

**Balanced Overview of the 4 Business Perspectives.**

**Delivering the Mission.**

1. The Delivering Planned Work headline indicator reports a Green status this quarter. All Operational Directorates are reporting a Green status for each sub-indicator. Issues surrounding the reported poor performance in RI for 'complaints followed up' in Q 1 have been identified and action has been taken to rectify them. RI's outturn for all sub-indicators is a Green status this quarter.
2. At this stage, it is not possible to make a full assessment of progress with the Delivering Worker Health and Safety Targets. Health and Safety statistics for 2003/04 will be published on 18 November 2004 and so a more informed assessment will be possible in quarter 3.
3. Performance in the Sector, Health and Safety Hazards, Local Authorities and Better health at Work Strategic Programmes (SPs) is used to assess progress against the Delivering Worker Health and Safety indicator. There has been encouraging progress against Programme milestones in many areas.
4. Three of the SPs have improved their overall status compared with Q1 and the majority of milestones have been met. A number of highlights are again recorded, but there is still much to be done to further engage LAs in contributing to the Programme priorities. Recently reported figures for sickness absence in the Civil Service show a rise (the Sector SP includes the Government setting an example (GSE) Programme). All SPs still need to develop trajectories and considerable effort is being put into this work.
5. Performance in the Delivering Major Hazards target has improved since last quarter. The Nuclear and Onshore components of the target have continued their positive trends and, in both cases, appear to be heading for an outturn better than planned. The Offshore component has continued to improve and is now on track to achieve the target.
6. Rail: The Rail Safety and Standards Board's Precursor Indicator Model – a risk-weighted model of different types of precursor incident has been modified substantially during Q2 with the introduction of Network rail's own data so that there is a single model supported by the whole industry, introducing significant changes to the Index. On current performance, the target has been assigned a red.
7. Following the modifications to the rail safety model described, on current performance the trend is above target and not converging with it despite the overall positive downward trend especially in key aspects of the model such as SPADs. Action is being taken jointly by the Rail industry and HSE to improve the position.

8. The indicator owner has assigned the Red for Delivering Health and Safety in HSE. All three HSE internal targets have exceeded their second quarter planned trajectories. The RIDDOR sub-indicator has moved to a Red status due to 8 incidents involving HSE staff having been reported. (There have also been two RIDDOR reportable incidents involving non-HSE staff.) The other two sub-indicators, reported DSE issues and reported injuries due to slip and trip incidents, remain Amber.
9. The HSE Board champion for health and safety held an urgent Corporate Health and Safety Committee (CHSC) meeting on 11 October to address the number of RIDDOR reports received to date. An action plan was discussed at the meeting (including a communications campaign), which will be further discussed and finalised at the CHSC meeting to be held on 11 November. A global message has been sent to all staff from the Board Champion and TU vice chair of the CHSC on health and safety.
10. The fourth sub-indicator (sickness absence) has also moved to an Amber status. The number of instances of sickness absence is slightly below average for Q2; however the number of days absence per staff year per quarter is comparatively high. Similar to last quarter's report, 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 2 figures contain two absences approximately 400 days ending in the quarter and an absence of 614 days. These three instances account for 1,447 of the total days lost in the quarter – contributing 1.45 days per staff year to the quarterly total.

### **Managing Resources.**

11. A continuing Green status is assigned to Living Within the Budget, where HSE (excl HSL) Outturn to date compared to (mid year) Budget is showing a Net Resource under spend of £4.921m which includes a £2.175m under spend on Payroll and GAE, £0.035m under spend on Admin Other, £2.517m under spend on Programme and an over recovery of income of £0.194m.
12. The Forecast Outturn against (mid year) Budget is showing a Net Resource under spend of £0.879m which is made up of a forecast Admin under spend of £1.137m, a forecast Programme under spend of £0.213m and an under recovery of income of £0.470m.
13. An improvement on last quarter has seen Allocating Resources to Operational Priorities move to a Green status. All ODs are reporting a Green sub-indicator for 'percentage of resource committed to SPs as a proportion of that planned'. Also, the ODs (with the exception of RI) have reported a Green status on a new sub-indicator measuring 'resource applied to front line activity' one quarter before first envisaged possible to report on it.
14. Recruitment has a continued Green status. The number of staff occupying posts that are not included in work plans across HSE is one in Bootle. For

the fifth quarter running 100% of agreed posts advertised have been filled within a set timescale. The indicator measures the number of externally advertised posts within an agreed time frame.

15. The agreed timeframe for externally advertised posts is set out in a PD service standard. - For a campaign including an assessment centre the first person must be in post within 21 weeks. Where the campaign does not include an assessment centre the first person must be in post within 14 weeks. In the last quarter reported 42 posts were advertised and filled, a further 5 posts were filled from adverts placed in the previous quarter.
16. An overall staff turnover rate of below 5% may indicate a certain degree of stagnation within HSE – hence the outturn of 4% triggers an Amber status for Retaining and Motivating this quarter. This issue was raised at the 6<sup>th</sup> October Board meeting during the discussion on paper B/05/045 "Workforce Planning and Pay Strategy 2004-2010". The Board will be considering this issue further at the 22 December workshop on the Workforce Strategy along with other issues such as recruitment and learning and development.
17. The implications of the related business risks have not yet been considered in full (they will be at the 22 December meeting), but it is possible that there may be some risk of shortage of competent staff with specific skills, which could impact on delivery. In the light of the current financial climate, however, the Board may wish to consider all options for narrowing any competence /skills gap.
18. When considering Recruitment and Retaining and Motivating it is questionable that the focus of the indicators is correct. The Recruitment indicator may no longer be measuring useful aspects of the process and Retaining and Motivating's move to a Red status calls into question the validity of the target. It may be that in the current business climate HSE expects to sustain a low turnover rate.
19. Further work is planned with Personnel Department (PD) to examine the suitability of the Recruitment and Retaining and Motivating indicators, in light of the developing 'Workforce Strategy' and current tight financial situation.

### **Continuous Improvement.**

20. The indicator owner has applied an Amber status to Leadership in this quarter. Leadership in HSE has continued to develop but is still looking for further improvements. The Senior Civil Service conference facilitated practical improvements for HSE's senior management team regarding the movement of resource to areas the new strategy should support, how to work more effectively at a regional level and how teams combine to support and deliver our PSA target.
21. The second stage of the strategy road shows begins on 15<sup>th</sup> November in Rose Court, engaging with staff on how the strategy is being applied in

practice, listening to views on its application and practical lessons to be learned.

22. Work involving PD and the Communication Directorate will soon be underway to develop a staff 'temperature taking' survey. It is hoped that this will commence from February 2005 and will include (among others) questions relating to how staff perceive the leadership from HSE's senior management. It is hoped that results from this survey will be used to inform the Leadership indicator from April 2005.
23. A Green status has been applied to Applying Science and Technology. An outturn of over 80% of resources planned for science and technology has been reported. However, spend is below profile for the Better Health at Work Partnership (BHAW) SP, the Local Authorities (LAs) SP and Communications. Both BHAW and LAs are new strategic programmes and are therefore still developing their strategies. There is significant project work in the pipeline for BHAW, which will bring this programme closer to plan towards the end of the year. There has been delay in starting the communications projects due to the establishment of a proper procurement route through the Government's Central Office of Information (COI). A significant number of projects have been approved for contracting.
24. In excess of 65% of science and technology projects have been utilised in the way intended and had the anticipated impact. Notable outputs and outcomes from work have included (among others) an evaluation report on 'slips & trips road shows' showed that the approach was an extremely effective intervention and commissioned work that has informed and aided the development HSE's 3-year Science Strategy. The strategy should ensure that HSE's scientific resources are used to the best effect in supporting our business objectives.
25. A Green status has been applied to Business Improvement (BI). This quarter, four of the sub-indicators have been reported. All D/Ds now have a significant and balanced business improvement programme. Although the sub-indicator for overall benefits as a percentage of administrative costs is showing a Red status (3%), this is encouraging as measuring and quantifying this measure has previously been 'loaded' to the last quarter of the financial year.

### **Reputation.**

26. Image and Profile and Trust and Reputation have been reported together this quarter, due to the historical difficulty of separating the two subject areas. Both have been awarded a further Amber status by the indicator owner. Overall there has been a worrying increase in stories about events and activities being banned. While several have blamed "health and safety", many have also referred to unreasonable demands by insurance companies. We have, however, continued to maintain a good profile in trade magazines and regional journals.

27. Stakeholder Engagement has also been awarded a further Amber status by the indicator owner. Work on key corporate stakeholders has delivered a priority list, which includes MPs, journalists, Regional Development Associations, the Cabinet Office, and HM Treasury at the top of it. Influencing plans are being developed to maximise HSE's impact with them. HSC attended the three main party conferences for the first time. Generally HSE was recognised as having a legitimate role but we need to strike a better enforcement - advice balance and communicate more and better.
28. Much work has been undertaken on Internal Communications. Feedback suggests much more work to be done to embed the strategy with internal stakeholders - staff. Board agreed a programme of action in August to take things forward. Four major new initiatives launched in this period – a new style in house magazine, 'Express', a new 'e-Express', a new corporate cascade briefing system and a 'Pulse Panel' (around 70 panellists so far). It is hoped that the forthcoming staff 'temperature taking' survey will be able to gauge staff opinions.
29. Communications Directorate has proposed a suite of new indicators for the "reputation" business perspective of HSE's Balanced Scorecard based on existing indicators and new areas. These include merging the Image and Profile and Trust and Reputation indicators, and continuing to report on Stakeholder Engagement. A new indicator is proposed to report on HSE's performance on Internal Communication.
30. Much work has gone into the development of these indicators and salient measures have been identified for each. Details of the new "Reputation" indicators can be found at Annex 3. A meeting is planned between Strategic Planning Unit and Communications Directorate in December in order to firm up the sensitivities or tolerances for the status of each indicator and develop a set of rules for the combination of the sub-indicators.

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