

Balanced Overview of the 4 Business Perspectives

Delivering The Mission

1. The Delivering Planned Work has a Green status this quarter. With the exception of Complaints followed up in RI (Red), the performance of all other Operational Directorates in this headline area show a Green status.

2. Investigation of the Red for RI 'complaints followed-up' is currently ongoing. RI remain convinced that complaints are being investigated as fast as they are received and that the actual number of complaints followed up is around 90% of the total reported. It is believed that the low outturn arises from a problem associated with data recording – however it has not yet been possible to identify precisely, or confirm this. Once the problem has been pinpointed RI will take robust action to rectify this ongoing issue.

3. The Delivering Worker Health and Safety Targets had an Amber status assigned by the Delivery Board, due to there being no clear evidence of reduction in the incidence rate of fatal and major accidents, and insufficient progress in all Strategic Programmes (SPs). Although key milestones have been met in all SPs and a number of highlights reported (e.g. the new Manufacturing, Utilities, Services and Transport Programme has led to 3 major industries setting new targets for incident and ill health reductions) insufficient progress has been made to warrant an overall Green status.

4. Furthermore, trajectories (based on performance indicators) have yet to be developed in all programmes and several key 'lowlights' have been reported. The Sector SP, the Health and Safety Hazards SP and Local Authorities SP have all achieved overall Amber status. The Better Health at Work Partnership SP has achieved an overall Red status, which is due to some work streams experiencing difficulties, however, projects in two key work streams foresee an Amber next quarter.

5. The Amber for Delivering the Major hazards PSA is as a result of two Amber statuses assigned to the Rail indicator (mainline railway safety risk index) and Offshore indicator (a reduction in the number of hydrocarbon releases). The first quarter of 04/05 shows an improving picture. The Rail indicator index is converging rapidly towards the target trajectory suggesting key aspects of the Rail Delivery Programme are taking effect and the Offshore indicator has now "turned the corner", is starting to converge and is within the Upper Limit. (Again there are a number of positive actions, which are being taken jointly by HSE and the Offshore industry). Actions by RI and OSD are considered to be appropriate for continuing the improving trend. It is hoped that this will lead to an overall Green assessment at the Mid Year.

6. The Health and Safety in HSE indicator has been awarded an Amber status by the Board this quarter. There have been 2 'over 3 day' injuries reported under RIDDOR. Both injuries resulted from manual handling operations. There has been one DSE related case of ill health reported under RIDDOR. The total number of reported accidents, ill health and near misses

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has fallen by 8% in the last quarter (from 103 to 95). All three internal HSE targets have achieved an Amber status, as they have exceeded their 1st quarter planned trajectories.

7. Work is ongoing to develop a new more meaningful indicator for the reporting and management of sickness absence in HSE.

8. The last quarter has seen typical seasonal improvements in sickness absence. The number of instances of sickness absence is below average for quarter 1, however the number of days absence per staff year per quarter is comparatively high. This is because quarterly figures do not contain ongoing absences. The total absence is counted in the period in which the absence ends, regardless of when it starts. Therefore the ending of a long-term absence may distort quarterly figures. Quarter 1 figures contain two absences over 250 days ending in the quarter and an absence of 693 days. These three instances account for 1,144 of the total days lost in the quarter – contributing 1.15 days per staff year to the quarterly total.

Managing Resources

9. A continuing Green status is assigned to Living Within the Budget, where HSE (excl HSL) Outturn to date compared to Budget is showing a Net Resource under spend of only £0.076m which includes a £0.618m overspend on Payroll and GAE, £0.086m overspend on Admin Other and a £1.229m under spend on Programme and an under recovery of income of £0.449m.

10. The Forecast Outturn against Budget is showing a Net Resource overspend of £3.523m which is made up of a forecast Admin overspend of £3.315m, a forecast Programme under spend of £0.738m and an under recovery of income of £0.946m. The forecast income shortfall is mainly related to NSD reduced programme expenditure and associated impact on income. Under recovery of income will need to be carefully monitored.

11. An Amber status has been assigned to Allocating Resources to Operational Priorities and is due to both HID and RI reporting Amber outturn for 'percentage resource (inspector time) committed to Strategic Programmes as a proportion of that planned'. RI site many staff working fewer hours as a part of action related to the pay dispute, and more resources being directed into the Rail Delivery Programme than planned as the reason for the shortfall. HID cite the pending return of 9 inspectors from Heriot Watt University as a possible route for recovering their shortfall. It is reported by HID that industrial action has also contributed to the shortfall, which is evident in both Land Division and Offshore Division.

12. A decision was taken by the Executive to cease reporting Regulatory Contact Numbers in FOD, as the number was no longer planned or profiled. FOD account for outturn of over 80% of regulatory contacts reported. On the grounds that FOD are no longer reporting on this indicator, reporting by other Operational Directorates (O/D) would not give an overall view of performance and has not been included this quarter. O/Ds will be made aware of the

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need to continue recording this data for answering regular enquiries and PQs etc.

13. Recruitment has a continued Green status. The number of staff occupying posts that are not included in work plans across HSE is 2 - one in Bootle and one in Rose court. For the fourth quarter running 100% of agreed posts advertised have been filled within a set timescale. Retention and Motivation will be reported at the mid-year stage.

Continuous Improvement

14. An Amber status has been subjectively applied to Leadership in this quarter. There has been some positive reaction to recent Strategy Roadshows, which were attended by over a third of all staff. Of those attending, approximately 75% thought they were useful and 63% felt better informed about the reasons for change in their work (see Board paper B04/042).

15. Leadership was discussed at the HSE Board's away day in July 2004, particularly in relation to delivering the strategy. HSE's leadership team (members of the Board and the Executive) plans to visit all HSE divisions starting in late September. A programme of visits to local offices is planned to give brief presentations about delivering the strategy and to give opportunity for open discussion with senior managers.

16. It is realised that the Staff attitude survey (SAS) remains the key indicator of how HSE's staff perceive the leadership. Results from the SAS have provided a baseline on leadership issues. The next biannual 'temperature taking' survey, designed to measure the nature and extent of any change in employee perception of Leadership will take place in October 2004.

17. An improvement in Applying Science and Technology has seen a Green status assigned. 67% of research work and 69% of support work carried out was assessed as high priority. This is a continued improvement on last quarter. It is anticipated that the move to programme and project based working will ensure these 'optimum' percentages are maintained.

18. 80% of the projects evaluated were considered by internal customers to be of immediate use to operational or policy work. Since the previous quarter a further 12 impact evaluation studies have been commissioned, including; Impact evaluation of the Work at Height Regulations, evaluation of the 'Constructing Better Health' pilot, evaluation of 'Reducing Risks, Protecting People' and evaluation of the topic based inspection approach.

19. A Green status has been assigned for Applying Business Improvements. (BI) Of the three sub indicators planned for reporting in quarter 1, only one can be reported at this stage. The percentage Of D/Ds with a significant and balanced business improvement programme is within tolerances of a Green status, however it is worth note that there are 2 BI plans outstanding. One is completed and is awaiting approval, whilst the other is being actively developed.

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20. Non-reporting of two sub indicators (overall benefits and cash releasing savings) arises from a technical problem with the BIP Database, which prevented data from being entered, thus affecting both. This issue has now been resolved and so the necessary data can be input. BEU expect to be able to report these sub indicators at the end of quarter 2. BEU hopes that reporting of these indicators will spur the organisation on to greater efficiencies, however, a caveat is applied that historically any achievement realised is 'back loaded' into the final quarter of the operating year.

Reputation

21. An Amber status has been subjectively assigned to Image and Profile. There has been quite a lot of mixed coverage this quarter. In the run up to the rail review announcement there was a good piece in the Independent and letter in the Financial Times set out the dangers of taking rail safety away from the HSE. The Transport Select Committee report into the future of rail was well covered.

22. The explosion in a Glasgow plastics factory resulted in a great deal of coverage that included some criticism of HSE's prior role in some parts of the Scottish media. Other subjects included attacks over the Work at Height Regulations from the Adventure Activities Association and the toppling of gravestones by Local Authorities for safety reasons. Most carried comment from us and we had letters published in the Sun and Sunday Telegraph in response to others. HSE achieved a very positive piece in the Sun and Mirror on two of our inspectors rescuing a cat, which had been trapped under floorboards during building work.

23. Media analysis for last quarter shows 90% of media coverage was factual, 8% positive and 2% adverse. HSE media coverage reached a potential audience of 65,136,000 ('opportunities to see'). There were approximately 4.5 million visits to the HSE website in quarter 1, and in excess of 600 000 enquiry calls to HSE Infoline.

24. An Amber status has been subjectively assigned to Trust and Reputation. Our standing with key stakeholders in and beyond the rail sector may have been damaged to a degree by discussions over the rail review process. In the period ahead of this report, evidence to the Work and Pensions Select Committee indicated general support for HSC/E and the current legislative framework from our major stakeholders - most took the opportunity to be supportive, while pursuing specific issues of concern. HSE Infoline received 620 unsolicited letters of thanks – 7% of all written traffic received.

25. An Amber status for Engaging Stakeholders has been subjectively assigned. Historically a good deal of work has gone on, but it has not been prioritised or coordinated. This gave poor control over the associated risks to delivery. In this quarter corporate external stakeholder engagement work concentrated on planning and is not expected to show up in results 'on the ground'. Work to explore Local Authority perceptions and attitudes to

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underpin the LA Strategic Programme has been delayed. The Minister however met with interested MPs three times during quarter 1 to discuss health and safety issues and the Commission is planning 'fringe events' at the three main political party conferences as the focus of an ongoing engagement process. The outcome of external stakeholder engagement activity will show up in indicators used to measure Image/Profile and Trust/Reputation.

26. Initiatives to improve communications with staff in the period included surveys to identify preferred channels of communication, an Express readership survey, and the results of a brand applications review. A new team briefing system redesigned Express and accompanying e-Express and new HSE branding was in preparation for rollout next quarter. Results of internal stakeholder engagement will be measured via the new 'Pulse Panel' to be set up next quarter.

Ends.