Health and Safety Executive Board Paper		HSE/03/070	
Meeting Date:	5 November 2003	**Open Gov. Status:**	Fully Open
Type of Paper:		**Paper File Ref:**	
Exemptions:			

HEALTH AND SAFETY EXECUTIVE

The HSE Board

**DELIVERING POLICY:
FROM DIRECTORATES TO GROUP**

A Paper by Kate Timms

Advisors: Sandra Caldwell and Nick Starling

Purpose

1.   To examine the impact of changes in policy organisation and delivery as a result of implementation of the HSE change programme; to identify the principal drivers of policy work in the future, and the further changes that will be required to adjust to them.

Timing

2.   Board meeting on 5 November.

Recommendation

3.   As in paragraph 15 below.

What was the shape and size of the policy function in HSE?

4.   The policy cadre in HSE now comprises 344 people, less than 10% of the total HSE workforce. The trend over the past three years in terms of staff numbers and budgets for the policy function is shown on the tables in annex A to this paper. In brief, the budget of HSE's policy function has reduced from £18.7 million in 2001/02 to £14.9 million in 2003/04, and the numbers have reduced from 496 staff to the current figure of 344. A significant component of the reduction in staff numbers has been the transfer of certain responsibilities from policy to COSAS and FOD as a direct consequence of the change programme.

5.	In terms of organisation, the four "vertical" directorate structure of policy, each supported by a dedicated corporate services team, resulted in a very "subject specific" focus (safety; health; rail), with the result that each directorate largely operated as an independent command. Only one (SASD) fulfilled a crosscutting "horizontal" function supporting the organisation as a whole.

What were the traditional functions?

6.	The principal tasks of the policy directorates then (and to a lesser but continuing extent now; see paragraph 11 below) were:

- negotiation and implementation of EU regulations in respect of health and safety policy;

- preparation of and consultation on draft regulations under the HSWA 1974;

- drafting, promulgating and subsequently reviewing (largely written) guidance for business/sectors on the handling of health and safety risks and/or the interpretation of EU requirements at the level of the workplace;

- supporting delivery of policy through publications, organisation of sectoral or topic based events, liaison with the health and safety community in companies or in other organisations;

- servicing advisory committees, carrying out reactive policy work including briefing, correspondence and work with other Government Departments (eg. DTI, DfT, Cabinet Office).

- research.

What were the drivers for change?

7.	The change programme took shape in the policy directorates, driven by recognition of the fact that:

i)	the "vertical" structure of directorates was giving rise to the pursuit of narrow health or safety objectives largely confined within Directorate boundaries.

ii)	the same structure militated against the closer collaboration between policy and operational directorates because of the proliferation of boundaries to be crossed.

iii)	there was an inherent weakness in HSE's strategic capability, deriving from its location within SASD where it was not seen as, or utilised as, a leading edge, HSE-wide resource;

iv)	the move into priority programme working in the wake of "Revitalising" demanded greater flexibility across policy and operational boundaries and a higher degree of collaboration by all parts of the organisation than was deliverable in a 'vertical' structure.

v)   much greater focus was being trained on evidence and evaluation as part of the obligation to focus on delivery, the resource for which was located within SASD instead of forming part of the essential corporate functions supporting achievement of programme objectives.

vi)   the developing health agenda (Securing Health Together, rehabilitation, partnership working with DH and DWP) was gaining recognition as fundamental to delivery of PSA targets, but was overly confined to Health Directorate and not easily moved into mainstream activity.

vii)   the "vertical" structures presented barriers to knowledge sharing and hence pockets of innovative working remained isolated and unharnessed.

What has been achieved?

8.   The change programme moved from design to implementation stage on 1 November 2002, and the outcome in terms of the re-shaping of the policy function was delivered on 1 April 2003. It comprised:

- creation of Strategy and Intelligence Division (SID), and positioning of the strategic function to support HSC/E as a whole.

- assimilation of policy divisions previously within the four separate directorates into a single policy group, led by two Co-Directors.

- significant "de-layering" of staff (including reduction to two Director posts from four) and stripping out of other posts (at Band 0 or Band 2 level) as necessary.

- merging of health and safety interests wherever possible across the group to achieve greater coherence of approach.

- clear responsibility placed on one (new) division (Central Expertise, Policy and Support) to bring about much more effective liaison between policy, operations and the front line divisions.

- creation of a small, central corporate support team giving cross-Group support on budgets, personnel, training and related issues: service also extended to SID, Solicitors and the Change Team.

- budget responsibility for policy group placed on Deputy Director General.

- move away from fixed "policy desks" to a "task and finish" approach to support project and programme working.

What has changed?

9.   The organisational changes delivered in Policy Group on 1 April and thereafter coincided with "external" pressures on HSE as a whole, namely:

- greater focus on delivery, driven by the requirements of DWP and recognition that the PSA targets are there as benchmarks of HSE's performance and not just political tokenism.

- recognition of the importance for the future of HSE of a genuinely forward-looking, customer-responsive strategy to back the organisation's bid for funding.

- pressure to deliver existing and new strategic priorities strictly within the existing resource envelope entailing the need to diminish or terminate work not central to the achievement of those priorities.

10. The changes which gave rise to SID and the single, combined policy group have begun to deliver:

- a more effective strategic capacity which has reached out to the Commission and Executive as a whole;

- much sharper focus on priority programme delivery with resources being identified and allocated in accordance with programme needs;

- taking on new work: for example in devising the 'Government as exemplar' priority programme, leading on civil contingencies work, and developing a legislative programme for HSE as a whole;

- in order to deliver new work, the ending or downsizing of non-priority work, for example:

  o abolition of two Commission advisory committees (ACGM and IRAC), reduced frequency of meetings of others and radical overhaul of functions;

  o progressive reduction in policy input to offshore, mines, explosives, gas and transport of dangerous goods;

  o merging of international work with "better regulation" oversight, withdrawal from OECD work and reduction of Policy Group input to all but essential EU work.

- a readiness to change working methods in particular in order to operate within a programme and project framework. For example, the chemical strategy is refocusing work on achieving controls in the workplace through three core programmes, the Commission's enforcement policy is being evaluated via the JET project, and a joint policy/operations rail delivery programme is in place to meet Cullen obligations.

- a lean and effective corporate support team which has seen a reduction in staff from 23 to 9, split between the Bootle and London sites, with a saving of £333,000 being achieved by that change;

- increased numbers of short term secondments to policy group, for example inspector secondees are working on evaluating HSC's enforcement policy, on

developing a business case for health and safety, and on the falls from height priority programme. The MSD priority programme has in place a two-way programme of staff exchanges with operations;

- more visible collaboration within HSE through measures such as joint websites (eg. in rail) and joint initiatives in areas such as asbestos, gas safety and workplace transport.

- generation of an appetite for change and delivery, and innovative ways of working, including supporting delivery through other intermediaries, and piloting and testing management standards still in development.

What remains to be done?

11. Policy Group is in a process of transition. The 2003/04 business case for the Group reveals a welcome concentration of effort on priority programme delivery, but also a great deal of continuing activity devoted to revision of existing guidance and regulations which arguably should cease or be done at a much reduced resource level. The impact of programme working, though beginning to be felt, has not yet touched the majority of policy staff, and there is some way to go before changed working practices are truly embedded. As a result, the value of wider cross-HSE working (policy and operations) has not yet been fully realised.

12. Key areas on which Policy Group will focus from now on are as follows:

- Programme working
  With the emerging strategic programme framework, a great deal more of the Group's activity will be set unambiguously within that, with clear definitions of what is within programmes (ie. contributing to delivery of targets), what is irreducible core activity (eg. EU-derived obligations), and what of the remainder can be stopped or limited in terms of resource.

- Research, Evidence, Evaluation
  As yet not enough Policy Group work, whether within priority programmes or without, is fully evidence based and evaluated as to impact (ie. what makes a demonstrable difference to health and safety). The requirement regularly to measure delivery against indicators within priority programmes will accelerate the need for sound evidence indicators properly rooted in research. But the tough message must be that activity which cannot demonstrate outcomes in terms of better health and safety is activity to be reduced, minimised or stopped altogether.

- Strategic priorities
  Identification of the seven strategic priorities now out to consultation will require (a) sharp re-prioritisation of Policy Group resource, (b) organisation of work to deliver those priorities being set within the strategic programme framework, (c) co-working with operational colleagues to deliver them. Early "wins" must be in the areas of identifying new means of reaching hard to reach businesses, and in the development of occupational health provision.

- Better use of communications

One of the key strategic principles identifies communications as a means of delivering our priorities. Policy Group will need to embrace this principle wholeheartedly and learn to become not just policy makers, but advocates of that policy with our partners, clients and stakeholders. This will require (a) a greater focus on training people in communication skills; and (b) close collaboration between Policy Group and the communications team once they are in place. The aim will be to ensure that no policy decision reaches the outside world without the close involvement of communications, and vice versa.

- Smarter working
  With improved communications comes the smarter use of the acquired experience and knowledge within HSE as a whole. This points to the more widespread and efficient use of electronic systems such as ARK to give ease of access to stored knowledge and its rapid dissemination.

- Improving quality
  Working differently must go hand in hand with improving the quality of work so that resource is not wasted in re-writing of PQs, submissions, speeches etc. Use of electronic knowledge and key messages will help in this. Policy training needs to focus in particular on producing the quality of work appropriate to the recipient.

- Better deployment of staff
  With limited financial resources it will be crucial to Policy Group's success that it deploys and utilises all its staff as effectively as possible. Programme and project working will be a major driver to that end. Within conventional divisional structures we will work to enlarge management spans so that the traditional grade hierarchy does not hold sway. Training and the flexible deployment of junior staff will be vital to achieving our policy objectives in the future. A first step towards the better use of staff resource will be taken with the current radical review of Band 6 posts and the efficiencies that is designed to achieve.

What are the barriers to faster change?

13. One year on from decisions to usher in change in how we work and how we prioritise our activities, Policy Group's experience reveals the following barriers to further and faster change:

- Changing the culture: within the Group (as elsewhere in HSE) are long standing assumptions about the work we do, how we do it, with whom, and for what purpose. Challenging those assumptions and asking people to move to new tasks, new priorities and new ways of working demands a culture change that is neither rapid nor simple. The only means of overcoming this barrier is commitment to change from the top, constant internal challenge, and sheer persistence.

- Changing procedures: programme and project working calls for the rapid deployment of staff to emerging priorities, and the readiness of line managers to release staff to meet them. In practice, such flexibility runs counter to our established procedures for moving staff into vacancies, which can take as much as three to four months to complete. Similarly the criteria for assessment for

promotion, which continue to place a premium on demonstrable experience within HSE, militate against the promotion of staff with limited experience of the organisation but with strong policy and communications skills. Should procedures be revisited?

- <u>Changing partnerships</u>: close working between operational and policy colleagues is a fact of life in some areas, but less of a reality in others. The boundary between where policy input ends and operational uptake begins is often unclear, and certainly varies across the organisation. The debate as to what is properly 'policy' and what 'operations' is difficult to conduct because of the sense of threat to people's known areas of work. The development of programme working with collaboration of colleagues from all HSE disciplines should help to remove barriers, but the process will take some time. Meanwhile both policy and operational staff must be encouraged to understand the value of collaboration along the spectrum of activity from policy inception to front line implementation in terms of delivery of HSE's objectives, and the gains in terms of efficiency, added value and quality of personal performance that such collaboration will bring.

What will policy group look like in 5 years time?

14. Policy Group will be characterised by:

- a core of policy staff augmented by the flexible use of secondments from elsewhere in HSE and from external partners;

- policy staff experienced in front line delivery resulting from interchange with HSE regional offices, sectors, OGDs, etc;

- communication skills prized, partnership working with stakeholders embedded, and programme and project working the norm.

Recommendation

15. Board members are invited to note and comment on what Policy Group has achieved so far (<u>paragraph 8 to 10</u>), what is still to be done and the obstacles to progress (<u>paragraphs 11 to 13</u>), and our vision for the future (<u>paragraph 14</u>).

POLICY DIRECTORATES/POLICY GROUP
BUDGETS AND STAFF NUMBERS

	Budgets £m	Staff Numbers
2001/02	18.7	496
2002/03	19.9	506
2003/04	14.9	344

The two years 2001/02 and 2002/03 reflect the pre-change programme period during which the four policy directorates which then comprised the policy resource of HSE had lead responsibility for economics and statistics (in SASD), and for the health economics team (in HD). Agreement was reached through the change process to transfer responsibility for the former, to the newly formed COSAS, and for the latter in to FOD, and with responsibility came the transfer of staff and their budgets.

The increase in budgets and staff in 2002/03 was mainly to accommodate creation of the rail policy directorate, as it then was. The 2003/04 figures exclude the extra funding earmarked for the Cullen programme which is being treated as a short-term injection of funds only.