

Health and Safety Executive Board Paper

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HEALTH AND SAFETY EXECUTIVE

The HSE Board

Development of the Balanced Scorecard for HSE

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Issue

1. Further development of the Balanced Scorecard.

Timing

2. Urgent – to be in a position to start using the scorecard in April the Board's views on the approach proposed at annex 1 are needed now.

Recommendation

3. That the Board
 - Provide views on the proposed approach to the HSE Balanced Scorecard at annex 1, developed following previous Board discussions;
 - Consider how current Board and D/D performance management and reporting systems can be aligned with the Scorecard; and
 - Agree the further work necessary to prepare the detail of the measures and arrangements to underpin this high level scorecard.

Background

4. The Board last discussed the Balanced Scorecard in October. At this meeting there was a strong steer that to be useful the scorecard should focus on a small suite of high-level indicators, which supported the strategic management of HSE, underpinned by

relevant performance information that would alert the Board if the strategy were going off track.

5. The attached high-level scorecard reflects those discussions and highlights those areas of work that the Board must keep track of to be confident HSE is delivering the strategic plan, building and improving its capability, and protecting its reputation.

Argument

6. The four areas of the latest scorecard cover the key aspects of HSE's activity; or what we must do to deliver our mission and to continue this in the future. **Delivering the mission** remains central to what we do and focuses on outputs and outcomes. **Managing resources** concerns how well we manage and deploy the resources we have to deliver the mission and how well we motivate and look after staff. **Continuous improvement** is about what we are doing to provide leadership and to develop our capability in a changing world and using new ways of working to achieve this. **Reputation** reflects where we are now and what we must do to raise our profile, influence others and to become the "trusted champion" of health and safety, which is central to the recently developed Board vision.

7. There are 14 high level indicators, which reflect the key aspects of the Business Areas. Described above. Some aspects of our strategy are not reflected at the highest level but would contribute to supporting performance information as described in annex 1. There may be a case for including one or two additional indicators at the highest level, for example, should Business Risk Management (BRM) be a top-level traffic light under (eg) Managing Resources or should it be "marbled" throughout the supporting systems?

8. The Board is asked to agree the approach to the high level Balanced Scorecard and that the indicators proposed cover the ground.

9. The Balanced Scorecard will be integrated into the Board's current systems of reporting and will reflect Directorate level performance measures. Board members will need to consider how their own performance management systems sit with the aims of the scorecard and whether current performance systems adequately reflect or should reflect the business areas concerned.

10. The Board is asked to consider how the Balanced Scorecard and performance management systems below Board level should be aligned.

11. Further work is necessary to prepare the detailed underpinning of the scorecard and the measures that will fuel the high-level traffic lights. The indicators that underpin the top-level scorecard must be meaningful, measurable and simple and as far as possible be taken from current performance management systems or other information systems. Where it is necessary to identify new indicators these should reflect what we do – from the principle that "what gets measured gets done".

12. If the Board agrees, PEFD will carry out this further work with a view to start using the scorecard in April 2003. The first year will be an opportunity to develop the scorecard further and to confirm the approach.

Consultation

13. The Executive has been consulted on the approach proposed. The development of the scorecard has also been shared with SID, the Change team and relevant Directorates where they have an input to scorecard indicators.

Presentation

14. The Balanced Scorecard is a statement of HSE priorities and strategy to deliver its mission. How it is communicated to HSE and to stakeholders is a consideration for future development.

Costs and Benefits

15. There will be no costs outside HSE. Benefits should go beyond HSE to DWP and the Treasury in demonstrating a corporate approach to performance management.

Financial/Resource Implications for HSE

16. The scorecard is cost neutral to HSE and a case of working smarter with the performance information HSE already has. There may be some resource implications where performance management systems are limited or not developed but as much as possible the scorecard will be fuelled by current information streams and sources.

Environmental Implications

17. None from this paper

Other Implications

18. N/A

Action

19. The Board is asked to approve the approach proposed in annex 1 and the further work necessary to launch the Scorecard in April 2003.