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HEALTH AND SAFETY EXECUTIVE

HSE Board

Minutes of a meeting of the HSE Board held on Wednesday 3 July 2002 at 9.30 am in the Fortune Room, Rose Court

Present

Sandra Caldwell
Richard Clifton
Adrian Ellis
Robert Humm
Peter Graham
Richard Hillier
Nick Starling
Kate Timms
Laurence Williams
Timothy Walker
Justin McCracken

Also attending

Gordon MacDonald Item 3
Bill Tomkins
Jane Willis Item 3,4
Tony Bandle "
Tony Mulhall Item 5,6
Carole Lomax Item 6
Colleen Bowen "
Linda Derrick Item 7

Alastair Cannon - Secretariat
Apologies - Paul Davies, Sian Lewis

1 Minutes of the HSE Board meeting held on Wednesday 19 June 2002 (B/02/M06), and matters arising

1.1 The minutes, including open government status, were agreed.

2 **Health and Safety:** Oral report by Justin McCracken. Written statistical reports were circulated ahead of the meeting. HSE health & safety targets would be included for future reports. The figures presented a similar picture to the previous month's and were in line with trends over the past two years.

2.1 The following points were raised in discussion;

2.2 a There continue to be concerns about possible underreporting; the trade unions have undertaken to encourage their members to report incidents. However concern was also expressed about how to differentiate effectively and efficiently the serious from the trivial. It was pointed out that an initially trivial incident could lead to health complications later.

Action: Justin McCracken to explore ways to ensure full reporting within

a streamlined system of recording and investigation.

b The matter of health checks for vulnerable staff was raised.

Action: Richard Hillier agreed to explore the possibility of repeating previous arrangements for health screening for all staff.

Action: Laurence Williams and Justin McCracken to examine what health surveillance would be appropriate for nuclear inspection staff.

c The value of near miss reporting and investigation was emphasised, including being able to demonstrate to others that HSE follows best practice.

3 Corporate governance - A scene setting paper by Tony Mulhall (B/02/31). Advisors Gordon Macdonald, Jane Willis, Tony Bandle, Bill Tomkins.

3.1 This short paper introduced the next four papers on the agenda and explained their common threads, set the wider context and asked the Board to consider how it wishes to deal with corporate governance questions in future.

3.2 The following points were made by way of general introduction;

a In considering the issues raised by the papers HSE's values should be borne in mind and consider whether what was proposed served to reinforce them.

b Managing, measuring, reviewing and reporting are at the heart of corporate governance

c It was essential that the right risks were addressed, in a coherent fashion and such that decisions on any one take account of the potential effects upon others.

3.3 Further points were then made in discussion;

a A single set of business reports was required that could be used by everyone. It was right that these papers were taken together; the Board needed to know what was going right, whether anything was going wrong and what to do about it.

b In all cases it was necessary to be clear firstly, who was gathering data, and secondly who was validating the data.

c The Change Programme needed to be fully informed and involved in the decision making process.

d Only such information that actually helped run the business better should be collected and HSE should resist collecting management information for others that was of no use to itself.

e It was right to simplify what was asked for and to agree single descriptors for the same things.

4 Business Risk Management Paper by: Bill Tomkins (B/02/033)

Advisors Advisors Gordon Macdonald, Jane Willis, Tony Bandle.

4.1 This paper followed an earlier miscellaneous paper circulated to board members to consider six categories of strategic risk. This paper asked the Board to agree the business risk model and the completion of the analysis by current risk owners. It was recommended that the proposed arrangements be finalised by the end of October to allow a period in which to judge effectiveness by the year end. In addition there was a need to integrate this with the balanced scorecard

approach and meet the expectations of the forthcoming Cabinet Office Performance Innovation Unit report.

- 4.2 The following points were made in discussion:
- a Annex A and the headline categories needed to be agreed now, but with a view of reviewing these every 6 months.

Agreed: The headline categories along with the two recommended additional risks a) “Failure to anticipate challenges to our strategy” and b) “Failure to manage the equal pay agenda” were accepted under the existing six headings along with an amendment to remove “process” from “Lack of robust, consistent enforcement process”.

- b The Board went on to consider the underpinning systems and how to ensure that the risk of not properly managing the Change Programme was included.

Agreed: The Board to revisit this issue in September when it would consider any new mechanisms for the control of the Change Programme and agree the annexes, revised as necessary.

Action: Sandra Caldwell to check and work with Bill Tomkins to ensure that HSE’s response to high risk is considered within the Change Programme and that measures are in hand to manage the risk of failing to deliver the programme.

Action: All Board members to pass comments to Bill Tomkins in the next 10 days as to whether the various annexes to the paper adequately specify the risks.

Action: Bill Tomkins to circulate by the end July a further version revised in the light of the received comments.

- c The Board was asked to ensure that each management command used this template when finally agreed in September, tailored in content as appropriate for Directorates.

5 Performance Management using the Balanced Scorecard. Paper by Tony Mulhall (B/02/030). Advisers

5.1 In May 2002 the Board adopted the balanced scorecard but asked for further work to develop it. This paper asked the Board to consider the revised draft scorecard, their preferences for the business perspective offered and to identify the Key Performance Indicators.

- 5.2 The following points were made in discussion:
- a In selecting the elements in the scorecard what had been agreed for the business risk model should be kept in mind.

Agreed: The Board agreed to adopt the elements detailed in para 11 of the paper but with rewording using active verbs eg “managing the core business”, “securing continuous improvement”.

- b The approach should be used by everyone to monitor the four key elements in para 11 of the paper to look inward and outward and at the “hard” and “soft” issues.
- c Below the four key elements there will be a number of key indicators for use by D/Ds and from these a few selective key

indicators will be drawn for the Board to use to manage risk at the corporate level.

- d The current indicators are heavily focussed upon input and net outputs, and emphasis instead on outputs and outcomes would be preferred. Outcome success indicators are required, because particularly with PSA targets, high level statistics on health are either unreliable or not available.
- e A Key Indicator was required to measure whether the requirements of the Enforcement Policy Statement are being met.
- f The interconnection between the Business Risk Framework and the Balanced Scorecard was also discussed; once both have been developed further this can be explored in more detail.
- g The question of how best to communicate these proposals to staff was considered.

Action: PEFD. It was agreed that bilaterals would be held with D/Ds, and the Change programme team, to gather further information and that a further paper would be put before the Board in September.

Action: PEFD. To improve communication it would help to have examples of what now not be done in future and what would be got rid of under this approach along with practical examples of how this approach had proved useful in other organisations.

6 HSE End of Year Report 2001/02 Paper by: Jane Willis (B/02/005) Advisors; Tony Mulhall, Carole Lomax, Colleen Bowen, Linda Derrick.

6.1 This paper contained what would be the basis of the end of year report at the meeting of Permanent Secretaries in the Department for Transport. It revealed a shortfall of 2.2% on regulatory targets. The Board were asked to agree the basis for the DG's annual message to staff and to comment on the usefulness of the information and how it might be improved.

6.2 The following points were raised in discussion:

- 6.3 a Timothy Walker stated that given the pressure and constraints over the past year, such as Foot & Mouth Disease etc, the 2.2% shortfall nevertheless represented a creditable performance.
- b Timothy Walker emphasised that the Department should be told that the baseline they were seeking to use for PSA Targets was unhelpful and of no use.
- c Whilst it was clear that considerable effort and resource had gone into preparing the report there were doubts expressed as to its actual usefulness.
- d More analysis was required on reporting arrangements to ensure timely flow of accurate management information.

Agreed: Board members to pass any detailed comments on the report to PEFD by the end of the week, prior to being sent to the Department.

Agreed: The end of year report document should be replaced in future by a much shorter and sharply focussed report.

Action: Jane Willis to liaise with Steve Dennis to come back to the Board with proposals on enhanced reporting arrangement on Business Improvement.

- e Questions were asked about the Civil service Modernisation fund and the uses to which it could be put.

Action: Richard Hillier to investigate the options for utilising this resource.

7 Delivering the PSA Targets Paper by: Kate Timms (B/02/032)
Adviser, Linda Derrick.

7.1 The paper asked the Board to agree the emerging findings of HSE's PSA+ team and to endorse the decision to accept help from the Treasury PSA+ team in developing HSE's arrangements to deliver the targets. In the introduction a model of a delivery plan from another department was outlined along with the pedigree of the Treasury PSA+ team and initiative.

7.2 The following points were raised in discussion:

- a Timothy Walker pointed out that there are numerous other business objectives not captured by PSA targets and that it was impracticable to have parts of the organisation focussed on PSA targets to the exclusion of other priorities.
- b The differences between programme responsibility and accountability were discussed. Responsibility for delivery of the priority programmes lies with line management through the various Board members to the DDG policy. The DDGs for policy and operations had responsibility for allocating resources to both PSA targets and other objectives competing for scarce resources.
- c Board members noted that the paper had helped them focus more sharply on the accountability issues outlined in para 9. of the paper.
- d It was pointed out that the Treasury now required a delivery plan for PSA targets however it was questioned whether a separate PSA delivery plan was required or whether this could be incorporated in an overall delivery and management plan. Board members noted that the cross organisational nature of the priority programmes meant that resources were not under the control of one person/Directorate and that ensuring the availability of these in the present structure would be a matter of negotiation and agreement. It was accepted that these arrangements in respect of programme resources could be more explicit.

Agreed: The Board endorsed Kate Timms decision to accept the Treasury PSA+ team's offer of help, and noted that the team would report their conclusions to the Board on 18 September.

Action: Kate Timms to consider how and when progress on the priority programmes will be reported to the Board.