Health and Safety Executive Board Paper			
Meeting Date:	2 April 2003	**Open Gov. Status:**	Fully open
Type of Paper:	For decision	**Paper File Ref:**	
Exemptions:	No		

HEALTH AND SAFETY EXECUTIVE

The HSE Board

Revised OPMs for operational activity

A Paper by Mike Cross, Operational Policy Division

Adviser: Mike Cross

Cleared by Justin McCracken on 18 February 2003

Issue

1.   New OPMs covering operational activity.

Timing

2.   Immediate - a decision at this meeting will ensure the new set of OPMs can be introduced from the start of the new planning year.

Recommendation

3.   The Board decides to introduce the new suite of OPMs set out in <u>Annex 2</u> with effect from 2003/04.

Background

4.   Following discussions at the June 2002 HSC residential, OPD was asked to undertake a review of current OPMs to establish whether they might unintentionally hamper HSE's efforts to achieve its declared outcomes and, if so, whether they should be modified "in-year". Linkages to the development of HSE's Balanced Scorecard were also recognised.

5.   Although OMF members concluded, provisionally, that the OPMs relating to the "securing compliance" work block were broadly compatible with outcomes (and therefore need not be modified "in year") they agreed there was potential for improvement and this should be explored in time for the start of 2003/04.

6.   Since this work began OPD has also been working with ODDs on the development of a PSA target for major hazards activity. The two strands have been developed in parallel – proposals for the MH target are set out for endorsement in a separate paper - **B/03/023**.

Argument

<u>Limitations of current OPMs</u>

7.   Current OPMs, applicable to operational activity, are set out in <u>Annex 1</u> together with a critique of the weaknesses presented by each measure.

8.   Although ODDs reported that current OPMs do not conflict with the over-riding need to meet the requirements of the HSE Strategic Plan (and they are generally achieved in practice) there was a consensus that they could be improved in several areas.

9.   In summary the current weaknesses are:

*   OPMs 1 & 2, dealing with major hazards, do not provide sufficient indication of the value added by permissioning.

*   OPMs covering reactive work (4 - 6) do not adequately reflect the different emphases between ODD work priorities.

*   OPM 7, which covers activity connected with high risk sites, does not work well with permissioning activity.

*   OPM 8 sets a target for contact time for inspectors without directing that time towards strategic plan priorities.

*   OPM 9, covering some aspects of the work of the old TD, is now out of touch with implementation of the changes recommended by the S&T review.

<u>General principles for revision of current OPMs</u>

10.   OMF agreed any suite of revised OPMs should:

*   Cover each of the main streams of operational work, i.e: preventive inspection; reactive work (complaints and the investigation); and permissioning activities.

*   Define the performance outcome HSE is seeking to achieve, as well as the absolute numbers of outputs this is likely to produce.

*   Allow each ODD to contribute as fully as possible to achievement of the targets while giving them the flexibility to reflect their particular remit and priorities in more detailed individual arrangements.

*   Complement, wherever possible, balanced scorecard indicators.

11.   In seeking to establish a new set of OPMs that have a greater emphasis on outcomes it is recognised interest in numerical outputs, at least for our regulatory contacts, will remain. However, the important change in emphasis is that in future, outputs will be expressed as estimates of the indicative volume activities are likely to produce rather than representing a target for that activity in its own right.

<u>Proposals for new OPMs</u>

12.   A proposed new set of OPMs is set out in <u>Annex 2</u> together with relevant commentary.

13.   For each activity within the compliance work block a similar style of OPM is proposed.

14.   Expressing progress with each of the main strands of work in a similar manner will permit variations in each OPM to be compared and considered collectively. For example, if the incident investigation figure increases significantly it might be offset by a reduction in permissioning or pro-active work, and vice-versa (taking due account of relative resources).

15. The new OPMs will allow each ODD to tailor the same OPM to its particular circumstances while offering a degree of flexibility in that ODD criteria can be changed without having to change the OPM. One potential disadvantage is the possibility that ODD criteria for the same OPM may diverge to the extent that the OPM loses its value – this can be avoided through suitable monitoring by PEFD.

16. Ceasing to express OPMs primarily as numerical outputs helps overcome a longstanding problem with counting work that spans two or more work years. This has been handled in the past by assuming that similar volumes of work span the change from one year to the next and thus cancel out. However, this would only be true where there is "steady state". In future we will only present the outturn.

Consultation

17. PEFD have been consulted throughout this work, which has been assisted by a cross-OG working group. OMF members were consulted on the underlying principles and on this paper.

Presentation

18. The revised OPMs will have to be cleared with DWP and the Treasury and the Commission informed. They should also be publicised internally to reinforce messages about HSE's priorities and to engage staff in delivery.

Costs and Benefits

19. There are no financial implications arising from changing OPMs.

20. The benefits arise largely from the improved understanding and accountability for HSE's compliance activities that will accrue. Most importantly they will re-balance the emphasis of how our work is measured in favour of outcomes rather than simply outputs – staff, in particular, will welcome this. These arguments are developed further in paragraphs 14*ff*.

Financial/Resource Implications for HSE

21. There are no direct financial or other resource costs associated with these proposals. However, indirectly, the new OPMs should help HSE in making rational decisions about resource allocation between different activities.

Action

22. The Board is invited to accept the recommendation in paragraph 3.

Contact

23. Mike Cross, Head of Operations Unit, Room 518, Daniel House, Bootle, VPN 523 4275

2002/03 OPMs

No	Subject	Target	Comments
1	Number of safety cases/reports and nuclear licence actions processed to time.	812	OPMs 1 and 2 deal with safety cases and reports. Targets are set for both the volume processed and the achievement of standards for timeliness.
2	% safety cases/reports and nuclear licence actions processed to time	88	HSE has no control over the volume of safety cases submitted each year and little discretion other than to process those that are received. While OPM 2 drives HSE to process cases and reports in a timely fashion it is silent about the rigour of that assessment process. The safety outcome achieved by virtue of this 'routine' permissioning work is inferred from the effective administration of HSE's safety case assessment systems. Incorporating an element in to the target(s) which accounts better for the value added from HSE's input has proved difficult. However, the new PSA target for major hazards work (para 7) should provide improvements in this area and, together with an improved OPM target, this should reflect the value of HSE's permissioning activity much more strongly.
3	Number of regulatory contacts, including inspections and investigations, made with employers and duty holders	206 000	This target has most significance for FOD, and has strong links with OPM 8 (% inspector time on contact and related activities). FOD have suggested the latter target is largely meaningless for them and that there is scope for a single OPM (to replace OPMs 3 and 8) which captures the amount of resource spent in pursuit of HSC/E's priority programmes

No	Subject	Target	Comments
4	Number of incidents/complaints investigated	41 500	These 3 OPMs deal with reactive work - incidents (accidents, dangerous occurrences, etc. (OPMs 4 and 6)) and complaints (OPM 5)). The drivers on HSE to carry out incident and complaint investigation are different and it would seem sensible to continue to treat the two separately
5	% complaints (about work activities) investigated	87	
6	% reported events (incidents) investigated	10.5	For incidents, both total numbers investigated and percentages investigated from those received are measured. Arguably, these numerical targets drive ODDs, particularly FOD, to investigate incidents at the expense of other work, e.g. on the priority programmes. The OPMs pre-date development of the current incident selection criteria and they do not reflect recent HSC discussions about the strategic priorities for the next 3 years. There would appear to be scope to combine OPMs 4 and 6 and to make more explicit the linkage to HSE's selection criteria. In turn, this would juxtapose incident investigation activity more precisely with resource considerations given that selection criteria are adjustable to reflect changing priorities. For complaints, it is HSE's practice to investigate or follow up all complaints (to meet our Service First commitments). However OPM 5 talks only of investigation whereas an increasing proportion of complaints are followed up by other means, e.g. by FOD complaints officers. The OPM could be adjusted to reflect this change in practice.
7	% high hazard/risk workplaces receiving annual site regulatory contact	100	This was developed to reflect the work that FOD undertakes annually to target its 'high risk' sites (aka category A sites). These are considered to represent sites where there is the highest risk of accidents (rather than sites which are intrinsically "high hazard"). It has little use for permissioning directorates. There is scope to improve the target to reflect a broader range of intervention strategies which can be used to influence performance and perhaps to reflect the activities of other ODDs

No	Subject	Target	Comments
8	% inspector time on site/contact and related activities (as a proportion of total time available	80	See comments for OPM 3.
9	Implement risk and technical policy projects	80	This measures activity on risk and technical policy projects. The OPM was created to capture the generic science and technology activity carried out by specialist inspectors (primarily in the old TD). Given recent organisational changes a new OPM for this kind of work is required. However, development will take some time as the new CTG arrangements bid in. For 2003/04 the current target can be transposed in to the new format.

PROPOSED NEW OPMs FOR 2003/04 ONWARDS

OPM A – "Safety cases and reports processed in accordance with ODDs' arrangements for ensuring quality and timeliness – target 100%"

The strength of this measure relies on the arrangements in ODDs for case/ report management. OU has taken steps to satisfy OMF that each ODD performing this work has in place rigorous systems and procedures which will ensure the work is done both on time and to the right standards. Invariably these standards are in the public domain.

As reported in paragraph 6 of the main paper, the "value-added" measure of permissioning activity will be provided largely by the new major hazard PSA target.

OPM B – "Resource committed to priority activities as a proportion of that planned – target 100% "

This is a general OPM that measures the extent to which ODDs actually meet their commitments to deploy (inspector) resource on priority activities they consider will contribute most to the strategic plan. It is intended to show that a large % of total inspector resource is being spent on priority work compared with other activities (in this context priority activities are broader than HSC's RHS priority programmes).

FOD will contribute most to this OPM by committing 60% of contact time to work on the HSC priority programmes. For permissioning ODDs, their discretionary programmes will be relatively modest as a consequence of their commitments to safety case assessment work.

OPM C – "Investigation/ follow-up of complaints – target 87%"

With the exception of FOD ODDs investigate the vast majority of the complaints reported to them. FOD uses the Complaints Handling System to use operational support staff to follow up a large percentage of complaints by means other than sending out an inspector to investigate. Because of the large volume of complaints received by FOD a 100% target is not practicable. 87% reflects current outturns. Individual ODDs will be able to agree small variations to this target with PEFD during the annual planning cycle.

OPM D – "Investigation of incidents/ events which meet ODD selection criteria – target 95%"

This OPM covers accidents, dangerous occurrence, reports of industrial diseases and other matters reportable under various regulations. The commitment is to investigate a high percentage of those incidents reports which meet agreed selection criteria. These may vary between ODDs to reflect priorities in their industries and can be adjusted year on year. 95% has been selected to reflect current performance.

OPM E – "Sites/ clients defined in ODD workplans as higher risk receive interventions aimed at securing improved performance – target 100%"

Again this is largely a FOD target (based on Category A inspections). However, all ODDs may use some form of prioritisation criteria to develop their preventive programmes – and these are, to some degree, risk-based, i.e targeted at where there are concerns about operator competence/ plant integrity/ recent incident history demonstrating loss of control/ etc. compared with the benchmark standard. Thus all ODDs can reflect this type of work (and get proper credit for it) against this target.

OPM F - "Projects completed within risk and technical policy programme - target 100%"

This target carries forward existing OPM 9 for a further year to allow time to develop a more meaningful way of measuring the work of the new CTGs. It has been re-cast in the same format as the new targets.