

Meeting Date:	1 February 2006	FOI Status:	Fully open
Type of Paper:	Above the line	Paper File Ref:	
Exemptions:	None		

HEALTH AND SAFETY EXECUTIVE

HSE Board

PSA targets: Summary Performance Report for Quarter 3 (2005/06)

A Paper by PEFD/SPU

Issue

1. The Strategic Programmes' performance reports for quarter 3 (Q3), 2005/06.

Timing

2. Urgent. Strategic Planning Unit (SPU) must submit the summary performance report to secretariat by 1st February, in time for the 14th February HSC meeting. Unfortunately, this means you will have to clear the summary report for submission to HSC **before** the formal Board meeting.

Recommendation

3. The Board:
 - Considers the draft report (attached) and directs (by correspondence) any changes it would like by noon on 31st January;
 - Discusses the reports at its meeting on 1st February; and
 - Indicates whether it is happy with the existing quarterly reporting process, the format of the reports and their content.

Background

4. Since the first quarter of 2004/05, with the move to full Strategic Programme working, HSE's quarterly performance reporting process has been:
 - i. Strategic Programme Directors provide quarterly performance reports to Resource and Delivery Group (RDG) members and SPU.
 - ii. SPU uses this material to produce a summary report (in the form of an HSC paper), which it submits to RDG.
 - iii. RDG discusses, amends and agrees the summary before SPU submits it to HSC.
 - iv. HSC discusses, amends and agrees the summary before SPU submits it to the Minister (in the form of a submission).
 - v. The submission then typically forms the basis for discussion between HSC/E senior managers and the Minister at quarterly performance review meetings.
 - vi. SPU also uses the quarterly reporting material to produce one-page reports on PSA delivery to DWP's Departmental Board (quarterly) and to Treasury (biannually), as well as reports to DWP on performance against HSE's PSA delivery plan and responding to other ad hoc commissions for performance information.

Argument

5. The assessment of delivery overall for Q3 is **Amber/Green**, based on:
 - The latest quarterly outturns from the major hazard indicators;
 - The Fit3 Director's assessment of performance against plans and delivery of the conventional health and safety targets; and
 - The STEP Directors' assessments of their programmes' performance.
6. The Board has now replaced RDG in the reporting process. However, due to the scheduling of Board (first Wednesday of the month) and Commission (second Tuesday) meetings, it is no longer possible to clear the summary report at a formal Board meeting before submission to HSC. The Chief Executive has suggested that we overcome this issue by clearing the summary with you by correspondence, in advance of your formal discussion. **Board members should let SPU know whether they are happy with the summary report by noon on 31st January.**
7. From its discussion on 1st February, the Board should also give a steer on whether it is happy with the current quarterly reporting process and the content/format of the summary report. Alternatively, you may wish to see how the existing arrangements work for Q3 and direct any changes at your Q4 meeting (to take effect for Q1, 2006/07).
8. The HSC summary report contains performance information on the rail target. However, the Board should note that SPU has not included this information in the ministerial submission since Q1 05/06, because the rail target does not form part of the workplace health and safety PSA agreed with Treasury.

Action

9. SPU will make any changes to the summary report that you request by 31st January. We will then submit the summary (plus the reports from the Fit3 and Major Hazards Strategic Programmes) to HSC secretariat by close of play on 1st February.

FoI status: Fully open

Paper Number: HSC/06/025

Exempt material: None

Meeting Date: 14th February 2006

Type of Paper: Above the line

Intranet embargo: No

HEALTH AND SAFETY COMMISSION

Delivering the PSA: Summary Performance Report for Quarter 3 (2005/06)

A paper by Strategic Planning Unit

Agreed by the HSE Board on 1st February 2006

Issue

1. A summary of the Strategic Programmes' performance against the Public Service Agreement (PSA) targets during the third quarter (Q3) of 2005/06.

Timing

2. Routine.

Recommendation

3. The Commission:
 - Discusses the Strategic Programmes' performance; and
 - Indicates whether it is happy for Strategic Planning Unit (SPU) to use this report as the basis for HSE's quarterly performance submission to the Minister.

Background:

4. This paper is a summary of the HSE's performance against the PSA targets during Q3 2005/06 (October to December). It is based on reports from:
 - **The two Strategic Delivery Programmes (SDPs):**
 - Fit3
 - Major Hazards
 - **The four Strategic Enabling Programmes (STEPs):**
 - Business Involvement
 - Enforcement
 - Worker Involvement
 - Local Authorities and HSE Working Together

Argument:

5. The Board's assessment overall of HSE's performance overall during Q3 is **Amber/Green**. The table below provides a breakdown, showing how the Board has reached this assessment.

	2005/06		
	Qtr 1	Qtr 2	Qtr 3
PSA 5 Overall Assessment	Amber/Red	Amber/Red	Amber/Green
Conventional Health & Safety	Amber/Red	Amber/Red	Amber/Green
3% reduction in injuries	Amber/Green	Amber/Green	Amber/Green
6% reduction in work-related ill-health	Amber/Green	Amber/Green	Amber/Green
9% reduction in days lost	Amber/Red	Amber/Red	Amber/Green
Major Hazards	Green	Green	Green
Nuclear	Green	Green	Green

Onshore	Green	Green	Green
Offshore	Green	Green	Green
Strategic Enabling Programmes			
Local Authorities/HSE Working Together	Amber/Green	Amber/Red	Amber/Green
Enforcement	Red	Amber/Red	Amber/Green
Business Involvement	Amber/Green	Green	Amber/Green
Worker Involvement	Green	Amber/Green	Amber/Green

Key:

Green: Good – requires refinement and systematic implementation.

Amber/Green: Mixed – aspects require substantial attention, some good.

Amber Red: Problematic - requires substantial attention, some aspects need urgent attention

Red: Highly problematic – requires urgent and decisive action.

6. We have attached the reports from the Fit3 and Major Hazards Strategic Delivery Programmes at Annexes 1 and 2 respectively.

Fit for work, Fit for life, Fit for tomorrow (Fit3)

A/G

7. The 2004/05 health and safety statistics were published in November. In terms of the Revitalising mid-point targets, the statistics were good news (with the 10% ill health target 'probably met' and the 15% days lost target 'possibly met'). However, the scale of the challenge in delivering the SR2004 PSA (which takes 2004/05 as its baseline) is greater where we have made good progress. Indeed, achieving the ill health reduction target for the PSA period (to 2007/08) will take us below Revitalising's 2010 target.
8. The picture for injuries reduction (5% RHS mid-point target 'not met') is mixed. There has been significant improvement in specific sectors, which HSE has targeted and engaged such as glass/ceramics, paper and board and quarrying, and a 25% reduction in injury incidence in construction over the last five years. But a challenge remains in the service sector, where major injury rates continue to increase. Part of this sector is local authority (LA) enforced. Fit3 is working with LA colleagues and through the LA Partnership STEP to increase our collective capacity to deliver. Some LAs have taken up this challenge enthusiastically and are completely re-aligning their service plans to Fit3 work.
9. The statistics indicate that HSE's approach to delivering improved conventional health and safety outcomes (now incorporated within Fit3) is beginning to make real progress in terms of delivering the PSA targets. We hope that work, such as the Stress Management Standards rollout and the Backs! 2005 campaign, will continue this downward trend. For Q3, Fit3's delivery highlights include:
- The Construction Programme's "Fit out Phase" Campaign in October, targeting slips, trips and falls during the final stages of construction projects across the country.
 - The Public Services Programme's work, including Ministerial Task Force meetings, seminars and a programme of bilaterals between Lord Hunt and Departmental Ministers. The latest civil service absence figures showed improvement (from 10.0% in 2003 to 9.1% in 2004), echoed by figures for local authorities and HSE.
 - David Blunkett announcing the Workplace Health Connect pathfinders at the launch of the Health, Work and Well-being strategy on 19th October.
 - Launching the *Watch Your Step* campaign in October. Preliminary outputs include 145 educational/promotional events, 2000 HSE/LA inspections, 55 enforcement notices and 46,000 website hits.
 - Ladders week, which took place as scheduled during Q3. Early reports indicate that events increased awareness of the risks of ladder use and the alternatives available.
10. Challenges for Fit3 during Q3 included:
- Although overall front line effort is to plan, the balance between component programmes at this stage is not. Adjustments are being made, but it will not be possible to correct the balance fully before the end of the year.

- The delay to the revised *Construction Design and Management Regulations* due EU intervention may result in a loss of momentum in the construction industry.
- The challenges for MSD, Stress and the Public Services Programme as they develop new influencing and intervention strategies, and whether these will be effective in securing the necessary top-level stakeholder buy-in.

Major Hazards

G

11. A major incident occurred at the Buncefield oil storage depot during Q3. HSE is currently investigating the incident to identify its cause and any risk management actions that can be taken to prevent similar incidents in the future. We are also conscious of the potential effect on public confidence and HSE's reputation and have taken action to address this. It is too early to assess the impact on the Strategic Programme from diverting resources to the investigation.
12. However, the Strategic Programme continues to make good progress, with all three precursor incident indicators remaining on course to deliver the targets. Catastrophic incidents such as Buncefield remain rare events and the number of precursor incidents continues to decline. The assessment of overall performance therefore remains Green.
13. The loss of experienced staff earlier in the year continues to be a challenge in HID and NSD. Some central resource has been diverted to frontline work and recruitment has progressed throughout Q3; further recruitment is planned for Q4.

Local Authorities and HSE Working Together

A/G

14. The LA STEP has continued to make good progress, in line with its plans, and expects to have met its objectives by summer 2006. However, the programme has been marked Amber/Green, in recognition of the scale of the challenge ahead in sustaining the partnership with LAs and using it to deliver real health and safety improvements. During Q3, the STEP has focused on four key issues:
 - Ensuring partnership working is factored into HSE and LA plans for 2006-07, particularly the contribution LAs will make to Fit3's priorities and the PSA targets;
 - Delivering 10 GB-wide consultation workshops for LAs on s.18 HSWA guidance, the *Enforcing Authority Regulations*, and performance management;
 - Improving communication with LAs through the FOD partnership teams. LACoRS organised a successful partnership conference in December. The launch of the "Extranet" for sharing information and communicating with LAs was welcomed;
 - Contributing to the Hampton implementation. The Programme has been able to show practical examples of joint work, which offer a model of how central and local government can work together effectively.
15. The STEP is approaching the point at which it was expected to finish. At a recent meeting, the Programme Steering Group concluded that the revised liaison and governance arrangements (coming into force shortly) are sufficient to sustain the HSE-LA partnership. The STEP will make a full progress report and explain how outstanding work will be concluded in HSC/06/009 (at this meeting).

Enforcement

A/G

16. The Enforcement STEP has made good progress on its three central workstreams, in ensuring that recommendations are underpinned by evidence, and that there is substantial local authority representation within the Programme. However, until the Programme's products are put into effect and evaluated, across HSE and LAs then the Programme's status is at Amber/Green.
 - **Efficiency (and effectiveness) of reactive work:** Following research, the STEP has developed a package of "quick win" efficiency gains and detailed proposals on structural/behavioural models for long-term sustainable efficient and effective delivery. The Enforcement Programme Board supports these in principle, but has asked for further development work.

- **Aligning enforcement with Fit3:** The Enforcement and Fit3 Programme Boards supported the STEP's proposals to integrate enforcement expectations as part of a toolkit for Fit3.
- The Enforcement Programme Board has also agreed a draft enforcement **communication strategy**.

Business Involvement

A/G

17. Good progress has been made on the workstreams within the Business Involvement Enabling Programme though its overall status remains Amber/Green until the programme's impact in changing attitudes and behaviours can be evaluated. Highlights include:
- Launching the Large Organisations Partnership Pilot (LOPP) in October. Fourteen of the seventeen companies approached are fully involved and account managers' initial feedback has been positive.
 - Fourteen large organisations have already completed the Corporate Health and Safety Performance Index (CHaSPI) and around 240 have registered. The STEP is preparing to pilot CHaSPI in the NHS and LAs, with Lord Hunt's support. The new version of the SME indicator was successfully launched in November and an ABI event promoted it to insurers and brokers.
 - The SME business benefits campaign launched on 10 January. The STEP has also made progress on evaluating both the Small Business Trade Association forum and work on developing new areas of the business.gov website.

Worker Involvement

A/G

18. The Worker Involvement Strategic Enabling Programme is broadly on track. Products have been delivered largely on schedule, however until we know if they are having the desired effect on the ground, the programme has been cautiously marked as Amber/Green.
- The STEP contributed to the 'Watch your Step' awareness campaign in October, emphasising the benefits of involving workers to reduce slips and trips in the workplace. The STEP is now exploring opportunities to work with Fit3 on noise and vibration, falls from height, construction and MSD programmes and campaigns for 2006/07.
 - The STEP is making headway on establishing a trajectory and baseline to measure its performance. Initial results have been received from the WHASS and Fit3 employer surveys and a key challenge for Q4 will be to analyse the findings and set an agreed baseline.

Rail

19. Rail targets do not form part of the PSA but, until responsibility for the rail sector transfers to the Office of the Rail Regulator, HSE will monitor the sector's "Precursor Indicator Model" target, now revised to a more realistic 5% year on year improvement. Delivery is assessed as Green. Details may be found in the report at Annex 2.

Consultation

20. This information is a summary of the key issues contained in the Strategic Programmes' performance reports for Q3 and discussions at the HSE Board.

Action

21. SPU will make any amendments to this summary report that HSC requests and use it as the basis for the Q3 performance submission to the Minister. The submission is likely to be discussed at the meeting between Lord Hunt, the HSC Chair and senior HSE managers on 6th March.

**Health & Safety Executive
Fit3 Programme Performance Report for quarter 3, 2005-06**

1. Overall status			
Strategic Programme Target	3% reduction in the incidence rate of work-related fatal and major injuries; 6% reduction in the incidence rate of cases of work-related ill health; 9% reduction in the incidence rate of days lost due to work-related injuries and ill health	Current status ♣	Amber/Green

♣ Status can be

Green : Good – requires refinement and systematic implementation.

Amber / Green: Mixed – aspect(s) require substantial attention, some good.

Amber/Red: Problematic – requires substantial attention, some aspects need urgent attention

Red: Highly problematic – requires urgent and decisive action.

2. Strategic Programme Director's Assessment (including any decisions required)		
Construction Programme	Current status	Green
Injury Reduction Programme		Amber/Green
Public Services Programme		Amber/Green
Stress Programme		Amber/Green
MSD Programme		Amber/Green
Disease Reduction Programme		Amber/Green
Workplace Health Connect		Amber/Green
<p>The latest annual health and safety statistics, on which the Fit3 PSA target is based, were published on 8 November 2005 and were generally good news for HSE. Progress against the 10-year Revitalising mid-point targets is:</p> <p>Injuries: 5% target not met. No change in the fatal and major injury rate Ill health: 10% target probably met. Incidence rate down 8-23% Days lost: 15% target possibly met. Days lost per worker down 3-23%</p> <p><i>The picture for injuries reduction is mixed. We have seen significant improvement in specific sectors where we have had concerted stakeholder engagement such as glass/ceramics, paper and board and quarrying, and a huge reduction in injury incidence in construction of 25% over the last five years. But a challenge remains in the amorphous service sector where major injury rates continue to increase. Part of this sector is LA enforced and we are working with LA colleagues and through the LA partnership programme to achieve better alignment of LA contribution to Fit3 priorities. Some LAs have enthusiastically taken up this challenge are completely re-aligning their service plans to Fit3 work.</i></p> <p><i>Progress on both days lost and ill health was better than anticipated and reflects the real progress towards delivery being achieved through longer-term well planned and implemented activity, now being taken forward within the Fit3 programme and including the influence of the Ministerial Task Force, roll-out of stress management standards and the impact of the Backs! 2005 campaign. Linkage to other Government initiatives such as Health, Work and Well Being (HWWB) are also no doubt playing their part. The announcement of the Workplace Health Connect Pathfinders at the HWWB launch was a major milestone for HSE. During the last quarter we have started to finalise plans for 2006/07. Matching plans to resource allocations has been challenging particularly for the Public Services and Stress programmes who have</i></p>		

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designed alternative ambitious communications based interventions, as yet untested, to roll out the stress management standards in the public sector. Also, the Injuries Reduction Programme have had to scale back the extent of their planned communications activities to match their allocation. However, although the scale and timing of the changes required continues to present a significant challenge and uncertainty remains around the effectiveness of the new intervention methods, I believe we are now well placed to deliver as we move towards years 2 and 3 of the programme.

It should be noted that the scale of the challenge in meeting the PSA 2004 targets (which take the 04/05 stats as a baseline) is greater where we have made good progress during the first half of Revitalising. Indeed, the ill health reduction target for the PSA period (-6%) would, if achieved, take us below the Revitalising end-point target.

Because of the lagging nature of the annual statistics as a programme performance measure, we have developed alternative measures of in-year initial and intermediate outcomes based on the results of workplace and employee surveys that will provide bespoke programme performance information. The third quarter saw the results of the first workplace survey, which will be used to form our baseline for future quarterly progress reports.

We have also developed comprehensive evidence, analysis and evaluation plans for each programme to build the connections between programme activity and outcomes. This will address the requirements detailed in HMT's feedback to DWP on PSA delivery.

My overall assessment of the ability of the programme to deliver the targets has moved to amber/green.

Current Performance

Delivery highlights this quarter include:

- The "Fit out Phase" Campaign of the Construction Programme delivered successfully in October making a major contribution on slips and trips and falls by targeting the final stages of construction projects across the country.
- In the Public Services Programme, maintaining top-level interest (DWP, HMT) has been a major achievement and has ensured we continue to have an 'engine' to help drive our work effectively. Activity with Central Govt and the emergency services has been very positive with all milestones met including Ministerial Task Force meetings, seminars and a programme of bilaterals between Lord Hunt and Departmental Ministers.
- The latest civil service absence figures showed a reduction (i.e. an improvement), from 10.0% in 2003 to 9.1% in 2004. Local Authority BV112 absence figures also show an improvement as do HSE statistics for ill health and days lost.
- 70 organisations are rolling out the stress standards as part of phase 1. One NHS Trust has completed the process and is preparing a case study.
- For Backs 2005 the evaluation evidence so far shows it was a successful campaign and we are now in a strong position to deliver an effective Backs 2006. During Backs 2005, 46% of employers visited were aware of the campaign from media sources.
- Secretary of State for Work and Pensions David Blunkett announced the Workplace Health Connect pathfinder service as part of the launch of the Health, work and well-being strategy on 19th October 2005.
- In the Injuries Reduction Programme, the Watch Your Step publicity and intervention campaign was launched 3 October. Preliminary outputs include 145 educational/promotional events, 2000 HSE/LA inspections, 55 enforcement notices and 46,000 website hits.
- Ladders week took place as scheduled during Q3; a full evaluation took place in mid-December and will feed into the campaign planning for May 2006. Early reports indicate that events were generally well received and were successful in increasing awareness of the risks associated with ladder use and what alternatives are available.
- The complete suite of guidance on Noise and HAV has now been published and launched; early reactions from industry are very positive. Joint EEF/HSE roadshows explaining the new Regulations have now finished and we contributed successfully to the IOSH "Sound-Off" conference.
- The 6 regional stakeholder consultation workshops on workplace transport management standards took place over 2 weeks during November with excellent levels of engagement. Revised workplace transport guidance was launched at the HELA Health & Safety conference on 14 December.

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- *In the Disease Reduction Programme, available data shows a definite downward trend in the number of asthma cases caused by glutaraldehyde and it is no longer in the top 8 list of causative agents.*

Challenges this quarter include:

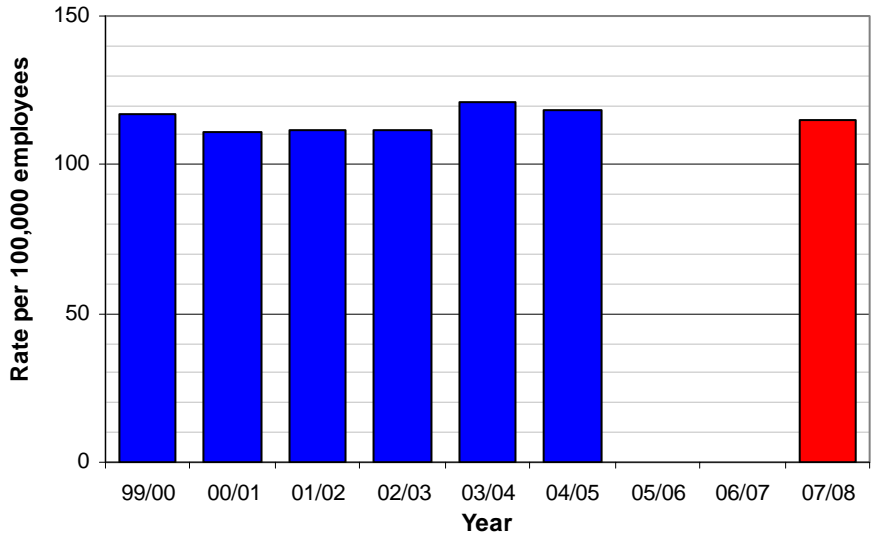
- Front line delivery is less than planned for some programme areas. Although the overall effort is to plan, the balance between component programmes at this stage is not, and adjustments won't be possible before the end of the year.
- Difficulties in interpretation of available management information have been made worse this quarter because of the transition to a new work recording system (COIN). We are taking steps to ensure the position is improved for next year.
- The delay to the revised CDM regulations from EU intervention may result in a loss of momentum in the construction industry.
- In MSD, Stress and PSP programmes while excellent progress has been made on planning ambitious communication based intervention strategies, great uncertainty remains over their impact and whether this will be demonstrated within the timescale of the programme.

3. Trajectory against performance indicators

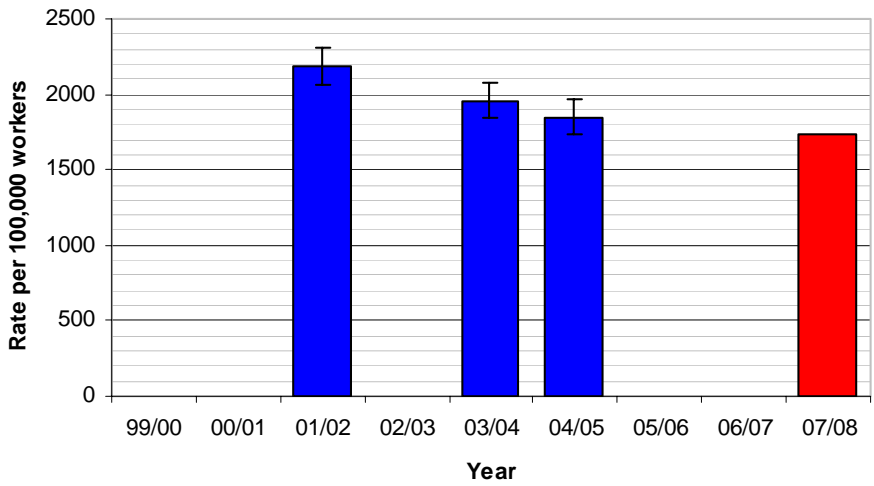
It is not yet possible to provide a trajectory based on initial and intermediate outcomes for the Fit3 programme until each of the component programmes has developed trajectories. Work is ongoing to resolve this issue in cooperation with CoSAS. However, the final outcome is represented by the annual statistics published in November at the mid-point of revitalising which show:

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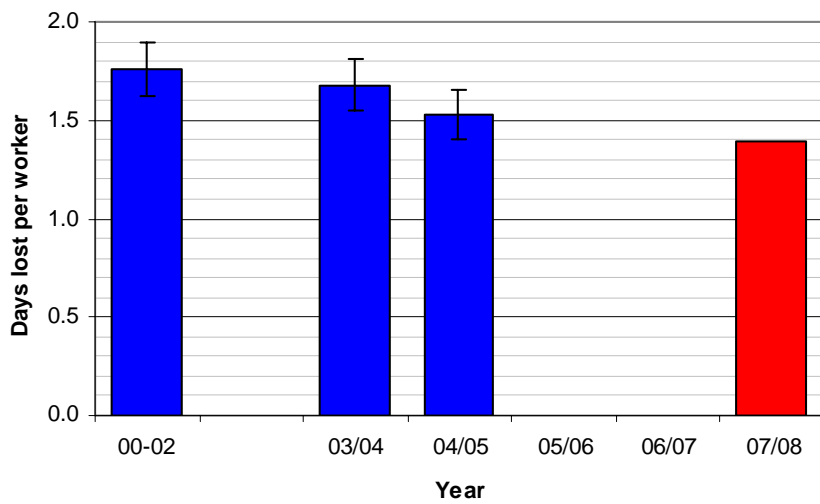
Incidence rate of fatal and major injuries



Incidence rate of work-related ill health



Working days lost per worker



Key	I	Statistical confidence interval	■ Current progress	■ Target
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HSC/06/025 – Annex 1

4. Key Milestones		
	Status (last Qtr)	Status (this Qtr)
A traffic light assessment of delivery of planned activities and milestones. <i>Comments on reasons for red or amber/red assessments and actions to regain lost ground</i>		
Development of outline Business Group Delivery Plans by December 2005	Green	Green
Update HSC on the Fit3 strategic programme and Roadmap	Green	Green
Launch of the full Fit3 intranet site	Green	Amber
First performance information from Fit3 surveys received	Green	Green
Scope of LA contributions to Fit3 agreed with LAs at LACORS Policy Forum and HELA	Green	Green
<i>As above but for the six months following the date of the report</i>		
Completion and publication of detailed Business Group Delivery Plans for FOD by March 2006		Amber
Completion and publication of the agreed Fit3 strategic programme and Roadmap		Green
Launch of the full Fit3 intranet site		Green
Agreement of new reporting arrangements (output and outcome performance information) agreed with FOD and LAs		Green
First performance information from workplace Fit3 surveys analysed and baseline established		Green
National Fit3 briefing events for FOD and LA delivery agents rolled out		Amber
LA contributions to Fit3 agreed with LAs		Green

5. Key Risks						
	Description:	L	I	Action planned to manage risk / change status	Status (last Q)	Status (this Q)
1.	Inadequate performance information to allow effective programme management and 'running adjustments'	M	M	Arrangements for collation and analysis of management information established and agreed by end Feb 06. Training on use and interrogation of COIN to be provided to PG programme teams by end Mar 06. Longer term - alternative output measures for FOD to 'contact time'. Revision of IRF/RCI data collection analysis		Red

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2.	Insufficient resources secured to ensure the right project/intervention mix	H	H	Programme directors to provide updated programme plans in the light of resourcing decisions made following planning event by mid-January 06. *Programme plans updated to include contingencies. *Guidance provided to Fit3 programmes and FOD on new planning cycle deadlines for plans, resource bid process and resource owners - end Jan 06. *Launch of FOD planning intranet site March 06.	Red
3.	The delivery agent fails due to not understanding their contribution to programme/projects (with lack of management support)	H	H	Ongoing engagement by Fit3 programme office with FOD HQ, HELA, LACoRS Policy Forum and FOD LA Partnership Managers. *Business group and campaign delivery plans for FOD drafted by sector and programme staff in place by end Mar 2006. FOD/LA briefing roadshows designed, planned and delivered in time for start of new work year - project manager appointed Dec 05. * Feedback routinely provided. * Fit3 roadmap finalised and published - Jan 06. *Fit3 Intranet site launched January 06.	Red
4.	The benefits expected from a properly balanced programme of projects effectively delivered cannot be realised due to HSE not being adequately prepared to be able to adopt the changes necessary and as a consequence has the wrong business model to enable delivery.			As above	Red
Date of most recent review		13/01/06			

Note all risks are new/differently expressed following a complete redraft of the Fit3 risk register during the last quarter.

L= Likelihood and I = Impact: Likelihood and Impact can be rated low/medium/high.

Impact

High	PSA target(s) missed Serious damage to relationships with key stakeholders
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	Negative & high profile publicity leading to loss of public confidence in HSE Serious loss of business efficiency Major civil claims against HSE may be made
Medium	Culpable breaches of our legal and regulatory obligations occur Relationships with some stakeholders adversely affected Negative publicity leads to PQs, and negative public / employer comment Some loss of business efficiency
Low	Some negative publicity, though short-lived Loss of some resource but limited value and not enough to undermine delivery of Strategy

6. Resources			
Overall position:			
<i>Resource Expenditure:</i>	<i>Budget YTD</i>	<i>Actual YTD</i>	<i>Commentary</i>
<i>Admin</i>	<i>£10,225,878</i>	<i>£7,638,793</i>	<i>Forecast is for a £242,186 overspend</i>
<i>Communications spend</i>	<i>£8,233,882</i>		<i>Forecast spend for year end £8,214,000 – figures for employer/employee surveys not included</i>
<i>Research</i>	<i>£9,000,000</i>	<i>£6,683,500</i>	

HSC/06/025 – Annex 2

Major Hazards Strategic Programme Performance Report for Qtr 3, 2005-06

1. Overall status Strategic Programme Target		Current Status ♣
Onshore	Number of Dangerous Occurrences at COMAH sites to end 3 rd Qtr is 105 (3 rd Qtr Target 126)	Green
Offshore	Total number of major and significant hydrocarbon releases to end 3 rd Qtr is 50 (3 rd Qtr Target 56)	Green
Nuclear	Number of events which are judged to have the potential to challenge a nuclear safety system to end 3 rd Qtr is 93 (3 rd Qtr Target 102)	Green
Rail	Based on RSSB Precursor Indicator Model (PIM) (Performance 2 nd Qtr) 76.6 (2 nd Qtr Target 82 – Rail report one Qtr in arrears)	Green

♣ Status can be: **Green** : Good – requires refinement and systematic implementation.
Amber: Mixed – aspect(s) require substantial attention, some good.
Red: Highly problematic – requires urgent and decisive action.

2. Strategic Programme Director's Assessment (including any decisions required)

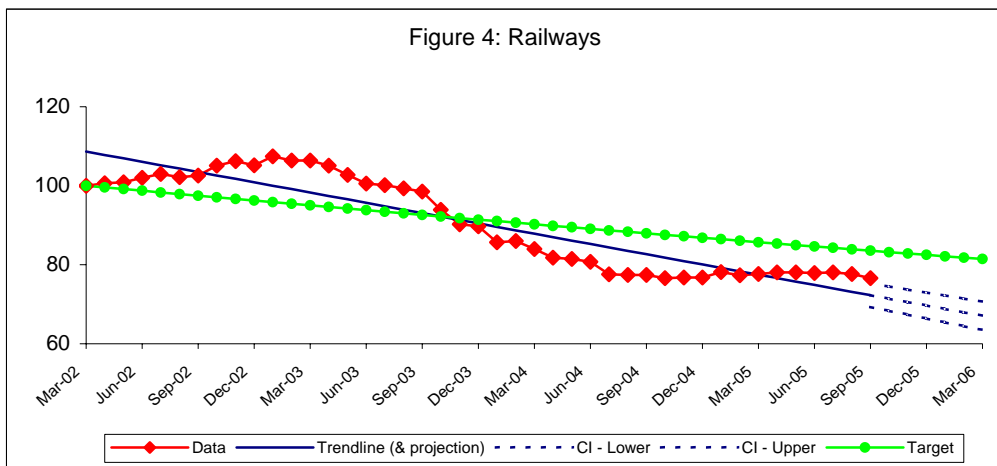
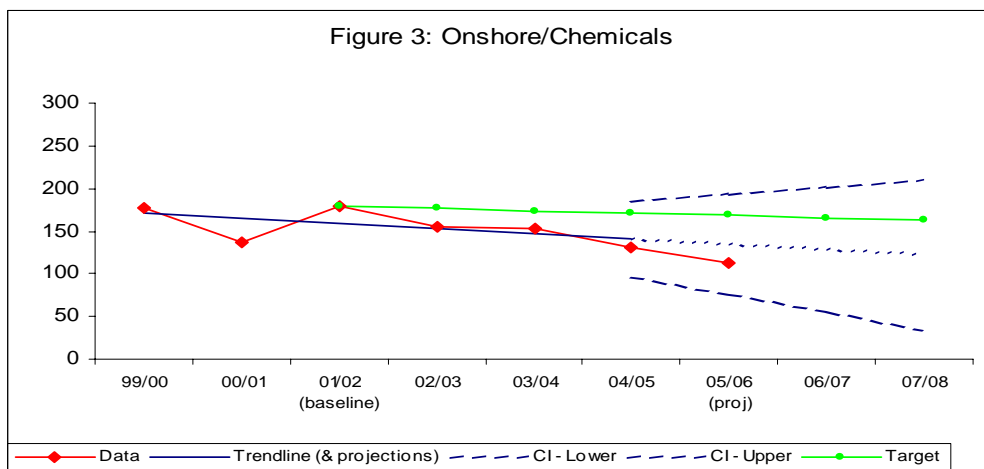
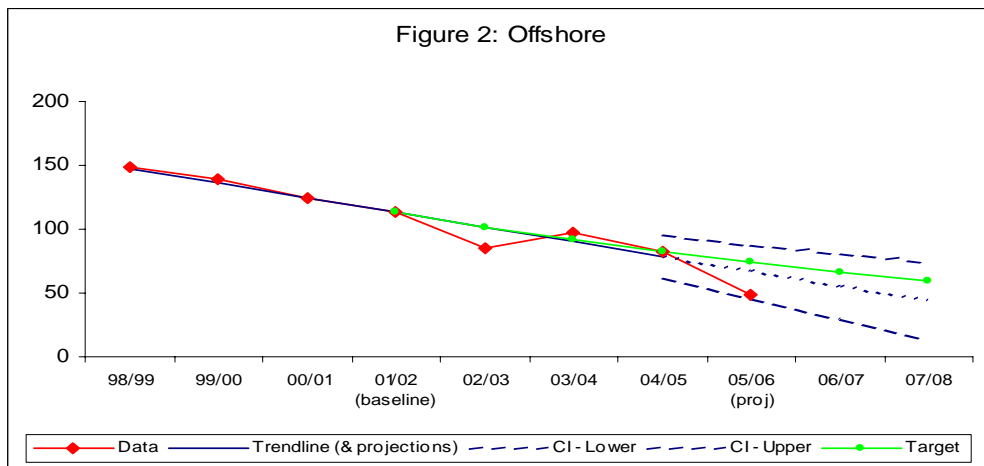
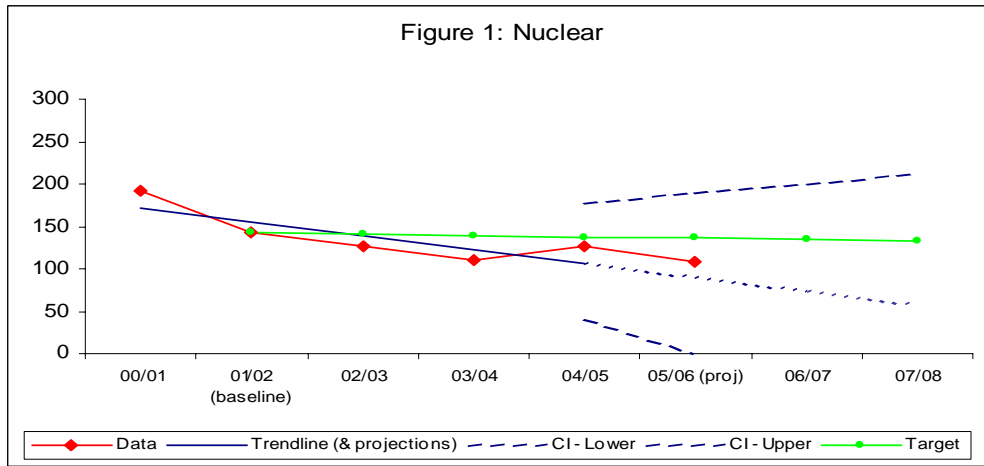
Overall Performance against Targets: *The indicators show that all sectors are still on course to meet their targets.*

However, a major, high profile incident occurred at Buncefield oil storage depot during the quarter that had significant off-site consequences. It is too early in the investigation to identify the underlying causes or the lessons to be learnt; it is also too early to assess any potential affect on the achievement of the targets as a result of diverting resources. The potential impact of the incident on HSE's reputation has been recognised and specific communications strategy is being prepared in mitigation.

The overall rating remains Green because we continue to see reductions in the potential precursors to such events and catastrophic incidents continue to be rare events.

MH Programme Working: *Formal project plans have been approved for each of the crosscutting projects and for the establishment of the support office. A Communications Strategy and Plan for both external and internal stakeholders has been prepared but is to be revised to encompass all HSE's major hazards work.*

3. Trajectory against performance indicators



HSC/06/025 – Annex 2

4. Key Milestones	Status (Last Qtr) ♣	Status (This Qtr) ♣
Number of safety cases processed to relevant standards and timescale continue at a high level of performance (Onshore = 100%, Offshore = 100%, Nuclear = 100%)	Green	Green
Rail=95.7%:	Amber	
Onshore:		
The CIA/HSE process safety performance measurement guidance to be published March 2006	Green	Green
An industry workshop was delivered and targeted guidance was completed for COMAH new entrant companies in the explosives sector.	Green	Green
Offshore:		
The UKOOA/HSE joint workgroup is producing guidance on best practice in integrity management, which is due to be published in the 1 st Quarter of 2006	Green	Green
Nuclear:		
A draft new performance metric has been developed in discussion with industry. It is planned to commence trials in April 2006 in preparation for implementation in April 2007.	Green	Green
Rail:		
Consultation on RI's programme for targeting priority risks over the next 2 years is planned for completion by April 2006. Network Rail is developing new projects looking at the root causes of signaller irregularities and possession irregularities. Implementation of the revised PIM target of a 5% year on year improvement has been completed.	Green	Green

5. Key Risks						
	Description:	L	I	Action taken since last report to manage risk / change status	Status (last Qtr) ♣	Status (this Qtr) ♣
Programme Risk 1: Lack of Industry Commitment						
	Overall Risk Rating				Amber	Amber
a.	Onshore: Chemicals Loss of Industry Commitment to improvements	M	M	<i>Maintaining commitment by:</i> <i>Workshop involving Chlorine manufacturers and users has been completed following an industry audit. A comparative report on good practice has been published.</i> <i>The Loss of Containment Voluntary Reporting Programme is to continue; Published results from the first year published were well-received and increasing commitment being gained from industry.</i>	Amber	Amber

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b.	Onshore: Specialised Fragmentation of Transco's gas distribution networks giving rise to uncertainty in the attitude of the new companies and how risks will be managed in the future.	L	H	<i>Directors in the new operators have expressed commitment to exemplary H&S performance and to the PSA 2 targets. Evidence of this being put into practice will be tested by inspection during the year.</i>	Amber (Amber /Green)	Green
	Failure to meet iron mains decommissioning targets in the gas distribution networks. (3252 Km this year).	H	M	<i>National Grid's North London network is unlikely to meet its replacement target due to limited availability of skilled labour in that area. HID are pursuing with industry how the deficit can be retrieved.</i>	Amber (Amber /Green)	Amber
c.	Nuclear: Licensee's attention is diverted away from excellence in plant operations as a result of conflicting demands and confusion in roles/responsibilities brought about by the formation of NDA.	M	M /L	Discussions with DTI Minister and separately NDA CEO at which noted to change PSA target on NDA to cover H&S of operations. NDA Board has been influenced to revise their draft strategy to reflect need to establish stability in management of the Sellafield site. Continued vigilance during site visits and other contacts with licensees' personnel at all organizational levels. Bringing together of position across the industry for discussion at relevant fora.	Amber (Amber /Red)	Amber
Programme Risk 2: Lack of data below precursor level making it difficult to track progress						
	Overall Risk Rating				Green	Green
a.	Crosscutting Programme: Current measures do not give an appropriate breadth of coverage in performance.	M	M	Projects have been approved on the development of KPIs and the development of an intervention model, which will include associated performance measures.	Amber (Amber /Green)	Green
b.	Onshore: Chemicals Current performance measures don't fully reflect changes in MH risks.	M	M	<i>Impact of HSE/CIA joint guidance on Process Safety</i> <i>Performance measures to be assessed following launch in the autumn.</i>	Amber (Amber /Red)	Amber

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c.	Rail: HSE Rail continues to develop engagement with the industry on how best to apply RSSB's PIM to improvement programmes. Increase in work associated with the ORR transition programme may delay this work.	M	M	Regular meetings with key players ie RSSB, Network Rail, TOCs	Green	Green
	Further recalibration of the precursor model may impact on target levels and performance	M	M	Performance measurement project for ORR is progressing and will allow ORR to be alert to performance measurement issues and prioritise accordingly	Green	Green
d.	Nuclear: Current performance measures don't fully reflect changes in MH risks.	M	M	A revised performance metric has been developed jointly with industry reps. to provide more objectivity in handling event data. Trials begin April 06, with implementation planned for April 07.	Green	Green
Programme Risk 3: Resources						
	Overall Risk Rating				Red	Amber
a.	Onshore: HID CI & SI continue to lose experienced resources, which may affect their ability to achieve this PSA target.	H	M	A specialist recruitment campaign has recently taken place. Central resource has been diverted to frontline work.	Red	Amber
	HID resource diverted to the Buncefield incident investigation.	H	M	<i>Unpredictable impact and ameliorative measures limited.</i>	Amber	Amber
b.	Offshore: OSD continues to lose experienced resources, which affects ability to maintain thorough inspection verification.	H	M	A recruitment campaign has taken place, offers made but some start dates yet to be confirmed. Training programme to upskill recruits has been developed. Remaining vacancies have been readvertised.	Red	Amber
c.	Nuclear: Continuing loss of some of the most experienced resources and associated drop in morale of staff remaining, at a time when significant change is occurring and is on the horizon.	M	H	HSE-wide revised package. Review of the 'package' for Nuclear Inspectors is ongoing with expected implementation in 2006.	Red	Amber

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Programme Risk 4: Changing Operating Environment						
	Overall Risk Rating					Amber Amber
a.	Offshore: Increasing drilling activity in the UK Continental Shelf is taking place. The increase in the oil price is a major factor in the increase in drilling activity; this is encouraging some dutyholder's to delay decommissioning some installations whilst keeping operating costs (including maintenance) low.	H	M	Likelihood to decrease next Qtr to reflect a stabilised higher activity, with new offshore staff having gained some experience.		Amber (Amber/Red) Amber
b.	Nuclear: Resource demands relating to issues for nuclear sites for which NDA have responsibility remains an area of uncertainty for NSD pending final approval of NDA's strategy document by Government.	H	M	Powers of the nuclear licensing regime provide a means of effecting attention to H&S concerns but timescales envisaged are difficult given resourcing position and other demands.		Amber (Amber/Red) Amber
	Resource demands arising from the Energy Review and the implications for nuclear new-build continue to remain an area of uncertainty.	H	M	As immediately above		Amber Amber

L= Likelihood and I = Impact: Likelihood **and** Impact can be rated low/medium/high.

Impact

High	PSA target(s) missed Serious damage to relationships with key stakeholders Negative & high profile publicity leading to loss of public confidence in HSE Serious loss of business efficiency Major civil claims against HSE may be made
Medium	Culpable breaches of our legal and regulatory obligations occur Relationships with some stakeholders adversely affected Negative publicity leads to PQs, and negative public / employer comment Some loss of business efficiency
Low	Some negative publicity, though short-lived Loss of some resource but limited value and not enough to undermine delivery of Strategy

6. Resources

Overall position:				
Resource Expenditure:		Budget YTD	Actual YTD	Commentary
Admin	Onshore	£2,323,000	£2,233,000	Actual payroll down on budget due to the loss of experienced staff and difficulty in recruitment
	Offshore	£9,002,000	£8,593,000	

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	NSD	£11,971,000	£11,150,000	
	Rail	£5,837,788	£5,595,056	<i>Legal Costs have been unpredictable and will continue to be so</i>
<i>Programme</i>	Onshore	}£46,000	} £Nil	<i>Programme expenditure in HID is nominal so far this year.</i>
	Offshore	}	}	
	NSD	£3,196,000	£2,514,000	<i>Intermediate Level Waste testing and Nuclear Safety Studies are the main contributors to this underspend.</i>
	Rail	£12,810	£8,241	