

## Health and Safety Executive Board Paper

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### HEALTH AND SAFETY EXECUTIVE

#### The HSE Board

### REVIEW OF EFFICIENCY AND EFFECTIVENESS OF HSE'S CORPORATE SUPPORT: BACKGROUND AND CONTEXT WITHIN HSE'S CHANGE PROGRAMME; BUSINESS RISK MANAGEMENT AND DELIVERY OF THE STRATEGIC PLAN

#### A Paper by Stephen Williams

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Cleared by Vivienne Dews on 25<sup>th</sup> March 2003

#### Issue

1. Cultural, accountability and communications issues in relation to the management and delivery of HSE's corporate support.

#### Timing

2. For discussion on 2 April 2003.

#### Recommendation

3. **The Board is asked to**
- i) endorse broad messages in this paper (para 9-17) and;**
  - ii) consider the specific actions within their divisions or directorates which are necessary to drive these messages forward;**
  - iii) invite the head of RPD to consider the issues at paras 14 and 16.**

#### Background

4. Around the turn of the year, I was asked to take forward work on reviewing how HSE's corporate support is provided, building on the work started by Richard Hillier within RPD and the subsequent work by Marion Evans and others as reported in Board paper HSE/02/050, Annex 6. The terms of the reference of the review are at **Annex A**, a discussion document reporting the earlier work within RPD is at **Annex B**. The RPD review was mainly inward looking and, by and large, did not engage staff in the rest of

HSE. The principal aims of this phase were to re-engage HSE in considering how corporate support should be provided and to consider the extent to which changes could be made so as to release more resource to enable HSE to meet its objectives.

5. Despite a number of initiatives in hand, HSE still spends a considerable amount of staff resource on managing and providing its corporate support. Estimates always tend to underplay the resource tied up in corporate services as many functions are 'marbled' within D/Ds. Richard Hillier's Corporate Services Review (CSR) took 13% (by staff years) as a baseline. That alone would represent £26.4m of HSE's 2003/4 admin costs. Recent estimates suggest that 14.6% is nearer the mark. **Annex C** shows how RPD staff resources have varied since 1996. Comparisons with other organisations are always difficult; the key test for HSE should be to provide corporate support as efficiently as possible whilst remaining effective.

## Argument

6. As you would expect, there are many good aspects of HSE's support arrangements, (not always recognised internally). The development of HSE's website; the HSE Helpline and the increasing efficiencies across the RPD elements of corporate support are all examples. D/Ds are also making changes to improve and the recently endorsed Board paper HSE/03/014 on IT has shown that we recognise the need to invest heavily in IT if we are to make the step changes necessary to our support systems.

7. Richard's 2001/02 review however identified a number of issues which Marion Evan's team together with this work has confirmed remain to be fully addressed. They include:

- a complexity of the planning and financial control systems which inhibits efficient management of our resources;
- variations in corporate support levels in D/Ds;
- lack of clarity over boundaries, responsibilities and accountabilities;
- inconsistencies and inadequate mechanisms to share good practice;
- some staff working in corporate support who had received little training and do not all have the necessary competence;
- difficulties for managers and staff to be able to take value/cost into account when making decisions about using corporate support;
- some difficulties about access to corporate support – and the service standards which should be provided.

8. Needless to say, there are variations across the functions; and some of the difficulties sketched out are not unique to the provision of corporate support in HSE. More detailed proposals for further work or change are suggested in the later papers, but it seems that three principles should guide the further work.

## Making corporate support matter within HSE's values

9. In reaffirming HSE's mission, the Board have confirmed that HSE is about improving health and safety through targeted front line activities of policy development and operational work supported by sound technology. This work is only possible due to our corporate support functions. Corporate support is not an end in itself, but crucial to enabling staff to pursue HSE's objectives.

10. As HSE moves increasingly to project and programme working across D/D boundaries, it becomes even more important for corporate support to be seen as enabling HSE's corporate aims. Staff leading or delivering corporate support need to:

- recognise that their work is essential to HSE – and feel valued accordingly;
- realise the importance of partnership working;
- see how their work fits into an overall strategy for delivering HSE's aims;

11. Managers at all levels need to recognise the importance and cost of corporate support and manage it accordingly;

12. Whilst many managers and staff already see these principles as crucial, this element of the work on corporate support has nonetheless confirmed that some attitudes – both within and without the corporate support network – are not supporting HSE's vision and values in this area. (**Annex D** gives some example quotes.)

13. An important element is considering again within the management of corporate support, how we can best incentivise managers within the system to make efficiencies. More imaginative thinking, with benefits accruing at least in part to the divisions/directorates is needed to encourage innovative thinking. In short, we must all make sure that professional management of corporate support is achieved.

## Supporting "one HSE"; delivering HSE's objectives: Accountability

14. "Raising the game" with respect to corporate support will not of itself help to deliver HSE's objectives unless there are systems of accountability within the management chain to check that both the policy underlying a particular function and the way in which that function is provided is supporting HSE's aims as a whole. In this respect, it is not clear from the CSR work that the Board – either directly or by other means – is able systematically to ensure that this is the case. From mapping work across CSR functions, a mixed picture emerges and we need to move towards a consistent map of policies, service level standards and systems of accountability.

## Explaining the work; communicating the messages; engaging with colleagues

15. A third common theme – partly emerging from the CSR work and partly arising as a way of addressing the issues outlined above - is the need for colleagues leading or delivering corporate support to engage and communicate more with those they are supporting. A mixed picture of what has been done and what is available to inform emerges. The informal discussions during this work have shown that even where information exists, it is not always known about. For each function we need to consider:

- who does what and to what standard (both in RPD and in D/Ds);
- how can best practice be shared and duplication avoided;

- how is management information relating to the “point of use” decisions about value for money/cost of the service provided automatically;
- what are the methods by which the information above is communicated.

16. At the risk of being seen a Luddite, a desk top guide to corporate support for all staff with the essential information on each function – and sign posts to the information on the Intranet and elsewhere – might be a quick and easy first step. (FOD’s Rough Guide for Managers and the companion Rough Guide for Admin Managers partly point the way.)

### Conclusion

17. In short, if we as an organisation make it clear that efficient and effective corporate support matters just as much as policy development, technology foresight and operational work; if we ensure there are comprehensive systems of accountability to check that corporate support is delivering what HSE as a whole needs to do its work; and if we ensure we have proper mechanisms to inform people of what they can expect and from whom – and what is expected of them – we will receive the maximum benefits from other changes. If we don’t, we won’t.

### **Consultation**

18. A wide range of consultation has underpinned the corporate support review: see paper B/03/028 for details. There has been broad support for the messages in the paper. The TU side, who have been informally consulted, have some reservations about setting targets and point out that some aspects are the subject of collective agreements.

### **Presentation**

19. The messages in this paper support HSE’s vision and values and as such chime well with the messages within the Change Programme.

### **Costs and Benefits; Financial/Resource Implications for HSE**

20. None specifically arising from this paper: the direct costs of this stage of the corporate support review are considered in paper B/03/28. There is potentially substantial benefit to HSE in developing more efficient and effective corporate support. Putting the messages contained in this paper into practical effect (reinforcing HSE’s vision and values; ensuring a more professional approach to management and accountability of corporate support and developing and communicating more effectively the standards of corporate support work) will have cost implications (unquantified) for staff working in corporate support.

## Annex A

### AIM/TERMS OF REFERENCE

To review HSE's mechanisms for providing corporate support with a view to making recommendations for further improvement. In particular, to consider:

- the balance of responsibilities between divisions and directorates across and within the corporate support functions;
- the clarity of roles;
- the relationships necessary to ensure efficiency and effectiveness in delivery;
- whether the current levels of support are appropriate;
- whether the current levels of control to ensure corporate governance are right;
- the progress of RPD's implementation plan and the potential for further efficiencies within RPD.

#### Scope

Each element of corporate support, including:

- corporate planning;
- finance management;
- payment systems including T &S;
- accommodation and associated services;
- IT and associated support services;
- internal audit corporate quality control procedures;
- information systems including record management;
- publicity and publications;
- internal and external corporate communications;
- corporate health and safety;
- provision of HSE's human resources support and management;
- employee support services.

#### Methodology

The Study will draw on information from:

- (1) previous work in this area internal to HSE;
- (2) such external work and comparators as are relevant and reasonably readily available;

- (3) a range of interviews with staff in all HSE's divisions and directorates;
- (4) laid down information on minimum levels of control to ensure corporate governance;
- (5) such internal management information e.g. on the resources devoted to corporate support as exists.

### Timescales

The outline timetable is:

Commencement:	mid January
Initial information gathering etc.	end January/early February
Review and generation of proposals:	mid/end February
Consultation on emerging conclusions:	early March
Presentation of findings to HSE Board:	HSE April Board

### Resources

Currently limited to Band 0 for two months (with admin support).

It is envisaged that an informal consultation group across divisions and directorates be constituted to ensure wide consultation as proposals are developed. Clearly, even a restricted consultation across HSE has resource implications. As a broad estimate, this project, in this phase, is likely to take the following resources:

(i) 2 months - Band 0	≅ 40 days
(ii) 1 month – Band 5	≅ 20 days
(iii) 1 day/HSE Board member (2 x 0.5 days)	≅ 14 days
(iv) 2 days - Unions	≅ 2 days
(iv) 4 – 6 staff days for each division	≅ 40–60 days
(v) Up to 20 staff days for RPD	≅ 20 days
Total	≅ 136-156 days

The provision of additional support during the project at Band 3/Band 2 level is currently being considered. It is likely, inevitably, that staff in RPD will be more closely involved as proposals develop in addition to the resources needed to supervise the project: estimate at (v) above.

### Constraints

Delivery of the project to the timescale proposed will be seriously threatened if:

- the Band 0 project leader becomes unavailable;
- divisions and directorates cannot identify key personnel who have time to respond to emerging ideas;
- the project champion becomes unavailable.

### Project Control

Project control and monitoring will be effected by:

- Change Programme progress reports;
- Regular review meetings between the project leader and project champion.
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### Key milestones/outputs

- commencement by mid January
- draft proposals for consultation by end February
- paper to HSE Board for mid April

Stephen Williams  
Project Leader

## CORPORATE SUPPORT REVIEW

### A DISCUSSION NOTE

#### Introduction

In late 2000, early 2001 RPD decided to undertake a review of the corporate services for HSE which it was responsible for leading or providing. The review was concluded in early 2002 and a report and implementation plan published in April 2002. Board members were consulted on the report during the Summer of 2002 and broadly endorsed its conclusions. Work to implement the range of recommendations is in hand.

Complementary to the work being carried forward in RPD, HSE's Change Programme also considered the way in which HSE's corporate support was provided. The findings to date of the small team looking at the issues were presented to HSE Board in papers HSE/02/023; HSE/02/039; HSE/02/040; HSE/02/050. In considering the matter, the Board noted that the RPD review had been largely (but not exclusively) inward looking. Consequently, whilst a range of important actions are in hand, these have not, by and large, engaged HSE as a whole.

The 1995 review of corporate services concluded that the disbenefits of devolution to directorates of many responsibilities and functions in terms of the inefficiencies of small scale were out weighted by gains in responsiveness. The world has changed: technology has moved on; financial pressures are fiercely threatening crucial elements of frontline delivery across HSE; HSE's Change Programme and new ways of working should provide a framework of working smarter not harder.

Estimates always tend to underplay the resource tied up in corporate services as many functions are "marbled" within D/Ds. Richard Hillier's Corporate Services Review took 13% as baseline. That alone would represent (£26.4m) of HSE's admin costs 2003/04 resources. Recent estimates suggest 14.6% is nearer the mark. The potential for releasing resource to front line activities is big. A simple trawl through the directory shows significant numbers of people devoting at least some of their time to HR activities (up to 1 in 20 of HSE staff); financial management; IT support etc.

The Board has therefore agreed that a further review should be carried out to look more widely at the delivery of corporate support across all Divisions and Directorates (D/Ds) in HSE. In particular, within the context of the Change Programme, the Board would like the review to consider:

- the efficiency with which corporate support is provided;
- the effectiveness of corporate support;
- across HSE, the overall amount of resource devoted to the issue;
- whether the current control mechanisms were operating effectively;
- whether the RPD review is delivering and what scope there is for further efficiencies;
- occasional apparent lack of trust between various parts of HSE.

In the context of the HSE Change Programme and both new ways of working and new structures, crucial will be considerations of roles, responsibilities and relationships. Success will depend on engagement of staff and overall a much greater recognition than currently exists that all in HSE have an interest in the support services which enable policy, technical and operational staff to carry out their work.

#### Discussion points: next steps to improving HSE's corporate services

Richard Hillier's review of corporate services acknowledged that it concentrated largely on the way in which RPD led or provided the functions for which it was responsible. However, in reporting, Richard noted a number of **key cross cutting issues for all of HSE** in driving forward continuous improvement:

- the respective roles, responsibilities and relationships between the corporate centre, D/Ds and line managers;
- greater consistency of good management in the delivery of corporate services;
- more professionalism at all levels;
- the development of fit for purpose/affordable solutions.

Second, in considering the **amount of resource devoted to corporate services**, the RPD challenged itself to reduce its resource by 20%. It did not look at D/Ds delivery of corporate support but recognised that more detailed work would be needed to see what resources could be released by careful scrutiny of the way in which resources were used outside RPD.

The review considered **the speed of change – could improvements already in hand be achieved earlier?** It concluded that two areas were worthy of further study:

- engagement of senior management throughout HSE to ensure accountability of delivery;
- the need to be clearer (and codify if possible) the behaviour and standards for the “customer/supplier” relationship.

The review also considered the perennial question of **the balance between RPD and other D/D’s in the provision and delivery of corporate services.** It identified three areas for improvement/further work:

- the pooling of resources across D/Ds;
- questioning critically whether we should be doing all we do now both centrally and in D/Ds;
- the need for all of HSE to recognise the importance of corporate services to HSE’s business and to manage them accordingly.

The team asked itself whether there should be **more delegation of budgets**, recognising the balance which needs to be struck between greater delegated accountability and responsibility and the cost of increased bureaucracy in the systems.

They concluded that:

- further delegation was only justified where there was a clear benefit;
- more important was to make customers and providers aware of the costs of services;
- work should be initiated to develop new models of cost management.

The RPD study discussed the softer issues of **HSE’s culture and relationships.** Two key findings emerged:

- behaviours needed to change to ensure that decisions made after a frank exchange of views were not repeatedly revisited and challenged;
- that as a basic principle, D/D’s should not rely on resources from centrally held budgets to deliver their programmes unless these resources had been bid and agreed.

The team noted that work might be useful to improve further the already good **relations with HSE's unions**. And that key to improvements in this area was HSE's Change Programme.

The **competence** of all staff delivering or leading corporate support was considered carefully against the beliefs that:

- if competence is to be assured, work is needed e.g. to ensure clear career paths; standards; specifications for posts;
- increasingly specific, detailed knowledge is needed in some functions;
- all D/Ds support units (however provided) need expertise;
- managers generally need to know about roles and responsibilities vis a vis corporate services if they are to manage them properly.

Finally, the review considered issues of **more investment in technology**; whether **the organisation of the delivery of corporate services should change**; some **immediate practical changes** and overall, whether there was **too much bureaucracy**. It drew principal conclusions that:

- there was possibly some scope for more investment in technology: but risks needed to be managed and solutions would take time;
- there was no suggestion that RPD should be broken up: in fact what was needed was closer working across RPD;
- there should be a greater focus on supporting HSE's business aims: and this might be aided by a "one stop shop" approach for corporate services.
- there was always scope for reduction in bureaucracy, but rules and procedures aided consistency and facilitated driving work down to the appropriate level.

### Way Ahead

The aim of this review is, therefore, to build on the earlier work in the way suggested by the Terms of Reference and Project Plan. In particular, we need to:

- check that this view of the issues and some of the solutions is still broadly right (18 months or so on from when some of the work was done); and that this view is shared across HSE;
- engage each D/D in the debate to work towards agreed solutions/changes;
- check that the RPD review itself is delivering the savings identified;

- consider with RPD colleagues whether there is more which could be achieved.

Driven by the very poor SR2002 settlement, D/Ds are already looking at a range of measures to cut costs whilst protecting front line activities in policy, operations and technical. The aim of this further look at corporate support will be to complement the work and see what more resources can be released in this way.

**Stephen Williams**  
Project Leader

## Annex C

**TABLE 3 - RPD STAFF IN POST AS AT 1 APRIL EACH YEAR [Provided by Budget Unit - derived from PARIS]**

<b>RPD DIVISION</b>	<b>1996</b>	<b>1997</b>	<b>1998</b>	<b>1999</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003 (plan)</b>
DIAS	122	116	119	130	133	147	148.3	146.5
Subtotal	122	116	119	130	133	(1) 147	148.3	146.5
PEFD (4)	119	117	105	98	101	100	69.1	72.3
BSD (5)	169	163	156	124	115	93	123	128
Personnel	158	150	157	138	133	118	119.5	112.4
DIR. RPD	5	5	4	4	4	3	3	2
Internal Audit	12	14	12	13	13	13	10.7	13
Subtotal	463	449	434	377	366	(2) 327	325.3	336.7
RSU (3)	18	18	18	26	26	27	26.7	20
<b>TOTAL</b>	<b>603</b>	<b>583</b>	<b>571</b>	<b>533</b>	<b>525</b>	<b>501</b>	<b>500.3</b>	<b>494.2</b>

**Specific notes:**

1 Including the 15 RMU staff transferred from BSD.

2 Including the 15 RMU staff transferred to DIAS but excluding RSU transferred into BSD in April 2001.

3 RSU joined RPD IN April 2000 and 1996/99 shown for completeness, increase from 1998/99 due to offshore research joining RSU, and were brigaded within BSD in April 2001. Change Programme moved research strategy function and 7.5 points to CoSAS from 2003/04, the balance of 20 procurement posts moved within BSD.

4 Excludes BEU for 2002 onwards.

5 Includes BEU for 2002 onwards, and in relation to the 2003 plan, nine of the posts shown were later surrendered from 2003/04

**Quotes about Corporate Services –**

**(1) From within Corporate Services:**

“ I have never felt so undervalued working in HSE as when I worked in Personnel. People were rude and almost abusive at times.”

“Hello Mr X here, what can I do to help you?”

“It is not what you can do, it is what you will do for me!”

“I feel I am permanently the whipping boy for all that goes wrong in the organisation centrally.”

“We are sometimes not involved in decisions by D/Ds which impact on HSE’s corporate support until the decision has been made.”

**(2) From without:**

“They seem very inflexible and unresponsive to our needs.”

“They did not really get to the bottom on the problem; the exercise took a great deal of time and the output was very late.”

“People in xxx are very helpful and try hard – but they are heading in the wrong direction.”

“The requests for information come with ridiculous deadlines and I seem to answer the same questions several times in slightly different ways.”

“We told them we did not want .... But we got it just the same.”

“Nobody told me why I got it; it’s six months too late if I needed it; and I have not been trained or instructed about it.”