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HEALTH AND SAFETY COMMISSION

"Invest to Divest" Programme

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Issue

1. Managing down activity to release resources for our priorities - the goal of a new "Invest to Divest" programme that we are developing. The programme is integral to working efficiently with other partners under our emerging approach on Better Regulation – see the companion paper by Giles Denham.

Timing

2. Routine. For discussion at the April HSC.

Recommendation

3. We want the Commission's steer/views on the shape and direction of the emerging programme (see attachment): is it credible, does HSC back it and where else should we explore running down HSC/E involvement?

Background

4. "This is a strategy about finite resources, hard choices and priorities…It is about doing things differently, getting others involved and saying no in some cases" - Bill Callaghan, in his foreword to the HSC strategy. The Invest to Divest programme is about making these words live.

5. Invest to Divest is *not* about HSE withdrawing from work that is necessary, abandoning our role in public safety, or going soft on inspection/enforcement. We will continue to operate in these areas, based on risk (and any legal obligations). The programme *is* about direct HSE involvement being less in non-priority areas. And it is about working collaboratively with and through others to build innovative alternative arrangements that improve health and safety standards.

6. We have set four principles to guide delivery of the new programme:

1. **Improvement through innovation**: withdrawal/scaling back must not compromise health and safety standards. HSE regimes should be replaced by something better, wherever possible.
2. **Openness**: an open dialogue with interested stakeholders that HSE is no longer going to do what they are used to HSE doing, and that we are looking to them for greater *ownership* of their health and safety regimes.
3. **Reputation**: residual HSE involvement is ended or reduced to a minimum, commensurate with the need to sustain our reputation as a trusted regulator.
4. **Realistic investment:** the factors below show that we must *invest to divest.*

7. This programme – and paper – was drawn up before the Chancellor published the results of the Hampton Review. That could provide opportunities to divest more non-priority work, as well as pressures to become involved in new areas of work. In particular new legislation following Hampton could provide an opportunity to redraw the boundaries of Section 3, HSWA.

Argument

8. This is an emerging programme: broad details are attached. We have faced challenges and learnt lessons from what we have done so far. These we share with HSC and invite views, to inform the future roll out of the programme:

   1. **Winning stakeholder acceptance and buy-in**: some stakeholders like HSE regimes and strive hard for them to be kept. Encouraging them to think differently requires considerable "up-front" and sustained investment in stakeholder engagement. That engagement must be authoritative, open and genuine, and we must be ready to give and take.
   2. **Innovation**: we must be ready with new ideas for delivery by others and work to persuade them to own and implement them. Where stakeholders are keen to innovate we must encourage, not stifle, that innovation.
   3. **Resilience**: there seems little point in pursuing run-downs if we buckle as soon as we are challenged. We must plan for challenges, build alliances and be resilient.
   4. **Are we being radical enough?:** we can manage down policy outputs (e.g. regulations/ACoP) more easily than we can reactive operational activity which is where more potential exists for releasing resource. This can be tested in the next phase (e.g. on gas safety and fairgrounds). But do we have the nerve for this?
   5. **Flexibility**: we must remain alive to, and have the flexibility to respond to, events that can reopen HSC/E's involvement in areas we have run-down, for example the recent experience on swimming pool safety. Loss of corporate knowledge can reduce our flexibility.
   6. **Reputation management**: running down work has an inherently negative image. This can damage our reputation. HSE communication planning is essential to show the benefits and to mitigate this risk through positive key messages.
   7. **Moving resources**: we need to build a transparent case to show that the resources released are being reinvested in PSA delivery. This is the cornerstone of our case for managing down work. We cannot credibly make that case at the

moment as the savings have been modest and this could weaken our hand with stakeholders.

Consultation

9. Within HSE.

Presentation

10. See para 8, point 6.

Costs and Benefits

11. See para 8, point 7: we must build a meaningful case to show the reinvestment in PSA delivery.

Financial/Resource Implications for HSE

12. Managing down work successfully requires up-front investment to produce pay-offs later on. We have invested one-off cash sums totalling some £200,000 to get initiatives started by stakeholders. Our ability to invest on a scale like this in future will depend on the available budget. The staff savings achieved so far are modest (about £0.4m/6 staff years) because we have had to make up-front investment and because the run–downs achieved have focused mostly on policy activity. As we say in paragraph 8.7 above, more work is needed on the financial implications of Invest to Divest.

Environmental Implications

13. None.

Other Implications

14. None in addition to those already mentioned.

Action

15. As in para 3.

INVEST TO DIVEST PROGRAMME

Run downs completed (examples)

Carriage of dangerous goods by road and rail (transferred to DfT), in-flight occupational health and safety (to be done by CAA), swimming pool safety, workplace regulations (not amended) etc.

Run downs at an advanced stage

Marine and ports – by end 2005: revisions of ACoP and dangerous substances regulations dropped (no health and safety benefit). Industry developing own holistic strategy covering health, safety, skills and competence.

Work related road safety – by April 2005: complete Dykes commitments; no new input. Guidance developed further to assist Police to identify work related road incidents. Wider community of interest to sustain preventative messages.

Next phase

Domestic gas safety – within three years: explore delivery of regulatory regime through others e.g:

- review regulations (e.g. HSE's relationship with CORGI).
- give CORGI limited enforcement powers.
- others to publicise gas safety messages (pilot in progress).
- implement gas safety levy to pay for gas safety publicity by voluntary means.
- building on earlier work, look again at how to capitalise on other regimes (e.g. LA housing standards) to enforce landlords' gas safety obligations (to be taken forward in the light of the HSC discussion).

Fairgrounds – within two years: limit HSE involvement to, for example, fatal accident work and major incident investigations. Encourage self-regulation by the industry bodies. This will require considerable up-front investment to encourage full preparation/readiness by the inspection bodies for this wider role.

Product safety – within two years: target HSE enforcement of EU based product supply legislation (e.g. on machinery, pressure equipment, etc) to areas important to PSA delivery/strategic objectives (reputation).

Technical Standards making (eg in BSI or in Europe) – within two years: focus HSE activity on areas that support PSA delivery/meet other imperatives.

Biocidal Products Approval – possible transfer of HSE's function to DEFRA.