

Health and Safety Commission Paper		MISC/03/29	
Meeting Date:	11 th November 2003	Open Gov. Status:	Open
Type of Paper:	Miscellaneous	Paper File Ref:	
Exemptions:	None		

HEALTH AND SAFETY COMMISSION

HSC/E's Public Service Agreement for the 2004 Spending Review

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Issue

1. HSE has submitted proposals for a new Public Service Agreement (PSA) target to the Minister. We will now develop an appropriate set of indicators to underpin this target.

Timing

2. Routine – this paper is for information only.

Recommendation

3. You are invited to note:
 - The proposed PSA target: **“To secure further improvement in the control of risks to health and safety from the workplace”**; and
 - The approach to developing new indicators (outlined in paras 16-23).

Background

4. The Government introduced Public Service Agreements (PSAs) in 1998. They have since been refined and improved upon as part of the Spending Review processes (SR) for 2000 and 2002. Ministers are accountable for delivery of their Department's PSAs, which focus public spending on the outcomes Government wants to achieve.
5. The Commission is accountable to the Minister for HSE's work to deliver the PSA.
6. We adopted the Revitalising Health and Safety (RHS) mid-point targets as our PSA for SR2000. These are to achieve, by 2004:
 - **A 5% reduction in the incidence of fatal and major injury incidents;**
 - **A 10% reduction in the incidence of cases of work-related ill health;**
and
 - **A 15% reduction in the number of working days lost per 100,000 workers from work-related injury and ill health.**

7. The latter stages of SR2002 took place during our transfer from the Department for Transport (DfT) to the Department for Work and Pensions (DWP). HSC/E's targets were not part of the negotiations for either department. As a result, we did not set a formal PSA.
8. Instead, we agreed targets with the then Minister for Work (Nick Brown). These included the RHS indicators (which were 'rolled forward') and a new major hazards target:
"A sustained reduction in the occurrence of precursor incidents in key major hazard industries regulated by the Health and Safety Executive over the period of the target 2004 - 2006."
9. The SR2004 process has now begun. On 15th September, DWP's SR2004 Planning Group asked us to produce proposals for a PSA.
10. We have formulated a new PSA for HSC/E (below) with representatives of both DWP and Treasury (HMT). It was submitted as part of DWP's suite of PSAs, to be agreed by Andrew Smith at the ministerial strategy day (7th October).

Argument

11. It is important that the Commission and Executive contribute to ministerial priorities, in the shape of a PSA, because:
 - We will show up more clearly on the 'political radar'. The target gives us (and our work) a higher profile.
 - It promotes the outcome we are trying to achieve as an organisation (this is the reason for linking to HSE's mission).
 - The target will strengthen our SR2004 submission. It shows that we are focussed on delivery.
12. HSC/E's proposed PSA target for SR2004 is:
"To secure further improvement in the control of risks to health and safety from the workplace."
13. Both DWP and HMT have steered us towards framing a single PSA target. HMT wants to maintain rather than increase the current number of Government PSAs. To have more than one would also be disproportionate to the size of HSE, within DWP.
14. The proposed target reflects HSE's mission to "protect people's health and safety by ensuring risks in the changing workplace are properly controlled". Colleagues in DWP are pleased with this approach and have called it "elegant".
15. We will set out what HSC/E will contribute to the PSA in HSC Business Plans for 2004/5 to 2007/8.

Better delivery indicators

16. The new PSA allows us to reflect the full range of HSE's work, through a set of indicators (or sub-targets) underlying the PSA. Annex A illustrates this approach, using our existing SR2000 and 2002 indicators (*Revitalising and major hazards*).
17. Treasury guidance on performance indicators (*Choosing the Right Fabric: a Framework for Performance Information*) sets out eight criteria that such indicators should satisfy. They should be: relevant, attributable, well defined, timely, reliable, comparable and verifiable; and they should not set up perverse incentives.
18. HMT and DWP expect us to 'manage our business' to ensure delivery of the PSA. Framing the right indicators is a key element of that management process.
19. The RHS indicators do not yield information with the ease and frequency that we need to manage delivery of HSC/E's three-year PSA target. We have wasted a great deal of time and effort in trying to bend them to this purpose. In terms of the Treasury criteria they are neither timely, nor attributable (to specific HSE activities or programmes).
20. However, we will continue to report and focus on the RHS targets, because:
 - They are the right measures of long-term progress for HSC's new strategy (for the health and safety system as a whole); and
 - Our stakeholders have 'bought-in' to them.
21. Under the SR2004 timetable, HSC/E's PSA must be agreed this autumn. However, the means of measuring progress against the target do not need to be finalised until the SR2004 settlement is decided in about 12 months time. This gives us the opportunity to select more suitable indicators.
22. HSE will develop a new set of indicators to underpin the PSA target, which satisfy Treasury's criteria. These will:
 - Help us focus our resources on delivery (and adjust that focus quicker when better areas of delivery arise);
 - Reflect HSE's policy objectives and direct responsibilities;
 - Cover the full range of our responsibilities in a balanced way; and
 - Be 'measurable' (i.e. consistent with practical measurement possibilities).
23. We will bring a paper describing the proposed set of indicators, and a draft of the technical note setting out how they will be measured, to the Commission in mid-2004.

Consultation

24. We have consulted members of the HSE Executive and Board, DWP and HMT on the new PSA.
25. We will engage other Departments who are affected by, or who can help deliver the new PSA (Department of Health, Department for Transport etc.) to make sure they are 'signed up' to our proposals.
26. We have also consulted HSE's statistical community on the indicators to underpin the PSA. As work on these progresses, we will need to consult further.

Presentation

27. First we must agree the PSA, and our intention to develop new indicators, with DWP and the Treasury. We will then need to publicise and communicate the new approach widely, internally and externally. Primarily, this will be through a process of presentations, meetings and discussions, rather than a printed publication.

Costs and Benefits

28. There are no significant additional costs in developing the PSA and supporting material. The benefits include:

- A clear statement of HSC/E's priorities and subsequent alignment of resource
- Political/external status and credibility.
- Engagement of all HSE staff in delivery.

29. This process will help provide a clear 'line of sight' from HSE's vision, through:

- The mission,
- The strategy,
- The PSA,
- Various levels of programme/project plans

...and finally down to the personal work plans (PWPs) of those HSE staff whose work directly relates to these targets. This will make it easier for individual staff members to understand where they fit in and how they can contribute.

Financial/Resource Implications for HSE

30. There are limited resource implications in the preparation of the PSA. This work will require some staff time (perhaps one or two person-years), but we will reallocate resource from a lower priority area.

31. However there are significant implications in aligning resources against the priorities. This will be the task of the new Delivery Board and Programme Directors.

Action

32. Once the target is agreed, the Delivery Board, Programme Directors and PEFD will begin planning to deliver it.

Annex A – Example of the new PSA structure

HSE's Vision for Health and Safety is:

To gain recognition of health and safety as a cornerstone of a civilised society, and with that achieve a record of workplace health and safety that leads the world.



HSE's Mission is:

To protect people's health and safety by ensuring risks in the changing workplace are properly controlled.



HSC/E's Public Service Agreement is:

To secure further improvement in the control of risks to health and safety from the workplace.



We will demonstrate delivery by:

Reducing the incidence rate of fatal and major injury incidents by X% by 2008

Reducing the number of working days lost per 100,000 workers from work-related injury and ill health by X% by 2008

Reducing the incidence rate of cases of work-related ill health by X% by 2008

Achieving a sustained reduction in the occurrence of precursor incidents in key major hazard industries regulated by the Health and Safety Executive



Rail: An X% reduction in five indicators (signals passed at danger (SPADS), track compromised (broken rail, landslip), derailments, vandalism and level crossing incidents).

Onshore: An X% reduction in the incidence of relevant RIDDOR-reportable Dangerous Occurrences (including failure of pressure systems and unintentional explosions).

Offshore: An X% reduction in the number of Hydrocarbon releases offshore.

Nuclear: Maintain the baseline number of reports made to HSE by licence holders that indicate a challenge to nuclear safety.