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HEALTH AND SAFETY EXECUTIVE

The HSE Board

HSE Balanced Scorecard for 1st Quarter 2003/04

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Issue

1. Assessment of HSE's performance for the 1st quarter 2003/04 using the Balanced Scorecard.

Timing

2. Routine.

Recommendation

3. That the Board:
 - Notes that Amber lights have been assigned to Delivering Planned Work and Trust and Reputation
 - Notes that Amber lights have been assigned to Leadership and Engaging Stakeholders
 - Considers the business risks related to these indicators and any actions which may need to be taken
 - Notes that indicators are still required for Leadership, Image and Profile, Trust and Reputation and Stakeholder engagement.

Background

4. The Balanced Scorecard (BSC) for the 1st quarter 2003 – 2004 includes supporting detailed material for each of the indicators and a short narrative where required. Where indicators are not yet developed a more full narrative report is provided. The BSC and detail is annexed.

5. The BSC is still in its infancy and therefore this report should be treated with caution. A number of indicators remain undeveloped while minor changes have been made to others. There is an absence of data for some indicators due to the restraints of annual and biannual data sampling. Other data is not present due to absence of developed indicators. Where data is incomplete, we have made a subjective judgement on the traffic light based on the narrative provided.

Argument

Balanced Scorecard Report: Overall Picture and Related Business Risks

6. HSE's performance in the first quarter 2003/04 is acceptable overall. The End of Year BSC Report (B/03/041) had assigned a red light to Delivering PSA1 as health and safety statistics had not shown the required reductions. In the meantime, and whilst awaiting publication of 2002/03 statistics, surrogate indicators have been developed for Priority Programmes. Delivering PSA1 has been assigned a green light based on delivery of 1st quarter Priority Programme milestones, progress with the surrogate indicators and other HSC/E work contributing to achieving the PSA targets ("externalities"). At this stage, Living within the budget has moved up from a red to a green. There has been continued good performance in Health and Safety in HSE, Allocating resources to priorities and Retaining and Motivating. Provisional data shows a good performance in Delivering PSA2 and positive signs can be seen in performance for Recruitment and Applying Science and technology. However a few issues need to be brought to the Board's attention.

7. An Amber light in Delivering Planned Work arises from the presence of two Red lights in the 'safety cases' indicator. The red light for NSD is the failure of greater significance, falling 21% into the red light and 30% short of the green light. This exposes HSE to business risk as a *failure to achieve key operational outputs and outcomes*. Failing to complete safety casework on time may also contribute to business risk from *poor customer relationship management*.

8. An Amber light for Leadership has been assigned due to the limited progress since the End of Year BSC report, although activity has been identified in the given narrative. This exposes HSE to risk from *Organisational Capacity Failure (i.e. poor leadership)*.

9. Trust and Reputation has been assigned an Amber due to detailed narrative provided by DIAS highlighting 'open season on HSE' that is prevalent in parts of the national press. HSE's good reputation and public trust and perception are fragile and easily undermined by these high profile, negative messages in the national press. HSE is currently exposed to a business risk from *poor public image*.

10. An Amber Light for Engaging Stakeholders has been assigned due to the limited development of and progress with this indicator since the End of Year BSC Report. Progress cannot wait for the appointment of the new Director of Communications, as significant business risk is feasible from *poor relationships with key stakeholders*, if progression is not at the same pace as other Change Programmes.

Overview of the 4 Business Perspectives

Delivering The Mission

11. The Amber light on Delivering Planned Work may be a cause for concern. It arises from two Red lights for Safety Case work in RI and NSD, and an Amber light for complaints investigated by FOD.

12. The Red light for RI safety cases is not a great cause for concern due to the targets set and the small number of cases processed in the first quarter. A further case processed on time would change the light to amber and a further three cases to green. The narrative provided suggests issues with safety case management and geographic location of essential personnel, which may need addressing.

13. The Red light for NSD is a cause for concern as the reported outturn falls significantly short of the targets set. (21% into the red) The narrative provided identifies lack of resources, reactive work and work of a higher priority as causative factors.

14. The FOD Amber light for complaints investigated is not a great cause for concern. The narrative provided identifies problems regarding non-FOD issues being recorded as complaints. This issue is currently being addressed across the divisions.

15. Delivering PSA 1 :All priority programmes are on track with the majority of 1st quarter's selected milestones. Of 15 'surrogate indicators' progress with only work-related stress inspections and Improvement Notices for slips trips and falls were lower than expected.

16. A good performance is recorded for Delivering PSA 2 and continued good performance was seen for Health and Safety in HSE.

Managing Resources

17. An improvement has been reported in Living within the budget and continued good performance in both Retaining and motivating and Allocating resources to priorities.

18. An Amber light for Recruitment is not a great cause for concern. Since only three external recruitments have been undertaken in the quarter, failure of only one post to be filled on time (due to the new employee delaying a starting date) has reduced the outturn to 67%. The targets set are not specific and are open to interpretation and as such may require adjustment.

Continuous Improvement

19. An amber light for Leadership is a subjective assessment, as specific indicators have still not been developed and there limited evidence of significant action. Immediate evaluation of both the SCS Leadership Development Programme and the DWP 'Leading the Vision' Programme should be undertaken and findings used to inform those developing HSE's leadership strategy. Redirection of some resource may be necessary to progress this indicator.

20. An Amber light for Delivering Change is not a cause for concern. Progress has been made in the first quarter including work on interfacing with 'the world outside HSE', projects on resource allocation and the roll out of the 'Ways of working' workshop. Completed projects from earlier changes are starting to bear fruit. The narrative provided states that senior managers need to continue the impetus in order to progress the change process through the softer changes.

21. An Amber light for Applying Science and Technology is not immediate cause for concern. Although indicators have been set, a protocol for evaluation and appraisal of S&I has been commissioned and CSU are working currently on its implementation. The narrative reports that overall performance is moving from Amber towards Green.

22. An Amber light for Applying Business Improvements is not immediate cause for concern. The narrative shows that of four indicators, only one can be reported at this stage of the year. This indicator was only marginally short of a Green light.

Reputation

23. No indicators have been developed for either Image and Profile or Trust and Reputation. Both have been subjectively given an Amber light, after consideration of a detailed narrative provided by DIAS.

24. The detailed narrative states HSE's media image and profile this quarter as predominantly positive. Good coverage is reported in technical and trade press, local media and national broadcast media. Here HSE's reputation is respected and frequently communicated to the general public, building trust. However, HSE's good reputation is frequently undermined; and public trust and perception are fragile and easily counteracted by high profile, negative messages in the national press.

25. An amber Light for Engaging Stakeholders is subjectively assigned and is a cause for concern. No indicators have yet been developed. There are planned programmes for communication and for stakeholder engagement and although earmarked for development by the new Director of Communications, there are significant risks attached to the current lack of progress in both. Change must progress at the same rate in this area as in others.

Costs and Benefits

26. None external to HSE.

Financial/Resource Implications for HSE

27. Some redirection of finance/resources will be necessary to address areas highlighted as requiring action in the above overview. Similarly, some D/Ds must still put in place data sampling and collection methods imposed by the BSC (e.g. ways of assessing and reporting media coverage.)

Environmental Implications

28. None.

Other Implications

29. None.

Action

30. The Board is asked to note the overall picture (paragraphs 6 - 10) and the business risks identified and to discuss what actions, if any, may need to be taken.