

Health and Safety Executive Board Paper		HSE/06/041	
Meeting Date:	3 rd May 2006	FOI Status:	Fully open
Type of Paper:	Above the line	Paper File Ref:	
Exemptions:	None		

HEALTH AND SAFETY EXECUTIVE

HSE Board

Delivering the PSA: Summary Performance Report for Quarter 4 (2005/06)

A Paper by PEFD/SPU

Issue

1. A summary of the Strategic Programmes' performance against the Public Service Agreement (PSA) targets during the fourth quarter (Q4) of 2005/06.

Timing

2. Routine.

Recommendation

3. The Board discusses the Strategic Programmes' performance.

Background

4. We agreed with the Chief Executive and both Deputy Chief Executives in February to start presenting the summary performance reports in the format of a ministerial submission.
5. You have already cleared the content of the report in correspondence, so that we could submit it to secretariat in time for HSC's 9th May meeting.

Argument

6. The Chief Executive has confirmed that he would like Board to continue discussing performance at its formal meetings. For Q4, all the Strategic Programmes report good progress, leading to an overall marking of **Amber/Green**.
7. The Strategic Programmes' reports have highlighted a number of issues that the Board may wish to discuss:
 - The available evidence suggests that fatal and major injuries rates are not reducing.
 - The growing pressure on funding, which may mean research and communication activity are less than hoped in the second half of 2006/07.
 - The slower than hoped for take up of Workplace Health Connect. Increased marketing activity has started to address this. At the same time, satisfaction with those who have used the service is 93%.
 - Although overall front line effort on Fit3 was in line with the plan for 2005/06, the balance between programmes was not. Fit3 hopes its improved planning process for 2006/07 will improve this situation.

- Strain placed on Major Hazard's available resources by Buncefield, significant incidents offshore, the follow-up to the Thorp incident and contributions to major initiatives such as the Government's Energy Review.

Action

8. HSC will discuss the summary performance report at its meeting on 9th May, after which we will submit the report to Lord Hunt (in time for his meeting with the Chair and senior HSE managers on 14th June). We will also use the report as the basis of a quarterly report to DWP's Departmental Board and a biannual report to HM Treasury.

Contact:

Stuart Clark
Strategic Planning Unit (PEFD)
Tel: 020 7717 6459
E-mail: stuart.clark@hse.gsi.gov.uk

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To: Lord Hunt

From: Stuart Clark
Health and Safety Executive
Planning Efficiency and Finance Division
Rose Court

Tel: 020 7717 6459

e-mail: stuart.clark@hse.gsi.gov.uk

Date:

Delivering PSA 5: Summary Performance Report for Quarter 4 (2005-06)

Summary: This submission reports on delivery of the work-related health and safety Public Service Agreement (PSA 5) during the fourth quarter of 2005/06. All **major hazards** targets are on course. The programme to deliver the **conventional health and safety** targets is proceeding largely to plan, with some notable successes, but the tightening resource position means that the way ahead may be difficult. The overall status of PSA 5 remains at **Amber/Green**.

Issue

1. HSC/E's Quarter 4 performance report on delivery of the work-related health and safety Public Service Agreement targets arising from the Spending Review 2004 (PSA 5).

Recommendation

2. You note the progress of HSC/E's Strategic Programmes in delivering the **conventional health and safety** and **major hazards** elements of PSA 5.

Timing

3. Routine. You have a KIT meeting with Bill Callaghan (HSC Chair) and the HSE Executive team on 14th June.

Background

4. PSA 5 (for the SR2004 period) comprises six sub-targets: three on **conventional health and safety** outcomes and three on precursor incidents in **major hazard industries**. Annex 1 contains further information on the targets.
5. This paper is a summary of the HSE's performance against the PSA targets during Q4 2005/06. It is based on reports from the two Strategic Delivery Programmes (SDPs) and four Strategic enabling Programmes (STEPs).

Where we are

6. HSE's current status in terms of delivering PSA 5 is **Amber/Green**. The table below provides a breakdown, showing how we have reached this assessment.

	2005/06			
	Qtr 1	Qtr 2	Qtr 3	Qtr 4
PSA 5 overall assessment	Amber/Red	Amber/Red	Amber/Green	Amber/Green
Conventional health & safety	Amber/Red	Amber/Red	Amber/Green	Amber/Green
3% reduction in injuries	Amber/Green	Amber/Green	Amber/Green	Amber/Green
6% reduction in ill health	Amber/Green	Amber/Green	Amber/Green	Amber/Green
9% reduction in days lost	Amber/Red	Amber/Red	Amber/Green	Amber/Green
Major Hazards	Green	Green	Green	Green
Nuclear	Green	Green	Green	Green

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	2005/06			
	Qtr 1	Qtr 2	Qtr 3	Qtr 4
Onshore	Green	Green	Green	Green
Offshore	Green	Green	Green	Green
Strategic Enabling Programmes				
LAs and HSE Working Together	Amber/Green	Amber/Red	Amber/Green	Green
Enforcement	Red	Amber/Red	Amber/Green	Amber/Green
Business Involvement	Amber/Green	Green	Amber/Green	Green
Worker Involvement	Green	Amber/Green	Amber/Green	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.

7. We have attached the reports from the Fit3 and Major Hazards Strategic Delivery Programmes at Annexes 2a and 2b respectively.

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

A/G

8. During the final quarter of 2005/06, the Fit3 Strategic Delivery Programme has continued work in each component programme and met all key milestones. Fit3's status remains as **Amber/Green** in recognition of the good progress made on planned work but recognising the scale of the task ahead (especially on injury reduction) and the absence of clear evidence on the impact of our interventions. To address this, the programme is carrying out further work on its Intervention Logic Model plans, particularly on developing activity and performance measures and deciding whether further interventions will be needed to deliver the targets.
9. DWP carried out a Gateway 0 review of Fit3 during Q4, resulting in a positive report and an Amber rating overall. The programme team has already started implementing the review's recommendations.
10. Fit3 has stepped up work on building its evidence and evaluation base. The initial results of the employer survey have been received and will form the baseline for measuring attitudinal and behavioural change in future surveys. The evaluation results of 2005/06's two main campaigns demonstrate that both the *Backs! 2005* and *Watch Your Step* have achieved good audience penetration. Fit3 plans further evaluation of the latter to test the additional impact achieved by operational activity.
11. Fit3 is reliant upon HSE's Field Operations Directorate (FOD) and the local authorities (LAs) to deliver many of its interventions. During Q4, Fit3 has:
- Started discussing with FOD and LA colleagues how best to improve arrangements for performance monitoring;
 - Held 14 roadshows (reaching over 2000 people) to communicate its plans for 2006/07;
 - Agreed the Business Group Delivery Plans for 2006/07, which set out clearly what contributions FOD will deliver; and
 - Excited interest and secured commitment from local authority colleagues well beyond expectations.
12. For Q4, Fit3's delivery highlights include:
- Delivering the 'Good Order' initiative in February. This was the second part of the Construction Programme's contribution to the *Watch Your Step* campaign. It involved inspection of over 900 sites and contact with over 1100 contractors.
 - The Public Services Programme's positive engagement with the Department of Health and Office of the Deputy Prime Minister.
 - Sixty out of the seventy 'willing' organisations are rolling out the Stress Management Standards and will have an action plan in place by October 2006.
 - Launching the Workplace Health Connect service on 23rd February (it has been operational since 20th February).

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- The Control of Noise at Work Regulations 2005 came into force.
 - Developing the workplace transport 'Highway Code', which will be published in several languages – recognising the large number of people for whom English is not their first language.
13. Challenges for Fit3 include:
- The available evidence suggests that fatal and major injuries rates are not reducing.
 - The growing pressure on funding, which may mean research and communication activity are less than hoped in the second half of 2006/07.
 - The slower than hoped for take up of Workplace Health Connect. Increased marketing activity has started to address this. At the same time, satisfaction with those who have used the service is 93%.
 - Although overall front line effort on Fit3 was in line with the plan for 2005/06, the balance between programmes was not. Fit3 hopes its improved planning process for 2006/07 will improve this situation.

Major Hazards

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14. The investigation of the Buncefield incident has continued throughout Q4 and the programme has visited similar facilities to follow-up the Safety Alert issued by HSE on the 21st February. The programme continues to take action to identify the underlying causes of the incident and ensure that all relevant lessons are learnt and applied. It has diverted a significant amount of resource into the investigation, but this is mainly chargeable to the dutyholders and should not have any financial impact on other work. It should be possible in the short term to limit the impact on delivery of the PSA targets.
15. Other significant incidents offshore, the follow-up to the THORP incident and contributions to major initiatives such as the Government's Energy Review continue to place a strain on the programme's available resources. However, the overall rating remains **Green** since precursor incidents continue to decline and the programme is confident of maintaining this improvement through its planned interventions.

Local Authorities and HSE Working Together

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16. The LA STEP has continued to make good progress in line with its plans. The programme has been marked **Green** in recognition of its particular progress in securing agreement to partnership working and LAs' contributions to the PSA targets. The target for the number of LAs committing resources to Fit3 was 40%. The STEP has, in fact, secured commitment from over 80%. Other highlights during Q4 included:
- HSC accepting the proposals for handling outstanding work and for closure of the STEP at its meeting on 14th February.
 - The roadshows in March that brought LAs and HSE together to explain and discuss Fit3's plans and aims.
 - Putting the new governance arrangements for the HSE/LA partnership in place. A reconstituted HELA held its first meeting in March and the "Local Government Panel" is due to meet HSC for the first time in May.
 - Establishing new reporting arrangements for local authorities for 06/07 to better reflect their work on delivering HSC's priorities, particularly Fit3.
 - Contributing to establishing the Local Better Regulation Office (LBRO). The STEP's work and experiences in setting up the LA/HSE partnership appear to be valued inputs.
17. The effectiveness and sustainability of HSE's partnership with LAs still needs to be fully assessed and evaluated. The STEP has started work on an internal review, which will put arrangements in place to oversee and support the partnership through the next few years and continue to improve the LA contribution to delivery of the PSA targets.

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Enforcement

A/G

18. The Enforcement STEP has made good progress on its three central workstreams. However, until the Programme's products are put into effect and evaluated, its status remains **Amber/Green**.
- *Efficiency and effectiveness of reactive work:* Following research, the STEP has developed a package of continuous improvement measures; and performance management arrangements that provide a clear description of 'good performance'. The STEP is developing a "dashboard" to report on key performance indicators.
 - *Aligning enforcement with Fit3:* Meetings with the Fit3 programme directors have demonstrated that the contribution enforcement can make to delivery is now understood better and all programmes have enforcement strategies in place. The STEP is disseminating guidance to operational staff and the Fit3 roadshows contained strong enforcement messages in support of programme delivery. The STEP is also involved in better targeting of poor performers, which could increase opportunities for more formal preventive activity (including prosecution) to deliver improved health and safety outcomes.
 - *Communications:* The STEP has been addressing the mixed messages about enforcement's role as an intervention, to ensure that it is given appropriate prominence. Enforcement messages are filtering into Fit3's plans and the STEP is working with LAs to achieve a consistent, joined up communication strategy at local level.

Business Involvement

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19. Good progress has been made on the workstreams within the Business Involvement Enabling Programme. The overall status has moved up to **Green**, due to the positive response by stakeholders (which has exceeded the STEP's expectations, see below) and progress with the Large Organisations Partnership Pilot (LOPP). Highlights from Q4 include:
- Concerted effort on LOPP. The STEP has focused on high-level engagement and two-way communications with large organisations, so HSE is better equipped to address their concerns. This has led to a broader acceptance of LOPP's aims, which has been helped by some improvement plans. However, the STEP needs to do more to incorporate LOPP into all relevant work plans.
 - 4000 small businesses have completed the SME indicator, against a target of 2500.
 - 51 large organisations have completed the Corporate Health and Safety Performance Index (CHaSPI), of which 26 have gone public with their results. Over 300 have registered. This exceeds the STEP's target.
 - The SME Better Business campaign launched in January and some activity will continue into the next financial year. Evaluation of the campaign is now underway.

Worker Involvement

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20. The Worker Involvement STEP is on track, with the majority of workstreams performing soundly and on schedule. Q3's marking was a cautious Amber/Green, due to uncertainty about the STEP's effect on the ground, and the limited impact to date on Fit3 and LA activity. However, during Q4, the STEP has made good progress in engaging Fit3, particularly getting a worker involvement dimension into the falls from height and MSD promotional campaigns for 2006. New work on case studies for LA enforcers on promoting worker involvement is also underway. Therefore, the STEP's status has moved up to **Green** for Q4.
21. Other highlights include:
- Publishing HSE's first generic guidance on worker involvement (as opposed to what the law requires on consultation).
 - Launching the new worker involvement webpages in late February. The webpages are aimed at employers and contain case studies, information and advice on how to introduce and improve worker involvement in the workplace. Initial feedback has been positive.
 - HSC agreeing to a consultation exercise on amending the law for worker consultation. The STEP has produced a consultative document (including a shorter version aimed

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specifically at workers and small businesses) and is on track to open the consultation in late April, with a closing date of 8 September.

22. Worker Involvement has been working with the Programme Support Team to develop a performance management plan. A key challenge during the next quarter will be to define the STEP's key performance indicators and set a trajectory to help measure its progress.

TARGETS

Revitalising Health and Safety targets

By 2010, reduce:

- the incidence rate of fatal and major injury incidents by 10% (1999/00 baseline);
- the incidence rate of cases of work-related ill health by 20% (2001/02 baseline); and
- the number of working days lost per 100,000 workers from work-related injury and ill health by 30% (2000-02 baseline).

Achieve half the improvements under each target by 2004 (SR2000 PSA).

SR2004 PSA

By 2008, improve health and safety outcomes in Great Britain, through progressive improvement in the control of risks in the workplace.

We will measure progress against the following targets. These are grouped under the two main areas of HSC/E's work:

- Conventional health and safety - Achieve by 2007/08 (against a 2004/05 baseline):***
 - A 3% reduction in the incidence rate of work-related fatal and major injuries;
 - A 6% reduction in the incidence rate of work-related ill health;
 - A 9% reduction in the number of days lost due to injuries and ill health.
- Major hazards – Achieve by 2007/08 (against a 2001/02 baseline):***
 - A 7.5% reduction in the number of events reported by licence holders, which HSE's Nuclear Installations Inspectorate judges as having the potential to challenge a nuclear safety system;
 - A 45% reduction in the number of major and significant hydrocarbon releases in the offshore oil and gas sector;
 - A 15% reduction in the number of relevant RIDDOR reportable dangerous occurrences in the onshore sector.

Full details on the target are available in the PSA Technical Note - (<http://www.hse.gov.uk/aboutus/plans/sr2004.htm>).

Fit3 Strategic Delivery Programme Performance Report for Quarter 4, 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

Current Performance

In the final Quarter of the first year of Fit3 we have seen continuing activity on all of the Programmes and all key milestones have been met. We have given particular focus to communicating the year 2 plans to the main delivery people in FOD and Local Authorities (LAs) via 14 Roadshows, which have reached over 2000 people. Other highlights in the quarter are given below.

Work on building the evidence and evaluation base for the programme is stepping up and initial results of the Fit3 WHASS employer survey have been received. These will form the baseline for measuring attitudinal and behavioural change in future surveys. Evaluation plans are currently being finalised. The evaluation results of the two main campaigns have demonstrated that both the Backs! 2005 and slips & trips media campaigns have achieved good audience penetration. Further evaluation of the slips and trips campaign is planned to test the additional impact achieved by operational activity.

During the quarter a DWP team carried out a Gateway 0 review of Fit3 and gave a very positive report on their findings, resulting in an amber rating for the programme. I am already actioning the recommendations.

Delivery planning for the second year of Fit3 has been finalised. In particular, Business Group Delivery Plans (the translation of programme requirements into clear instructions and guidance for FOD) have been completed. FOD's partnership managers have continued to work with their regional LA groupings to determine what the contribution of LAs will be towards Fit3.

There are significant resource challenges emerging for Fit3 in 2006/07, particularly regarding Research and Communication funding. This presents a particular risk for Fit3 activity in the second half of the year.

Further work is being done on ILM Plans, in particular developing activity and performance measures for each of the programmes to determine whether we are still on track to meet the targets.

Monitoring performance in 2005/06, particularly in relation to FOD and LA activity has not been straightforward. We are currently discussing with FOD and LA colleagues how best to

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improve this situation in 2006/07.

My overall assessment of the ability of the programme to deliver the targets remains as amber/green and we need to implement the recommendations of the Gateway 0 Review. We do not yet have sufficient evidence or assurance of the impact of our interventions in year One.

Delivery highlights this quarter include:

Construction

- The Construction, 'Good Order' Initiative, was delivered effectively in February; this was the second part of HSEs Watch Your Step Campaign.
- The Government as Client Ministerial Event was held in March and went well. Over 100 construction clients and representatives of their supply chain were in attendance.
- SHADs exceeded the target for Quarter 4. The Working Well Together (WWT) team is now making progress in aligning WWT SHADs to the programmes priorities.

Injury Reduction

- In Injury Reductions the joined up working with sectors has improved significantly.
- The Control of Noise at Work Regulations 2005 came into force.
- Work Place Transport are progressing the development of the workplace 'Highway Code' which will be produced in several languages – recognising the large number of people for whom English is not their first language.

Ill Health Reduction

- Workplace Health Connect service was successfully launched on 23rd February and has been operational since 20th February.
- The Green paper 'A new deal for welfare: Empowering people to work' was launched in late January and sets out how Workplace Health Connect advisory visit service will be expanded from covering nearly 40% to 66% of small firms in England and Wales.
- There has been good overall engagement with both the Department of Health and OPDM within the PSP programme.
- NHS was engaged with various activities within the PSP programme.
- In the Stress programme 60 out of the 70 organisations are rolling out the standards as part of the SIP1, and will have an action plan in place by October 2006.
- The joint PSP/ Stress (Healthy Workplace Solutions) workshop pilots are currently going ahead, with the adoption of the new delivery model the key.
- Evaluation inspections have been completed for Backs 2005/06. The MSD programme is now planning for Backs 2006/07, with a huge sign-up to do Backs next year.
- In DRP good joint working with LAs on Skin Disease, including the joint staffing of a stand at Hotelympia – a major hospitality industry conference.
- Joint visits completed over 2.5 days with LA EHOs to hotels in North West as part of intelligence gathering work to develop workplace solutions to prevent contact dermatitis among chefs and kitchen staff in the hospitality sector.

Enabling and planning highlights this quarter include:

- Completion of 14 Fit3 briefing roadshows for FOD and LA staff
- Agreement of business group delivery plans with FOD
- Resource contributions to Fit3 agreed with most LAs

Particular lowlights this quarter include:

- No change in most injury reduction programme incidence trends
- The PSP programme remains heavily dependant on maintaining Ministerial and top-level commitment and support.
- Due to the time needed for high-level engagement in the Stress programme, the timing of the workshops has been put back to September '06/ January '07. This does not leave the estimated 18 months needed for organisations to roll out the standards before the end of the PSA period.
- MSD has to fix the campaign messages now for October. This will reduce the programme's capacity to optimise links with developing agendas such as Health, Work and Well-being and welfare reform.

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- In Workplace Health Connect, staff resourcing remains a challenge, with some specialist skills still needed.
- The Injury Reduction Programme is concerned that some projects have received FOD resource below plan because other higher profile campaign work has dominated. The new Business Group Delivery Plans agreed for 2006/07 should resolve this.

3. Trajectory against performance indicators

It is not yet possible to provide a trajectory for the Fit3 programme until each of the component programmes has developed trajectories from the Fit3 survey baseline data. Data has now become available from employer survey and employee survey data will be available in June 2006. Work is ongoing to construct trajectories based on this baseline survey data in cooperation with CoSAS.

4. Key Milestones

A traffic light assessment of delivery of planned activities and milestones.	Status (last Qtr)	Status (this Qtr)
First performance information from employer Fit3 surveys received	Green	Green
Agreement of over-arching Fit3 Evidence, Analysis and Evaluation (EAE) Plan	Green	Green
LA contributions to Fit3 agreed and logged	Green	Green
Revised LA reporting arrangements notified to LAs	Green	Green
Agreement and release of FOD business group delivery plans	Amber	Green
Planning and delivery of Fit3 briefing roadshows to FOD and LAs	Amber	Green
Training for portfolio management software (Change Director) provided	Green	Green
OGC Gateway 0 review by a team from DWP	N/A	Amber
As above but for the six months following the date of the report		
Revised programme delivery plans based on intervention logic modelling	Amber	Green
First performance information from employee Fit3 surveys received	Green	Completed
Portfolio management software (Change Director) Proof of Concept achieved	Green	Green

5. Key Risks

	Description:	L	I	Action taken since last report to manage risk / change status	Status (last Q)	Status (this Q)
1.	The mix of projects is wrong due to: <ul style="list-style-type: none"> • Not enough evidence to know that the project will work (what they can reasonably deliver) • Inadequate performance information to allow effective programme management and 'running adjustments' 	M	H	Overall Evidence, Analysis & Evaluation plan for Fit3 produced and agreed. May HSE Board to decide on funding priorities. Suite of surveys and performance framework developed. May HSE Board to decide on funding priorities for planned evaluation work.	Amber	Red
2.	The mix of projects is wrong due to insufficient resources being secured to ensure the right project/intervention mix	M	M	Communications plans agreed. May HSE Board to decide on funding priorities.	Amber	Red
3.	The delivery agent (LAs) fails due to not understanding their contribution	M	H	Review of LAU and role of partnership managers underway with workshop planned to follow.	Red	Amber

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4.	Beyond Fit3 - what is to happen after Fit3 to ensure benefits are maintained and to avoid loss of staff from critical projects because of uncertainty about their future role.	M	M	Visioning meetings held and work commenced on 5-year strategy. Planning assumption that the programme will continue beyond 2008 to deliver 2010 RHS targets.	New risk	Amber
Date of most recent review		Mar 06				

Top three to five risks to be reported, typically those posing the most significant imminent threat to delivery of the PSA as a whole or to a specific milestone.

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
<i>Admin</i>			
<i>Communications spend</i>	<i>£8.2 million</i>	<i>£5,708k</i>	<i>The figure for the Budget was at the start of 05/06 and includes campaign spend. This figure was revised down within the year.</i>
<i>S&T</i>			<i>Not known until end of April</i>

Major Hazards Strategic Delivery Programme Performance Report for Quarter 4, 2005/06

1. Overall status Strategic Programme Target		Current Status ♣
Onshore	Number of Dangerous Occurrences at COMAH sites to end 4th Qtr is 130 (4th Qtr Target 168)	Green
Offshore	Total number of major and significant hydrocarbon releases to end 4th Qtr is 73 (4th Qtr Target 74)	Green
Nuclear	Number of events which are judged to have the potential to challenge a nuclear safety system to end 4th Qtr is 118 (4th Qtr Target 136)	Green
Rail	Based on RSSB Precursor Indicator Model (PIM) (Performance 3rd Qtr) 78.8 (3rd Qtr Target 82 – Rail report one Qtr in arrears)	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)

Overall Performance against Targets: The indicators show that all sectors have achieved targets and the trends continue to be favourable.

The investigation of the Buncefield incident has continued throughout the quarter and a programme of visits to similar facilities has been undertaken to follow-up the Safety Alert issued by HSE on the 21 Feb 06. A significant amount of resource has been diverted to the investigation, but in the short term no impact is expected on the delivery of PSA targets, but substantial prioritisation of HSE's other work is being undertaken. Action continues to be taken to identify the underlying causes of the accident and to ensure that all relevant lessons are learnt and applied.

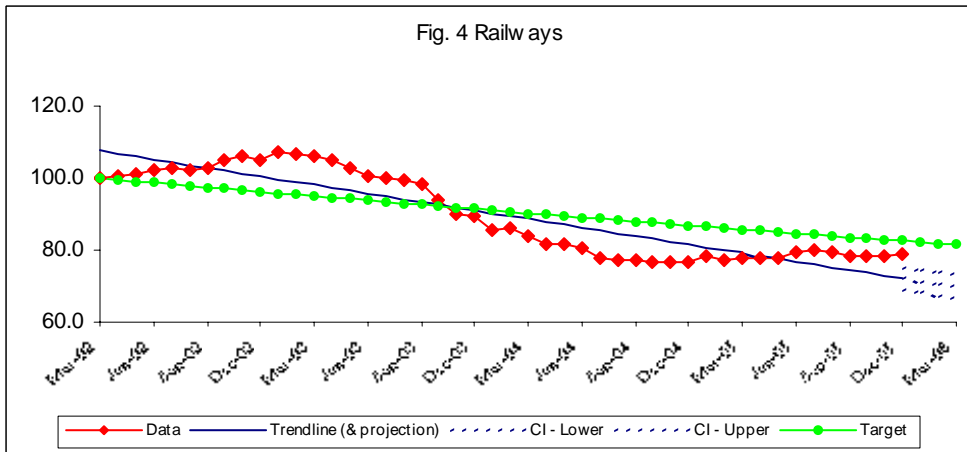
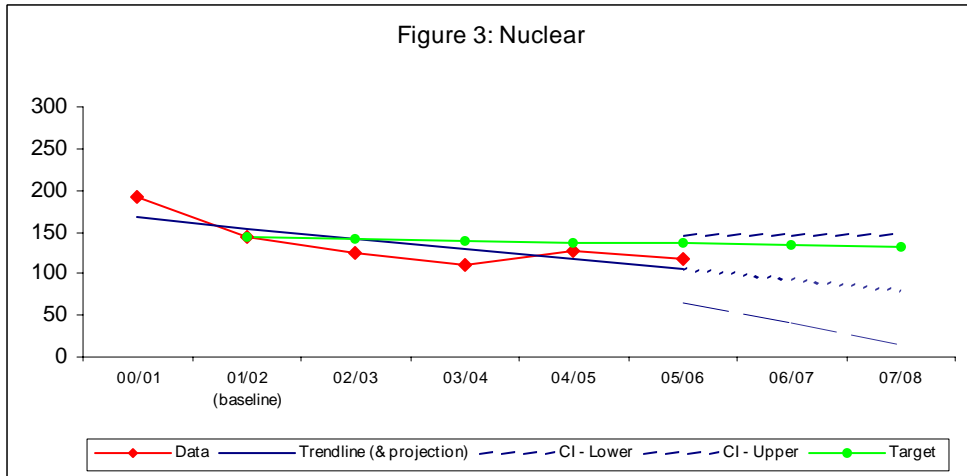
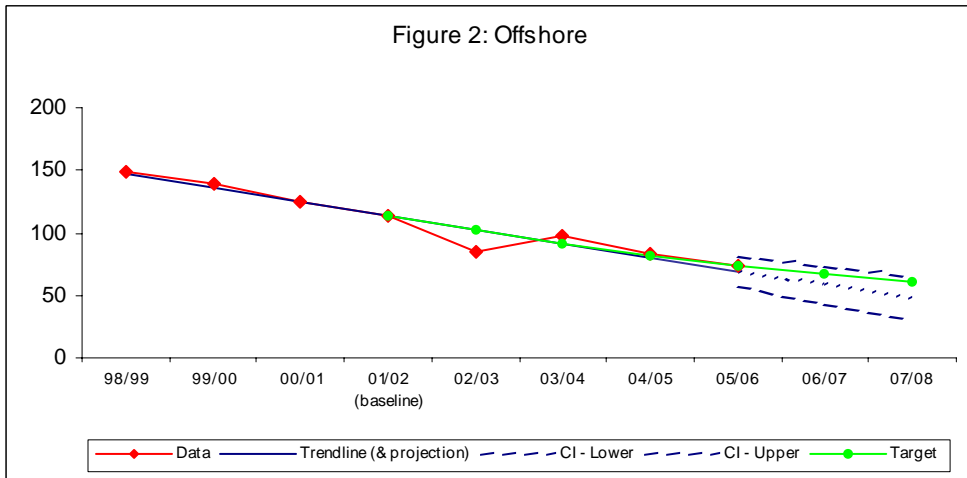
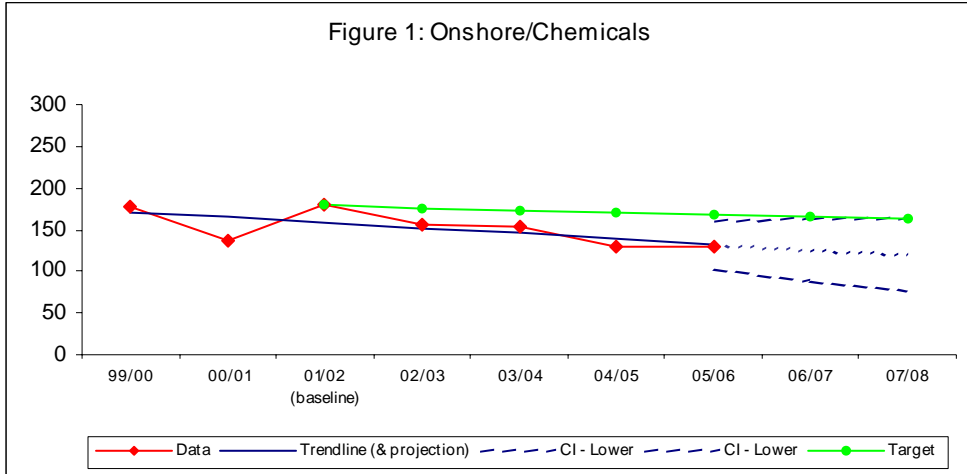
Other significant incidents offshore, the follow-up to the THORP incident and contributions to major initiatives such as the Government's Energy Review continue to place strain on available resources. However, the overall rating remains Green since we continue the progressive reduction in the potential precursors to major incidents and are confident we can maintain this improvement through our planned interventions.

MH Programme Working: The governance arrangements for the programme are now established and we now have a firm plan for 2006/07 with clear targets and milestones. The Communications Strategy is being revised to widen scope and establish the key messages.

Responsibility for rail safety was transferred to the Office of the Rail Regulator at the end of this quarter. Despite the pressures associated with the transfer, a comprehensive programme of work has been prepared by HMRI, with Level Crossing Misuse and Irregular Working as priorities.

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3. Trajectory against performance indicators



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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%, Rail=100%, Nuclear = 100%)	Green	Green
Onshore:		
The CIA/HSE process safety performance measurement guidance was published in March. It will be used as a benchmark and its impact will be evaluated as part of next year's plans.	Green	Green
A second COMAH workshop was delivered – in collaboration with the CBI Explosives Industry Group – for residual new entrant companies. Leading performance indicators are being developed for explosives sites, based on inspector's rating of key risk control systems.	Green	Green
Offshore:		
'The UKOOA Industry Integrity Workgroup (IIWG) is producing an Integrity Toolkit which is intended to give best practice guidance on setting up and operating integrity maintenance management systems. The Toolkit will be issued via an IIWG seminar in June 06. The Toolkit will include reference to examples of good practice identified through Offshore Divisions key programme on installation integrity (KP3), which will be held as live documents on both UKOOA's intranet site and HSE's KP3 bulletin board.	Green	Green
Nuclear:		
A new performance metric for Major Hazard pre-cursors has been developed in discussion with industry in preparation for the planned 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's programme of risk assessment of their level crossing assets has been implemented. The 'Influencing Behaviour' campaign has been agreed for implementation over the next 6 years. Independent review of particular infrastructure failures has been commissioned.	Green	Green

(This quarter for the first time we have rigorously applied the risk delivery ratings)

5. Key Risks						
	Description:	Likelihood	Impact	Action taken since last report to manage risk / change status	Status (last Qtr) ♣	Status (this Qtr) ♣
Programme Risk 1: Lack of Industry Commitment						
	<u>Overall Risk Rating</u>				Amber	Amber
a.	<u>Onshore: Chemicals</u> Loss of Industry Commitment to improvements	M	M	Maintaining commitment by: Details of loss of containment (LOC) incidents have recently been published on the Process Safety Performance Measures website and an annual report of LOC incidents will be presented to the Chemical Industries Association in the summer.	Amber	Amber

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b.	<u>Onshore: Specialised</u> 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	M	Directors in the new operators have expressed commitment to exemplary H&S performance and to the PSA 2 targets. Inspection has shown some shortcomings in the management of gas operations, addressed by notices. Meeting held with Directors to agree corrective actions	Green	Green
c.	<u>Nuclear:</u> Negative influence of NDA in becoming controlling mind, etc. of licensees – confused roles and responsibilities with drivers pushing licensees' attention away from excellence in plant operations.	M	M	Workshop to be run jointly with NDA in April on the principles to be applied to future working and will be supported by internal guidance. Awareness has been raised in contacts with licensees on the need for maintaining standards in plant operations	Amber	Amber
	Stakeholder surveys indicate concerns over regulatory consistency and proportionality	M	L	Outcome of surveys shared with dutyholders and concerns addressed through new 'cornerstone' intervention methodology and revised meeting structures.	N/A	Green
Programme Risk 2: Lack of data below precursor level making it difficult to track progress						
	<u>Overall Risk Rating</u>				Amber	Amber
a.	<u>Crosscutting Programme:</u> Current measures do not give an appropriate breadth of coverage in performance.	M	M	Project plans in hand to develop new measures of performance in conjunction with the Directorates.	Amber	Amber
b.	<u>Onshore: Chemicals</u> Current performance measures don't fully reflect changes in MH risks.	M	M	Development of pre-cursor leading indicators continues in conjunction with industry and the Cross-cutting Programme (Will be implemented in 2008)	Amber	Amber
c.	<u>Rail:</u> 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	Meetings with key stakeholders i.e. RSSB, Network Rail and TOC's have continued to maintain engagement	Amber	Amber
	Further recalibration of the precursor model may impact on target levels and performance	M	M	Performance measurement project for ORR has been progressed to alert them of performance issues and prioritise accordingly	Amber	Amber
d.	<u>Nuclear:</u> Current performance measures don't fully reflect changes in MH risks.	M	M	A revised performance metric has been developed jointly with industry representatives; trials begin April 06.	Amber	Amber
Programme Risk 3: Resources						

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Overall Risk Rating					Amber	Amber
a.	<u>Onshore:</u> HID CI & SI continue to lose experienced resources, which may affect their ability to achieve this PSA target.	H	L*	HID SI2 (Explosives) has filled its vacancies but is now engaged in a long-term training programme. Additional resources have been allocated to assist with training and to bring these recruits up to speed. A winter recruitment campaign was held in Mar 06 to recruit additional technical staff for HID CI. * At current turnover rate, Monitoring as could deteriorate.	Amber	Amber
	HID resource diverted to the Buncefield incident investigation.	H	M	Unpredictable impact. This is a short-term peak issue that is being managed by ruthless prioritisation and deferring important, but less time-critical work	N/A	Red
b.	<u>Offshore:</u> OSD continues to lose experienced resources which affects ability to maintain thorough inspection verification.	H	L	A recruitment campaign has taken place, offers made but some start dates yet to be confirmed. Training programme to up skill recruits has been developed. Remaining vacancies have been readvertised.	Amber	Amber
c.	<u>Nuclear:</u> 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	M	HSE-wide revised package. Review of the 'package' for Nuclear Inspectors is ongoing with expected implementation in 2006. Targeting effort in reviewing safety cases is being considered. See also Programme Risk 4b below.	Amber	Amber
Programme Risk 4: Changing Operating Environment						
Overall Risk Rating					Amber	Amber
a.	<u>Offshore:</u> 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.	M	M	We foresee long term exploration plans being in place in the next Quarter	Amber	Amber
b.	<u>Nuclear:</u> 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.	M	M	The NDA strategy has been approved and the implications for NSD and Industry are being assessed. Potentially presents a long-term risk to NSD's resources.	Amber	Amber

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	Resource demands arising from the Energy Review and the implications for nuclear new-build continue to remain an area of uncertainty. International Atomic Energy Agency (IAEA) Integrated Regulatory Review Service (IRRS) review of NSD's capacity to service potential new reactor build	H	M	<p>Implications for NSD still uncertain but being kept under review by senior management Report from IAEA being reviewed to assess impact.</p> <p>To help manage the uncertainty HSE has commissioned work on the development of a new employment package for Nuclear Inspectors, (nearing completion). This will put us in a better position to react if the Energy review does lead to a programme of new Nuclear reactor build.</p>	Amber	Red
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*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