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HEALTH AND SAFETY EXECUTIVE

The HSE Board
Resource Management System (RMS)

A Paper on behalf of Project Board

Cleared by Sandra Caldwell on 22 Feb 2006

Issue

1. The evaluation of RMS pilots and the decision with the introduction of RMS across HSE.

Timing

2. Routine.

Recommendations

3. That the HSE Board:

   - reviews the results from the pilot evaluation report;
   - provides a steer on the questions raised in paragraphs 17, 18, 19, 21 and 24 in relation to 4 key issues discussed in paragraph13;
   - decides whether to proceed with the introduction of RMS.

Background

4. On 15 October 2004 the HSE Board agreed in principle that universal work recording should be introduced across HSE. It directed that a costed implementation path be determined.

5. An outline design for the RMS and management information reports was presented to the Board on 6 July 2005 at which the Board:

   - Endorsed the recommendation to proceed with pilots;
   - Asked that the project report back following evaluation of the pilots for a decision on its roll out.

6. The pilots were run in FOD, HID, CoSAS, RPD and Policy Group with a total of over 200 staff. They were phased over a period from October to end of December 2005.

7. HSE Internal Audit and HSE Chief Economist did the evaluation independently of the project team for pilots in CoSAS, RPD, and Policy Group. HID and FOD, managed and

evaluated their own pilots and provided separate reports, which are included in the evaluation report attached.

Argument

8. The purpose of RMS is to provide key management information that will contribute to improved resource management across HSE in relation to:

    - planning
    - prioritising
    - providing value for money.

9. RMS will:

    - provide staff hours and costs against HSE key business streams
    - provide a key performance indicator of utilisation (resource going into the delivery of HSE business as a percentage of the total HSE resource) and
    - capture the base data to allow unit cost of key interventions to be calculated.

10. At present we have considerable difficulties in obtaining such information and the quality of the information obtained is variable. At the same time there are mounting demands for such information originally from the RDG, but also from programme directors, and DWP. DWP is very keen to see how we are using our resources to good use and able to redirect resource to our priorities. More recently discussions under the fundamental review is demonstrating the limited data HSE has with regards to managing resources.

11. The evaluation report, attached to this paper, presents the outcome from the RMS pilots. In summary, the pilots have shown that it is feasible to introduce a user-friendly work recording system and that the utilisation data provides an insight to resource management which is currently unavailable. The report also provides "soft" information. For example RMS raised awareness of how time was spent by individuals and managers and to quote "it made you think".

12. The main learning points from the pilots are set out in paragraph 30 of the evaluation report and in the main relate to providing greater clarity in a number of areas such as definitions.

13. However, there are 4 key issues which need resolution before we can move, with confidence, to implementation and roll out of RMS. These are:

    - dependency on COIN
    - implications of the Board's deliberations on change (B/06/019)
    - the implications of programme needs on the structure of RMS
    - the universal application of RMS.

    Each one are dealt with in turn below.

<u>COIN</u>

14. Board paper HSE/06/09 recognised that the difficulties currently being encountered with the roll out of COIN would have an impact on RMS in respect to timescales for implementation. This remains the case.

15. REFIT has been commissioned to evaluate which IT platform would best support RMS. EXCEL has been evaluated and ruled out on the grounds of capability. REFIT have concluded that it would not be capable of dealing with the volume of data for potentially 2000 additional staff.

16. REFIT have not yet been able to draw conclusions about COIN performance and costs due to uncertainties and existing priorities relating to roll out. A logical option for the Operations Group for introducing RMS would be COIN, as staff will be using COIN for work recording. An assessment was made during the development of the outline RMS design for the pilots, which confirmed that the design of COIN would support the structure for RMS but this has yet to be tested in practice. A more detailed assessment has not yet been possible to determine whether any modifications will be needed.

17. The impact on COIN of introducing additional staff from CoSAS, Policy Group, RPD and possibly Operational Groups has not yet been evaluated. We understand that COIN is planned for roll out in Policy Group and CoSAS sometime in the future for recording stakeholder information, which will require an evaluation of performance and costs. The requirements of RMS could be included as part of this evaluation. **Does the Board agree?**

18. Following COIN assessment, a recommendation will be made as to the most appropriate system for RPD, CoSAS and Policy Groups. If COIN is considered unsuitable either on grounds of cost or performance, then the Board will be advised of alternative options already under consideration such as HRST. **In such circumstances does the Board want RMS to be supported by two IT systems – COIN for operations group and a second system for the rest of HSE – or by a single system.** The latter would make analysis of data across HSE simpler and provide a high degree of quality assurance.

<u>Change Management</u>

19. The Board will be considering a number of recommendations designed to improve the management of internal change (B/06/019) which may influence the priority we wish to assign to the introduction of RMS. In particular, over the forthcoming year staff will be asked to accommodate a number of change initiatives involving new IT approaches ie COIN, HRST and EDRM. **With this in mind what priority does the Board wish to give to the implementation and roll out of RMS?**

<u>RMS and Programme Needs</u>

20. Currently, RMS is structured into two hierarchical layers. The top layer called categories is aimed at strategic decisions at Board level, the lower called activities is designed to accommodate business decisions at Directorate level, although the needs

of the programmes are included in the structure. Appendix 1 on page 12 of the evaluation report gives details.

21. Work recording systems can become seductive with demands growing overtime on what should be collected and recorded. **Are the Board:**

- **content to leave Directorates to determine what information should be collected to suit business needs and in what detail?**
- **comfortable that the corporate need for information (including programme needs) may create differential burdens across HSE with a greater demand being placed on operational divisions.**
- **wanting to put a cap on the maximum average time per person spent on work recording.**

Universal Application of RMS

22. The Board has agreed in principle that all staff, including the Board and SCS should work record. However, there is an argument that where work patterns are reasonably stable then sampling on a specified basis would be sufficient. The FOD pilot concluded (for admin staff) that *'it is very likely that equally valuable data could be gathered by representative and timely sampling'.* When this was discussed in greater detail with FOD and issues such as baselining data, managing a rolling programme of sampling across FOD, what frequency to use, and the need to train and retrain staff as individual groups are introduced, then the benefits of sampling became less obvious, when compared with a system that was simple to use.

23. HID pilot also concluded, *'there would be no benefit in extending work recording to all staff in HID, particularly admin grades. The time taken by the central planning team using current methods based on frontline inspector work recording is far less than the amount that would be expended by all staff in the directorate work recording'.* The other pilots in CoSAS, Policy Group and RPD did not come to these conclusions.

24. However, sampling will not give the same degree of confidence in the information as full work recording, this is particularly true in respect of gauging utilisation. Also a key cultural benefit might be lost ie the raised awareness by individuals on how they actually use their time. **Does the Board wish to proceed on the basis of universal work recording?**

Presentation

25. Announcement for introducing RMS needs to give a clear and united message about the benefits from the Board and SCS managers, and demonstrate how HSE will be incorporating the learning points in the roll out and using the information.

Costs and Benefits

26. The Business case was presented to the Board on 3 March 2005. The costs are outlined under paragraph 26 below. The benefits of RMS are not readily quantifiable. Paragraphs 2 to 5 in the evaluation report highlight the main qualitative and tangible benefits of using RMS. The business case presented at 3 March showed that the costs are recoverable within 7 years with an annual productivity gain of just under 0.6%.

Financial/Resource Implications for HSE

27. These were presented in the Business case. The main headings are:

- Total discounted costs (using a rate of 3.5%) over 7 year period were £5.5M. Of this just under £5M were due to staff recording time based on average of 10 minutes per week. These are opportunity costs, and not cash.
- These costs are fully recovered if there is a productivity improvement of just under 0.6% per annum.
- The pilots have confirmed staff costs to be broadly within the original estimates (paragraphs 49-55 in evaluation report).
- It has not yet been possible to confirm costs for an IT platform.

Action

28. **The Board is asked:**

(i) **to decide whether to proceed with the introduction of RMS;**
(ii) **if the answer to (i) is yes, then:**
- **to determine what priority to give to the project;**
- **decide whether to proceed with the detailed design, and defer the decision on the IT platform until outcome from COIN evaluation is known;**
(iii) **if the answer to (i) is no, to decide what other options should be pursued and by whom.**