

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: ORGANISATIONAL CHANGES

A Paper by Stephen Williams

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Issue

1. Organisation and functional relationships between RPD and D/Ds across corporate support functions.

Timing

2. For discussion on 2 April. If supported some of the changes proposed could be brought in within 2003/04 work year.

Recommendation

3. **Board are asked to:**

- i) **note the current distribution of resources to corporate support (para 4 and Annex A(i) and (ii)); and the work to realise savings (para 4, Annex B.);**
- ii) **note, comment on or endorse as appropriate the issues at paras 11, 16, 20, 24 and 27.**

Background

4. **Annex A (i) and (ii)** shows, on the basis of work done during this stage of the corporate support review, approximately what resources are devoted to this work by D/Ds across HSE. Changes which will release resource are already in prospect: we are not starting with a blank sheet. **Annex B** reminds the Board of the key initiatives in hand in RPD itself and the overall savings anticipated by the end of 2003/04. There are also initiatives in hand in D/Ds. Against this background, this paper considers the case for further change.

Argument

5. Whilst minor changes are needed in some other areas. Principal areas for debate centre on:

- corporate planning and finance management;
- human resource management;
- internal and external corporate communications;
- health and safety;
- training.

Corporate Planning and Finance Management

6. **Annex C** considers some of the key issues in relation to our current arrangements for managing corporate finance and planning. In summary, changes already in prospect include:

- the creation of a single finance, planning and HR team for policy (and solicitors office);
- planning for a similar single team to manage RPD's corporate needs;
- work in FOD to reduce and centralise some corporate support work;
- formation of a tight HR and planning team for CoSAS.

7. Our vision for the future, might be characterised by a small cadre of finance managers across HSE and residing in D/Ds - but with very close links to or managed by RPD – providing a service function to D/Ds based on a common core of accurate and timely management information accessible to staff in both the D/Ds and RPD. **Diagram 1** illustrates how the general relationship between RPD and D/Ds might be characterised. **Diagram 2** shows the vision for finance and planning. But we are not there yet and a key question is to what extent should operational directorates move towards the model of policy and RPD: a common team providing information across the operational command.

8. I have come to the view that for the time being, management of finance and planning should continue to be locally based in the operational directorates. This is not a response to “special pleading” but a pragmatic response given where we are with our corporate and D/D management and finance systems against the key business risks which the operational commands manage for HSE. There are nonetheless efficiencies which can be made and which are already being pursued in some of the D/Ds. Brian Fullam's project on the efficiency of charging in the permissioning regimes is relevant.

9. Two other questions arise: the position of COSAS, SID and OPD; and whether it makes sense to start to move even more quickly towards the vision by brigading the planning and finance management role across the permissioning regimes. On the former issues, SID is very lean and is being supported by the policy team. As corporate resources, CoSAS and OPD needs might be best catered for by one team perhaps based in CoSAS. However, the corporate support teams for each unit are lean and it is not clear that much by way of savings will accrue.

10. With regard to the permissioning regimes, various pieces of work are in progress to look at issues of common concern. Against this background, whilst recognising that there are differences across the regimes, some work should be put in hand, driven by process mapping, to see if further savings could be realised in the short term by brigading the in-year planning and finance monitoring resource across HID, RI and NSD.

11. **The Board is invited to note and endorse:**

- iii) **that we should move in the direction of the structure outlined by the vision;**
- iv) **agree that at present, the threat to careful management of key HSE business risks of radical change does not suggest wholesale change in the operational directorates;**
- v) **agree to pursue economies as far as possible in the meantime, including work to look across the permissioning regimes.**

Human Resource Management

12. Perhaps the key issue with regard to the generality of human resource management is the balance of responsibilities between PD and the D/Ds. Over the years, D/Ds have built up resources to a greater or lesser extent, to manage HR issues locally. However, this has in practice led to some duplication of activity; “post boxing” of messages and some second guessing of Personnel’s advice.

13. Clearly, D/Ds need resources to help senior managers deploy staff effectively, but our vision for new streamlined arrangements might be characterised by:

- a tight policy/strategic core, responsible to HSE’s overall objectives;
- a “people services” function, responsive to the needs of D/Ds and designed in partnership working to provide line managers with day to day support services;
- minimum staffing retained in D/Ds to manage deployment and those functions best carried out locally;
- competent staff – in both PD and D/Ds – working closely together to support the business and D/D needs;
- arrangements which show clear lines of communication and clearly laid out roles and responsibilities.

14. **Annex D** explores the issues and arrangements.

15. There are many good elements to our existing arrangements which we must be careful not to lose: business based knowledge of PD staff; mechanisms for developing personnel policies which involve staff across HSE; a personnel directorate with a core of committed, competent staff. Nor do we want to recreate by any new system an additional layer of staff who will replicate the current arrangements in D/D.

16. **The Board is invited to:**

- vi) **agree the vision and that further work should be put in hand to realise it.**

Internal and external communications

17. **Annex E** explains the background and the issues in connection with DIAS. In short, recognising that DIAS is different in nature from other parts of RPD, key issues raised include:

- matters concerning managing HSE's reputation;
- the vehicles currently used for getting HSE's messages across (is our "product mix" right?);
- the role of DIAS in managing internal communications;
- the importance given to communications issues in D/Ds;
- whether DIAS is the appropriate part of the organisation to manage/deliver some of its current functions.

18. Work led by Kate Timms on HSE's communications strategy has also highlighted a number of issues concerning particularly ownership and leadership in developing and driving HSE's messages and the way in which all of our activities send messages to stakeholders about HSE as an organisation. The conclusions so far are reported in Board paper B/03/029. In short, what emerges is the need to carry out or finish two pieces of work: a review of DIAS' delivery mechanisms and whether some of its current responsibilities might be best managed elsewhere; and completion of the analytical work on communications in HSE. Arising from both elements a third task is the need to scope the role and organisational position of the lead focus for communications in HSE. Current thinking would point strongly to the appointment at SCS level of a director of communications, but the role would need to be carefully scoped in the light of the work on our communications strategy.

19. The other key question at this stage is when and how to review DIAS. This could be a first task for a new Director of Communications, or consultants (e.g. Star Alliance) could be engaged and make an earlier start.

20. **The Board is invited to:**

vii) confirm the key actions identified at para 18;

viii) give its views on the best way to proceed on the issues raised at para 19.

Health and Safety

21. Within the HR function, two elements have drawn particular comment: health and safety and training issues.

22. **Annex F** explains some of the issues in relation to health and safety. What emerges is a picture that:

- we have too many committees; and probably too many plans;
- we have too many health and safety coordinators;
- we are, as in other areas, re-inventing the wheel;
- as a consequence, we are perhaps not doing as well as we should in managing the real issues where risk exists.

23. More detailed work is needed to develop a better system but the key elements might be:

- a reduced number of geographically based health and safety committees;
- better sharing and development of ideas across the operational directorates to produce policy annexes targeted on common risks with only "as necessary" customising;
- increased emphasis on line management of health and safety risks (and control measures) in D/Ds;

- a “project based” programme of auditing of key activities and risk controls to give assurance to the Board that risks are being managed.

24. The Board is invited to:

- ix) note the emerging findings and endorse further work in this area.**

Training, learning and development

25. The issues concerning training and development: learning and extending the competence of HSE’s staff are explained in **Annex G**. (A more detailed note is available from HSE’s training and development manager, Ann Peatfield.) In summary, the concerns with current arrangements surround:

- ownership of content for key courses;
- whether current procurement arrangements secure best value for money;
- a degree of confusion over resources needed to deliver training in D/Ds and “post boxing”/duplication of functions;
- difficulties with the central support system.

26. Many, including HSE’s training manager, believe economies, efficiencies and increased effectiveness can be driven out of the current arrangements by a thorough review, probably using process mapping as a base, to revisit who does what, where – and why.

27. The Board is invited to

- x) note the conclusions and endorse and support in D/Ds further work as described to revisit and streamline our arrangements.**

Consultation

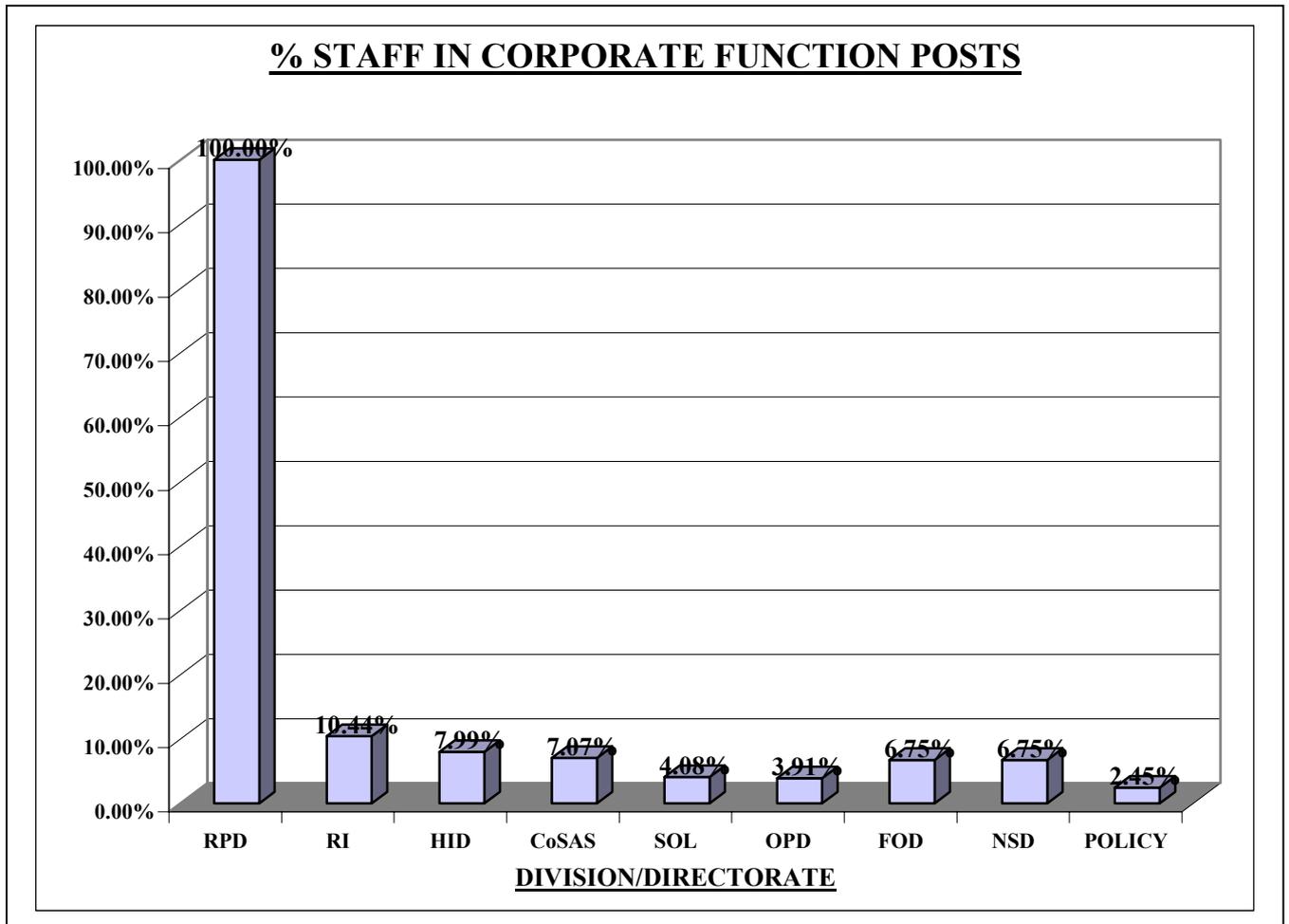
28. A wide range of consultation has underpinned the corporate support review: see paper B/03/028 for details. The changes proposed with regard to health and safety timing and DIAS have received support or strong support. The arrangements for managing finance and planning and human resource have provided a mixed response and need a clear Board steer.

Presentation

29. Changing the HR and Finance arrangements will need careful communication within the context of the Change Programme.

Costs and Benefits; Financial/Resource Implications for HSE

30. As detailed in the paper and annexes.



Notes:

- (i) The percentages and numbers, though based on returns from D/Ds must be regarded as indicative.
- (ii) If all but the corporate support staff element of DIAS cadre is excluded, RPD's % drops to around 73% and the overall % to around 15%.
- (iii) RI's corporate support currently includes some posts associated with process development in RI; the % will drop over the two years of the Railway Change Programme.

<u>DIVISION</u>	<u>CORPORATE FUNCTIONS - STAFF IN POSTS</u>	<u>TOTAL STAFF IN D/D</u>	<u>% REPRESENTED</u>
RPD	469.00	469	100.00%
RI	18.80	180	10.44%
HID	48.50	607	7.99%
COSAS	5.30	75	7.07%
SOL	1.55	38	4.08%
OPD	1.25	32	3.91%
FOD	114.29	1693	6.75%
NSD	19.70	292	6.75%
POLICY	9.00	367	2.45%
TOTAL	687.39	3753	18.32%

Notes:

(i) Included in the definition of corporate support functions are staff engaged in:

- Finance manager (including charging);
- Human Resources (including training and health and safety);
- Planning;
- IT support and management;
- Other corporate support (e.g. accommodation; secretariat and secretarial support etc.).

(ii) For DIAS, excluding staff who are not engaged in the corporate support functions for the division (17.4), RPD figures reduce to 343.1, the overall % of RPD devoted to support drops to 73% and this reduces the overall HSE total to around 15%.

RPD CORPORATE SERVICES REVIEW UPDATE

Background

1. The Original CSR Project and RPD Response

1.1 The original CSR report included a summary of the progress that RPD had made over a number of years to reduce the resources devoted to corporate support at the centre - see table 1. As part of maintaining this trend RPD took a 5% reduction in resources for 2002/3 and will again in 2003/4.

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

RPD DIVISION	1996	1997	1998	1999	2000	2001	2002	2003 (plan)
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
TOTAL	603	583	571	533	525	501	500.3	494.2

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

1.2 One of the challenges posed within CSR was to identify a range of options that could reduce resources across the corporate functions [inside or outside RPD] by up to 20%. Although not an target in itself the 20% goal was intended to stimulate radical thinking.

1.3 A range of options were outlined in the report [summarised in the original report at Annex 4] which were discussed bilaterally with Board members. The report accepted that the negative impacts of a small number of the proposals could outweighed the potential savings that would accrue and were therefore unlikely to be adopted. Board members expressed a range of views - but the generally

accepted view was that very few options should be ruled out at that stage and some would be necessary despite being unpalatable.

- 1.4 Richard Hillier was keen that RPD showed a lead in driving forward improvements. Richard therefore asked RPD senior managers to devise a programme of those recommendations it could implement domestically *i.e.* that did not require Board approval. Richard also had it in mind that the this improvement programme would help RPD to meet the [then] widely anticipated additional 5% reduction for RPD for 2003/4.

Issues

2 Progress Report on Implementing Further Reductions in RPD

- 2.1 RPD's overall approach to improvement was one of carefully planned changes to both organisation and process. The approach also recognised the need to seize opportunities that present themselves through internal staff moves, transfers *etc.* or other changes which may not be initiated by RPD but which can be taken advantage of to introduce change.
- 2.2 The following paragraphs provide a brief summary of the type of improvements RPD have already delivered domestically, or are currently actively working to implement within each functional area arising directly from CSR. It does not include more generic continuous improvement efforts that are ongoing.

Finance and Planning - PEFD

- 2.2 Retrenched a B1 post that led on financial systems. The upgrade to RASP and other financial systems changes will now be handled within the remaining cadre. Further cash savings will be achieved through closer management of certain corporate budgets managed by PEFD.

Business Services and Research Procurement - BSD

- 2.3 A range of improvements including: simplifying the research management arrangements, consolidating typing services in Bootle to better match resources to workload, retrenching a post by anticipating the reduced office support needs in the new MHQ. A total reduction of 9 posts has been achieved for 2003/4. Although not providing direct savings to RPD, BSD revised instructions on using the most cost effective air fares which is delivering average cash savings of £25k per month across HSE for the same travel.
- 2.4 Further savings will be achieved by better utilisation of existing office space to enable reductions to be made in the total estate holding as lease-breaks occur. Redeploying the MHQ project team and further rationalisation of support services, as the single new MHQ building is commissioned, will deliver further savings.

IS/IT and Business Improvement - BEU

- 2.5 BEU has been restructured from 5 B2-led sections to 4 as the REFIT arrangements have settled down. A reduction in 1 B6 post is also planned. These two posts retrenched are to be added to the 3 procurement posts that were achieved on the introduction of REFIT.

2.6 BEU have identified the significant costs drivers within the new contract - especially in the unitary charge that accounts for more than 50% of the total cost. A “top ten cost reduction/avoidance tips” has been published which will help drive down “core” costs over the life of the contract without impacting on quality. The CSR report - and the Board - accepted that options for reducing the quality and range of IS services was likely to be counter productive and should not therefore be adopted. This decision was reinforced by the Board decision in January 2003 to invest a further £2 million in corporate IS investments for 2003/4 and beyond to help deliver benefits/savings in other parts of HSE.

Personnel

2.6 CSR improvements have been mainly reorganisation of current teams to provide greater focus and synergies which make for more coherent service. There has been some marginal freeing-up of time and some reduction in posts. These changes liberate 1.5 posts. A more significant area for reducing resources to match a reduced demand is in the area of recruitment. A reduction of 3 posts is planned with 1 post already retrenched. Total planned reduction as part of CSR is therefore 4.5 posts.

2.7 A cash saving of £0.25 million has been made in the corporate learning and development budget which was regarded as a partial corporate “safety net” *i.e.* reasons could always be found for spending the budget but there were not always compelling business reasons for all the expenditure. It was judged the budget could be reduced without impacting on capability. For the future further reductions in the areas of equality and management information administration are being investigated with a potential for a reduction of a further 3 posts. If further reductions were called for Personnel would need to consider a reduction of 1xB1 in their top management team. No specific proposals for this is currently on the table.

Information and Promotion - DIAS

2.8 DIAS have a broadly based improvement programme including; terminating the graphics contract [saving almost £100k p.a.] as desktop IT tools can now provide self-service solutions for HSE staff, new technology within the print unit to both reduce machine costs and staff resources. Rationalisation of Records Management units and Information Centre resources in Rose Court have freed up space and the main service is provided from Bootle. The off-site records storage facility in London has also been terminated. As well as the significant savings in administrative costs 7 posts have been retrenched for 2003/4. Some savings were achieved from the periodicals budget but further reductions were resisted by end-users at the time. It is likely this option will have to be returned to in due course.

Internal Audit

2.9 Given the small scale of the IA resources [13 staff], and the fact it operates within an SLA agreed as part of market testing, no specific reduction were identified. Nevertheless IA are committed to ensuring the deployment of resources for maximum return and have a short to medium term challenge of adapting to the introduction of Business Risk Management [BRM] into HSE.

Next Steps

3 Towards more Radical Options

- 3.1 HSE are approaching the area of diminishing returns for reductions in corporate services that can be derived solely from within RPD or with the existing business model. A number of more radical options were included in the CSR report but these required Board endorsement for implementation within an agreed programme. Such a programme was not tabled for Board consideration at the end of the original CSR project. Some of those options, together with new ones, are now being more actively considered in the light of the revised CSR project.

CORPORATE PLANNING AND FINANCE: SOME ISSUES

Background

1. **Annex A** to this paper outlines the resources devoted to this work across HSE. PEFD data shows there to be around 17 Finance Managers in London and Bootle at grades ranging from Band 4 to Band 2.

Issues

2. Strengths of the current arrangement include:
- competent well qualified staff in PEFD;
 - “can do; will provide” approach of staff in D/Ds;
 - increasing awareness by all staff managing finance in HSE of the “corporate” role they have to play;
 - a track record (generally) of delivery in practice.
3. Weaknesses identified in earlier work and confirmed by this include:
- mixed competencies of staff required to do this work – particularly in D/Ds;
 - duplication of systems because of concern about the reliability of central data;
 - perceptions of repeated requests from “the centre” for the same information in different forms;
 - occasional lapses of control which though picked up, damage HSE’s reputation with Ministers etc.
 - a general view that our planning system is too complex and requires too much detail leading to micro planning and management.
4. Many of the issues outlined have long been recognised and actions are in hand to address the points. These include:
- substantial IT investment to update the RASP system;
 - similar substantial investment to create an IT based management information system for the Operational Directorates: COIN;
 - discrete projects to resolve/consider particular concerns – e.g. Brian Fullam’s work on the efficiency of the charging process in the permissioning regimes;
 - recently issued, comprehensive guidance on the planning system in the HSE

Next Steps

5. Several changes will be needed to address the concerns outlined, notwithstanding the need to improve our systems.

6. First, we need to build on the existing moves to higher level, more strategic outcome based plans with more detailed delivery plans existing only in D/Ds. The difficult negotiations surrounding SR2002 have exacerbated the problems this year, but should not distract us from this broad aim.

7. Second are issues of trust and changed relationships in relation to the role of the corporate centre and D/Ds in ensuring that resources are properly managed for HSE’s overall business needs. In short, we need to get better at embracing the HSE values of

trust, cooperative working and sharing of information so that those responsible for accounting to DWP and Ministers for HSE's use of resources have confidence, without double checking and "micro management" from without, that our resources are being used wisely. And staff in D/Ds need to feel confident to be completely transparent with colleagues when resources originally planned become no longer necessary for key business needs.

8. We also need to be clearer as to why D/Ds need their own dedicated resource and which functions could be provided – albeit locally – by "corporate" staff acting in both HSE's and D/Ds interest. Here, the essential distinction is perhaps between resource needed to develop future plans based on a professional view of the way in which a sector needs regulating or a policy should be developed or technology foresight pursued – guided by HSE's overall objectives and priorities – and management information needed in year to ensure a handle is kept on the resources being devoted to delivery and progress with meeting outputs and outcomes. Only D/Ds can do the former: the latter is probably most efficiently provided by corporate systems and staff.

Next Steps

9. Our vision for the future might be characterised by:

- Common corporate systems providing accurate and timely data – accessible to PEFD and D/D managers;
- Staff, both in PEFD and servicing D/Ds needs competent for the role they are required to perform – and with their role clearly documented and competence needs described;
- Understanding of HSE's resource management systems throughout HSE;
- Partnership working between PEFD and D/D's to achieve the resources to deliver HSE's aims.

10. Our planning arrangements will need to respond to the move to project working both within D/Ds and across D/Ds as HSE's objectives and increasingly delivered by discrete projects within an overall programme as envisaged by HSE's resource allocation project.

11. This vision might best be achieved by moving to arrangements whereby finance and planning staff responsible for in year monitoring and oversight information are regarded as a corporate resource – under the direction and guidance of the head of PEFD and D/Ds retain only the minimum staff needed to aid development of forward plans or cross cutting programmes and projects. **Diagram 2** illustrates the arrangements.

12. Inevitably clarity of roles will be crucial – and probably best informed by some process mapping down the finance and planning systems so that HSE better understands its business in this area.

Diagram 1

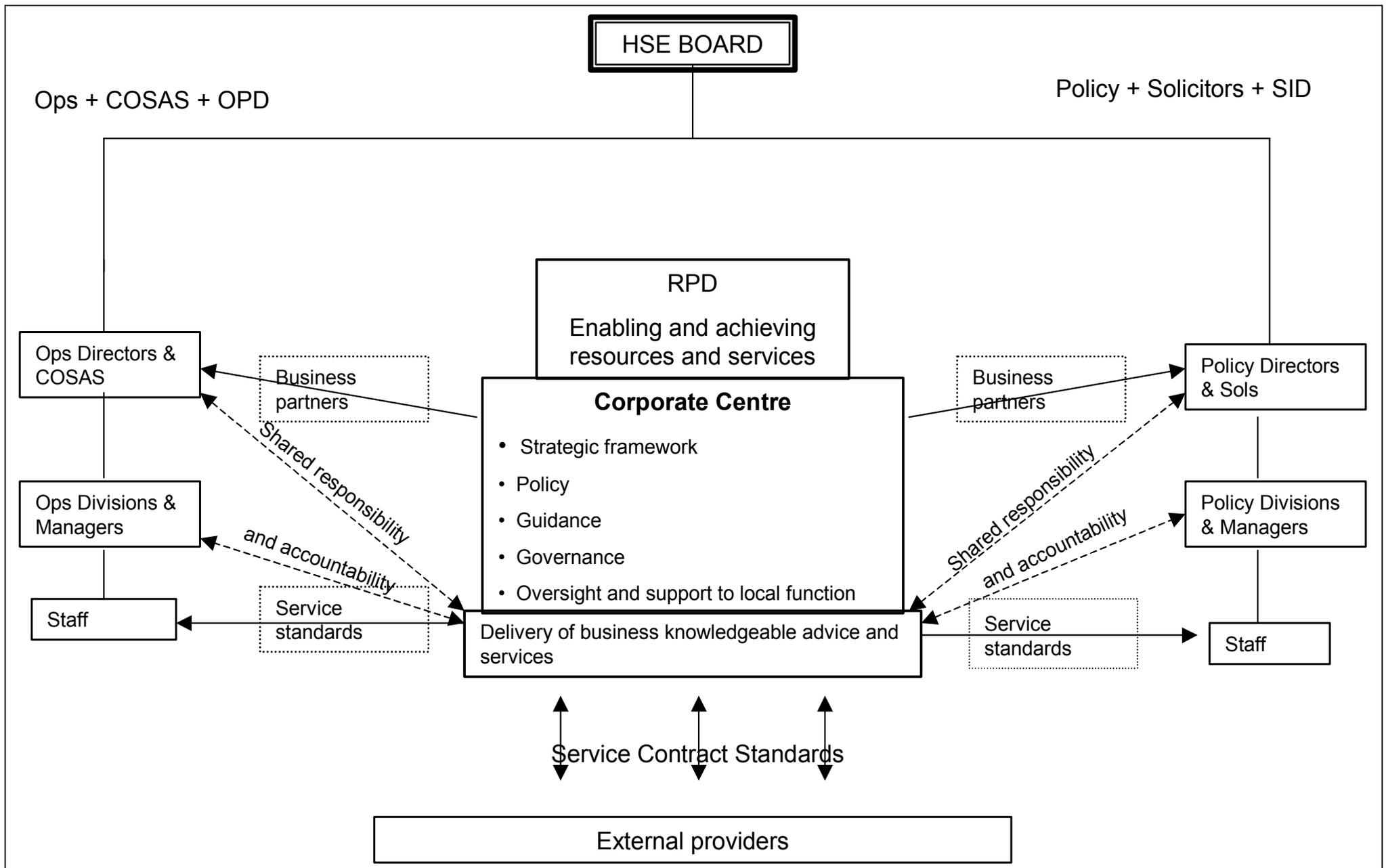
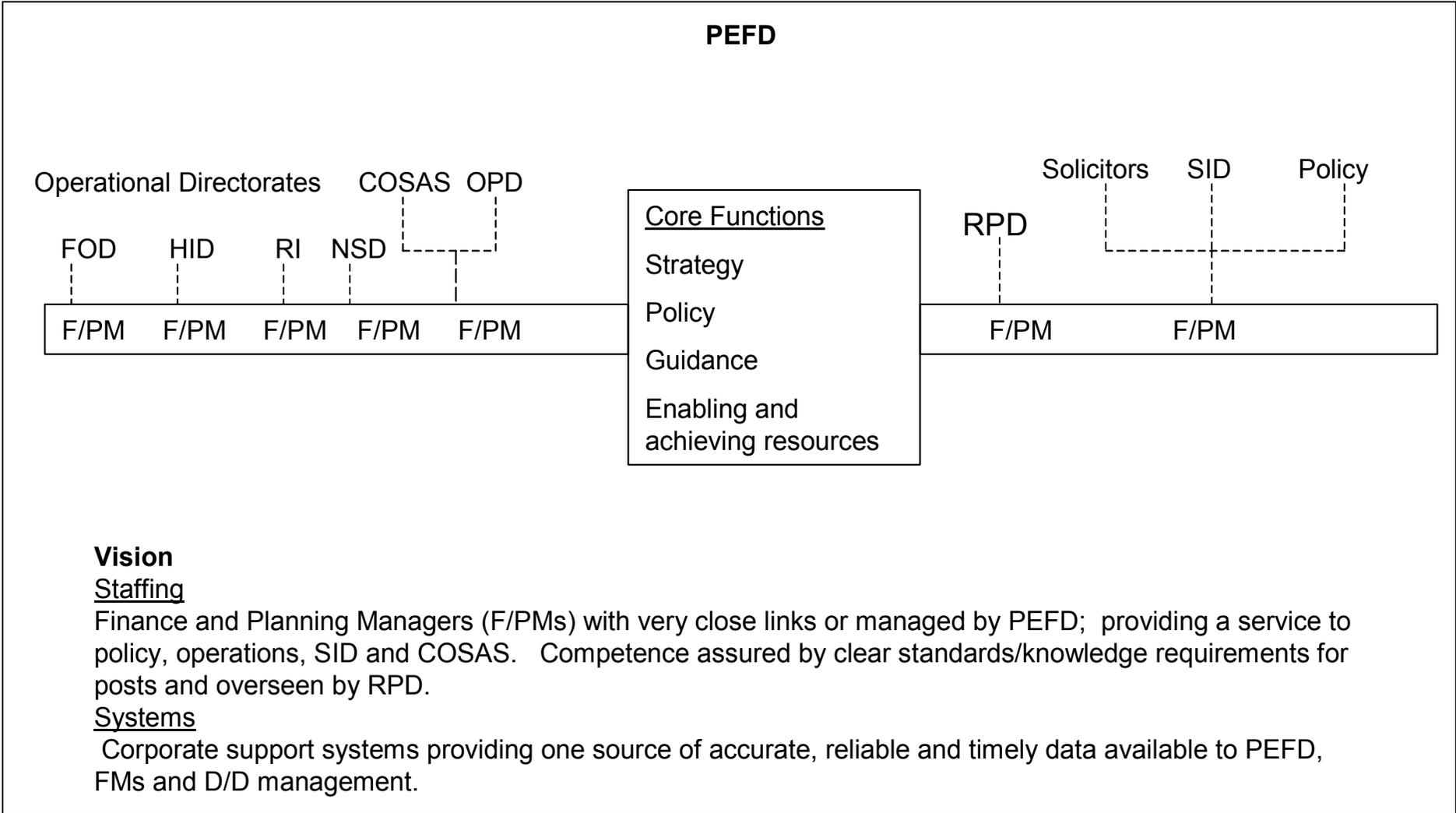


Diagram 2



HUMAN RESOURCE MANAGEMENT

Background

1. **Annex B** to this paper shows that RPD plan to have around 112 staff in the personnel function in 2003/04. Estimates of the number of staff involved in this work in D/Ds vary but information collected for this exercise suggest it might be in the order of 76.

Issues

2. The size of the resource is in response in part to the devolution of functions to D/Ds in 1995 and thereafter. However, in practice, there has been a build up of resource, which has led to concern about :

- “post boxing” of messages;
- duplication of activities – or certainly a lack of clarity of roles and responsibilities;
- perhaps at times, an over reliance by line managers on Personnel when dealing with case work;
- “second guessing” of Personnel’s advice in D/Ds.

3. PD have worked hard over recent years to address concerns raised. Developments include the Personnel Helpline; regular conferences of practitioners to exchange information and share plans; comprehensive guidance on the Intranet to helpline managers.

4. Clearly, in any changed arrangements, there will need to retained a core of staff in D/Ds – or servicing D/Ds – to help senior staff manage the deployment of human resources as well as to ensure that HSE’s development in key areas such as liP; equality etc., continues. The key question is what shape should our future arrangements assume if we are to continue to deliver effectively – but become more efficient.

Next Steps

5. If there is general agreement on the issues at para 2 to be addressed, our vision for future arrangements might be characterised by:

- a tight policy/strategic core, responsible to HSE’s overall objectives;
- a “people services” function, responsive to the needs of D/Ds and designed in partnership working to provide line managers with day to day support services;
- minimum staffing retained in D/Ds to manage deployment and those functions best carried out locally;
- competent staff – in both PD and D/Ds – working closely together to support the business and D/D needs;
- arrangements which show clear lines of communication and clearly laid out roles and responsibilities.

6. It will be essential in the further development of our arrangements to ensure we don't lose the many good parts of the existing systems:

- PD staff with a knowledge of HSE's business;
- mechanisms for developing personnel policies which involve staff across HSE;
- A personnel directorate with committed competent staff.

7. As well as continuing the practice by PD of involving staff in D/Ds in developing HSE's personnel policies, our arrangements will also need to ensure that PD is involved as early as possible in key decisions by D/Ds which affect human resources management. This will be essential as we move towards project based working of staff across HSE to deliver HSE's objectives across priority programmes.

8. Also key will be to re-examine which functions might best be delivered centrally and which in D/Ds. As with the finance and planning issues, against the guidance in the Personnel Handbook and the work proposed elsewhere on health and safety and training, this might be best informed by some mapping of our processes in this function.

INTERNAL AND EXTERNAL COMMUNICATIONS

Background

1. DIAS' business has been scrutinised and reviewed on a regular basis over the last decade and intensely in the last six or seven years through:

- Market testing
- Prior options reviews
- Business improvement programmes
- Quinquennial review
- Corporate services review 2001-02

2. At the CSR, ten areas were identified where savings and economies might be made. But after piloting, four were not pursued. The actions which were taken resulted in savings of some £633k and a reduction of seven [7] staff (net five [5] because two posts were transferred in from BSD). In addition, the migration of all Records Management work to Bootle and the downsizing of the Rose Court Information Centre produced some corporate savings to the estate (managed by BSD) and enabled staff from St Dunstons and HQ to be accommodated by using the space released in Rose Court. (**see Appendix 1**)

3. Some further minor reductions were identified in APE2002 amounting to about five or six posts in 2003-04 and the potential to move some minor expenditure from GAE to programmes.

4. Within the last five years, DIAS has absorbed the Records Management Unit into the Information Services team with the addition of 18/19 staff transferred from BSD, and had embarked on a major EDRM project. The European Agency Focal Point was established. The HSE web site and Intranet have grown from marginal parts of the business to major functions in internal and external communications. Electronic products, including CDRoms, and the development of *hsedirect* with Butterworths Tolley are major initiatives which did not exist five years ago. None of these additional functions require large amounts of programme money but all require a significant amount of commitment, skill and dedicated resource.

5. The Press Office was centralised into a single unit in Rose Court. The migration of posts from Sheffield as vacancies arise will continue until the Sheffield Information Centre is no longer viable and work will be managed from a Knowledge Centre in the new Merseyside HQ. Contracting out of HSE Books and HSE Infoline changed the business dynamics in publishing and enquiry handling, and provide efficient, cost effective and high quality services to the public.

6. Underpinning all of this business management is an effective, competent DIAS F/P function which is responsible for in house pay and rations and monitoring revenue and expenditure.

Issues

7. The core responsibilities of DIAS are based on Section 11(2)(c) of the HSW Act 1974 which requires the Commission to provide for an Information and Advisory Service. DIAS key tasks are to:

- manage the reputation and image of HSC/E as expert and independent professional bodies;
- to raise public awareness of health and safety issues;
- to promote key messages and provide information through a sustained programme of publicity, information and publishing, engaging with and influencing stakeholders and others.

8. Their work programme is determined largely by Divisions and Directorates and by Priority Programmes, Major Hazards and Mandatory Activities. Their key role is to *add value to communications*, managing HSC/E's reputation and information products, and providing communications channels for HSE to reach its customers and stakeholders. **Appendix 2** shows how DIAS is split to deliver this work.

9. Separate work led by Kate Timms is already in hand to consider how the generation and corporate ownership of HSE's key messages and communications strategy is taken forward. With regard to delivery of the messages and communications, a number of issues have been identified during this stage of the CSR:

- the amount of resource able to be devoted to managing HSE's reputation;
- the vehicles currently used for getting HSE's messages across (is our "product mix" right?);
- the role of DIAS in managing internal communications;
- the importance given to communications issues in D/Ds;
- whether DIAS is the appropriate part of the organisation to manage/deliver some of its current functions.

10. Many, including the Head of DIAS, believe that there is general recognition that HSC/E must position its communications more strategically and centrally if we are to strengthen our collective ability to inform, persuade and position ourselves positively. Communications must be integrated into every policy and operational activity, and not regarded as at best an "add-on"; indeed the overall approach we adopt to communications is a strategic issue. HSE communicate extensively through our staff at all levels as well as through our more formal communication products therefore all of our staff, and most particularly our front line staff, should understand their role in communicating HSE's key messages to those with whom they come in contact and be better empowered and equipped to do so. DIAS also believe that communications "products" (publications, internet etc) and messages should become much more responsive to customer demand rather than 'supply led', ie the bi-product of some other activity such as the development of regulation or a research project, and the whole set within a communications strategy agreed at Board level.

Next Steps

11. What emerges are three distinct tasks:
 - the need for a review of the current communications delivery mechanisms and functions which are managed by DIAS to see if the mechanisms support the wider communication aims and to confirm or not that DIAS is the best part of the organisation for managing the current range of activities;
 - completion of the analytical work being led by Kate Timms in respect of HSE's communication;
 - arising from the above, the need to scope a post to lead HSE's communications

12. Two further questions also arise:
 - should we press on with the review of DIAS business and functions at this stage or wait until the scope of the post of communications lead is defined and an appointment made; and
 - should we carry out the work internally (led either by the head of DIAS or an SCS member) or should we get a fresh view from consultants (e.g. Star Alliance).

13. A Board steer on these issues would be helpful.

Progress against existing RPD plan of efficiencies in CSR 2002

Ref	Change area	Saving	Action
INF01	Do not retender Snapz graphics contract	£98k savings in 2002-03 including 1xB6	Action completed
INF02	Review of periodicals budget	Review completed; over 50 titles cut and about £60k a year saved - but well short of estimated £250k	No plans for further action in the immediate future; vociferous resistance from top to bottom; new contract let
INF03	Restructure Bootle Print Unit - move out of litho print into reprographics	3xB6 staff redundant in July 2002; saving of about £100k annually	Action completed
	Reprographics Unit in Rose Court managed by BSD transferred to DIAS	2 additional staff on DIAS cadre from BSD; additional payroll costs	Action completed
INF04	Outsource 'out of hours' duty system	Total cost of service about £65k pa; potential to save about £25k pa	Not completed; review of emergency and out of hours not completed. OPD unwilling to take on responsibility. Awaiting results of Alun Williams review. Ongoing.
INF05	Combine common elements of publicity and publications marketing	Not feasible - pilot proved that this was not practical - no savings and it didn't work	Abandoned
INF06	Migrate Rose Court Records Management Unit to Bootle	Centralised service in Bootle using spare capacity in Cherry Lane warehouse; three B6s in Rose Court transferred internally; B5 medical retirement; saving £100k pa plus substantial estates savings to BSD	Completed summer 2002
	Migrated files from	Centralised service in	Near completion - 3xB6

	MoD storage in Hayes	Bootle; avoided extra annual cost of £100k on completion of PFI	agency staff weeding and boxing before filing - March '03 completion
	Migrated files from numerous outsources	Centralised service in Bootle; avoided costs for FOD but savings outside DIAS budget; additional costs fall to DIAS	Near completion - 3xB6 agency staff weeding and reboxing before consolidation and filing
INF07	Close Rose Court Information Centre	Closure not feasible but staff reduced by plus space savings to BSD	Completed - now runs with 1xB4 and 3xB6 staff, and with much less space
INF08	Cut Business Development Team (IAS6)	Limited benefit	Not feasible because of contractual obligations
INF09	Cut print budget	'Saving' of £200k - not implemented; £175k budget reduction imposed by MYR	Not practical
INF10	Cut publicity spend	Demands were 75% above budget; managed down; 85% of spend on Priority Programmes	Not practical

Organisation of DIAS:

- ☺ **Press Office** (London): all media and press contacts, press enquiries, press releases, press conferences and media events, cuttings, monitoring and evaluation
 - *14 staff and a programme budget of £550k (mainly for the regional GNN and News Distribution, media monitoring and evaluation)*
- ☺ **Publications** (Bootle): produce, distribute and market all HSC/E publications, free and priced; approve 'Business Cases' with in-house design/editing and print buying capacity; produce over 500 new and revised publications each year - including guidance, legal publications, research reports, leaflets and newsletters
 - *34 staff, a programme budget of £4.5 million - half goes on storage and distribution (Prolog) and the other half on production, mainly printing, generating £5+ million revenue annually on a full cost recovery basis*
- ☺ **Publicity and Promotions** (Bootle): manage corporate identity and image; promote HSC/E and its messages via advertising and publicity campaigns, conferences, shows, exhibitions, films, videos and campaign evaluation
 - *11 staff and a programme budget of £3.3million; over 80% of spend supports Priority Programmes*
- ☺ **Information Services** (Sheffield, London and Bootle): manage the Information Centres in Sheffield, London and Bootle to provide HSE staff with up-to-date information on technical, medical, scientific and technical matters; manage HSE's Records Management Unit and Language Services
 - *42 staff and a GAE budget of £1.1million - half on periodicals with stock, translations and online services accounting for the balance*
- ☺ **Business Development Unit** (Bootle): manage hsedirect, a product developed in partnership with Butterworths Tolley to provide all primary and secondary legislation, and related guidance on a database accessible on-line; development of electronic products including CD-ROM; and, the e-commerce web site
 - *9 staff and a budget of £400k*
- ☺ **Internet communications** (Bootle and Sheffield): manage the Open Government web site and HSE's Intranet; InfoLine, HSE's Contact Centre which handles telephone, written, fax and e.mail enquiries; acts as the UK Focal Point for the European Agency
 - *15 staff and £1 million budget, £850k is accounted for by HSE Infoline*
- ☺ **Financial Planning and Accounts** (Bootle and London): produce DIAS Business Plan, manage and monitor expenditure and receipts, prepare quarterly and annual accounts; manage HSE's Print and Reprographics Units in Bootle and Rose Court
 - *16 staff and an operational budget of £350k*

HEALTH AND SAFETY MANAGEMENT IN HSE

Background

1. Development of the corporate approach to health and safety is led with RPD, PD by HSE's Health and Safety Unit. Currently, this is staffed by a Band 2, Band 4, Band 5 and Band 6. Day to day management of health and safety risks is left to individual D/Ds and line managers within them.

2. It is estimated that there are:

- At least 37 people fulfilling the role of H&S coordinator or manager;
- Around 25 H&S committees;
- 50 approx health and safety supplements across the D/Ds in addition to the main policy; some of these are out of date.

Issues

3. Matters raised in discussion – or by colleagues in HSU – include:

- limited resources in HSU to proactively monitor HSE's compliance with our safety policy;
- the large number of H&S coordinators;
- related to the above, the competence of the H&S coordinators;
- the number of H&S committees;
- apparent duplication in preparation of H&S supplements to our policy by D/Ds;
- an overall concerns that despite the structures and resources devoted to this work, we may not be effectively addressing real risks.

Next Steps

4. The matter is already on the agenda of the HSE main H&S committee and solutions to the perceived problems include:

- moving to a geographical approach for health and safety committees with D/D committees only for specific issues;
- more corporate development of supplements;
- reduced numbers and frequency of meetings;
- ideas of short term project teams to audit specific aspects of HSE's risk management;

5. Some of these changes have the potential to release significant resource if pursued. For example moving to one H&S coordinator per site might release about 8 FTE staff at Band 4 level. Further work is needed to see how far it is realistic to pursue these changes.

TRAINING, LEARNING AND DEVELOPMENT

Background

1. The precise figure in terms of annual T&D spend is not known. Similarly, the staff resource that goes into training management & delivery is not known. HSE does not collect or publish corporate level figures for this information.
2. Our current best estimate is provided by the figures within the Corporate Support Review (Oct 2000). This report concludes that:
 - £5.957 million was spent annually on T&D/liP @ £1,420 per head.
 - 56 full time equivalent staff are employed across HSE in the management of T&D arrangements (this excludes line managers & staff working in specialist units such as FOD Sectors). The corresponding salary cost was £1.641 million; this represents 26% of HR resource across HSE. To put it another way, it costs HSE £391 per head to operate the current management of T&D activities.
3. The current list of staff involved in HR training functions – the D/D training managers list – includes 62 staff.

Issues

4. Training and development is delivered by a number of means:
 - on the job developmental activity;
 - specified “one off” training courses externally provided;
 - internally developed training packages or modules;
 - standing courses, required to be completed (e.g. Harriot Watt University Occupational Health & Safety Diploma).
5. The current arrangements where each Directorate operates as an independent business unit, setting and controlling its training strategy, priorities and delivering carries two main consequences: it is very difficult to determine the overall, corporate picture of T&D in HSE – and whether it is properly contributing to HSE’s corporate aims; and a number of inefficiencies and duplications inevitably arise
6. These later problems include:
 - duplication of training records etc.; incompatibilities between systems; incompatibilities with PARIS;
 - a piecemeal approach to contract letting and management;
 - failing to gain best value from training undertaken – central and shared information is poor;
7. Perhaps most importantly, the principal weakness of the system is the lack of a corporate strategy, corporate business priorities and corporate accountability to produce the flexibility of system needed to deliver outcomes: HSE’s vision of an innovative and learning and professional organisation.

Next Steps

8. The current work and analysis suggests an in depth review of T&D in HSE is warranted to ensure we are delivering what we want, to the people we need to in the most effective and efficient way. Key elements of a vision for the future might be:

- minimum number of people involved in training management;
- clear definition of roles and responsibilities throughout;
- single designated “owners” for HSE for our key training strategies;
- more emphasis on demonstration of competence rather than focus on activity;
- as part of reducing the number of people involved and clarifying responsibilities and functions, delegation of authority to lowest level practical.

9. Key to success will be to ensure HSE’s learning activities are directed and accountable to the HSE Board so that the Board can confirm the overall strategy and direction.