

Health and Safety Commission Paper		HSC/07/44	
Meeting Date:	15 th May 2007	Open Gov. Status:	Fully open
Type of Paper:	Above the line	Paper File Ref:	
Exemptions:	None		

HEALTH AND SAFETY COMMISSION

Delivering the PSA: Summary Performance Report for Quarter 4 (2006/07)

A paper by Planning Finance and Procurement Division (PFPD)

Agreed by Vivienne Dews on 2nd May 2007

Issue

1. The Strategic Programmes' performance against the Public Service Agreement (PSA) targets during the fourth quarter (Q4) of 2006/07.

Timing

2. Routine.

Recommendation

3. The Commission:
 - 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. PFPD prepares a quarterly summary report of the Strategic Programmes' performance, which we submit to the HSE Board, HSC, and the Minister. The HSE Board discussed this report at its 2nd May meeting alongside the Balanced Scorecard, which is submitted to HSC under paper HSC/07/043. That paper includes relevant discussion of current issues around our work with the offshore sector.

Argument

5. Annex A is a summary of the Strategic Programmes' performance during Q2, 2005/06. The three remaining Strategic Programmes report generally good progress, leading to an overall marking of **Amber/Green**.

Consultation

6. Colleagues from across HSE have provided the information in Annex A. HSE Board members have agreed the content.

Financial/Resource Implications for HSE

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

Action

8. We will make any amendments to the ministerial submission that HSC requests, before submitting it to the Minister. The submission is likely to be discussed at the next meeting between Lord McKenzie, the HSC Chair and senior HSE managers.

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Delivering PSA 5: Summary Performance Report for Quarter 4 (2006/07)

Summary: This submission reports on delivery of the work-related health and safety Public Service Agreement (PSA 5) during the fourth quarter of 2006/07. The programme to deliver the **occupational health and safety** targets continues to enjoy success in terms of delivering its planned work, but faces some significant challenges, notably on the injuries reduction target, in the services sector and in the face of a tightening resource position. The **Major Hazards** Strategic Programme remains broadly on track towards its targets, although the offshore indicator is not on target. It should be noted that the indicators give only a limited perspective on the risks associated with these industries, and there are indications and some concern that emerging external pressures and the continuing need to divert resources (e.g. into Buncfield related work) will reduce the programme's ability to maintain and improve control of major hazard risk in the longer-term. The overall status of PSA 5 remains **Amber/Green**, but this will be kept under careful review..

Issue

1. HSC/E's quarter 4 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 PSA 5.

Timing

3. Routine. You will have the opportunity to discuss the content of this submission and future arrangements for reporting progress against PSA 5 at your next KIT meeting with Bill Callaghan (HSC Chair) and HSE's Executive team.

Background

4. PSA 5 (for the SR2004 period) is '**By 2008, improve health and safety outcomes in Great Britain, through progressive improvement in the control of risks in the workplace**'. It comprises six sub-targets: three on occupational health and safety outcomes and three on precursor incidents in key major hazard industries. Further detail on the targets is available in Annex 1
5. In 2004, HSE established six Strategic Programmes to deliver the PSA. Three of the Strategic Enabling Programmes (STEPS - Business Involvement, Worker Involvement and Local Authorities) have now closed, although their work continues as mainstream HSE business. This report focuses on the two Strategic Delivery Programmes (responsible for delivering the occupational health and safety and major hazards elements of the PSA) and the remaining STEP, Enforcement.
6. In our last report, we asked whether you would prefer broader content and/or an alternative format for these reports. We have made some proposals on reporting, which you discussed with HSC/E's senior managers on 25th April. We expect to send you the first full version of this new report next quarter, but have presented Q4's PSA information in the proposed new format at Annex 2 [DN – This para to be amended once the formal note of 25th April KIT has been received].

Where we are

7. 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.

	2006/07			
	Qtr 1	Q2	Q3	Q4
PSA 5 overall assessment	Amber/Green	Amber/Green	Amber/Green	Amber/Green
Occupational health & safety	Amber/Green	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	Green	Green	Green
9% reduction in days lost	Amber/Green	Amber/Green	Amber/Green	Amber/Green
Major Hazards	Amber/Green	Amber/Green	Amber/Green	Amber/Green
Nuclear	Green	Amber/Green	Amber/Green	Amber/Green
Onshore	Amber/Green	Amber/Green	Green	Amber/Green
Offshore	Amber/Green	Amber/Green	Amber/Green	Amber/Red
Strategic Enabling Programmes				
LAs and HSE Working Together	Green	Green	Closed	Closed
Enforcement	Amber/Green	Amber/Green	Amber/Green	Amber/Green
Business Involvement	Green	Green	Green	Closed
Worker Involvement	Green	Green	Green	Closed

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.

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

A/G

8. The Fit3 Strategic Delivery Programme is focused on delivering the occupational health and safety element of PSA 5. Its status overall remains **Amber/Green**, recognising some significant achievements during Q4, HSE's field staff delivering good levels of activity on Fit3 work, continuing productive relationships with the local authorities (LAs), and effective stakeholder engagement activities. However, delivering the targets continues to represent a considerable challenge for the programme.
9. The rate of fatal and major injuries, in particular, is a cause of concern for the Fit3 team. The 2005/06 statistics showed that we had already reached (and bettered) the PSA target. There are also encouraging signs in specific industry sectors (printing, food and prisons) and of good progress in tackling workplace transport risks. However, the injury indicator has shown no clear trend over the last five years, so it is too early to say whether the reductions will be maintained. Fit3's in-year monitoring tools continue to predict an essentially flat line on slips and trips (by far the largest contributor to the injury indicator) and now show a levelling off in falls from height (where previously we have seen a fairly steady decline). In Construction, the reduction in major injuries shows signs of slowing and the number of fatalities in 2006/07 is significantly higher than 2005/06's figure (which was a record low). Fit3 is now taking action to review and refresh work with the construction industry.
10. Fit3's partnership with local authority (LA) colleagues is vital to delivering the PSA targets, particularly in the services sector. The programme continues to see very positive signs of LA involvement in initiatives such as the *Watch Your Step* campaign on slips and trips and the forthcoming *Ladders Week 2007*, targeting falls from height. The *Bad Hand Day?* Campaign, addressing dermatitis risks among haircare professionals, saw LA inspectors make around 20,000 contacts with salons and hairdressing colleges (against a target of just 7,000). LAs also worked with HSE partnership teams to run 17 awareness raising events. The campaign evaluation reports positive steps towards achieving behavioural change.

11. For Q4, Fit3's other delivery highlights include:
 - a. Engaging successfully and raising the awareness of key industries (the public sector and finance), through a number of workshops on work-related stress. The next step will be to test how these industries apply HSE's stress management standards';
 - b. Completing the *Construction Design and Management* regulatory package, which has now been laid before Parliament;
 - c. Continuing to exceed the targets for Workplace Health Connect visit referrals;
 - d. Securing stakeholder commitment to delivery of the forthcoming *Ladders Week*;
 - e. Running two successful noise and vibration training seminars for companies participating in a worker involvement pilot, and delivering six seminars at the Executive Hire Show that attracted high levels of interest.
12. Challenges for Fit3 include:
 - a. HSC/E's current resource climate, which has created pressures across Fit3. Affordability plans are now in place, but some important pieces of work have had to be curtailed or cancelled.
 - b. Current recording and reporting mechanisms for FOD and LAs make it difficult to link inputs to outcomes (a relationship that is already intrinsically difficult to define). This, in turn, limits Fit3's ability to manage its performance and make running adjustments. The introduction of Fit3's new reporting arrangements in 2007/08 should help to remedy this.

Major Hazards

A/G

13. The Major Hazards Strategic Delivery Programme focuses on HSE's work to regulate and assure safe management and control of those industries where catastrophic failures have the potential to cause significant harm. The end of year figures on progress towards the major hazards PSA targets continue to present a mixed picture; resulting in an **Amber/Green** rating overall. It is important to note that the major hazard indicators (which are based on numbers of "precursor" events as a proxy for effective control of risk) give only a partial view of how well process safety risks are being controlled in these industries. There are, however, indications that improvements in process safety management are not happening sufficiently consistently to overcome the challenges presented by changes in the industries concerned.
14. The demands of increased drilling activity on the UK Continental Shelf, ongoing safety issues with nuclear operating reactors and continuing Buncefield-related work all have the potential for significant impact on HSE's ability to stimulate PSA delivery and to influence the wider management of major hazard risks in the longer term. New nuclear and offshore staff are now arriving (some of whom have moved from other parts of HSE); to mitigate the demands on already stretched staff and skills resources and the loss of experienced people to industry. HSE has approached Treasury for authority to improve the salary ranges in Nuclear Directorate (ND), to support a major external recruitment campaign, planned for later in the year. New people will be needed as current staff retire (ND has a particularly old age profile) and to 'staff up' if the Nuclear New Build Programme goes ahead. ND's costs are recovered from the industry.
15. During 2006/07, the **offshore** indicator has not reduced in line with the trajectory needed to meet the PSA target - a provisional outturn of 73 (the same as this time last year) against a target of 68, resulting in a move to **Amber/Red** status. However, it is encouraging that Q4's figures are the lowest of the year and that, despite continuing high levels of offshore activity, the long-term trend in hydrocarbon releases is still downward. It is also important to note that numbers at this level are particularly vulnerable to statistical fluctuation. We believe that delivering the 2007/08 target remains feasible.
16. The upsurge in offshore activity has exacerbated problems with a lack of competent and trained personnel in the industry; which could lead potentially to an increase in the number of incidents arising from poor control of work activities. Ageing of offshore plant and equipment and maintenance issues are also associated with this increase.
17. HSE has worked with the offshore industry to refine and refocus its intervention strategy, and the industry's priorities. We continue efforts to reduce hydrocarbon releases, particularly through the ongoing inspection initiative on installation integrity, which we will be extending

into the first half of 07/08. We also plan to raise the profile of major accident risks with the industry as a whole, by establishing cross-industry groups on safety critical elements, integrity and corrosion.

18. The **nuclear** indicator has exceeded the targeted reductions for this year and the next - an outturn of 126 against targets of 134 for this year and 132 for 2007/08. Ongoing safety issues with operating reactors continue to lead to increasing levels of reactive work, which delays planned safety reviews and increases the risk that the current reductions will not be sustained.
19. The prospect of nuclear new build, Nuclear Decommissioning Authority (NDA) related work¹ and MoD's investment programme continue to place demands on ND's resources. This, in turn, constrains HSE's effectiveness as the industry regulator. In addition to the recruitment plans mentioned above, we are seeking to mitigate these constraints by:
 - a. Developing joint intervention strategies with the Defence Nuclear Safety Regulator (DNSR) to maximise the effectiveness of limited HSE resource;
 - b. Working with the industry, DNSR and environment agencies to develop licensee nuclear safety performance indicators, which will provide information to monitor, control and prevent precursor events; and
 - c. Improving procurement of technical support.
20. The **onshore** indicator remains on track (an outturn of 158 against a target of 160), although this year's figure is actually higher than the previous two years. Investigating the Buncefield incident, following up the subsequent Safety Alert and Task Group recommendations and work resulting from the Major Incident Investigation Board's latest report (issued March 2007) continue to place increasing demands on resources. Buncefield follow-up work looks set to place greater pressure on Hazardous Installations Directorate (HID) over the coming months.
21. While these demands are not expected to have a significant impact on the delivery of onshore targets in the short-term, they do reduce HSE's regulatory oversight of major hazard risks in other sectors. As a result, the indicator has moved from Green to **Amber/Green**. HID is making arrangements to release staff from Buncefield as soon as possible and has commissioned a review to look at resources available for administering and enforcing COMAH².

Enforcement

A/G

22. The Enforcement Strategic Enabling Programme is responsible for developing recommendations to improve HSE and LAs' formal enforcement activities so that they support delivery of the PSA. It is focused around three central workstreams, developing measures to:
 - a. Improve the efficiency and effectiveness of investigation and prosecution activities;
 - b. Align enforcement activity with Fit3's priorities; and
 - c. Communicate a consistent message on the role enforcement plays in underpinning delivery of HSE's goals.
23. During Q4, the Enforcement Programme has continued to make good progress, however until all workstreams move to implementation the Programme's status remains **Amber/Green**. Alongside ongoing activities to raise the profile of enforcement, the Programme agreed its communications strategy and deliverables plan, and moved the communications workstream to implementation. Implementing the enforcement efficiency recommendations continues within HSE's Field Operations Directorate (FOD) and the Programme has prepared evaluation methods for these. It has also completed preparations for the trials of alternative frontline delivery models, which will roll-out from the start of 2007/08.
24. Revised Fit3 inspection topic packs have now been launched, containing clearer enforcement expectations and guidance to support HSE and local authority inspectors' use of enforcement in the course of inspections on Fit3 priority topics. The Programme's research into enforcement issues around HSE's major hazards activities continued and a

¹ This includes licensing activities associated with restructuring of licensees who operate on NDA sites, development of integrated strategies for radioactive waste and spent fuel and monitoring of NDA activities

² The Control of Major Accident Hazards Regulations 1999

draft action plan to secure consistent and efficient use of enforcement within the major hazards sectors has been prepared. On agreement of the action plan this workstream will move to implementation. The workstream on identifying and targeting rogue traders concluded. To drive implementation of the Programme's recommendations within local authorities the Programme engaged with the HSE/Local Authority Enforcement Liaison Committee and obtained their agreement to put together a group to review enforcement consistency among local authorities and develop measures to improve consistency of delivery.

25. Available data on HSE's enforcement activity (for the first eleven months of 2006/07) shows 7095 notices served and 1008 informations approved for prosecution; a significant improvement on 2005/06 levels and a return to levels comparable with 2004/05.

PSA 5 indicators

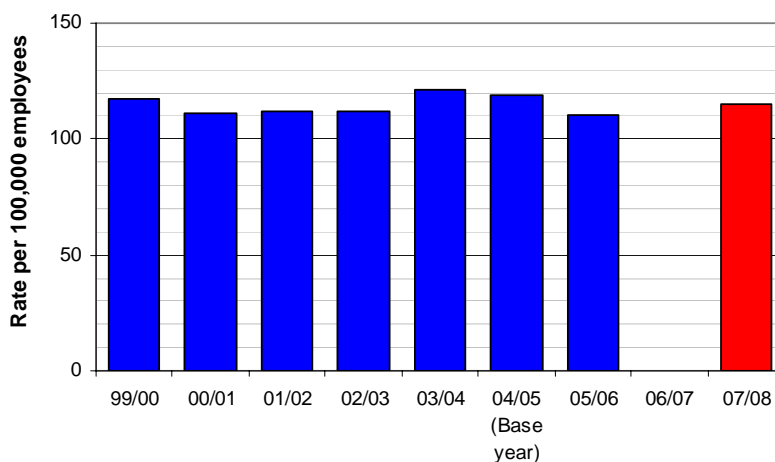
Occupational health and safety indicators	Baselines (2004/05)	Outturn (2005/06)		Target (2007/08)	
		Indicator	Reduction	Indicator	Reduction
The incidence rate of fatal and major injury per 100 000 workers	118.6	110.7*	6.8%	115	3%
The incidence rate of work-related ill health per 100 000 workers	1800	1600	11%**	1692	6%
The number of working days lost from work-related injury and ill health per worker	1.5	1.3	14%***	1.4	9%

* Provisional

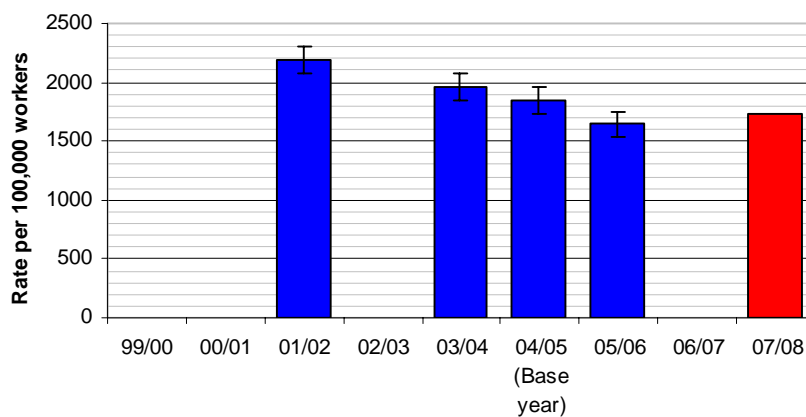
** Subject to 95% confidence interval - range of possibilities is 2%-20%

*** Subject to 95% confidence interval – range of possibilities is 3% - 25%

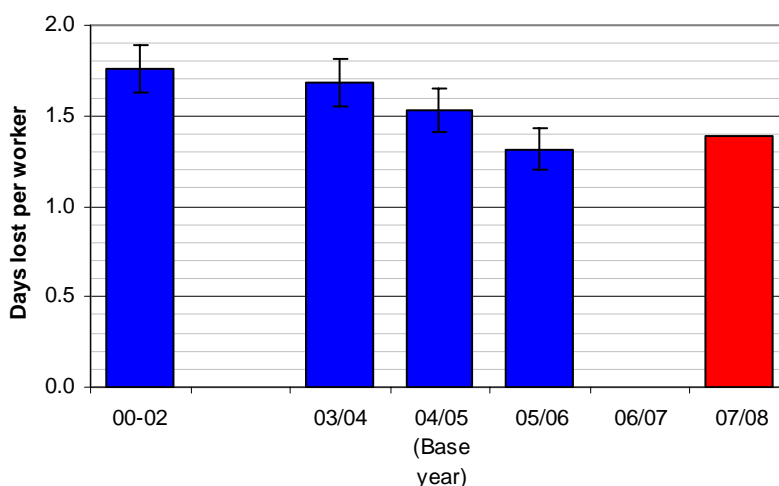
Incidence rate of fatal and major injuries



Incidence rate of work-related ill health

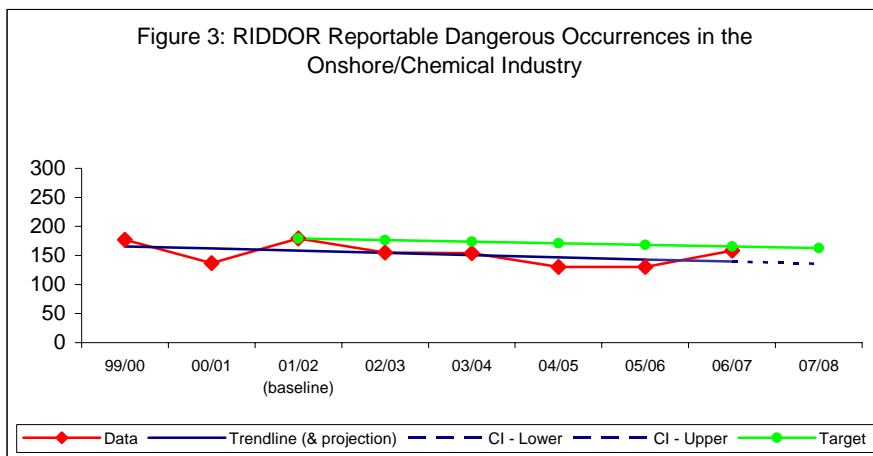
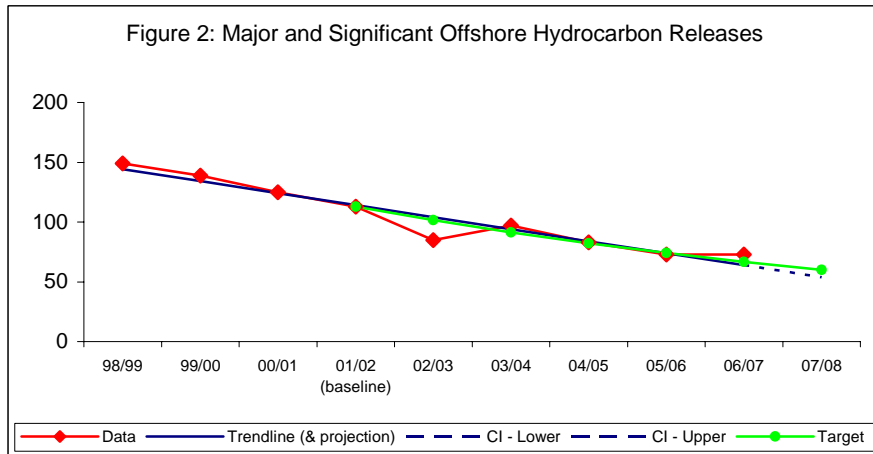
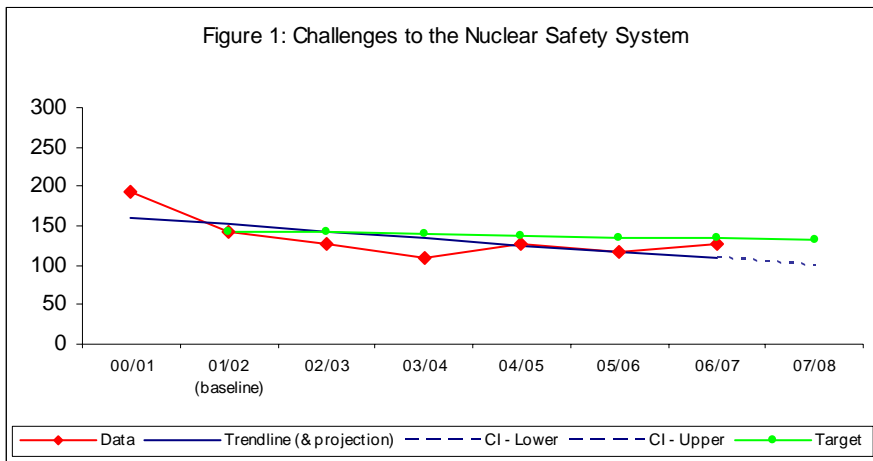


Working days lost per worker

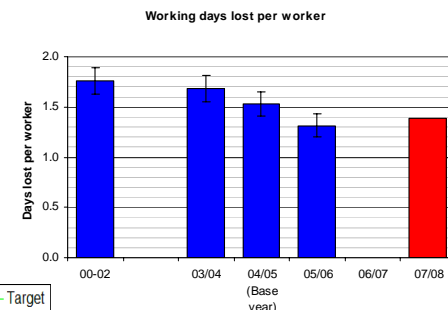
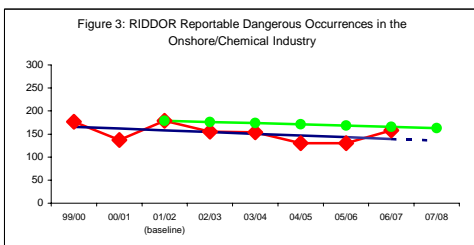
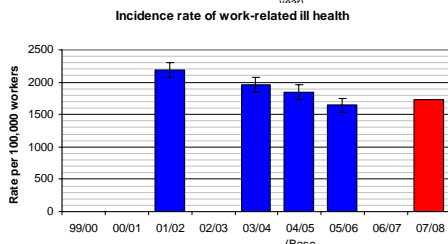
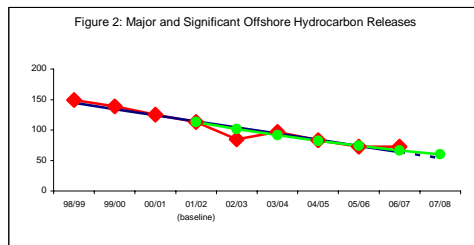
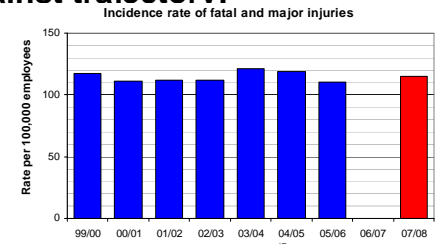
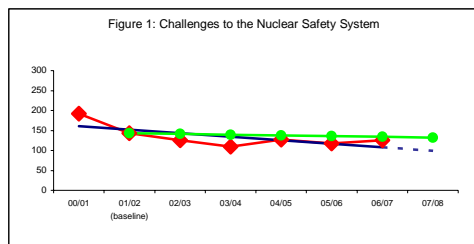


Major hazard indicators	Baselines (2001/02)	Outturn (2005/06)		Target (2007/08)	
		Indicator	Reduction	Indicator	Reduction
The number of events reported by licence holders, which HSE's Nuclear Installations Inspectorate judges as having the potential to challenge a nuclear safety system	143	126	11.9%	132	7.5%
The number of major and significant hydrocarbon releases in the offshore oil and gas sector	113	73	35%	62	45%
The number of relevant RIDDOR* reportable dangerous occurrences in the onshore sector	179	158	12%	152	15%

* Reporting of Injuries, Diseases and Dangerous Occurrences Regulations



1. Graphs showing progress against trajectory:



Legend: Data (red line with dots), Trendline (& projections) (blue line), CI - Lower (dashed blue line), CI - Upper (dashed blue line), Target (green line).

2. Main messages on performance to date:

Occupational health and safety (Fit3 Strategic Programme)

Amber/Green

- Fit3's status remains Amber/Green, recognising some significant achievements during Q4, continuing productive relationships with Field Operations Directorate (FOD) and the local authorities (LAs), and effective stakeholder engagement. However delivering the targets, particularly on fatal and major injuries, continues to represent a considerable challenge.
- Fit3's partnership with local authority (LA) colleagues is vital to delivering the targets, particularly in the services sector. The programme continues to see very positive signs of LA involvement in key initiatives. The *Bad Hand Day?* campaign, on dermatitis risks in hairdressing, saw LAs make around 20,000 contacts with stakeholders (against a target of just 7,000). LAs also worked with HSE partnership teams to run 17 awareness raising events. The campaign evaluation reports positive steps towards achieving behavioural change.
- Other highlights for Fit3 during Q4 include delivering a series of successful stress workshops to the public and finance sectors, Workplace Health Connect continuing to exceed its target for visit referrals, and completing the Construction (Design and Management) Regulations 2007, which came into force on 6th April.

Major Hazards

Amber/Green

- Q4's figures continue to present a mixed picture resulting in an Amber/Green rating overall. The nuclear and onshore indicators are both on track, despite increasing pressure on their resources. The offshore indicator has continued to fall behind target (despite Q4's figures being the lowest this year). It should be noted that the indicators give only a limited perspective on the risks associated with these industries
- The demands of increased offshore activity, ongoing safety issues with nuclear operating reactors and continuing Buncefield-related work all have the potential for significant impact on HSE's ability to stimulate PSA delivery. New nuclear and offshore personnel are now arriving (some of whom have moved from other parts of HSE). HSE has approached Treasury for additional funds to improve the salary ranges in Nuclear Directorate (ND), to help retain staff and support a major external recruitment campaign, planned for later in the year.

3. Outstanding challenges and risks:

1. In-year monitoring predicts a flat line for major injuries from slips and trips and a slowing of reductions previously seen in falls and construction. Construction fatalities are significantly higher than last year's (record low) figure.
2. Current recording/reporting mechanisms for HSE and LA field staff make it difficult to link inputs to outcomes. This, in turn, limits Fit3's ability to manage its performance and make running adjustments.
3. Nuclear Decommissioning Authority (NDA) related work and MoD's investment programme continue to place demands on nuclear resources
4. A lack of competent and trained personnel in the offshore industry, exacerbated by increased North Sea activity. This links potentially to increasing numbers of incidents arising from poor control of work activities.

4. Action by November 2007:

1. Action to renew and refresh work on slips and trips and construction. Improved working with the local authorities (e.g. *Ladders Week 2007*), to tackle injuries in the services sector.
2. The introduction of Fit3's new reporting arrangements (based around focus groups) in 2007/08 should help to remedy this.
3. Developing joint intervention strategies with the Defence Nuclear Safety Regulator (DNSR) to maximise the effectiveness of limited HSE resource; developing licensee nuclear safety performance indicators that will provide information to monitor, control and prevent precursor events; and improving procurement of technical support.
4. Work with the offshore industry to refocus HSE's intervention strategy, an ongoing inspection initiative on installation integrity, and establishing cross-industry groups to raise the profile of major accident risks.

Overall assessment	Amber/Green	Degree of challenge	H	Quality of planning,	Amber/Green	Capacity to drive progress	Amber/Red	Stage of delivery	3
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¹ PSA targets are by 2007/08: For **occupational health and safety** (against a 2004/05 baseline): to reduce incidence rate of fatal and major injuries by 3%; to reduce incidence rate of work-related ill health by 6%; to reduce number of working days lost per 100,000 workers from injury or ill health by 9%. For **major hazard industries**, (against a 2001/02 baseline): 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; 45% reduction in the number of major and significant hydrocarbon releases in the offshore oil and gas sector; 15% reduction in the number of relevant RIDDOR-reportable dangerous occurrences in the onshore sector. * *Reporting of Injuries Disease and Dangerous Occurrences Regulations*

