

**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.
2. Delivering Worker Health and Safety Targets reports an Amber/Green status this quarter. The 2004/05 statistics, published in November indicate that HSE's approach to delivering improved conventional health and safety outcomes is beginning to make real progress in terms of delivering the PSA targets. The Fit3 Strategic Delivery Programme has made further good progress this quarter delivering many key milestones. All component programmes are reporting an Amber/Green status, except the Construction Programme, which reports a Green status.
3. All four Strategic Enabling Programmes (StEPs) report an Amber/Green status this quarter.
4. In the Local Authorities and HSE Working Together StEP (Strategic Enabling Programme) good progress is being made in line with its plans. The programme is due to finish by summer 2006 and expects to have met its objectives by that time. However, sustaining the partnership with LAs presents a significant challenge.
5. The Worker Involvement StEP is broadly on track. Products have been delivered largely on schedule, but it is not yet known whether they are having the desired effect on the ground.
6. The Business Involvement StEP's workstreams (CHaSPI, LOPP, SME indicator, etc) are progressing well, but their impact in changing attitudes and behaviours still needs to be evaluated.
7. The Enforcement StEP good progress has been made on its three central workstreams (efficiency/effectiveness of reactive work, aligning enforcement with Fit3 and an enforcement communication plan). The programme's products have yet to be put into effect and evaluated.
8. Delivering the Major Hazards PSA targets has reported a Green status overall this quarter. Three elements of the Major Hazards SDP all remain Green this quarter. The performance of the Nuclear, Offshore oil and gas and Onshore Chemicals sectors remains encouraging and the indications are that the overall they remain on track to deliver their targets.
9. HSE is currently investigating the incident at Buncefield oil storage depot to identify its cause and risk management actions to prevent similar incidents in the future. We are 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.

10. 'Live' testing of our major incident response policy and procedures at the incident show that control measures taken are satisfactory in practice. Review of our response to the incident however provides an opportunity for further learning and improvement.
11. Delivering Health and Safety in HSE has been assigned an Amber/Green status this quarter by the indicator owner. This is due to a seasonal rise in instances of sickness absence and average working days lost per staff year. Considering the corporate health and safety targets, the number of reported slip and trip incidents reported is less than in either of the first two quarters of 2005/06. The remaining two corporate health and safety targets (DSE issues reported to HRD and RIDDOR reportable incidents) report the same numbers of incidents as in quarter two. Projecting current performance forward suggests that the outturn for the corporate health and safety targets for 2005/06 will be significantly less than that of last year in all categories.

### **Managing Resources.**

12. HSE's (excluding HSL) outturn to date compared to budget shows a net resource underspend of £12.691m (with the forecast outturn against budget for year showing a net resource underspend of £1.560m). The Amber/Green status reflects the current slippage in expenditure and the level of uncertainty that this places on the accuracy of the forecast in the last quarter – the bulk of the underspend is however likely to be spent in the last quarter.
13. For Allocating Resources to our Operational Priorities an Amber/Green status has been assigned overall. RI has continued to show improvement in 'Inspector time committed to Strategic Programme work as a proportion of that planned overall' – moving to Amber. This is encouraging in a year of considerable upheaval brought about by restructuring, staff shortages and work associated with transition to ORR.
14. The 'proportion of inspector time spent on front line activity' is reported at mid and end year points only. The balance of resource committed to proactive/reactive work in FOD has increased to 64:36.
15. Recruitment has retained a Green status this quarter. Of 12 recruitment campaigns for 72 posts run in quarter 3, 17 posts were filled within the agreed timescales. It is fully expected that the vast majority of the remaining 55 will also be filled within the agreed deadlines.
15. Retention of Personnel reports an outturn Red status this quarter (carried forward from quarter 2) as data is available at mid and end-year points only. HRD has reviewed expected departures in the second half of the

year and consider that the turnover rate for 2005-6 will return to acceptable limits with planned retirements.

### **Continuous Improvement.**

16. The Leadership indicator has been subjectively assigned an Amber/Green status this quarter as there has been a great deal of activity in quarter 3. There have been three High Potential Leadership events for B1 and B2 staff, regular leadership discussions at Board level and consideration of the staff survey results. Board members have held small discussion groups with their staff to identify problems, and work is ongoing to identify and improve the leadership behaviours and effects that influence staff perceptions. A great deal of related activity is planned for both January and February 2006.
16. A Green status has been applied to the Applying Science and Technology indicator. Overall this reflects both efficient and effective use of resources and a Green status in HSE's horizon scanning systems.
17. Figures for the end of December showed that the resource transactions for Research and Support to HSE and Research and Support to HSL totalled £31,062k (Including transitional costs for HSL). Following surrender of £3.5 m from the Science budget, the final budget for the year is £44,495k, including recently agreed transitional funding. This figure includes an estimate of approximately £2m to fund the Fit 3 social science surveys and the Better Regulation Unit's Administrative Burdens project.
18. Analysis within the science programmes shows that most figures for spend already committed fall within 75% of the planned allocations. There are two main exceptions – spend on the Fit3 Programme is slightly less than expected and spend on mandatory work and Overarching Underpinning Research and Support (OURS) is slightly up. Anticipated spend with the Local Authorities S&T initiative is approximately £750k, with 30 projects now in development.
19. A new Framework Agreement for provision of Technical Services is in place with new agreements offered to the Bomel consortium, Serco Assurance and ESR Technology (formally part of AEAT). The new Framework Agreements came into effect from 01/01/2006 and will operate for 3 years, with the option to extend for up to a further 2 years.
20. Data to support the effectiveness indicator is taken from responses to Questions 13-16 on Part 2 of the Project Record Form (PRF) and analysis of narrative comments on impact evaluation on Part 3 of the form. Data from 31 completed PRFs show that 87% of projects fully met their objectives and 71% were considered to be of good or excellent quality.
21. Most project outputs were utilized in guidance (13%), informing future work (48%) and manufacture and design (10%). Over 80% of the projects

completed in the 3rd quarter will require impact evaluation, which will take place between 6 months to 2 years after completion of the project.

22. Of the 12 completed projects from the 2<sup>nd</sup> quarter, which were submitted for impact evaluations this quarter, over 90% were considered to be of medium or high impact - although only 3 out of 12 were clearly of high impact. Those assessed as high impact were concerned with i) statistical analysis to infer trends in disease incidence (work now taken up by the THOR team), ii) development of the agricultural sector's 'Food Chain' project and Stakeholder Engagement Programme and iii) effective engagement with the Offshore Industry.
23. A Green status has been assigned to Applying Business Improvements this quarter. The programme realised 116.98% of the annual target (£10m) for overall collated efficiency savings, of which 76.96% were cash releasing, (Approximately £9m). The vast majority of these savings come from reducing the costs of acquiring and managing HSE's assets and services. (Unplanned estate savings contribute £4.37m and are cash releasing. However, these savings have already been recycled to help with pressures elsewhere.)
24. Encouraging progress has been made in quantifying operational productivity gains, with £632k achieved in the first six months, and a further £845k is anticipated by close of reporting in quarter 4.

### **Reputation.**

25. Profile has reported a continued Green status this quarter. Overall the National media ratio (all ratios are positive:negative coverage) is 3.6:1, Regional media ratio saw a significant decrease on last quarter at 21:1, and the Trade media ratio saw a significant increase on last quarter, reporting 42:1.
26. Last quarter's improvement in the ratio of positive to negative coverage in the national media was sustained in this quarter. There were no negative messages in the national media in any HSE coverage in the 3<sup>rd</sup> quarter. October saw one of the highest monthly returns - 954 articles - dropping to 703 articles in November. Work from Fit3 component programmes accounted for 35%, 40% and 37% of coverage over the three months.
27. Internal Communications has been assigned an improved Amber/Green status by the indicator owner this quarter. Results from the staff survey show a 9 percentage point improvement (overall outturn of 39%) in the number of staff with a positive view of internal communications. Staff are more satisfied with communication in their own area of HSE than with corporately led communication from the 'centre'. Substantial improvements are still required, and significant action is planned for the coming year to make this step change.
28. Actions planned to improve internal communications include further improvement of the corporate briefing system (Exchange), using staff

survey data for audience segmentation, focus groups for Band 2 and 3 to inform internal communications activity and fostering closer working with Communications Partners and Managers.

29. Stakeholder Engagement has maintained an Amber/Green status this quarter. A review of the programme has identified a need for increased finances and personnel. A Stakeholder Engagement Manager post was approved for filling in January and a further post was also approved. To improve performance further, lead contacts will be expected to increase their contributory time working with stakeholders from 5 to 15 days per year. There was also a further increase in positive perceptions of HSE by MPs. 46% rated HSE as effective in November 05 (compared with 43% in June 05).
30. Work has started to create an electronic system for easier access to Corporate Stakeholder Engagement Plans and simple procedures to update them. A comprehensive review of stakeholder views is underway with results available in March. This research, to be carried out annually, will provide useful performance indicators.