

Health and Safety Executive Board Paper

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HEALTH AND SAFETY EXECUTIVE

The HSE Board

HSC/E MONTHLY FINANCE, STAFFING AND OUTPUT REPORT

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Management Summary

- This paper provides the Board with a summary of the latest financial position since the decision to draw down EYF.
- The paper reports that Gross Admin Costs are forecast to fall by £0.5 million and the income forecast has increased by £0.25 million.

Recommendation

The Board is invited to:

- Note the changes on the financial position (Annex 1);
- Note that Admin Costs underspends may be recycled back into 2004/05;
- Note that overspends on Programme and under recovery of income appear unlikely.

Action

- Board members (where relevant) are asked to take steps to encourage timely work recording to ensure that the income forecast outturn is as accurate as possible.

Background

1. This paper reports on the January forecast based on December Outturn. The position is shown in Table 1 of Annex 1.
2. The key changes to forecast since last month are detailed below (these exclude some material movements which have already been factored in to the EYF drawdown) :

RPD Group

- GAE forecast has been reduced by £274k this month. This is mainly due to a reduction in central staffing and accommodation budgets.
- Capital has been reduced by £470k this month in line with slippage in major property events.

Policy Group

- GAE forecast has been increased by £40k across all D/Ds.

Operations Group

- Admin forecast has been reduced by £190k across all D/Ds (mainly payroll).
- Income forecast has increased this month by £221k. This has been driven mainly by an increase in income from RI safety case approvals.

Forecast against EYF Position

3. The forecast position reported in Table 1 and 2 of Annex 1 to the Board reflects the information provided by D/Ds at the end of January based on December outturn. As reported last month HSE has drawn down £3.165m of Admin EYF to cover the shortfall on income at that point.
4. The Gross Admin Costs forecast for January is £201.961m against a Settlement of £202.906m. This will represent an underspend of £945k against the Admin Settlement at the end of the financial year ie a movement of £0.5 million since last month.
5. The Programme forecast for both HSE and HSL remains unchanged this month as material changes within the January forecast were incorporated into last month's position in order to inform the EYF drawdown.
6. The Income forecast has increased this month due to an increase in RI safety case approvals

OUTPUT AND PERFORMANCE

Regulatory Contacts

7. HSE Regulatory contacts are 7% above profile. FOD are above profile for both regulatory contacts and preventative inspections. They are one percentage point below their expected investigation rate (at 7% rather than the 8% as expected). This is due to the lower level of reported incidents that meet the incident selection criteria. During this year many of the safety reports submitted to HID Land Division have been returned as unsatisfactory. This has allowed more time to be allocated to the contact and preventative inspection categories.

Incidents and Complaints

8. The number of incidents and complaints investigated is below profile. There is a natural demand element to this work but, for reasons that remain unclear, FOD are below their expected follow-up rate for complaints (77% rather than 87%). It may be that fewer complaints meet their criteria for follow-up (or there may be a continued delay in recording). FOD is exploring the reasons for this. HID has encountered an increased level of complexity surrounding enforcement issues and this has reduced the OPM count plus new inspectors are still training and not able to fully contribute to the hit rate.

Safety Cases

9. With the high number of Land Division Safety reports being returned to duty holders/ stakeholders (after having failed their early predictive screening) it is doubtful that the planned safety cases figure for HID will be met this year. NSD have not met the 82% of safety cases completed to time target due to available resources being applied to higher priority and reactive work.

Other Outputs

10. Annex 2 gives outturns for selected OPMs against the 2002/03 Business Plan. Points to note are:
 - Information is no longer collected on a quarterly basis for numbers of regulations etc introduced and % regulations introduced to time.
 - The number of publicity products purchased or/access exceeded original planned estimates (8,000 – 9,000) at mid-year, as did those for the number of publicity products made available. The planned numbers were increased to 44m and 23,000 respectively for the year. These figures have already been surpassed with 47.4 million products being purchased or accessed and nearly 30,000 products being made available.

The number of regulatory services and products provided is lower than estimated but the number processed to time is above profile.

OPM	Profile	Outturn	Variance
Regulatory Contacts	141,081	151,568	10,487
- FOD	121,346	127,849	6,503
Preventative Inspections	55,200	57,378	2,178
- FOD	48,655	49,909	1,254
Number of Investigations (incidents/complaints)	30,760	23,118	(7,642)
% incidents investigated	8.2%	7.7%	(0.5%)
% complaints investigated	87.5%	77.8%	(9.7%)
Number of safety cases processed	596	411	(185)

STAFFING INFORMATION

11. Annex 3 shows the number of staff (full time equivalents excluding HSL) in post at the 1 February 2003 stands at 3759.3, of which 1661 were inspectors

HSE RESOURCE POSITION

1. Table 1 and 2 below reflect HSE's current financial position.
 - Table 1 reflects the latest forecast for HSE Main against the Departmental Expenditure Limit (DEL) Resource and Capital settlement. The settlement now includes the additional £3.8m for the Cullen implementation.
 - Table 2 reflects the forecast movement in month.

TABLE 1: GLOBAL POSITION						
LATEST FORECAST AGAINST BUDGETARY CONTROLS	DEL Resource/ Capital Budget Settlement	HSE Budget Forecast	Variance	HSL Budget Forecast	Variance	Global Variance
Pay	153,306	131,525	(10,917)	10,864	0	(10,917)
GAE	66,522	68,755	8,911	6,678	0	8,911
Invest to Save	620	775	155	0	0	155
Modernising Government	0	906	906	0	0	906
Gross Admin Costs	220,448	201,961	(945)	17,542	0	(945)
Programme Costs	59,331	50,188	(3,560)	4,597	(986)	(4,546)
Bad Debts	134	30	(102)	0	(2)	(104)
Total Gross Costs	279,913	252,179	(4,608)	22,140	(987)	(5,595)
Income	(83,705)	(50,642)	7,701	(26,000)	(638)	7,063
Net Resource Budget	196,208	201,537	3,093	(3,860)	(1,625)	1,468
Capital Budget	11,000	7,564	1,162	2,100	(2,498)	(1336)

Table 2: INTERNAL BUDGET MANAGEMENT	HSE Budget (excl HSL)	Latest Forecast (excl HSL)	Variance on HSE Budget	Forecast change in month
Pay	133,167	131,525	(1642)	(397)
GAE	69,241	68,755	(486)	(122)
Invest to Save	775	775	0	0
Modernising Government	606	906	300	0
Gross Admin Costs	203,789	201,961	(1,828)	(519)
Programme Costs	50,631	50,188	(443)	(26)
Bad Debts	50	30	(20)	0
Total Gross Costs	254,470	252,179	(2,292)	(545)
Income	(51,213)	(50,642)	571	135
Net Resource Budget	203,257	201,537	(1,721)	(410)
Capital Budget	8599	7,564	(1,035)	(502)

HSC/E Mission: To ensure that risks to people's health and safety from work activities are properly controlled

Contextual indicators (the environment in which HSE carries out its work)

Updated fatal and major injury rate per 100,000 workers **261.6 (2000/01)**
268.9 (2001/02, provisional)

Output and performance measures	Plan	Profile	Outturn
MAJOR HAZARDS			
Number of safety cases/reports and nuclear licence actions considered and processed	812	596	411
% safety cases/reports and nuclear licence actions processed to time	88	89.3	89.3
COMPLIANCE			
Number of regulatory contacts, including inspections and investigations, made with employers and duty holders	206,000	141, 081	151,568
Number of incidents/complaints investigated	41,500	30,760	23,118
% complaints (about work activities) investigated	87	87.5	77.8
% reported events (incidents) investigated	10.5	8.2%	7.7%
% high hazard/risk workplaces receiving annual site regulatory contact	100	100	100
% inspector time on site/contact and related activities (as a proportion of total time available)	80	68.7	76.5
MANDATORY ACTIVITIES			
Modernise and simplify the legal framework			
Sets of regulations, ACOPS, consultative documents and new guidance documents introduced	67		
% sets of regulations, ACOPs, consultative documents and guidance documents introduced to time	90		
Provide information and advice			
Number of publicity products purchased or accessed (including electronic) millions	44m	34.2m	47.4
Number of publicity products made available	23,000	17,347	29,883
Number of enquiries dealt with			
% Infoline calls answered within 15 seconds	85	End year	End year
% public enquiries responded to within 10 days	100	End year	End year
Promote risk assessment and technological understanding			
Implement risk and technical policy projects	80	98	97
% of research projects to be let through competition or collaboration	55-65	65	65
Operate statutory schemes			
Providing regulatory services, eg issuing exemptions, statutory certificates	4,501	1,367	1,969
% service products (statutory certificates etc) processed to time	95	79.4	90.1
Management of HSE			
Efficiency gains (cash and productivity) as % of total running costs	3.0	End Year	End Year
% staff payroll costs devoted to central services, eg personnel, planning, finance	8.0	End Year	End Year

TABLE 1: HSE MAIN STAFF IN POST 1 FEB 2003

DIRECTORATE/DIVISION		STAFF IN POST	STAFFING PLAN	+ OR -	
		1.02.03	1.4.03		
HEALTH & SAFETY COMMISSION		1.8	6.0	-4.2	
STRATEGY & ANALYTICAL SUPPORT DIRECTORATE		91.2	125.9	-34.7	
SOLICITOR'S OFFICE		38.3	34.8	3.5	
RESOURCES & PLANNING DIRECTORATE		468.8	521.4	-52.6	
HEALTH DIRECTORATE		122.7	271.0	-148.3	
SAFETY POLICY DIRECTORATE		111.0	113.5	-2.5	
OPERATION PLANNING DIVISION		31.6	30.5	1.1	
DIR RAILWAY POLICY		42.1	60.4	-18.3	
COSASD		74.9			
FIELD OPERATIONS	Field Insp		793.9	765.6	28.3
DIRECTORATE	Information		1.0	0.0	1.0
	Mines Insp		1.0	0.0	1.0
	Spec Insp		117.3	85.0	32.3
	Quarry Insp		11.0	12.0	-1.0
	Nuclear Insp		0.0	0.0	0.0
	Offshore/Pipeline Insp*		1.0	0.0	1.0
	Medical Insp	1692.5	15.2	17.0	-1.8
	Occ. Health Insp		29.6	32.0	-2.4
	Scientists		86.6	3.0	83.6
	Admin/Other		635.8	622.5	13.3
RAILWAY INSPECTORATE	Field Insp		43.5	0.0	43.5
	Spec Insp		4.0	0.0	4.0
	Quarry Insp		0.9	0.0	0.9
	Nuclear Insp	179.9	2.0	0.0	2.0
	Railway Insp		54.5	122.0	-67.5
	Offshore/Pipeline Insp*		1.0	0.0	1.0
	Scientists		1.7	0.0	1.7
	Admin/Other		72.4	75.0	-2.6
HAZARDOUS INSTALLATIONS DIRECTORATE	Field Insp		124.6	153.0	-28.4
	Offshore/Pipeline Insp*		126.0	145.0	-19.0
	Spec Insp	607.2	108.8	67.0	41.8
	Nuclear Insp		1.0	1.0	
	Scientists		7.9	2.0	5.9
	Professionals		5.8	3.0	2.8
	Admin/Other		218.1	221.4	-3.3
	Mines Insp		15.0	14.0	1.0
NUCLEAR SAFETY DIVISION	Nuclear Insp		154.6	178.0	-23.4
	Spec Insp		26.0	0.0	26.0
	Field Insp	291.8	3.0	1.0	2.0
	Offshore Insp		2.0	0.0	2.0
	Professionals		2.5	3.0	-0.5
	Scientists		3.0	1.0	2.0
	Admin/Other		100.7	96.0	4.6
TECHNOLOGY DIVISION	Spec Insp		3.0	84.0	-81.0
	Scientists	3.0	0.0	5.3	-5.3
	Admin/Other		0.0	42.4	-42.4
ELECTRICAL EQUIPMENT	Professionals	2.5	1.0	0.0	1.0
CERT. SERVICE	Admin/Other		1.5	0.0	1.5
TOTAL HSE MAIN		3759.3	3914.7	-155.4	

CHANGE ON MONTH	1.01.03	1.02.03	variance
PERMANENT STAFF	3774.5	3755.8	-18.7
CASUAL STAFF	1.5	3.5	2.0
TOTAL	3776.0	3759.3	-16.7