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HEALTH AND SAFETY EXECUTIVE

The HSE Board

IS/IT Programme Proposals for 2005/06 and thereafter

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Issue

1. The outline investment programme for IS/IT for the three years of the SR 2004 period and in particular, the IS/IT allocation for 2005/06.

Timing

2. For discussion on 1 December 2004 so that the Board can indicate the priorities, to be taken into account when the budget allocations are set.

Recommendation

3. In the light of the discussion in this paper the Board indicates its priorities for IS/IT supported business change they wish in the next financial year.

Background

4. The Board approved an IS/IT strategy for HSE in January 2003. In February 2004, the Board agreed an updated version of this strategy and approved a programme of new IS/IT investments (excluding ongoing service costs) for 2004/5 amounting to some £11m. The main components of this investment programme were: the delivery of the COIN system; the first stages of an EDRM system; corporate support (including a new payroll system as the current provider is withdrawing from the UK public sector market); intranet and web development; e-business; and to continue to secure improvements to the IT infrastructure and desktop services.
5. The investment programme for 2004/05 reflected the Board's decision that we should seek to do fewer projects and concentrate on implementing the larger scale, corporate IS/IT solutions that support the delivery of HSE's strategic goals. We have reflected this

approach in the potential investment programme, and we have extended the programme to cover the three years of the SR 2004 period. Inevitably, the proposals for 2005/06 are firmer than those for 2006/07 and 2007/08, which are only an outline at this stage. This three year planning horizon provides a more realistic perspective for some of the proposals which will span or take more than a planning year to implement, and which do not yet have agreed project timetables. In addition to the IS/IT aspects, we need to avoid business change “overload” and ensure that the process design, training and behavioural aspects of change are properly addressed.

Argument

6. The nature of HSE business makes it unlikely that we would need such sophisticated technology support as say DWP or the Revenue Departments. We have increased our IS/IT investment in recent years particularly with the development of COIN, and a key priority for the next 3 years is to ensure we exploit that new capacity. Nevertheless we remain under invested. Our IT spend including investment in 2004/05 will be about £6.5k per employee, reaching the government average for the first time after running at about two thirds of the average for a number of years – and significantly below private sector benchmarks, even allowing for the fact that contrary to popular belief, the REFIT contract offers us good value on support.
7. Annex 1 sets out proposals for new IT investment, including new applications, for 3 years from April 2005. The plan relates these proposals to the Strategy. It is simpler than previous plans, the aim is to do fewer bigger things better. The main themes in the plan are:
 - Improved e-communication, internally and externally (although this does not really get us into interactive web-based services);
 - More support for flexible and mobile working;
 - More modern corporate systems, providing for more “employee self service” and providing better management information;
 - Better sharing of information, with partners especially Local Authorities.
8. The overall aim is to support more effective and efficient ways of working. The costs in Annex 1 are broad estimates. The total of £25.75m for 05/06 is about £5m above the indicative allocation but roughly the same as for 2004/05. This would maintain the proportion of the total IS/IT spend going into new projects at a little over 40% (£11m). This compares favourably to 2003/04 where the investment level in new projects and initiatives accounted for only 23% of total IS/IT expenditure. The costs further ahead are incomplete.
9. Delivery of the proposal in the plan would be challenging in terms of IS/IT delivery, client side project management capacity and overall business change. This is deliberate and reflects the signals we have picked up in HSE about the appetite for change to drive progress on our strategic objectives and the achievement of the PSA targets. If this is not acceptable we could spread the work over a longer period, or cut out those proposals which offer the least in strategic value. A view from the Board on these issues would be welcome. On the other hand this is a comparatively modest programme. We may be missing out on some of the benefits of the latest technology, and the outcome would be an organisation which remained labour rather than

technology intensive. Is that what we want, or is it inevitable given the nature of our work?

Consultation

10. Initial discussions have taken place with D/Ds, both in the context of specific projects and more generally through the BEU Account Manager function. Discussions have also taken place with Refit.

Presentation

11. The final, agreed plan will need to be publicised across HSE so that we create a common understanding of HSE's IS/IT priorities and managers can set expectations appropriately. We will seek advice on the best way to do this from our communications experts.

Costs and Benefits

12. The costs contained in the plan are initial estimates only. For any investment, a convincing business case will need to be produced and agreed at the right level of delegated authority; for significant projects this will be RDG. The business case must set out costs and benefits, establish that the benefits have a high priority in contributing to HSC/E's strategic goals, and provide confidence that the benefits can both be measured and actually delivered. Without this, the investment will not go ahead. We will also seek to ensure that all projects are properly structured and adopt appropriate management disciplines.

Financial/Resource Implications for HSE

13. The IS/IT budget allocation for 2004/05 was approximately £21m with a further £4.9m made available in-year to meet COIN project costs. The indicative allocation for 2005/06 is £20.9m which leaves a shortfall against the plan of £4.85m. (Although given the propensity of IT projects to slip it is unlikely that actual spend would be as much as planned).
14. No money has been set aside in the plan to meet any IS/IT costs of moving HSE Rail to ORR.

Environmental Implications

15. None.

Other Implications

16. None.

Action

17. That the Board provides a steer on the pace of IS/IT supported business change, its composition and hence the level of investment it wishes to see in 2005/06 and thereafter.

ANNEX 1

IS/IT INVESTMENT PLAN: PROPOSALS FOR 05/06 – 07/08

Aim	Specific Proposals	Forecast Costs			Comments
		05/06	06/07	07/08	
Strategic theme 1. Developing closer partnerships					
Provide facilities to promote better communication and understanding between HSE and our health and safety partners	Extranet	75,000	-	-	Includes the possible migration of the Salford Hela site
Improved IT support for S&T	Scientific computing	500,000	300,000	75,000	Mainly LUP tools and PADHI+ for use by LAs
Strategic Theme 2: helping people to benefit from effective health and safety management and a sensible health and safety culture					
Improving the management of our information	EDRM	1,500,000	200,000	200,000	Forecast cost for development, implementation and ongoing licence costs. Does not include training costs
Strategic Theme 3: focusing on our core business and the right interventions where we are best placed to reduce workplace injury and ill health					
To deliver an Information System to support HSE's Operational work, in particular, to help to improve its productivity.	COIN Phase 1 project costs already projected for 05/06	250,000	-	-	
	COIN: Later phases	550,000	300,000	300,000	Building a data warehouse at higher levels; use of COIN for resource tracking in HSE
Support improvements to operational productivity through the facilitation of more flexible working methods	Flexible IT computing and Broadband	250,000	250,000	250,000	Phased development
	Mobile devices, e.g. PDAs, GPRS connections, Blackberry/Vodafone	150,000	150,000	150,000	Pilot initially and (assuming this is successful and the business case holds up) roll out on a phased basis to inspectors.
Strategic Theme 4: Sharing the Vision					
More use of web-based technologies to develop improved channels of communication	Intranet/internet enhancements	500,000	100,000	100,000	Improved content management and wider range of media
Enable 'business 2 business' via the web	E: business	100,000	75,000	-	Applies to internal and external transactions which are currently form based, proposals inc. asbestos licences, F10s.

Making the best use of our resources: Streamlining the back office, improving our IT capabilities and infrastructure					
Migrating IT facilities to the new MHQ	Logistics	1,000,000	-	-	
Tackling the back office to improve the quality of support to the business and release resources to the front line	HRST	5,000,000	250,000	250,000	Forecast costs for development, implementation and ongoing licence costs for new HR system
	Financial management and purchasing	-	2,000,000	1,000,000	
Equipping staff with better, more efficient tools through the desktop	Outlook mail	500,000			Required because Outlook can better integrate with main EDRM and HR products
Protecting the business through improved resilience and disaster recovery	Improved arrangements for business continuity	500,000	100,000	-	
Improving the IT infrastructure	Network and storage enhancements	250,000	-	-	To cope with increasing traffic and developments such as the requirement to transfer digital photos and access multimedia Webcasts.
Total		11,125,000	3,975,000	2,575,000	
Plus IT Service Costs		25,750,000	19,155,000	18,160,000	

