

## Health and Safety Executive Board Paper

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### HEALTH AND SAFETY EXECUTIVE

#### The HSE Board

#### 2004/05 Planning - Timing and Process

#### SR2004 Process

#### A Paper by Tony Mulhall

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Cleared by Vivienne Dews on 12 June 2003

#### Issue

1. The timing and process of:
  - planning for 2004/05,
  - planning for SR 2004, i.e. 2005/06 to 2007/08.

#### Timing

2. Planning for 2004/5 will not follow the process of previous years. Early Board agreement is essential to allow effective communication of and consultation on the process before we implement it late summer 2003.

#### Recommendation

3. The Board agrees
  - the planning process for SR 2004 and the 2004/5 planning event (noting the implications for quarterly performance reviews),
  - the role of SID/PEFD in the early stages - i.e. before appointment of programme directors,
  - PEFD begin immediately to implement the process with workshops to communicate and consult on the process.

#### Background

4. Traditionally HSE planned annually to allocate resources to activities, usually rolling forward both baselines and activities, with Divisions and Directorates required to offer up options in the event of reductions and increases in budgets. This approach does not fit with the Government's delivery agenda - i.e. aligning resources behind priorities that will best deliver Public Service Agreement (PSA) targets. We need to revise the planning process to position us better to deliver our PSA targets, and hand in hand with this we need to develop the performance management process, using the balanced scorecard, to ensure delivery.

#### Argument - Planning Assumptions

5. The 2002 Spending Review introduced a new focus on delivery led by the Prime Minister's Delivery Unit, Treasury and DWP. Vivienne Dews' paper B/044/03 sets out the environment for the SR 2004 exercise. It is clear SR 2004 will be challenging for all departments with further emphasis on resourcing those activities which deliver improved public services. Treasury will also be looking for payback in terms of improved public services arising from previous SR settlements. HSE's planning process must recognise and effectively deal with these pressures and issues.
6. We will run the 2004/05 planning process integrated with the SR 2004 process. The planning process for both will be based on a number of assumptions:
  - The new HSE strategy will influence what we do;
  - The Spending Review settlement will drive how much we do of the strategy during the period 2005/08;
  - "Delivery" will drive performance management, including the move to full programme working, and allocating resources to programmes according to how much the programmes will deliver;
  - We will move to a three-year planning cycle, updated every second year to follow the Spending Review cycle – i.e. we will plan for 2005/8 during autumn 2004 (post SR 2004 Settlement).

#### **DWP Strategy development**

7. The SR 2004 process has begun early in DWP. The key milestones and products for HSC/E are:
  - Early September - 2003 HSE's contribution to DWP Strategy paper cleared by Nick Brown.
  - Late September - DWP strategy paper presented to the Secretary of State for the DWP SR 2004 Ministerial Strategy.
  - December 2003 - worked up and costed proposals for the DWP Strategy to be presented to the Secretary of State.

#### **Planning for SR 2004 and 2004/5**

8. HSC's Strategy for 2004-2010 must inform the HSC/E planning process; whilst it need not be finalised, the main issues must be clear by September 2003. It is crucial the main programmes are identified and agreed. The planning process for SR 2004 will closely link to and build on the approach for developing the strategy and translating it into delivery presented by Brian Etheridge at the 4 June 2003 Board meeting.
9. The HSE Board will appoint Programme Directors to develop programme plans and provisional programme targets, for both 2004/05 and SR 2004. Integrating Planning for SR 2004 and 22004/05 means in effect we will plan in detail for 2004/5 but in outline for the years 2005/06, 2006/07 and 2007/08

**This stage will need to begin by July/August 2003; if the Programme Directors are not in place does the Board agree SID and PEFD begin the process?**

#### **Planning for SR 2004**

10. Programme Directors will be asked to develop proposals for programmes to contribute to delivery of the HSC Strategy following the process set out in paras 12 - 14. The programmes will need to take account of the environmental issues identified in

Vivienne Dews' paper, B/044/03. Programme Directors will submit proposals to the Programme Board for scrutiny, challenge and endorsement

11. The Programme Board will develop the SR 2004 Submission for clearance by the HSE Board and HSC before presentation to DWP.

### **Planning for 2004/5**

12. Programme Directors will steer the development of proposals/ business cases for contributions to delivery of the programme outcomes and targets based on the template at annex 1. (PEFD will organise and run workshops on the details of the process - identifying sources of information for the template etc.) Programme Directors will scrutinise and challenge these proposals to ensure the programme has the necessary elements for full and effective delivery of the programme targets with options for exceeding the targets.
13. Programme Directors will produce their plans from these proposals and submit them to the Programme Board for further scrutiny and challenge, in particular to test them against delivery of the aims published in the New Manifesto. The Programme Board will develop the corporate plan for consideration by the HSE Board and Commission.
14. The HSE Board and Chair will scrutinise the overall plan and make corporate resource allocation decisions. In effect they will decide where we will focus our efforts and resources to best deliver the targets and priorities and where we will reduce effort to free up resources for re-allocation to support delivery of the targets.
15. In supporting the HSE and Programme Boards PEFD's role in this process will be to:
  - Identify the "top slice" from the overall budget i.e. those resources where we have contractual or inescapable commitments, e.g. Refit, rents, rates etc.
  - Develop unit costings where appropriate, e.g. T&S, training etc.
  - Carry out an initial scrutiny, to make sure that proposals add up to more than 100% delivery against targets and preferably less than 100% against resources. We need proposals for greater delivery against fewer resources,
  - Identify where we already have long term resource commitments –such as staffing- which may fall outside the developing plans,
  - Scrutinise plans for new commitments that will increase future liabilities.
  - Analyse proposals to provide information for challenge, and rank options and alternatives for increased delivery
  - Draft corporate plans and quarterly performance reports

The timeline and a diary for the planning process is at annex 2a and 2b

This process will replace the Autumn and Spring Planning Events held previously, the Mid Year review will be absorbed into the quarterly performance reviews to be held by the HSE Board. (para 17)

### **Business Planning for 2005/8**

16. After the settlement for 2005/8 has been announced, likely to be late summer 2004, we will begin planning for 2005/08 following the 2004/5 planning process (paras 12–15) for those work streams and targets that have been funded in the settlement. HSE's contribution to the DWP Delivery and Corporate plans and the HSC Business Plan 2005/8 will be produced from this process. The DWP delivery plan for 2005/8 will be

published in November 2004, we should be publishing the HSC Business plan soon after.

17. In moving from annual to biennial planning we will need to more closely monitor and manage delivery performance, possibly modifying our plans and maybe reallocating resource in year. Every quarter, at performance reviews, the HSE Board and Programme Board will both be provided with sufficient performance management information, using the balanced scorecard, to make decisions on in-year planning modifications.

### **Consultation**

18. SID

### **Presentation**

19. No external presentational issues at this stage

### **Costs and Benefits**

20. The proposals do not have costs and benefits in themselves; however the quality of the outcome of the 2004/5 planning event and the SR 2004 process will have significant implications for Ministerial confidence and future resourcing for HSC/E. Introducing the proposals will also have structural/organisational/management information and new skills implications which need to be addressed in a short timescale.

### **Financial/Resource Implications for HSE**

21. These proposals set out how we deal with the finance/resource implications. They link to and build on the proposals in Richard Daniel's paper on resource allocation B/040/03 to be presented at the 02 July Board meeting.

### **Other Implications**

22. This process will introduce presentational/political risks not least from the inevitable withdrawal/winding back of effort from some areas of work.

### **Action**

23. PEFD will finalise the timeline and implement the planning process as set out in the paper, including all the necessary consultation/communication and production of guidance.
24. PEFD will organise and run workshops on the details of the process.