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HEALTH AND SAFETY EXECUTIVE

The HSE Board

Programme Working, Resource Allocation and the Planning Process

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Cleared by Kate Timms on 22 August 2003

Issue

1. Planning for the delivery of HSC's new Strategy.

Timing

2. Urgent, the new planning and resource allocation process will be radically different; we need to agree, implement and communicate the changes to enable an effective transition.

Recommendation

3. The Board is asked to:
 - Note the pragmatic approach to Strategic Programmes, - a mix of programmes, projects and activities, managed as a whole, to deliver a defined target or outcome,
 - Note core activity includes only that essential work we have to do,
 - Decide where certain activities sit within core or programme,
 - Note the iterative nature of the resource allocation process requiring business judgements based on business cases,
 - Note the planning process will be driven by the HSC Strategy, with Programme Directors giving a top down direction focusing on delivery of the targets,
 - Note the accountabilities for delivery of outcomes will be via the Programme Directors and the Delivery Board and for delivery of outputs will be via the functional management route.

Background

4. The Board has already agreed to the programme working (Board paper B/02/50c, 2 November 2002) and resource allocation principles (Board paper B/03/40, 2 July 2003). The Director General in his note dated 23 July identified the Strategic Programmes and Programme Directors. They are:
 - Major hazards – Nick Starling
 - Priority health and safety hazards – Sandra Caldwell
 - Priority sectors – Adrian Ellis

- Other hazards and sectors contributing to PSA targets – Sandra Caldwell and Adrian Ellis (to propose how to divide responsibility for this programme)
- LA enforced sector – Phil Scott

The Board will be taking linked papers on the Strategy and the Management of Business Improvement and Change at the 3 September meeting.

Argument

5. The overall public spending environment for the next Spending Review is one of “delivery within existing resources” and efficiency drives to deliver increased productivity. We need to recognise this in managing our delivery, in particular planning, prioritisation and resource allocation.
6. This paper does not refer directly to planning for developing the SR 2004 Submission, whilst the basic approaches are very similar, the timescale for the Submission is much shorter and the level of detail much less. We are working with the Strategic Programme Directors separately to develop the planning process for the Submission.
7. The Treasury has stated the allocations for 2005/06 will not be revisited in SR 2004. We can now plan and allocate resources for 2004/5 and 2005/6 in the forthcoming planning exercise.

Programme Working

8. Annex 1 “Programme and project working” explains the approach to programmes. For our purposes we have taken programme working to be a means of the co-ordinated management of our activities to deliver a change. Achieving defined targets or outcomes could indicate delivery of the required change but they may not necessarily be the sole indicator of delivery of the required change.
9. Our five Strategic Programmes may include sub-programmes (e.g. the priority programmes); they may also include other projects and ongoing processes provided these could be truly shown to be contributing to the relevant target.
10. Programme Directors will be responsible for developing Strategic Programme plans and monitoring/challenging delivery of the plans.
11. Not all we do can be cast into programmes, we have a series of core activities that are necessary to the functioning of HSE’s business or have external stakeholder expectations/demands so great that they cannot be stopped. Core work comprises two broad elements:
 - ‘must have’ areas of expenditure which are the minimum needed to provide the infrastructure for running the business; and
 - inescapable work that HSE must undertake.
 - ❖ ‘certain statutory and political imperatives’;
 - ❖ corporate services (e.g. personnel, planning and finance), and
 - ❖ enabling functions (evaluation, research, legal advice, statistical etc).

‘Statutory and political imperatives’ fall into two categories; those activities where HSE is obliged (e.g. legally required) to do something; and those activities expected by stakeholders. Some may contribute to delivery outcomes e.g. complaint and accident investigation, they could be considered to be programme or core. How much core activity we choose to do is to a certain extent within our discretion.

Annex 2 is an illustrative list of most of the contents of the programmes and core activities; it is not a consensus list, some of those consulted have different views on certain elements.

The Board is invited to decide where the various elements core and programme would be best managed.

Resource Allocation

12. A simple, straightforward resource allocation is not possible, we cannot make step changes; our present resource, principally staff, is committed for the future. It is not possible to easily implement short-term decisions on major changes in direction. Our work is through staff, to do different things we may need to reskill and this takes time. Any resource allocation process has to be an iterative process starting with the “must haves and inescapables” but we must take note of existing “contractual commitments and the potential for introducing new commitments.
13. The allocation process starting point will be “what will be delivered”; it will be based on business cases for programmes and justifications for core activity. The base assumption is that core activity will be optimised to free up resource for delivery of the programmes. The main Budget holders will challenge the plans for core activity to ensure that we are doing the right amount of right things in the most efficient way.
14. Plans for Strategic Programmes will need to show we have the best mix of activities and projects to ensure at least full delivery of the targets. Annex 5 is a draft business case template for planning purposes. The Delivery Board taking note of the information/evidence provided to them from the planning process will make decisions on resource allocation.
15. We do not yet have all the evidence we need to objectively direct decisions on resources. We will have to make business judgements to ensure we have a balanced and effective business. Making business judgements will drive us to improve the evidence on what works, evaluation will be a key element of each programme.
16. Income generation will not initially direct plans and resource allocation, however PEFD will need to consider the impact of the plans on income generation and advise the Board. It is possible the impact on income may require a modification of the plans.
17. Planning guidelines will be developed to give advice on preparation of business cases and the criteria that will be used in the analysis, review and challenge process to both programmes and core activity.

The Planning Process

18. The planning process will cover the years 2004/5 to 2005/6 - we have our settlement confirmed for these years. The new HSC Strategy will direct the planning for these years.
19. The main steps in the planning process are:
 - HSE Board sets direction on planning, based on new HSC Strategy, with targets for both the Strategic and the Change / Business Improvement programmes
 - Programme Directors develop Strategic Programme plans with associated resource requirements
 - Directors and Heads of Divisions develop plans for core activities, again with resource requirements

- Change/ Business Improvement Programme Board develops plans again with resource requirements
- Delivery Board reviews/challenges and eventually agrees Strategic Programme plans
- Main budget holders review/challenge and agree plans and resource allocation for core activities.
- HSE Board/Commission review/challenge and agree the overall business plan
- Main budget holders allocate resources to Directors and Heads of Divisions with delivery agreements
- Plans for 2004/5 - 2005/6 will be collated and published.

Annex 3 is a scenario, with a timeline, for the Priority Hazards Strategic Programme planning process.

Accountabilities

18. The following are accountable:

- Delivery Board to HSE Board, HSC and Minister for delivery of PSA targets
- Change/ Business Improvement Programme Board to HSE Board for delivery of benefits realisation targets
- Programme Directors to Delivery Board for delivery of programme targets, (outcomes), preparing programme plans and monitoring/challenge of delivery of the strategic programmes
- Directors and Heads of Divisions to main budget holders (via functional management routes) for delivery of outputs, via delivery agreements

Annex 4 shows these accountabilities.

Consultation

20. SID and Programme Directors on the principles of the paper

Presentation

21. We will develop a communication package to explain the planning process to staff; the messages will be linked to those being prepared on the Change Programme and the Strategy.

Financial/Resource Implications for HSE

22. This paper is about the best use of resource with in HSE.

Other Implications

23. The process should provide assurance to DWP and Ministers and set the framework for future operations.

Action

24. The Board agree PEFD/SID develop planning guidelines for the detail of the planning process in consultation with Directors and Heads of Divisions and the planning community.

Contact Tony Mulhall, PEFD VPN 522 6071

Annex 1

Programme and project working

Issue

1. To update the Board on the work of the Developing and Embedding Programme and Project Working programme (DEPP).

Timing

2. In the course of business.

Recommendation

3. That the Board note the work on Programme and Project working that has already taken place, the principles so far agreed and the plans for ongoing work.

Background

4. The Board agreed to secure future delivery through programme and project working across organisational structures on 6 November 2002. The overall success of SID, the new policy capability and delivery of benefits was noted as being dependent on the establishment of Project and Programme capability in HSE leading to successful programme management. SID was asked to take this forward and to frame a suite of coherent strategic programmes.
5. The DEPP Programme was agreed by the Change Board and will introduce programme working to enable HSE to deliver its strategic objectives. Kate Timms is the Senior Responsible Officer.
6. The DEPP programme started in June 2003 with a Preparation Stage lasting approximately 6 weeks. During the Preparation Stage, a plan was drawn up for the remainder of the programme, divided into two further stages. The first of these (the current stage) will define the new structures, processes and procedures. The second will test these in a pilot, to prove and refine the programme working method prior to a wider roll-out, expected to begin in January 2004.
7. The DEPP Programme Board met on 18 July 2003 to consider the products of the Preparation Stage. These were accepted and Stage 2 commenced (see appendix A).
8. The DEPP Programme Board requested particularly that existing good practice and experience of programme working in HSE should be taken account of. They also agreed the suitability of Construction as a pilot programme. Minutes of the meeting are available if more information is required. The Board will meet again at the end of September to approve commencement of the pilot stage, and then again in December to assess readiness for roll-out.
9. The introduction of programme working is linked to the ongoing planning process, with initial assessments of resource allocations being aligned to the Strategic Programme areas.

Argument

10. The HSE Change Programme aims to enable HSE to bring about improvements in Health and Safety through adopting new, improved ways of working. HSE is also responding to the Government's reform and delivery agenda, the Office of Public Sector Reform (OPSR) report on Improving Programme and Project Delivery, and the Cabinet Office agreement on Government good practice.
11. The overriding vision of the DEPP programme is to:
 - enable HSE to turn mission, vision and strategy into coherent programmes of work;
 - enable the allocation of resources to programmes according to their priority;
 - implement effective management processes to assure delivery;
 - increase the confidence of Ministers in HSE's ability to deliver our PSA targets.
12. As part of these new arrangements, a new Delivery Board has been created to oversee delivery of targets. As a subsidiary (and subset) of the HSE Board, it is concerned with ensuring that the finite HSE resources are allocated and managed in such a way as to maximise the improvements which can be achieved in the target areas.
13. The Delivery Board will divide the overall target improvements between newly defined Strategic Programmes. These were set out, together with the Director responsible for each, in Timothy Walker's minute to all Board members dated 23 July. Each Strategic Programme (and each Strategic Programme Director) will be accountable for delivering their allocated component of the overall target. The aggregate of all the components must at least equal the overall targets. Strategic Programmes will be expected to report performance against their assigned portion(s) of the overall targets (see appendix B and C).
14. The Strategic Programme Directors met on 12 August to consider their responsibilities and how best to work together.
15. The Board in its consideration of the work of the resource allocation project agreed to consider whether the work of HSE should be divided into 'core' and 'programmes' activities. Work which contributes to the RHS/PSA targets will be programme work and will be overseen by the new Delivery Board. 'Core' activities are necessary to the functioning of HSE's business or have external stakeholder expectations/demands so great that they cannot be stopped.
16. Evaluation needs to be integral to every programme that is undertaken. Evaluation activities will be reviewed at programme initiation to ensure that adequate measures are included to manage the work's progress and success.
17. It is not proposed to change the overall structure of the HSE Directorates to accommodate programme working. In response to the review of core and operational policy a new core structure was created with the aim of better serving programme working. It is also not suggested that staff transfer permanently to Strategic Programmes. Programmes by their nature have start and end points and evolve through their lives to take on different forms and structures, and it is, therefore, inappropriate to treat them as 'homes' for staff.

18. Programmes will be managed on a matrix basis. Business cases for all programmes as appropriate will be accumulated at the Strategic Programme level. Strategic Programme Directors will submit their business cases to the Delivery Board for approval. The Delivery Board must satisfy itself that the programme costs are worth the anticipated return and that the resources can be made available as requested. Approval of a programme's business case is therefore not simply an authorisation for the Strategic Programme Director to initiate the programme as proposed, but also confirmation from the Delivery Board that the requested resources will be made available.
19. The Delivery Board is due to meet for the first time on 2 September, to agree its terms of reference and to agree ways of working going forward. A verbal update will be given at the HSE Board meeting on 3 September.

Contact

20. Marion Cast: 020 7717 6293

Annex 2

Illustrative list of activities

Strategic Programmes

Major hazards

- Safety case regime
- Planned inspection programme
- Incident/complaint investigation
- Policy work
- Research
- Advice and guidance
- Work with third parties/stakeholders
- Evaluation

Priority health and safety hazards

- Stress, MSD, falls from height, workplace transport, slips and trips
- Planned inspection programme
- Incident/complaint investigation
- Policy work
- Research
- Advice and guidance
- Work with third parties/stakeholders
- Evaluation

Priority sectors

- Agriculture, construction, health Services and Government as an exemplar
- Planned inspection programme
- Incident/complaint investigation
- Policy work
- Research
- Advice and guidance
- Work with third parties/stakeholders
- Evaluation

Other hazards and sectors contributing to PSA targets

- Programme yet to be developed, possibly around the following interventions:
- Planned inspection programme
- Incident/complaint investigation
- Policy work
- Research
- Advice and guidance
- Work with third parties/stakeholders
- Evaluation

LA enforced sector

- Programme yet to be developed

Other Programmes

Delivering the benefits/efficiency gains from the Change/business improvements

Existing and new projects

Managing our Reputation

Programme yet to be developed

Core Activity

'Must have' infrastructure costs

Accommodation rent

Accommodation running costs (heating, lighting etc)

Office furniture

Provision and maintenance of basic IT equipment (not system development)

Telephone network

Consumables

Inescapable work – corporate services

Planning

Finance

Personnel

Procurement

Estate management

Inescapable work – enabling functions

(Some) research

Evaluation

Legal advice

Statistical services

Horizon scanning/intelligence gathering/Strategy development

Longer term issues – e.g. occupational cancers

Inescapable work – statutory and political imperatives

Statutory

Major incident investigations

Non major hazard licensing/permissioning regimes e.g.–asbestos licensing, NONS and ESR

Stakeholder expectations

Accident and complaint investigation

EU directives, Work with ILO OECD etc

Modernising government/links with Whitehall

A Scenario for Programme Planning: - using Priority Hazards as an example

1. The Strategy will be set by the HSC, the planning process will follow the Strategy.

23 September.

2. The Delivery Board will set “predicted” ambitious targets for 2007/8 with an interim milestone for 2005/6. The targets will be firmed up when resources have been allocated. (January 2004 for the years 2004/5 and 2005/6 and after the SR 2004 settlement for 2006/7 and 2007/8)

September

3. The Delivery Board and Programme Directors will agree targets for the Hazards programme (and possibly discuss options for programme strategies?)

September

4. The Programme Director will develop a programme strategy for 2004/5 – 2007/8. The Strategic Programmes will focus on delivering within existing resource including efficiencies. New projects may be needed to supplement the existing Priority Programmes, the Programme Director will identify and prepare plans for the new projects.

September

5. The Programme Director will set targets for each of the Priority Programmes and give a steer on a review/extension of existing priority programme strategies again to align with the HSC strategy.

September

6. Priority Programme Managers will review /update strategies and develop programme plans to implement the new strategies; ideally they would specify the projects and ongoing work streams, how much resource would be applied and how much impact would be expected.

September/October

7. Reality dictates top down will meet bottom up planning here. The priority programmes are well established. The priority programme managers will discuss with Directorates (FOD, HID, NSD, RI, Policy Group, RPD) their contribution to the priority programme strategy.

September/October

8. Priority Programme Managers will develop a PP plan (2004/5 – 2005/6) and an overall business case (with resource requirements) setting out the best means of delivering the target, neither under nor over delivering on the target

October

9. The Programme Director will consider the PP plans looking for linkages, overlap, duplication and gaps.

October

10. The Programme Director will develop a costed Strategic Programme Plan based on Priority Programme and any additional project plans for submission to the Delivery Board.

October

11. The Delivery Board will review all 5 strategic programme plans to ensure full and effective delivery of the “PSA” targets.

October/November

12. The HSE Board/Commission will review business cases and proposed plans. They will agree plans and resource allocations for 2004/5 and 2005/6. This process will inevitably be an iterative process to ensure affordability and practicability in terms delivery of the targets/HSC Strategy. It will consider the impact on existing and longer-term commitments and impacts on income generation.

November/December

13. Agreed plans and resource allocations with delivery commitments will feed down, from the Board/Commission, to Directorates. D/Ds will produce operational plans for 2004/5 and 2005/6 setting out the delivery commitments (inputs and outputs) to the programmes – accountability for delivery of outputs will be via existing functional channels.

February 2004

Accountability of Programme Directors for delivery

14. Programme Directors will be held accountable for delivery of outcomes – i.e. developing the right plans and monitoring their delivery. Where plans are not delivering the outcomes for whatever reason Programme Directors will consider modifications to the plans and where necessary will advise the Delivery Board, especially where resource re-allocation may be necessary between strategic programmes or between programme and core activity.