

<b>Health and Safety Executive Board Paper</b>			<b>HSE/05/027</b>
<b>Meeting Date:</b>	4 May 2005	<b>Open Gov. Status:</b>	Closed until after the meeting
<b>Type of Paper:</b>	Above the line	<b>Paper File Ref:</b>	
<b>Exemptions:</b>	None		

## **HEALTH AND SAFETY EXECUTIVE**

### **The HSE Board**

#### **RAIL DELIVERY PROGRAMME (RDP) CLOSURE REPORT**

**A Paper by Allan Sefton (Senior Responsible Owner)  
 Advisor(s): Gill Dixie (Programme Manager)  
 Cleared by Allan Sefton on 26 April 2005**

#### **Issue**

1. To brief the Board on the outcome of the Rail Delivery Programme (RDP), the lessons learnt and the arrangements put in place for evaluation/measuring improved performance.

#### **Timing**

2. Routine. The Programme concluded on 31 March and the final meeting of the Programme Board was held on 21 April.

#### **Recommendation**

3. The Board is asked to agree the actions at paragraph 25.

#### **Background**

4. The HSE Board was given a report on progress with delivery of the Programme at its meeting on 2 June 2004 (Paper number B/04/32 refers). At that meeting, the Board:
  - Noted and endorsed the work carried out so far;
  - Gave its broad support for the work still in progress;
  - Supported in principle the RDP Programme Board's recommendation that the necessary work was put in hand to implement the first stage of the organisational changes needed by the end of October subject to providing a forecast of the consequences; and
  - Noted the lessons learnt so far from managing the Programme.

5. At that stage, we were still waiting for the outcome of the Rail Review but it was agreed that the work on the Programme should continue. It was perceived that the benefits that would be delivered by the successful completion of the RDP would be of vital importance whatever the end result of the Review. ORR has endorsed the revised structure and approach.

### **What the Programme was about – a brief reminder**

6. All the projects within the Programme had a common root ie the core vision and objectives for the Programme as a whole as agreed by the Programme Board. An extract from the Programme Brief, updated to include later work on the success criteria – see paragraph 11 below – is attached at Annex A. It is important to recognise that in agreeing what we were setting out to achieve:
  - the emphasis was firmly on improving our performance and reducing the risks (on the outputs as well as the inputs);
  - creating a new management culture was seen as central;
  - we did not set out to re-organise HMRI (although this has emerged as one of our critical outputs);
  - the existing HSE separation of policy and operations was accepted as a 'given'; and
  - our 'core' work and the changing impact of key issues would still need to be addressed on a day to day basis. (Our operating environment remained lively throughout the period of the Programme and we needed to regularly review our priorities against available resources.)
7. At its largest, the Programme contained 14 separate projects. A diagram is attached at Annex B showing, in a simplified form, what the projects were and an approximation of how they fitted together. The actual linkages and interdependencies were much more complicated than actually appears here. The individual projects were significantly different in size, breadth and importance ie there were 4 cornerstone projects – the legislative reform project, Process Integration, topic planning and business planning which were largely process driven but these were supported by other projects whose prime purpose was to address particular issues of concern. The standards project and the level crossings project are good examples of this.

### **Closure of the RDP – achievements so far**

8. When the Programme ended, eleven out of the fourteen projects had been substantially delivered to time. Three projects did not deliver as planned - the legislative reform project, interoperability and RAIB. They were held up because of delays elsewhere and beyond our control. These projects have been re-defined under the auspices of the HSE rail management boards and are expected to be completed in this planning year. However, they too have

made significant progress (see HSC paper 05/03 on the legislative reform project which also embraces interoperability).

9. The key outputs from the Programme are:

- A new regulatory framework to meet the requirements of Europe
- New management arrangements for HMRI capable of implementing the new regulatory framework and supported by clear, focussed, documented core processes
- Improvements in strategic planning and business planning addressed
- Specific problems/key risks ie handling standards, risk management
- A new intranet site supported by a system for data capture to give focus and structure to our communication efforts and improve our collection and usage of information and intelligence.

A more detailed breakdown is available should members of the Board wish to see it.

10. However, the real benefits of the Programme will be delivered in the coming months (and years) as the outputs are implemented and new ways of working become fully embedded within the organisation. There are some issues and risks which it is appropriate to draw attention to here:

- Timing and resourcing ie we have necessarily focussed our business planning for this year on our mainstream activity but we will need to work hard to ensure that this, and the fact that the Programme has ended, do not place at risk the improvements that we have put in place and the satisfactory completion of the residual work.
- The merger with ORR ie we have been careful to inform and consult ORR about the emerging outputs from the Programme. ORR senior management have endorsed the new structure and approach but it may be that unplanned changes will be needed to meet the needs of the new merged organisation
- One of the real benefits of the RDP has been the joint working at all levels of policy and operations and we will have to careful to ensure that the move to ORR does not reinforce separation and lead to renewed friction.

### **Evaluation - how will we know we have delivered the benefits?**

11. At the beginning of the RDP, we had a clear vision of the objectives of the Programme and the improvements that we were looking for and it was this vision and the associated objectives that drove the selection of the projects within the Programme, and are reflected in each of them to a greater or lesser extent. In order to satisfy ourselves that the benefits are delivered, we have adopted a 5 step approach. The approach is described in Annex C. This work will need to be taken forward jointly and it is planned that a joint RP/HMRI

management board will oversee progress periodically. Responsibility for developing the evidence base and monitoring and reporting back on delivery has still to be finalised. We envisage that the benefits will be measured in a variety of ways (both hard and soft measures) but will be focussed very firmly on the delivery of outputs and outcomes and using a scoresheet approach. Examples include the number of topic strategies put in place (and clearly linked with the PSA target - currently under review), proportion of delivery work done on a project basis, feedback from dutholders and staff from surveys etc, and quality audits.

12. Separately, we have asked LogicaCMG to revisit in the autumn to review progress overall.

### **Lessons learnt**

13. In the earlier progress report to the Board, there was an admission that all had not necessarily been plain sailing. That remains the position. There were also manifest advantages in running a self-contained programme (within agreed limits) involving a single industry with a dedicated budget (a lesson in itself perhaps?). Attached at Annex D is an updated list of the lessons learnt overall – what was good, what was less good and what we would do differently if we were starting again. Of these, the following remain of critical importance:

- strong and committed **leadership**
  - it was vital to the success of the Programme that the SRO, Programme Board and the Programme Manager were fully committed to delivery.
  - The SRO and the PM were empowered to make decisions
  - The SRO and the PM made themselves, and were seen as, accessible
- a clear **vision**
  - there were very real difficulties in the early stages in agreeing a vision but it was vital that this was agreed before the Programme went forward
  - the need to concentrate on outcome(s) ie inputs are important but should be dictated by the desired outcome
  - outcomes/outputs can/may be delivered by process but vision should not be fixed on a process outcome
- a focussed and **structured approach**
  - programme disciplines kept to ie all PMs received training
  - links between projects made and constantly revisited
  - danger that the programme can become 'process' dominated
  - discipline 'imposed' by consultants

- **communicating**
  - must underpin everything that is said and done
  - active engagement and involvement of staff vital but...
  - remember that they do not naturally act as a conduit for information so reinforcement will be needed
  - value of opinion formers (both for and against)
  - 'problems' must be exposed and shared: 'good news' must be celebrated
  - check understanding and don't make assumptions (relevant in both the general and the financial context).

### **Issues and questions that need to be addressed**

14. We are anxious not to overplay the achievements of the RDP. Only time will tell if the wide-ranging improvements that were sought have been fully delivered, and we recognise that the future merger with ORR may make it difficult to get a clear line of sight after December. However, there were some real lessons learnt from running and delivering the Programme (both negative and positive) that we do not think should be lost. The question is how best to share those lessons.
15. In particular, our focus on outcomes has a direct read across to the work of the Major Hazards Strategic Programme and its current project work. There is agreement that an industry wide risk picture, probably based on precursors, is needed to justify and explain both industry actions and the regulator's strategy and intervention to prevent high consequence, low probability accidents. Such a model is now the dominant driver of railway safety policy and operations.
16. Our plans for managing evaluation, future monitoring and audit – which, inevitably, we designed and launched later in the Programme than we should have done – may also have potential application elsewhere.
17. The Programme Manager has already made a presentation to the Policy Group Management Meeting that allowed senior managers to discuss the lessons of this Programme. If others would like similar presentations or to involve those who participated in the Programme in strategic training/awaydays, HMRI and RP would do their best to contribute and/or advise.
18. Similarly, further details on managing evaluation (there is considerable background data available) may help prevent programme and project managers re-inventing the wheel. The Board may have additional proposals and ideas.

## **Consultation**

19. Cleared by the RDP Programme Board.

## **Presentation**

20. We have given a lot of attention throughout the duration of the Programme to presentational issues. We have set up new ways of communicating key messages to our staff, and have designed and cascaded briefing material for our staff to use in their day-to-day contacts with dutyholders and stakeholders. We must build on the experience we have had in the past two years and not lose sight of this as we implement the findings of the Programme in the transition period before our merger with ORR.

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

21. The RDP had a ring-fenced budget of £8m over two years. Latest estimates suggest that we have come in slightly over budget (£8.1m). Part of the reason for the difference between the estimated outturn and our previous estimates is because we made greater use of LogicCMG to help us with the implementation of our new organisation structure to avoid diverting HSE staff from mainstream work. However, once the figures are firmed up, we will consider them more closely to see if there are further lessons to learn from the financial management perspective.

22. As part of our input to the planning cycle, we have agreed productivity improvements. We anticipated that these would be mostly delivered in year 3. Because the implementation of the new regulatory regime has been delayed, it is probable that the recovery of these savings will be delayed. We will also need to revisit our planning assumptions in the light of our experience of handling recommendations from RAIB. However, there have already been significant reductions in the senior management cadre within HMRI (a reduction of one third at band 0/1 level) as a result of the implementation of our new management arrangements as well as reductions in staffing of the policy function (the Cullen Division ceased to exist with effect from the end of March).

## **Environmental Implications**

23. None.

## **Other Implications**

24. None.

## **Action**

25. The Board is asked to:

- Note the outcome of the Programme;
- Note and endorse the arrangements for ensuring the full benefits are delivered;
- Note the lessons learnt from managing the Programme; and
- Agree/advise upon proposals for sharing lessons learnt and our evaluation methodology with others in HSE.