

| Health and Safety Executive Board Paper | | HSE/07/72 | |
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| Meeting Date: | 4 July 2007 | FOI Status: | Fully Open |
| Type of Paper: | Above the line | Trim Ref: | 2007/138227 |
| Exemptions: | Annex 3 closed | | |

**HEALTH AND SAFETY EXECUTIVE
The HSE Board**

Making Best Use of Science (MBUS): 2nd Progress Report

A Paper by John Hampton

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Cleared by Justin McCracken on 25 June 2007

Issues

1 To update the HSE Board on the progress of the project to implement the recommendations arising from the “Making Best Use of Science (MBUS)” workstream of the Fundamental Review 2006 and to ask for decisions on key elements of the project.

Timing

2 The HSE Board have already considered and approved a range of proposals from the project and we have begun introducing many of the improvements. This process will continue over the coming months. In March 2007 we agreed to bring forward proposals on arrangements for organising and managing S&T staff and for financial management of S&T. We now need the Board’s agreement to these key proposals to maintain the momentum of the project and to ensure we capitalise on the benefits identified in the Fundamental Review. This will enable us to meet the agreed implementation date of October 2007

Recommendations

3 We ask the HSE Board:

- a. To note the progress of the project, the main risks and how we are dealing with them
- b. To support our proposals for organisational and management changes for S&T, in particular:
 - i. Establishing a Chief Scientific Advisor’s Group (CSAG) – (*Annex 1: Section B.1 paras 24-30*)
 - ii. Establishing a Science & Technology Group (STG) with the initial component parts as set out in para. 8 of this paper
 - iii. Proposals for managing professional needs of S&T staff including creating a small number of Senior Science Advisors (SSAs) – (*Annex 1: Section B.3 paras 44-49*)
 - iv. Proposals for bringing the Pooling Pilots exercise to a conclusion – (*Annex 1: Section B.4 paras 50-55*)
 - v. Our approach to improving career paths for S&T staff which include cost neutral proposals for increasing the number of B2 specialist posts

and reducing the number of B2 management posts – (*Annex 1: Section B.5, paras 56-61*)

- c. To agree the high-level arrangements we have set out for financial management of S&T, in particular the delegation of budgets to delivery functions - (*Annex 2*). Detailed arrangements will be developed and agreed with PFPD by October 2007
- d. To demonstrate commitment to the MBUS changes through their own leadership and through their management teams – to stimulate the necessary cultural and behavioural changes amongst their staff (as users or providers of S&T).

Background

4 HSE spends about £37m per annum on commissioned S&T and a similar amount on in-house S&T staff to identify and deliver its business priorities so even modest efficiency gains could yield substantial benefits. The Fundamental Review identified areas in which HSE could make best use of S&T and made recommendations on how improvements could be achieved. In October 2006, the HSE Board established the MBUS Project Board to oversee the implementation of these recommendations. The overall aims of the work are to ensure that:

- a. HSE's S&T capability is focused on identifying and delivering HSC/E's current and future business priorities
- b. The S&T community has the flexibility to adapt to changing business needs
- c. S&T staff have straightforward and effective management arrangements which provide strong professional leadership and good career management and opportunities

5 The MBUS Project Board established a number of workstreams to take the recommendations forward – Planning, Governance and Financial Management, Organisational Delivery and Communications. The HSE Board has already seen and approved many of the products of these workstreams, including:

- Establishing a science sub-group of the HSE Board
- A new framework for the HSE/HSL Partnership
- A framework for planning and governance of S&T
- Proposals for improving reactive support

6 At the HSE Board meeting on 6 March 2007, the HSE Board asked for a further update on the work and specifically, to bring forward to the meeting on 4 July 2007, proposals for organisational and management arrangements for S&T and for delegating S&T budgets.

Argument

7 The aim of the MBUS project is to ensure efficient and effective deployment of S&T to achieve HSE's current and future business priorities. Making the best use of our science involves striking an appropriate balance between structure, processes and behaviours and this is the basis of the framework for the MBUS project and proposals. We need to deal with each of these elements in order to maximise the overall benefits we are targeting.

8 Structure - The structural elements of the MBUS project have focused on establishing a corporate STG, a Science sub-group of the HSE Board, a Chief Scientific Advisor's Group and developing the "Head of Discipline" function through Senior Science Advisors and local arrangements.

The STG (initially comprising HSL, CHSD and some CTGs and scarce disciplines) will be a flexible and accessible corporate resource providing:

- A consultancy function which supports delivery by HSE's operational and policy business areas
- Technical service delivery - administering the regulatory schemes for chemicals and biocides/pesticides
- Corporate activities of horizon scanning, knowledge management, and the delivery of cross-cutting initiatives in response to demands from the Chief Scientific Advisor

The composition of the STG will be reviewed by the SSG and will evolve as necessary to meet HSE's changing business needs - (*Annex 1: Section B.2: paras 31-43*).

The Board has already agreed to establish a Science sub-group to oversee the governance of HSE's S&T and provide direction. As chair of the SSG the Chief Scientific Advisor has a crucial role in assuring the quality of HSE's S&T and how it is planned and used. He is responsible to the Government CSA for the effective implementation of his recommendations and guidance. The Chief Scientific Advisor's Group will provide our CSA with the day-to-day support he needs to fulfil his role and the Senior Science Advisors will provide him with the means to judge the health of the S&T community, to ensure consistency and quality of professional standards and to deal with unresolved issues of capacity and capability.

(Note: In parallel with MBUS, FOD are developing new arrangements for managing nationally the S&T staff who are embedded in the Specialist Groups)

9 Processes – The process elements of the MBUS project have centred on improving our planning, financial management and internal challenge functions.

A fundamental requirement for making best use of our science is to ensure we do not engage in any S&T activity unless there is a clear and agreed business need.

- By establishing science plans owned by delivery functions we will ensure that S&T is fully integrated into HSE business priorities
- By enhancing the roles of science coordinators (to act more as science business partners) we will ensure that delivery functions have ready access to the S&T expertise they need to develop their plans
- By establishing an annual research conference we will create the opportunity for better dialogue between science customers and providers and an effective planning and prioritisation process
- By delegating S&T budgets to leaders of delivery functions we are aligning responsibility and accountability with the authority to commit money. This will also support the changes in behaviour that we need

10 Behaviour – The behavioural elements of the MBUS project have dealt with governance of S&T; improving the way we commission, manage and evaluate S&T and enhancing the in-house challenge role.

We need to change the behaviour and culture at all levels in the organisation so that we focus our S&T on delivering HSE's business priorities: For MBUS to be successful, staff will need to adjust to:

- Refocusing S&T on delivering HSE's priorities and a much more corporate approach to S&T delivery
- Flexible deployment of S&T capability across Directorates/Delivery Functions e.g. to meet shortages of expertise
- Greater oversight and challenge of S&T planning and use through the Science sub-group and CSAG
- Much clearer roles, responsibilities for staff and improved procedures for commissioning research and support (separating commissioning from "doing" will help delivery, enhance in-house challenge and minimise self-tasking)

However, achieving the changes will be difficult and will depend on everyone, particularly senior managers, being committed to making best use of science and demonstrating the right behaviours. For MBUS to succeed it will be important for HSE Board members will to provide the leadership required to stimulate the cultural and behavioural changes in their parts of HSE (as users or providers of S&T) and ensure that their management teams do likewise.

Project Management/Project Risks

11 We have managed the MBUS project according to the principles in "The Rough Guide to Change", with the help of advisors from the Corporate Portfolio Management Team in Business Services Division. We have used our High Level Risk Register to monitor and manage potential threats to the success of the project - (*Annex 3*). Many of the risks are linked to communication and our risk management has focused on informing and involving stakeholders throughout the organisation.

Communication

12 We have recognised from the outset of MBUS the importance of keeping staff (both providers and users of S&T) informed of developments. Now, it will become just as important to appraise them of the Board's decisions on MBUS. The medium-term communications plan sets out our general approach – (*Annex 4: MBUS communication plan*). We are having further discussions on the specific steps to take over the next few weeks. The Board will be updated orally at the 4 July meeting on our proposals for briefing staff on the outcome of the discussions and decisions. This will allow Board members an opportunity to comment on and contribute to these plans.

Costs and Benefits

13 Details of the potential cost and benefits for the MBUS project are set out in detail in Annex 5. We developed this analysis in consultation with PFPD and CoSAS. Here are the main points.

Benefits – The benefits arising from the MBUS project fall into 3 categories:

- Improvements in the efficiency and effectiveness of commissioned S&T equivalent to £0.9m to £1.5m per annum with £175k - £300k cash-releasing
- Other efficiency gains from in-house science resources equivalent to £60k in 2008/09 rising to £120k in 2009/10 and £300k in 2010/11,
- Improvements in HSE's culture, behaviours and reputation for S&T – not quantified

14 Many of the benefits arising from MBUS will be cultural, intangible and very difficult to quantify with confidence but we can be confident that the benefits we can

quantify outweigh the set-up and running costs for the changes. We will start to realise in 2008/09 when new planning, governance and organisational arrangements come into force but the full potential will only be realised in the following year when they have become properly established.

Costs – The costs associated with the projects fall into 3 categories:

- MBUS Project Management costs
- Setting up costs for the arrangements, structures and procedures
- Running costs for the arrangements, structures and procedures

15 We estimate the cost, to date, of running the MBUS implementation project to be in the range £340k to £410k with a further £100k needed to take the project to completion by Oct/Nov 2007. These are mainly opportunity costs arising from management of the project and its associated workstreams - (*Annex 5 Appendix 2*).

16 We estimate the set up costs for the MBUS proposals to be in the range £320 - £410k. These are largely sunk costs; already committed or spent (e.g. external facilitation of the planning pilot). We estimate the annual running costs of the MBUS proposals to be in the range £285k - £300k. These are mainly opportunity costs as we do not require any additional staff but we will require people to do things differently and to stop doing some things with which they are currently involved. This will require careful oversight within Divisions/Directorates and ultimately by the Science sub-group.

17 Annex 5 also sets out the arrangements we are establishing to monitor, review and manage the realisation of the benefits after the MBUS project has formally closed. It describes the objectives, measures and targets for the main benefits which will be used by benefits managers overseen by the Science sub-group to ensure that the benefits are actually delivered.

Consultation

18 The MBUS Project Board comprises representatives from across the S&T community and its main customers. The MBUS Project Board comprises: J McCracken (Chair), Patrick McDonald (Chief Scientific Advisor), Eddie Morland (HSL), Jane Willis (Policy), Andy Hall (NSD), Brian Fullam (HID), Peter Baker (FOD), Mike Lacaille (RPD) and John Hampton (Project Manager). We have involved stakeholders across HSE in each of the workstreams as necessary including: PFPD, TU, HR, EAU and Legal Office.

List of Annexes

- 1 Final report on Organisational Delivery
- 2 MBUS financial management arrangements
- 3 MBUS Project Risk Register
- 4 MBUS medium to long-term Communications Plan
- 5 Benefits, costs and benefits realisation

List of Information not included but already seen by the HSE Board

- 6 Improving Reactive support (attached to 6 March Board paper)
- 7 HSE Board Science sub-group/Terms of Reference (presented in December 2006)
- 8 HSE/HSL framework document (approved and signed off by the Board in March) and high-level principles of the partnership (presented in March 2007)
- 9 Planning and Governance framework docs (sent to HSE Board in April)