

<b>Meeting Date:</b>	04 Jan 2006	<b>FOI Status:</b>	Open
<b>Type of Paper:</b>	Below the line	<b>Paper File Ref:</b>	
<b>Exemptions:</b>	None		

## **HEALTH AND SAFETY EXECUTIVE**

### **The HSE Board**

### **Resource Management System (RMS)**

### **A Paper byPEFD**

**Cleared by Sandra Caldwell on 22/12/2005**

#### **Issue**

1. Management information reports from the RMS pilots for review and comment for their value to planning and managing resources.
2. Timing for introducing RMS across HSE at the earliest date, if the Board decides to go ahead in the New Year following evaluation of pilots.

#### **Timing**

3. Routine.

#### **Recommendation**

4. That the HSE Board:
  - Reviews the management reports at Annex 1 on its value to planning and managing resources;
  - Notes the approach for implementing RMS in light of the risks identified;

#### **Background**

5. An outline design for the RMS and management information reports was presented to the Board on 6 July 2005 at which the Board:
  - Endorsed the recommendation to proceed with pilots;
  - Asked that the project report back following evaluation of the pilots for a decision on its roll out.
6. The pilots were run in FOD, HID, CoSAS, RPD and Policy Group. They were phased over a period from October to end of December 2005.
7. IA and EAU will do the evaluation independently of the project team. This is scheduled to be completed as planned in February 2006, and a full evaluation report will be presented to the HSE Board on 1 March 2006 for a decision on roll out.

#### **Argument**

8. At its meeting on 31 August 2005, RDG identified an urgent corporate need to have better and more complete information on cost attribution, in order to help ensure that

resources are being directed to priorities. The HSE Board was to be invited to agree that the aim should be to introduce RMS by April 2006 should it decide to proceed following evaluation of the pilots.

9. The pilots will test out the most cost effective ways of providing management information, and will consider other ways of capturing information than work recording. Early indications suggest that it may not be necessary for everyone to work record, although this will be fully evaluated. Conclusion from the evaluation of the first pilot also shows the positive contribution that the information can make towards planning.
10. A revised plan for accelerating the project implementation (subject to HSE Board decision on roll out) was discussed by the Project Board on 19 October 2005. The April 2006 date carries a number of major risks, key ones being:
  - Dependency on COIN. Operational Groups will be using COIN for RMS. COIN is being evaluated for RMS with other systems for non-operational groups. Further it is understood that there are plans for COIN roll out for Policy Group and CoSAS in future, which will need to be taken into account in the evaluation. Any delays to the COIN roll out may impact on the RMS programme depending on the length of the delay. The revised COIN programme for operational groups completes at end of April 2006.
  - Training. If all staff were to record on COIN then an additional 2000 staff will require COIN and RMS training, and about another 2000 operational group staff will require RMS training. However it may not be necessary for all staff to work record. The training will require identification of key staff with the right capabilities and availability to manage the training in each Directorate, and fit in with the COIN roll out programme. The training for RMS is not likely to start until after April 2006.
  - Reputational. There are a number of initiatives all converging to similar timescales e.g. COIN, EDRM and HRST. RMS will require active management initially to ensure that the quality of the information is acceptable. This will be a cultural change on top of the other initiatives increasing the risks of overload on staff. RMS reputation could suffer if the quality is not adequately managed
  - Project team resources. There are conflicting demands on scarce key resources needed for RMS project. RMS will need to take on higher priority, which may have knock-on-effects on delaying other projects.
11. The Project Board at its meeting on 19 October agreed that the HSE Board should be alerted to the risks described in paragraph 10. The main concern was the problems being experienced with the roll out of COIN. The project has also had a health check carried out which has confirmed these risks.
12. In these circumstances, despite the encouraging feedback from the pilots the SRO is of the view that the target date of April 2006 is unsound. Preliminary work for a roll out started in September. The project would be better placed to give a completion date in March 2006 when the evaluation of the pilots will be presented to the Board and some of the risks are better known.

## **Presentation**

13. Announcement for starting work on roll out before a decision is made could present presentational issues to staff. RMS, including accelerating the programme, was discussed with the TU at the Whitley meeting on 22 September 2005 at which they indicated they were content with the approach. The Intranet site will be updated to reflect the change once agreed.

14. Any delays to the completion date once announced could lead to a loss of confidence with staff. The approach to review in March 06 before deciding on the completion date will avoid this issue.

## **Costs and Benefits**

15. The Business case was presented to the Board on 3 March. The pilots added an additional cost of £44K, details of which was presented to the Board on 6 July. Accelerating the programme according to the attached plan is estimated to add a further cost of £48K. These are opportunity costs (staff time) and do not include any capital expenditure which may be identified as a result of COIN evaluation exercise.

## **Financial/Resource Implications for HSE**

16. These were presented in the Business case. The main headings are:

- Total discounted costs (using a rate of 3.5%) over 7 year period were £5.5M. Of this just under £5M were due to staff recording time based on average of 10 minutes per week.
- These costs are fully recovered if there is an efficiency improvement of just under 0.6% per annum.

## **Action**

17. That the Board reviews the reports for business needs of HSE in managing resource at strategic level and provides comments by 16 January 2006.

18. To note the work to date and defer the decision for roll out timescales to the 1 March meeting when the evaluation report will be presented.

--	--

**Results of Pilots**

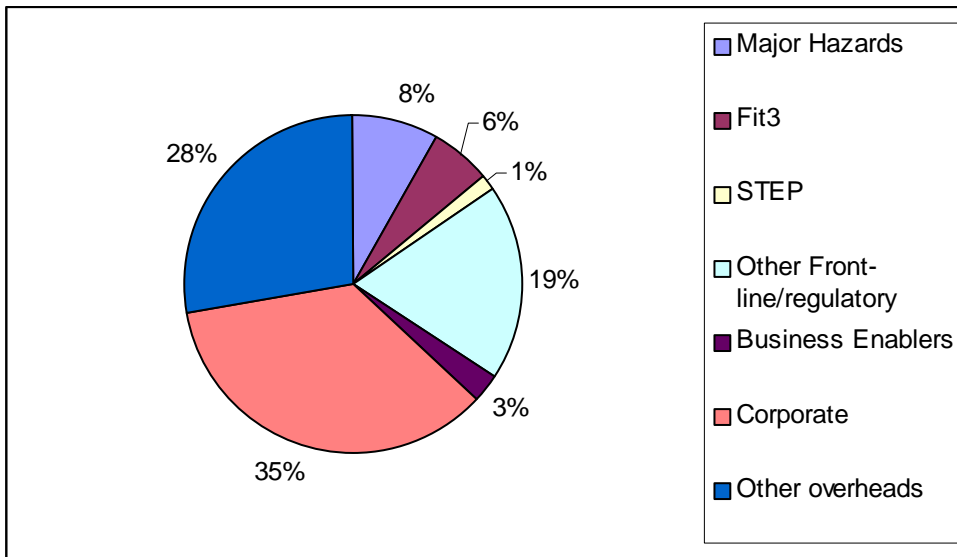
1. Pilots were run in FOD, HID, Policy Group, CoSAS and RPD. Limited pilots were run in FOD for admin staff only.
2. The reports cover a period of 3 October to 25 November, although not everyone started at the same time.
3. The HSE Board endorsed the RMS structure and the management reports on 6 July 2005 against which the pilots were conducted, and also commented upon by the then Resource and Delivery Group. The management reports below are in line with that agreed structure.
4. Annex 2 gives the RMS structure and the main categories used. Full details of these categories are contained in the HSE Business Plan 2005/06-2007/08.
5. These reports should be used with the planned resource estimates and delivery of progress against key deliverables.
6. The hours can be attributed to individual staff. This detail has been provided to the managers in the detailed reports.
7. **It is important to note that the data is limited to the staff involved in the pilots and is not necessarily representative of HSE as a whole.**

## HSE Report

Overall HSE Hours 03/10/2005 - 25/11/2005							
		COSAS Hours	Policy Group Hours	RPD Hours	FOD Hours	HID Hours	Total
X1	Major Hazards	22		188		3733	3943
X2	Fit3	260	1234	9	905	325	2733
X3	STEP	85	28	469			582
X4	Other Front-line/regulatory	11	1602		1754	5399	8766
	Business Enablers	1097	85			92	1274
	Corporate	2058	1249	9419	2358	1458	16542
	Other overheads	1585	3085	3584	N/A	4838	13092
X7	Total	5118	7283	13669	5017	15845	46932
<b>HSE Utilization: Sum (X1+X2+X3+X4)/(X7)= 16376/46932=35%</b>							
Note: Other overheads includes leave, training, sickness, travel							

Of all the staff involved in the pilot over the period 3/10/2005 to 25/11/2005, 35% of the time was spent on HSE key business areas (major hazards, Fit3, STEP, Other front line/regulatory).

Distribution of resources expressed as percentages on a pie chart

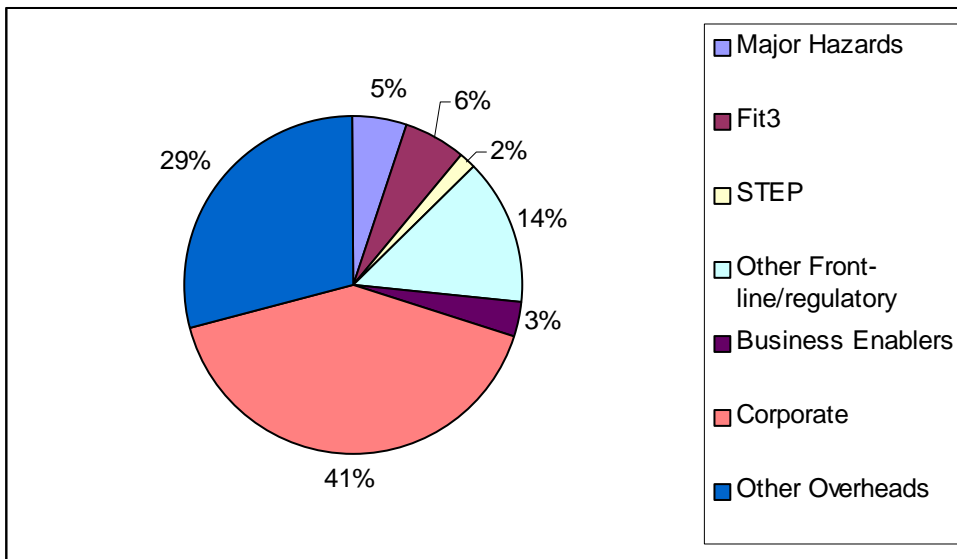


Overall HSE Costs 03/10/2005 - 25/11/2005

	COSAS Policy Group RPD			FOD	HID	Total
	Costs	Costs	Costs	Costs	Costs	Costs
Major Hazards	509		3772		37330	41611
Fit3	4447	27376	209	9050	3250	44332
STEP	2644	700	10643			13987
Other Front-line/regulatory	202	34506		17540	53990	106238
Business Enablers	23880	2244			920	27044
Corporate	43162	28446	206977	23580	14580	316745
Other Overheads	33577	66075	78752	N/A	48380	226784
Total	108421	159347	300353	50170	158450	776741

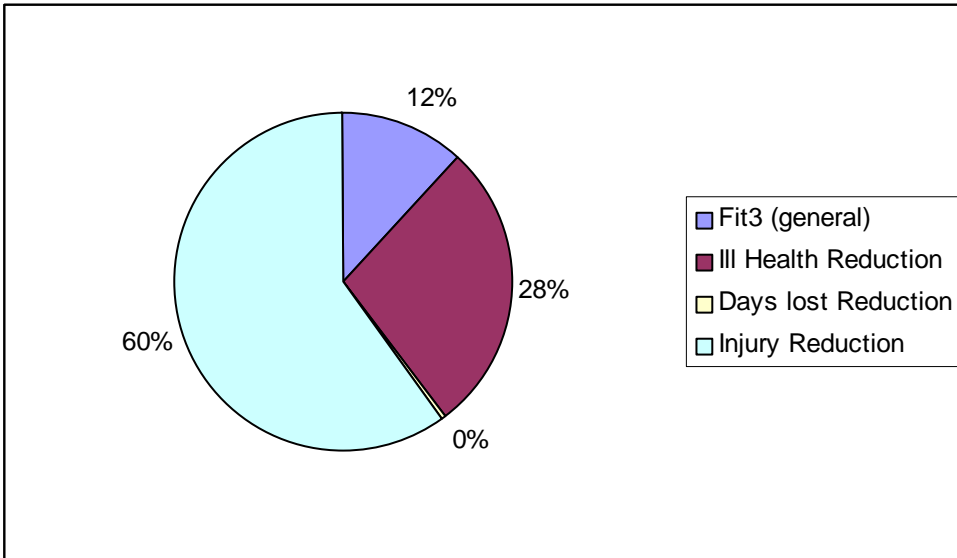
Costs were calculated based on averages for bands using ready reckoner

Distribution of costs expressed as percentages on a pie chart



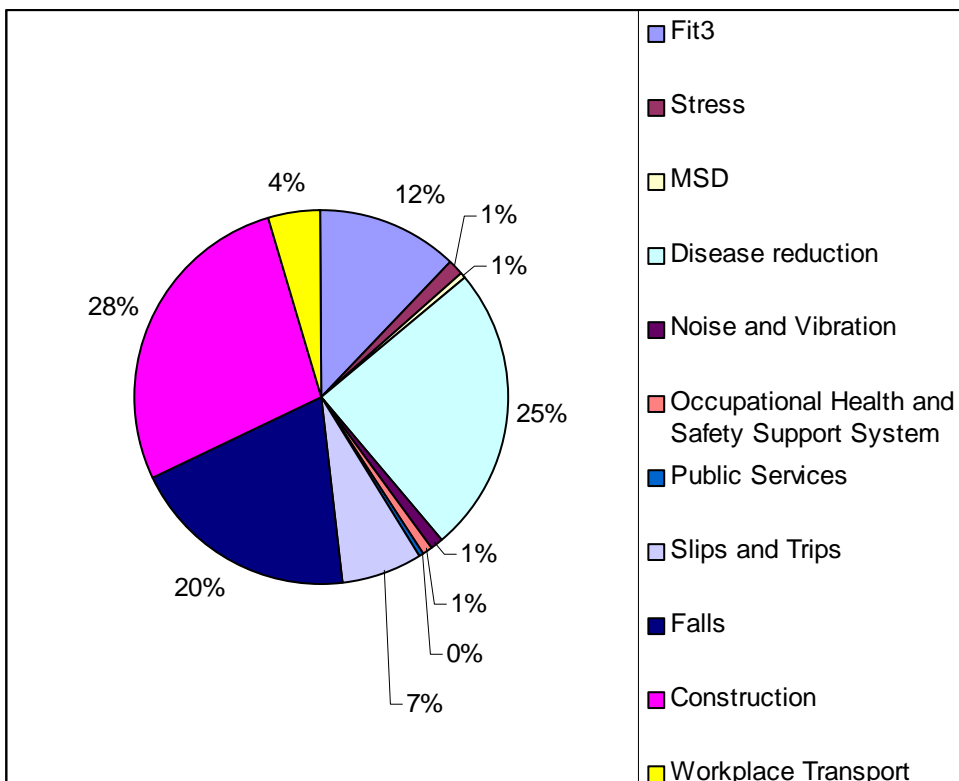
## Fit3 Reports

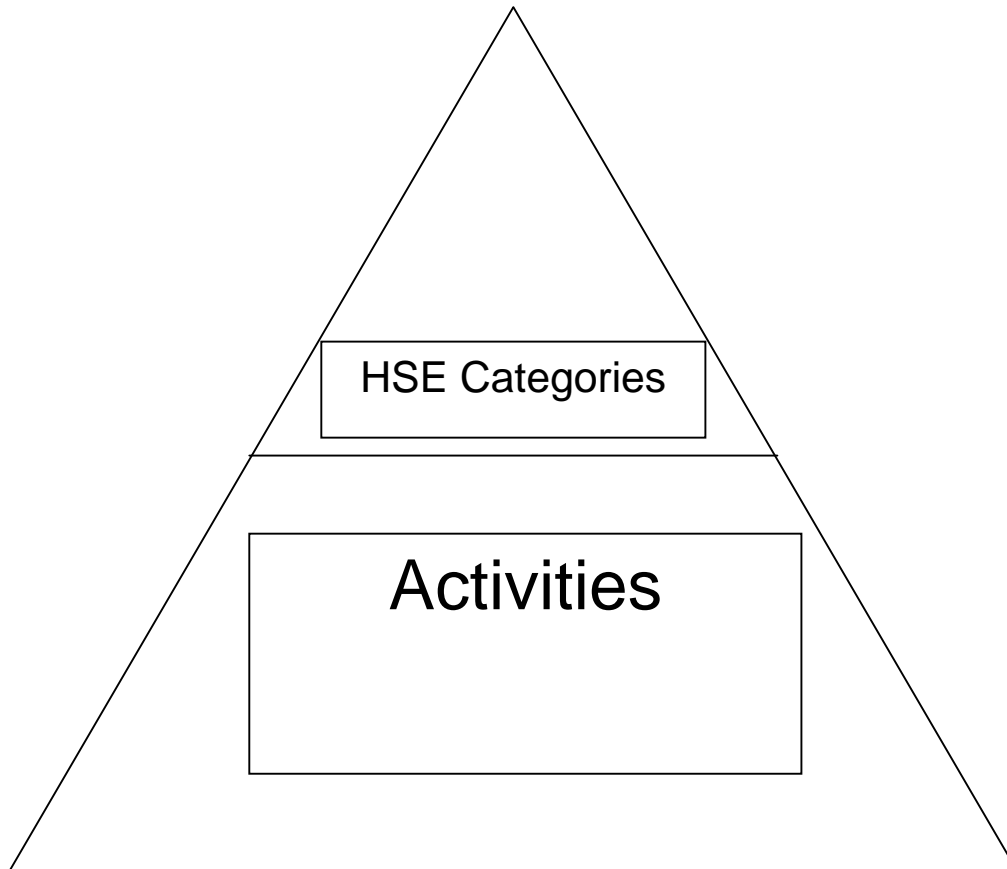
Fit3 hours 03/10/2005 - 25/11/2005						
	COSAS	Policy Group	RPD	FOD	HID	Total Fit3
	Hours	Hours	Hours	Hours	Hours	Hours
Fit3 (general)						325
Ill Health Reduction	36	677	5	39		757
Days lost Reduction	9					9
Injury Reduction	215	557	4	866		1642
Total Fit3 hours	260	1234	9	905	325	2733



Fit3 Hours 03/10/2005 - 25/11/2005

	COSAS Policy Group RPD			FOD	HID	Total
	Hours	Hours	Hours	Hours	Hours	Hours
Fit3						325 325
<b>Ill Health reduction</b>						
Stress				1	32	33
MSD	15			1	5	21
Disease reduction			653	76		729
Noise and Vibration	4	24		1	2	31
Occupational Health and Safety Support System	17			2		19
<b>Days Lost Reduction</b>						
Public Services	9			8		17
<b>Injuries Reduction</b>						
Slips and Trips	21	128		1	36	186
Falls	119	395		1	4	519
Construction	2			1	733	736
Workplace Transport	73	34		1	10	118
<b>Total Fit3 Hours</b>	<b>260</b>	<b>1234</b>		<b>9</b>	<b>905</b>	<b>325 2733</b>





Note 1. HSE categories. These are derived from the HSE business plan, and programmes and are those needed to manage at HSE Board level.

Note 2. Activities. This is the work that staff carries out.

1. The data is structured into categories as defined in the HSE business plan 2005/06-2007/08. The management reports to the HSE Board (see Annex 1 for examples) provide resources (staff hours and costs) against these categories. This is intended to aid strategic decisions on resources at the Board level.
2. The RMS also allows activities to be recorded to a lower level with more detail. These are optional at the discretion of Directorates, and are intended to be used for performance management at directorate level.
3. Full details are contained in '*RMS Outline System Design*'

## Data Structure for Categories

### Programmes

Major Hazards	Fit3	STEP
Nuclear	<i>Injury Reduction</i>	Business Involvement
Offshore	Slips and Trips	Worker Involvement
Specialised Industries	Falls	LA/HSE Partnership
Cross Cutting Issues	Construction	Enforcement
	Workplace transport	Effic & Prod
	Sector stakeholder engagement	
	<i>Days lost reduction</i>	
	Public Services	
	Absence Management	
	Rehabilitation	
	<i>Ill Health reduction</i>	
	Stress	
	MSD	
	Disease reduction	
	`Noise and vibration	
	Workplace health direct	

---

### Non-Programmes

Other front line/Regulatory	Business enablers	Corporate
Hampton/Better Regulation	Horizon scanning	Finance
International Work	Standards	Personnel
Policy Maintenance	Research	Administration
Public Safety	Business Improvement	Management
Civil Contingency	Statistical services	etc
Approvals and Licensing	Social Science	
Other Operational Work	Risk Policy	