOD is less certain on sector based projects, stress and PSP because of the limitations of COIN.
- Limited feedback and reporting available from LA partners.
- Ministerial Task Force network proving difficult to re-establish.
- Predictive statistics for injury incidence in slips & trips, and workplace transport show a stubborn resistance to change.
- Resource constraints continue to place pressures and uncertainty on our ability to deliver, especially communications based activity.

3. Trajectory against performance indicators

The overall trajectory for the Fit3 programme will be available from July 2006 following completion of work on each of the component programme performance frameworks and the recent receipt of Fit3 survey baseline data. See annexes for individual programme performance information.

4. Key Milestones		
	Status (last Qtr)	Status (this Qtr)
A traffic light assessment of delivery of planned activities and milestones. <i>Comments on reasons for red or amber/red assessments and actions to regain lost ground</i>		
Performance frameworks agreed from ILM development	Green	Green
Workshops have been held with the FOD LA Partnership Managers, LACoRS and LAU to clarify roles and responsibilities for planning and reporting	Green	Green
LA contributions to Fit3 agreed and logged for 2007/08	Green	Green
Fit3 intranet site reviewed and updated	New	Completed
Revised planning timeline and portfolio management criteria agreed	Green	Green
<i>As above but for the six months following the date of the report</i>		
Agreement of overall Fit3 performance framework and trajectory based on completed component programme ILMs	Amber	Amber
Benefits Realisation Plan by October 2006	New	Amber
Resourced Fit3 portfolio by October 2006	New	Green

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Delivery Plans (FOD and LA) by December 2006	New	Green
Portfolio management software (Change Director) Proof of Concept achieved. This has been extended to end July, to include Portfolio Management	Amber	Green

5. Key Risks						
	Description:	L	I	Action taken since last report to manage risk / change status	Status (last Q)	Status (this Q)
1	The mix of projects is wrong due to not enough evidence to know that the project will work (what they can reasonably deliver)	M	H	Overall Evidence, Analysis and Evaluation plan for Fit3 produced and agreed by end April 2006. Prioritisation undertaken and HSL contribution maximised. HSL Fit3 champion/ coordinator appointed to help manage delivery of plan.	Red	Red
2	The mix of projects is wrong due to inadequate performance information to allow effective programme management and 'running adjustments'	M	M	Fit3 employer and employee surveys have been conducted and analysed. Work completed to produce performance frameworks using these and other measures – reports from next quarter. Reports on FOD activity agreed and provided. Liaison with LAs via partnership managers strengthened to improve reporting.	Red	Amber
3	The mix of projects is wrong due to insufficient resources being secured to ensure the right project/intervention mix	M	M	Planning for 2007/08 – timeline brought forward to accommodate FOD and LA needs. Criteria agreed to prioritise and manage portfolio. TV advertising bid of £1.5m dropped.	Red	Amber
4	The delivery agent (LAs) fails due to not understanding their contribution	L	H	Workshop involving Fit3 programmes, FOD LA partnership teams, LACoRS and LAU held and revised communication channels and roles and responsibilities agreed.	Red	Amber

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5	Beyond Fit3 - what is to happen after Fit3 to ensure benefits are maintained and to avoid loss of staff from critical projects because of uncertainty about their future role.	M	M	Vision statement and programme benefits defined and agreed. Benefits management workshops commenced.	Red	Amber
Date of most recent review		10/07/06				

Note that some risks to delivery are likely to remain red throughout the life of the programme because the impact if realised is high. Mitigating measures are applied to control and reduce the risk, but often these are sufficient only to reduce the likelihood to a medium level. For example, resource constraints can only be mitigated by prioritising work – they cannot be overcome altogether. A medium-high combination of likelihood and impact results in a high overall risk.

Some of the changes from Red to Amber result from the change to the risk matrix used corporately by HSE.

*L = Likelihood and I = Impact: Likelihood **and** Impact can be rated low/medium/high.*

Impact

High	PSA target(s) missed Serious damage to relationships with key stakeholders Negative & high profile publicity leading to loss of public confidence in HSE Serious loss of business efficiency Major civil claims against HSE may be made
Medium	Culpable breaches of our legal and regulatory obligations occur Relationships with some stakeholders adversely affected Negative publicity leads to PQs, and negative public / employer comment Some loss of business efficiency
Low	Some negative publicity, though short-lived Loss of some resource but limited value and not enough to undermine delivery of Strategy

6. Resources			
Overall position:			
<i>Resource Expenditure:</i>	<i>Allocation for Year 2006/07</i>	<i>Actual to June</i>	<i>Commentary</i>
Staffing	£12,185,953	£2,961,226	
T&S	£757,524	£271,621	
T&C	£155,415	£59,669	
Communications spend	£6,268k <i>(revised fig less £1.5 million TV spend)</i>	£1,434k <i>(approx £1 million on Height Aware campaign)</i>	
S&T	Fit3 Committed Spend £5,844,000	Actual to May £1,450,000	

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7. Actions Report				
Issue	What is happening	Action	By whom?	By when?

This section of the report is mandatory where the overall target status is red. Otherwise it may be used at the SPD's discretion to detail issues within their overall assessment which require specific and urgent action, including any sought from Ministers, the HSC or others.

**Major Hazards Strategic Delivery Programme
Performance Report for Quarter 1, 2006/07**

1. Overall status			
Strategic Programme Target	<i>Narrative description of target</i>	Current status ♣	<i>Traffic light showing the likelihood of delivering the target</i>
Nuclear	Number of events which are judged to have the potential to challenge a nuclear safety system to end Qtr 1 is 34 (Qtr 1 target 34)	Green	Green
Onshore	Number of Dangerous Occurrences at COMAH sites to end 1st Qtr is 16 (1st Qtr Target 40)	Green	Amber/Green
Offshore	Total number of major and significant hydrocarbon releases to end 1st Qtr is 18 (1st Qtr Target 17)	Green	Amber/Green

♣ Status can be:

Green:	Good – requires refinement and systematic implementation.
Amber/Green:	Mixed – aspect(s) require substantial attention, some good.
Amber/Red:	Problematic – requires substantial attention, some aspects need urgent attention.
Red:	Highly problematic – requires urgent and decisive action.

2. Strategic Programme Director's Assessment (including any decisions required)

The first quarter's results indicate that we are on track but illustrate the limitations of the current measures in indicating performance in the management of Major Hazard risks.

Demands on resources from the Energy Review, the implications for nuclear new build and the continuation of the Buncefield investigation all have the potential for significant impact on PSA target delivery and our capacity to influence the wider management of major hazard risks in the longer term.

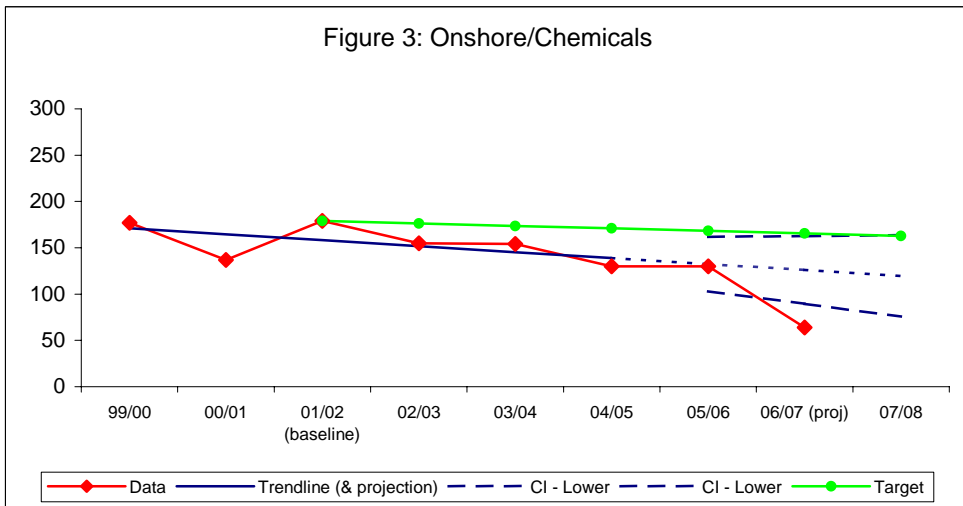
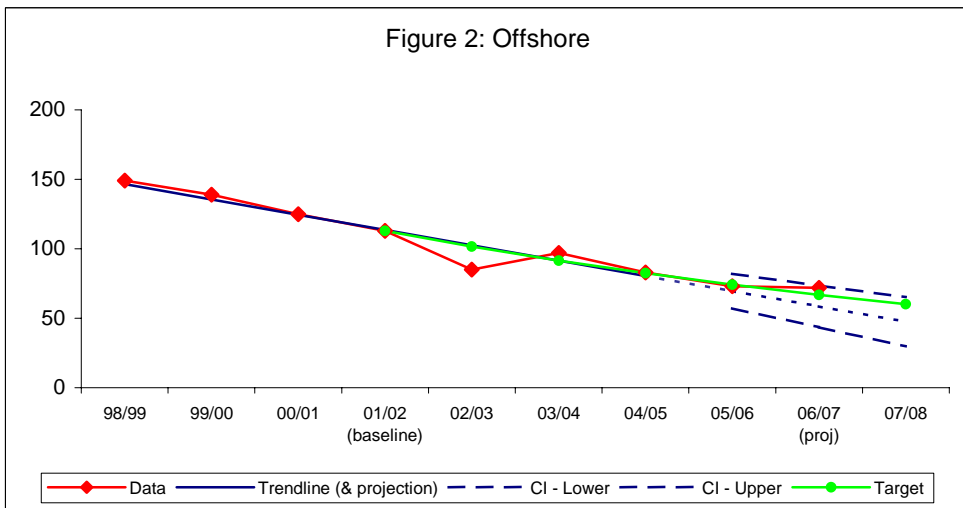
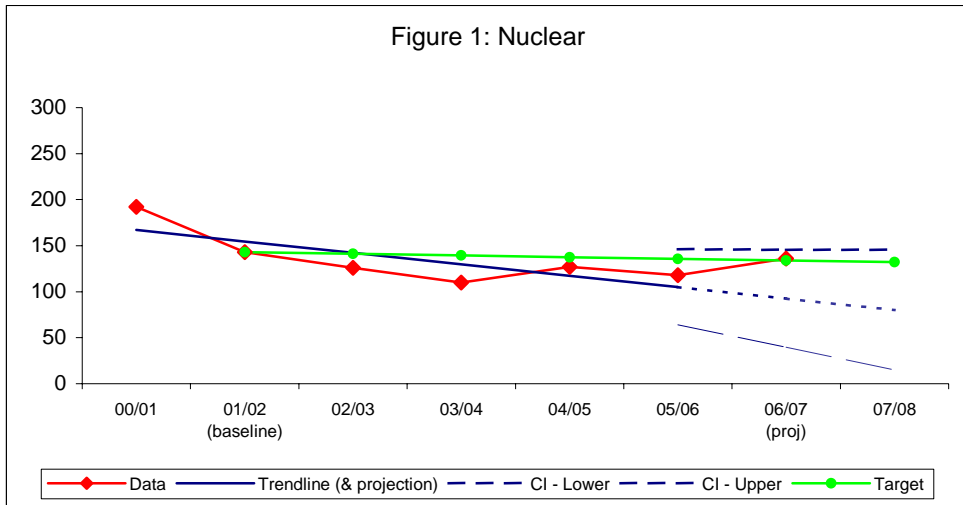
The investigation of the Buncefield incident and the subsequent follow-up to the Safety Alert issued in February, has placed increasing demands on resources. Whilst this is not expected to have a significant impact on the delivery of PSA targets in the short term, inevitably our ability to maintain and improve controls of major hazards risks overall is correspondingly reduced and increases the chance of major hazard incidents in the longer term.

British Nuclear Group Sellafield Ltd. has pleaded guilty to charges laid in connection with the leakage of radioactive liquor at THORP reprocessing plant. This action is intended to reinforce the importance of high safety standards with nuclear licensees.

The indicator for Offshore shows that the target was not quite achieved (18 v 17). However the under achievement is not considered to be significant given the low figures involved. The programme of work aimed at reducing releases is to continue as planned.

The indicator for Onshore/Chemicals is well below the first quarter predicted target (16 v 40). This surprisingly low figure is being investigated; the move to a new IT system may have resulted in some under recording of relevant incidents. The programme of work continues as planned.

3. Trajectory against performance indicators



The projected figure for Onshore/Chemicals is being checked and may be subject to revision.

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4. Key Milestones		
<i>A traffic light assessment of delivery of planned activities and milestones over the <u>last</u> 6 months.</i>	Status	
	Last Q	This Q
Number of safety cases processed to relevant standards and timescale continue at a high level of performance (Nuclear = 100 %)	Green	Green
Number of safety cases processed to relevant standards and timescale continue at a high level of performance (Onshore = 100%, Offshore = 100%)	Green	Green
Nuclear:		
A trial of a revised performance metric as part of the overall Major Hazard precursors project has commenced, in preparation for planned implementation in April 2007.	Green	Green
Safety performance indicators (SPIs) have been agreed for British Energy operating reactors and are being factored into regulatory processes. SPIs are being agreed with Magnox operating reactors over the coming year. A project has started on developing SPIs for decommissioning nuclear plant, with draft SPIs to be available during Q3 2006.	Green	Green
Offshore:		
The UKOOA /HSE Industry Integrity Workgroup (IIWG) has completed phase 1 culminating in an industry workshop on 29 th June. The toolkit was launched and well received. The IIWG enters phase two where its accountability will reside with the Step Change Leadership Team. This change marks a move from development to implementation and should see a greater impact on the industry.	Green	Green
Onshore/Chemicals:		
Development of a sector-wide SPI scheme and of company-specific SPIs for leading players has commenced. This is breaking new ground and significant effort will be needed to secure commitment of industry. The success of the SPI scheme is by no means assured and concerted efforts need to be maintained.	New	Amber
<i>A traffic light assessment of delivery of planned activities and milestones over the <u>next</u> 6 months.</i>	Next Q	Q after next

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5. Key Risks						
Description:	L	I	Action taken since last report to manage risk / change status	Status		
				Last Q	This Q	
Programme Risk 1: Lack of Industry Commitment						
a	<u>Onshore: Specialised</u> Fragmentation of Britain's gas distribution networks giving rise to uncertainty in the attitude of the new companies and how risks will be managed in the future.	L	H	Directors in the new operators have expressed commitment to exemplary H&S performance and to the PSA 2 targets. Inspections to assess the control of key risk areas have identified some areas of concern, which are being addressed by advice or notice as appropriate.	Green	Green
b	<u>Onshore: Chemicals</u> Loss of Industry Commitment to improvements.	M	M	Sustained and continual efforts are ongoing to maintain commitment, e.g.: Details of loss of containment (LOC) incidents have recently been published on the Process Safety Performance Measures website and an annual report of LOC incidents will be published & presented to the Chemical Industries Association in the summer.	Amber	Amber
c.	<u>Offshore:</u> Increasing difficulty in recruiting into the UKOOA/HSE integrity workgroup is being reported will impact on stakeholder engagement.	M	M	Representatives from new entrant companies being sought.	New	Amber

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d	<p><u>Nuclear:</u></p> <p>Licensees confused about roles and responsibilities of NDA (“controlling mind” issues), with drivers pushing licensees’ attention away from excellence in plant operations.</p>	M	M	<p>NSD attended an NDA workshop in April on the principles to be applied to further working. NSD concerns have been identified to NDA. This continues to be a risk area. NDA has taken steps to clarify it is not to be the “controlling mind” of licensees but it is not yet clear that this principal is being consistently applied.</p>	Amber	Amber
e	<p><u>Nuclear:</u></p> <p>Stakeholder surveys indicate concerns over regulatory consistency and proportionality</p>	M	L	<p>Concerns continue to be addressed through ‘cornerstone’ intervention methodology. A stakeholder engagement strategy and implementation plan is being developed.</p>	Green	Green
f.	<p><u>Nuclear:</u></p> <p>Inadequate safety reviews by British Energy and British Nuclear Group, Sellafield.</p>	M	M	<p>NSD is pressing British Energy and BNG Sellafield for a programme of work, to rectify weaknesses in recent safety reviews submitted. Strategies are being developed to gain company commitment to ensure that future submissions are to time and of the appropriate quality.</p>	New	Amber
<p>Programme Risk 2: Current measures make it difficult to track progress and could be misleading in terms of risk control.</p>						

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a	<p><u>Onshore: Chemicals</u></p> <p>Current performance measures don't fully reflect changes in MH risks.</p>	M	M	<p>Development work continues with HSL. A research report 'Major Hazard Industry Performance Indicators Scoping Study' has been published. Development work with HSL is ongoing.</p>	Amber	Amber
b	<p><u>Nuclear</u></p> <p>Current performance measures do not fully reflect changes in Major Hazard risks</p>	M	M	<p>A revised performance metric for Major Hazard precursors developed with industry is being trialled in preparation for planned implementation in April 2007. Further work is underway on performance metrics within NSD.</p>	Amber	Amber
Programme Risk 3: Resources						
a	<p><u>Onshore:</u></p> <p>Long-term training programmes for new recruits may affect ability to delivery the planned contribution to the onshore PSA target.</p> <p>HID CI has identified gaps in specialist support - particularly mechanical engineering and control and instrumentation specialists.</p> <p>The Buncefield investigation and follow-up work has taken significant resource from across the major hazards sector, which impacts on planned intervention work elsewhere; the longer-term consequences are an increased chance of a major incident.</p>	M	M	<p>Working with other units to share NVQ training load; additional resource taken on to train/coach staff in explosives issues; identified early training needs for trainers and managers</p> <p>HID CI has not been successful in the latest recruitment round for technical specialists.</p> <p>Work not directly targeted at PSA targets is being sacrificed in the short-term and arrangements for staff to be released from the investigation as early as possible.</p>	Amber	Amber

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b	<p><u>Offshore:</u></p> <p>OSD continues to lose experienced resources, which affects ability to maintain thorough inspection verification.</p>	M	M	<p>A recruitment campaign has taken place. Training programme to up skill recruits has been developed. Remaining vacancies have been readvertised. Continuous recruitment advert on HSE website</p>	Amber	Amber
c.	<p align="center"><u>Nuclear</u></p> <p>Ongoing difficulty in making progress towards cadre, with demographics presenting another challenge. NSD's ageing population and retirements will further reduce staff numbers.</p>	M	M	<p>HSE review of the 'package' for Nuclear Inspectors is ongoing, with expected implementation in 2006.</p> <p>See also Programme Risk 4b below.</p>	Amber	Amber
Programme Risk 4: Changing Operating Environment						
a	<p><u>Offshore:</u></p> <p>Increasing drilling activity in the UK Continental Shelf is taking place. The increase in the oil price is a major factor in the increase in drilling activity; this is encouraging some duty holder's to delay decommissioning some installations whilst keeping operating costs (including maintenance) low.</p>	L	M	<p>Position has stabilised to an extent, with new offshore staff having gained some experience. But activity remains high.</p>	Amber	Green
b	<p align="center"><u>Nuclear</u></p> <p>Resource demands relating to issues for nuclear sites for which NDA has responsibility remain an area of uncertainty for NSD.</p>	M	M	<p>Implications of the NDA strategy for NSD and Industry are being kept under review. Particular concerns relate to the uncertainties in the evolving re-structuring and re-licensing programme. This potentially presents both short and long term risks to NSD resources.</p>	Amber	Amber

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c.	<p><u>Nuclear</u></p> <p>Resource demands arising from the Energy Review, MoD Major Investment Programme and the implications for nuclear new-build continue to remain an area of uncertainty.</p>	H	M	<p>Risks of escalating demands for resources being actively monitored by senior management. A two year action plan has been developed to progress recommendations from the IRRS review of NSD's capacity to service potential new build</p> <p>A programme of work has been commissioned within NSD to analyse the potential impact on NSD of all changes to the operating environment. An initial report reviewing challenges to NSD is planned for Q3.</p>	Red	Red
Date of most recent review		End Q1, 06				

L=Residual Likelihood and I = Current Impact: Likelihood and Impact can be rated low/medium/high.

Impact

High	<p><i>PSA target(s) missed</i></p> <p><i>Serious damage to relationships with key stakeholders</i></p> <p><i>Negative & high profile publicity leading to loss of public confidence in HSE</i></p> <p><i>Serious loss of business efficiency</i></p> <p><i>Major civil claims against HSE may be made</i></p>
Medium	<p><i>Culpable breaches of our legal and regulatory obligations occur</i></p> <p><i>Relationships with some stakeholders adversely affected</i></p> <p><i>Negative publicity leads to PQs, and negative public/employer comment</i></p> <p><i>Some loss of business efficiency</i></p>
Low	<p><i>Some negative publicity, though short-lived</i></p> <p><i>Loss of some resource but limited value and not enough to undermine delivery</i></p>

7. Actions Report for Red risks

Issue	What is happening	Action	By whom?	By when?
Programme Risk 4:	New Employment Package being developed for Nuclear Inspectors.	Planned implementation during 2006	NSD Director	End 2006

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	Programme of work commissioned within NSD to analyse the potential impact on NSD of all changes to the operating environment.	An initial report reviewing challenges to NSD.	NSD Director	Q3 2006
	Integrated Regulatory Review Service (IRRS) review of NSD's capacity to service potential new build.	Action Plan to progress IRRS recommendations is being implemented.	NSD Director	Q4 2008