

Annex 3. Proposed Changes to Indicators.

Communications Directorate propose the following:

Further to indicators proposed last quarter, revised indicators and methods of measurement can be found in the table below.

These indicators use a number of metrics to monitor the three areas of communication – profile, stakeholder engagement and internal communication – namely MORI poll data, media coverage index data, stakeholder engagement plans, the COI life stage model, MP survey data and the planned staff survey.

Heading	Indicator	Measurement method	Sensitivities or tolerances
Profile	Familiarity and favourability rating by public	MORI poll – annual data (Feb).	Only one set of historical data available (03-04). Tolerances to be set for 05-06 once 04-05 data has been considered.
	Familiarity and favourability rating by employers	In the quarter that this sub indicator is reported it will take primacy over media coverage index.	
	Familiarity and favourability rating by employees		
	Favourability of national media coverage	Media tracking – monthly data from Nov 04.	+ve ratio = green balanced = amber -ve ratio = red Rules of combination have been agreed.
	Favourability of regional media coverage		
	Favourability of trade media coverage		
Stakeholder Engagement Consideration of HSE's engagement c. 30key corporate stakeholders.	SE plans Q1 05-06 only	No. of SE plans completed, agreed in place and first action steps taken.	Green = >24 Amber 21-24 Red = <21
	SE plans Q2 05-06 onwards.	No. of SE plans that are on target for delivery.	Green = >20 Amber 15-20 Red = <15

Stakeholder Engagement Ctd. Rules of combination of sub indicators have been agreed.	COI Life stage model. Q2 onwards.	Subjective assessment (COI and CD) of communication, behaviour and attitude to HSE. Based on pre-defined criteria. These assessments will be discussed with CEOs and relevant senior contacts at annual review meetings.	At Q2 we expect: Early life stage 5-6 Mid life stage c. 20 Mature life stage 2-3 Tolerances to be worked up at Q3 As a rule of thumb a movement from early, through mid, to mature life stages shows a positive result.
	Canvass views and feedback from MPs. (This is a good proxy of other's perceptions.)	MPs survey data – 6 monthly (Nov & May) "%age of MPs surveyed whose overall impression of HSE is one of an effective organisation."	Green >45% Amber 35% - 44% Red <35%
Internal Communications	Staff feedback	Analysis of results. Questions framing the overriding theme of "is HSE an overall effective communicator?"	Staff survey – annual (Bi annual) Pulse panel – monthly Will be developed further when staff survey is rolled out.

Are the Board content with proposals for Communication indicators?

Business Efficiency Unit proposes the following:

A new set of indicators to reflect the Board steer that the indicator should align with the Efficiency, Economy and Productivity Programme.

Delivering Efficiencies, Economy and Productivity

- An existing indicator measuring number of DDs with a Business Improvement Plan, with refined wording and targets
- A new indicator measuring whether projects in Efficiency Programme are hitting key planned milestones
- A new indicator measuring whether projects in Efficiency Programme are hitting benefits realisation milestones
- A new indicator measuring delivery of collated efficiency savings
- A new indicator measuring delivery of cash releasing efficiency savings.

Business Area: Continuous Improvement

Traffic Light: Delivering Efficiencies, Economy and Productivity

Name and description of indicator	Relevance	Targets and Transparency	Measurement and Baselines
<i>What does this measure?</i>	<i>Why is it important?</i>	<i>What does it mean if the indicator changes and at what stage should the indicator show Red, Yellow or Green?</i>	<i>How will the indicator be collected and how frequently should it be reported</i>
% Of D/Ds with a business improvement plan.	Demonstrates D/Ds' bottom up activities and achievements, which contribute to the delivery of HSE's efficiency savings and embedding of continuous improvement.	G 95% or more Y 80% to 94% R < 80% Indicator shows Dads' practical commitment to BI. Failure to do so would jeopardise HSE's ability to deliver efficiently and effectively in future years.	Information will be collected via BI database maintained by BEU and can be reported upon quarterly.
% Of strategic projects In the Efficiency Plan hitting planned key milestones.	The success of top down strategic investment is essential to sustain targeted efficiencies.	G 75% or more Y 60% to 74% R < 60% Indicator provides a level of confidence over a range of projects for hitting key milestones.	Information will be collected via BI database maintained by BEU and can be reported upon quarterly.
% Of strategic projects in the Efficiency Plan hitting planned benefits realisation milestones.	Spending limits mean that HSE must ensure a return on discretionary investment by maximising the delivery of tangible business benefits from change.	G 75% or more Y 60% to 74% R < 60% Indicator provides a level of confidence over a range of projects for hitting key benefits realisation milestones.	Information will be collected via BI database maintained by BEU and can be reported upon quarterly.

<p>Overall collated efficiency savings, top-down and bottom-up, achieved expressed quarterly as a % of the annual target.</p>	<p>HSE has substantial efficiency commitments to meet in SR 2004, which require a high degree of success in business change activities.</p>	<p>G 25% or more Y 15% to 24% R < 15%</p> <p>An internal annual savings target of £16.6m exists and this indicator illustrates the totality of BI achievements in HSE</p>	<p>New baseline will be based on 2005/6 outturn</p> <p>Information will be collated via BI database in BEU and can be reported quarterly to show forecast and progress toward the target</p>
<p>Cash releasing efficiency savings, top-down and bottom-up, expressed as a % of total efficiency savings achieved</p>	<p>With limited funds available HSE needs flexibility to allocate resources according to changing priorities. This requires a shift in the balance between cash releasing and productivity benefits achieved.</p>	<p>G 50% or more Y 35% to 49% R < 35%</p> <p>Failure to increase the proportion of cash releasing savings will add to pressure on HSE's resources and may adversely affect successful delivery of agreed targets and/or strategic objectives.</p>	<p>New baseline is 50% of total savings are cash.</p> <p>Information will be collated via BI database in BEU and can be reported quarterly to show forecast and progress toward the target.</p>

Are the Board content with the proposals for the indicators for delivering efficiency, Economy and productivity (including sub-indicators below)?

Business Area: Continuous Improvement

Traffic Light: Delivering Efficiencies, Economy and Productivity

Sub Indicators for key delivery milestones and benefits realisation milestones.

% Of strategic projects In the Efficiency Plan hitting key milestones.	<i>What does it mean if the indicator changes and at what stage should the indicator show Red, Yellow or Green?</i>
Improving operational productivity	G 75% or more
Refocusing our policy, communications and standard setting functions on our strategic priorities	Y 60% to 74%
Making better, more cost effective use of scientific and technological support (including research)	R < 60%
Developing a leaner, more agile and more efficient back office	
Reducing the cost of acquiring and managing our assets and services (e.g. the estate, IT and other contracted services)	
% Of strategic projects in the Efficiency Plan hitting benefits realisation milestones.	<i>What does it mean if the indicator changes and at what stage should the indicator show Red, Yellow or Green?</i>
Improving operational productivity	G 75% or more
Refocusing our policy, communications and standard setting functions on our strategic priorities	Y 60% to 74%
Making better, more cost effective use of scientific and technological support (including research)	R < 60%
Developing a leaner, more agile and more efficient back office	
Reducing the cost of acquiring and managing our assets and services (e.g. the estate, IT and other contracted services)	

All the indicators monitor delivery of key milestones over a range of projects within that 'strand' of the programme.

All the indicators monitor delivery of key benefits realisation milestones over a range of projects within that 'strand' of the programme.

Personnel Indicators.

No firm proposals have been worked up with Personnel, however work is ongoing to develop new, and more meaningful indicators than previously. The emerging Workforce Strategy and the Human Resource Service Transformation project have informed early work. Emerging indicators reflect the adage “the right people, with the right skills, in the right place, at the right time”.

Indicators may be proposed in the following areas:

- People
- Development/people skills
- Flexibility/mobility
- Resources
- Recruitment and retention

No final suite of indicators has been agreed, however, definite progress has been made – and examination of historical data and investigation into the usefulness of the following indicators is ongoing. This ongoing work will inform definite proposals at the end of quarter 1 05-06

1. Measure of flexibility/mobility. I.e. ‘right place’.

%age of posts advertised that can be undertaken in a flexible location (or is offered with a relocation package).

2. Measures of internal job filling process. I.e. ‘right people’

a) This measure would only be suitable for level moves and those on promotion.

[Measure of process and measure of release date.]

%age of job offers that are made within X (?6) weeks of advertising.

%age of posts that are filled within Y (?12) weeks of advertising. Or

[%age of posts that are filled within Y (?6) weeks of formal offer being made.]

b) This measure would only be suitable for posts advertised on promotion only.

[Are the right people applying for promotion? For a level move we assume that we have the ‘right people’ i.e. already correctly skilled except for specialisms.]

%age applicants scoring acceptably at the sift.

%age applicants scoring acceptably at interview.

(Parameters of acceptability must be confirmed.)

3. Measures of external job filling process. I.e. ‘right people’

[Measures of process and ‘are we attracting applicants’?]

%age agreed posts advertised within **X** weeks.
%age agreed posts interviewed (or participated in next formal stage of process) within **Y** weeks.
%age agreed posts filled within **Z** weeks of formal offer being made.

Also ratio of

no. of applicants : vacancy	G ≥ 5:1 R ≤ 2:1
no. of interviewees to vacancy	G ≥ 3:1 R < 1
no. of offers to vacancy	G = 1:1 R < 0.5:1

The above are only indicative tolerances to be confirmed later.

4. Measures of development and people skills.

It is noted that there are currently no measures included in the BSC for 'training and development' and that much work had been undertaken – but due to ad hoc data collection at the centre this had not been possible.

The need to capture both 'core skills' type training and more specific 'strategic' training is recognised. Further discussion regarding this indicator will take place after the advent of the HRST software solution – which should provide useful data for this measure.

[It is also noted that IIP criteria may inform various aspects of 'training and development indicators']

5. Measures of turnover rate.

Turnover rate is a useful indicator in BSC. Does minimum overall turnover rate show static, stable or stagnating organisation? An indicator is also required to reflect high turnover rate showing 'critical' losses.

The turnover rates of the 9 key disciplines are still important supporting information and should continue to be reported.

Example tolerances for indicator for overall turnover rates.

R = 0-4%

A = 5 – 7%

G = 7 – 14 %

A = 15 – 20 %

R >20% These figures to be researched and refined.

6. Occupancy of unfunded posts.

An indicator reporting on occupancy of unfunded (unplanned) posts should be maintained – but only pan HSE and in no further detail.

**Are the Board content with emerging proposals above?
Is there any further steer that the Board wishes to give?**

Financial Management and Monitoring.

Work has been undertaken with Financial Management Team (FMT) to work up proposals for new indicators for Financial Management and Monitoring.

Measures are being developed around:

- Budget to date v actual
- Total budget v forecast

For payroll and GAE, admin other, programme and income.

Further Board steer is required to fully develop this indicator.

Does the Board wish to continue to receive information in the current format, unless there is a move from a green status in the proposed indicators?

If there is a move from a green status in any area of spend/income, does the Board wish for further analysis of the four 'Main Budget Holder' areas?

FMT suggest that 'a variance of less than 5% indicates a green status' is an acceptable basis for setting tolerances (with the caveat that recalibration of tolerances may be necessary). Is the Board in agreement?

Other areas of Development.

Delivering planned work: Further work is planned to examine how we should report and performance manage other areas of planned work i.e. the Policy Programme, non-programme science and technology.

Delivering Worker Health and Safety Targets: Four Strategic Enabling Programmes will be reported under this category, initially taken from existing style RDG reports, as with progress with the Fit3 SP. Ultimately it is hoped that performance management will be possible for all streams within this area using information arising from the emerging Intervention Logic Models to show progress with the PSA.

Delivering Health and Safety in HSE: Work continues to find a useful and meaningful measure of sickness absence – particularly average days absence per staff year. Recent work has examined using rolling annual averages of data.

Allocating Resources to Priorities: Further work is proposed to extend this indicator to cover Strategic Enabling Programmes as well as Strategic

Delivery Programmes. Currently it is only possible to measure OPMs B and B2 for operational directorates – and then only for frontline staff (some assumptions are built in for non-work recording, frontline staff). It is hoped to extend these OPMs across all staff in all directorates when universal work recording is introduced. Meanwhile it is proposed that an indicator is developed informed by sensible subjectivity.

Applying Science and Technology: There are no immediate plans to update or realign the existing indicators, however, findings from the recent Office of Science and Technology review of HSE and emerging work on governance of non-programme science and technology work may give rise to further work.