

Health and Safety Executive Board Paper			HSE/06/04
Meeting Date:	4 th January 2006	FOI Status:	fully open
Type of Paper:	Above the line	Paper File Ref:	
Exemptions:	Post meeting		

HEALTH AND SAFETY EXECUTIVE

The HSE Board

Development of a Revised Corporate Balanced Scorecard for HSE

A Paper by Andy McGrory

Advisor(s): Mike Lacaille

Cleared by Vivienne Dews on 21 December 2005

Issue

1. Proposal of indicators and sub measures for a revised corporate Balanced Scorecard in HSE.

Timing

2. For decision on 4 January the revised Balanced Scorecard (BSC) is to be in place for reporting on the first quarter of 2006-07. The proposed schedule for producing the revised BSC is at annex 1.

Recommendation

3. The Board is recommended to:
 - consider and agree the new, three perspective structure of the BSC;
 - discuss and agree the revised suite of indicators worked up by the senior management sub group;
 - discuss and agree the suite of sub-measures proposed by the senior management sub group and PEFD;
 - agree the 'owner' of each indicator;
 - make any suggestions for how we might devise new sub measures (i.e. capture and quantification).

Background

4. The Board adopted the BSC as HSE's corporate performance management tool in May 2002. PEFD had developed a BSC, modifying the traditional Kaplan and Norton model to suit the public sector nature of the organisation.

5. On 7 September 2005 the Board agreed that a comprehensive and fundamental review of the BSC was required. The Board decided to establish a sub-group comprising Board members and other senior managers to direct the process. The sub-group comprised Jane Willis, Vivienne Dews, Mike Weightman, Colin Douglas, Peter Buckley, Vic Coleman, and Ulrike Hotopp. The sub-group met twice in November to discuss how the BSC should be developed. Following those meetings, members of the sub-group have where possible briefed Board colleagues on the emerging revised BSC.

Argument

6. At its first meeting on 7 November, the sub-group discussed the overall structure of the BSC, identifying a set of indicators which they assigned over three business perspectives (formerly four). One perspective reflects HSE's delivery and two reflect the organisation's capacity to deliver (the enablers).
7. The sub-group met again on 14 November and agreed a set of sub-measures, some of which are used in the current Scorecard. These sub-measures have been further refined and members of the sub-group (or in some cases representatives of Strategic Planning Unit (SPU)) have shared these with Board level colleagues for initial comment. The structure, headline indicators and sub-measures are at annex 2.
8. Although the sub-group are broadly content with what has so far been developed, discussion with Board members has indicated that some sub-measures could be brigaded and that others could be assigned to other perspectives. For example, the indicator 'Contributing to the government's wider agenda' could be sited in the 'Delivery' perspective instead of the 'Learning Organisation' perspective. The Board's views on the proposed structure are invited.
9. Subject to the Board's comments, PEFD will present a complete structure of the revised Scorecard, including indicators and measures, to the Board in early April.

Consultation

10. Full consultation has been undertaken at Board level, with further assistance from Economic Advisor's Unit and other areas within CoSAS and RPD. Further specific consultation is planned with specific contacts within NSD regarding knowledge of measuring workforce issues/job profiling and measuring leadership and management capability.

Presentation

11. The BSC is the Board's key measurement tool. It is the foundation for managing performance and driving improvement. Completed scorecards will need to be communicated widely across HSE. They are also published on the internet.

Financial/Resource Implications for HSE

12. Benefit will come from the BSC bringing together those things that HSE needs to measure and manage in order to enable successful delivery. Cost of development to date is c. £7, 000 in staff costs. We expect that remaining development costs will be a further c. £8, 000. There may be significant costs involved in the uptake of certain measures, incurred from capturing new information streams e.g. surveying, impact evaluation and systems to capture information previously uncaptured. We will provide an assessment of these costs when the Board has agreed the full suite of indicators and measures.

Environmental Implications

13. N/a

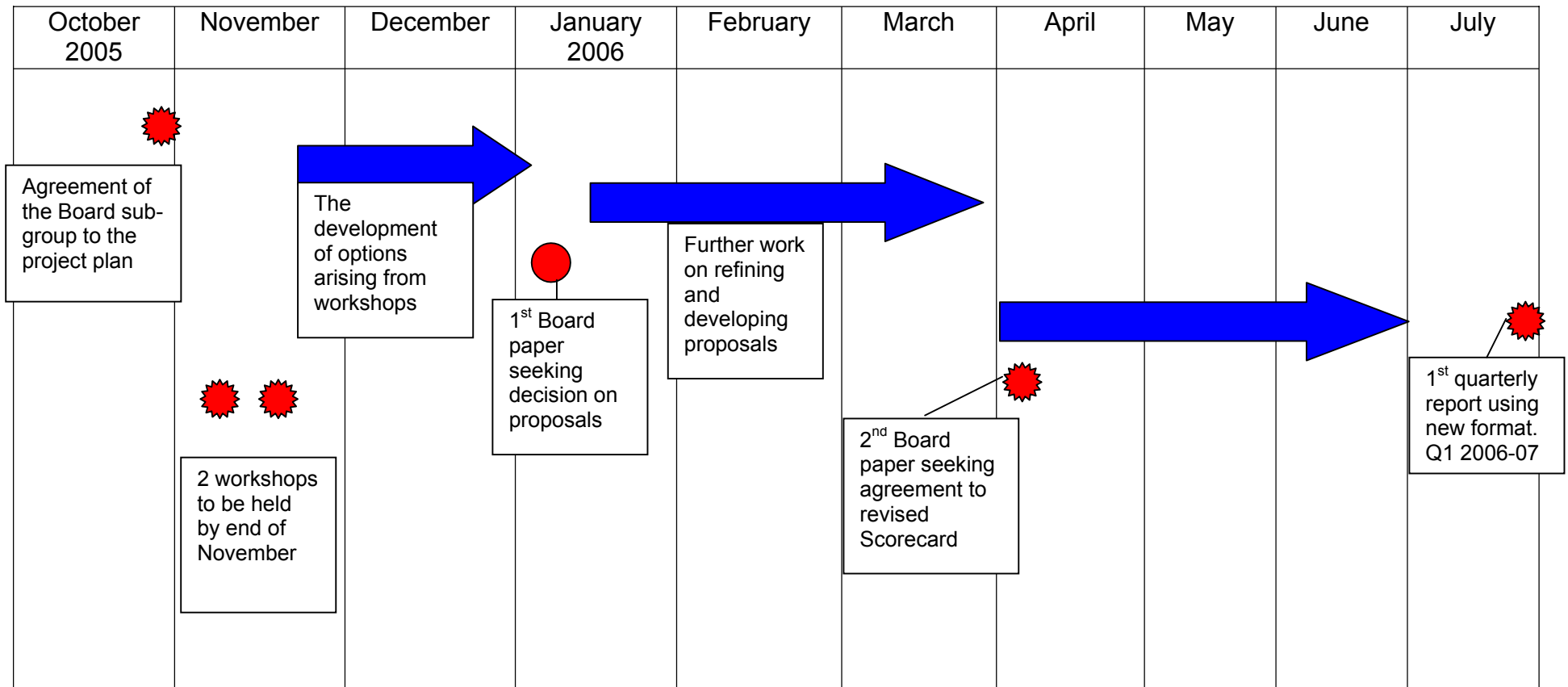
Other Implications

14. N/a

Action

15. Once the Board has discussed the recommendations above and are content with the proposals, PEFD will start to quantify and capture information for the sub-measures, taking account of the Board's ideas. Work will also reconsider existing indicators and measures. Parameters will be set for the rating status of all measures. A robust set of technical notes will be developed at the end of the project detailing how relevant information is captured and the indicator ratings are set.
16. The next step will then be for the Board to consider how to use the new measures in managing performance better.

Annex One – Project Schedule and Milestones



HSE Balanced Scorecard
Proposed Indicators and Sub-measures.

Indicator	Measures			Freq ♣
Delivery Perspective				
1. Confidence in HSE. Owner: Dir Comms	Do the general public, employees, employers and other key stakeholders have confidence in HSE as an effective regulator?	1 Mori data covering familiarity and favourability rating by public, employers and employees (E) . 2 Data for favourability ratio (+ve to -ve) of coverage in national, regional and trade press (E) . 3 MP survey data, available twice yearly. (E) . 4 Indicator based on aggregated data from baseline survey of 30 key corporate stakeholders.	Q Q Q H	Q Q Q H
2. Impact of specific interventions. Owner: various	Do HSE's strategic interventions have a positive impact on delivery?	1 Measures of impact from the evaluation of 3 specific strategic interventions, selected annually by the Board at the beginning of the year. Progress to be measured against the success criteria in the project plan.	Q	Q
3. PSA Targets - Fit3 & Major Hazards Owner: Fit3 = DCE Pol MH = DCE Ops	Will HSE deliver its PSA targets?	1 Likelihood of delivery forecasts – taken from Fit3, Major Hazards and StEPs quarterly reports. (E) . 2 Measures of actual delivery of the PSA e.g. Fit3 WHASS, HSC annual statistics and external statistics e.g. LFS 3 Performance against key milestones as set out in Fit3 Intervention Logic Models. 4 Major Hazards – use existing precursor model but also note ongoing work on development of measures to forecast precursor events. (E) .	Q Q/H/A Q/H Q/H	Q Q/H/A Q/H Q/H
4. Health & Safety in HSE Owner: DCE Ops	Does HSE provide a safe working environment for its staff, continue to improve the management of sickness absence and be an exemplar for other companies?	1 Existing corporate targets and reporting lines (i.e. RIDDORs, near misses etc). (E) . 2 Sickness Absence (E) . 3 Any suitable leading health and safety indicators - to be developed by HSE's H+S advisor.	Q Q ?A	Q Q ?A

<p>5. Delivering Planned Work</p> <p>Owner: DCE Ops</p>	<p>Is HSE investigating complaints and incidents, assessing safety cases and inspecting high-risk premises as planned?</p>	<p>1 Existing Output Performance Measures (OPMs) for complaints, investigations, safety cases and high-risk premises(E).</p>	<p>Q</p>
<p>Managing Resources</p>			
<p>7. Right people, right skill, right place, right time</p> <p>Owner: Dir Finance</p>	<p>Does HSE have enough employees with the right skills to ensure delivery?</p>	<p>1 Possible electronic online solution from HRST for assessment of training evaluation.</p> <p>Suggestions.</p> <ul style="list-style-type: none"> o Periodic assessment by a sample of SCS managers of skills deficit in pre-determined categories. o Spend on training as a proportion of pay. o Spend on training per head compared to budget. o Staff survey as a source of information. Particularly a measure reflecting how perceived workforce performance has improved as a result of skills developed. <p>o One-off studies of skill requirements and skill base in specific, high priority / topical areas e.g. programme and project working, financially qualified staff and OST review. (This targeted approach is more practical than a pan-HSE skill audit).</p> <p>2 %age of externally advertised posts (to fill identified skills deficits) filled as a proportion of the quarterly planned figure.</p> <p>3 %age of posts filled within pre-determined time limit(s) (Internal and external)</p> <p>4 Turnover rates. (Overall and 9 principal disciplines.) (E)</p>	<p>Q/H/A</p> <p>H</p> <p>Q</p> <p>Q</p> <p>Q</p>
<p>8. Efficiency, effectiveness and productivity (people)</p> <p>Owner: ?Dir Finance</p>	<p>Are HSE's staff as efficient, effective and productive as they need to be?</p>	<p>1 (a) OPM B2 (proportion of total resources spent on frontline activity in accordance with plans) – but this would need recalibrating and enlarging to cover 'intervention' work by Policy Group (E).</p> <p>(b) And (b) Utilisation ratio - the proportion of time spent on delivery-focussed activities as opposed to e.g. general office work / admin / 'other'. [<i>This metric is used by HSL</i>]. The Resource Management System is a possible measurement tool.</p> <p>2 Unit costing: (a) high-level metric of cost of key output(s) e.g. incident investigation; (b) %age of HSE's costs covered by unit cost analysis.</p> <p>3 The ratio of managers to staff. (Definition of manager is important.)</p>	<p>Q</p> <p>Q/H</p> <p>H</p>

9. Efficiency, effectiveness and productivity (resources) Owner: ?Dir Finance	Are HSE's systems and ways of working sufficiently efficient, effective and productive, as they need to be to implement the Strategy?	1 Progress against profile for the Efficiency, Economy and Productivity Programme (EEPP). [Overall target is a saving of £50m over 3 years (£10m in year 1, £15m in year 2 and £25m in year 3. 50% to be cash releasing.) (E) .	Q
		2 As Indicator 8, measure 2.	Q/H
10. Financial Control and Performance Owner: ?Dir Finance	Does HSE have an effective financial management system?	1 Finance Director judgement based on HSE outturn vs. budget to date, forecast budget, profile and forecast outturn against estimate. (E) .	Q
11. Alignment of Resources with Strategic Priorities. Owner: DCE Pol and DCE Ops	Are HSE's resources being spent on strategic priorities that will contribute to delivery of targets?	1 Measures of resource allocation (programme and admin) against selected goals/priorities (e.g. health issues) – and a consideration of delivery against these allocations. I.e. how much are we spending - and is it delivering? (Administrative costs should be attributed across HSE's spend to give true representation of resource spent in different areas)	Q
		2 Extension of OPM B1 (OPM B1 – Resource committed to Strategic Programmes as a proportion of that planned – recalibrated to cover non operational work also). (E) .	Q
		3 Pending robust management information, we could measure our progress towards having a system that will generate it e.g. the RMS project.	Q
Learning and Growth			
12. The Learning Organisation Owner: ?CE	Is HSE an organisation that responds swiftly to external stimuli (e.g. changing attitude, changing technology and operating methods)?	1 Structured survey of (a) staff; (b) stakeholders e.g. dutyholders to measure progress.	A
		2 Measure of organisational culture I.e. promoting openness, creativity, measured risk taking and experimentation. (Seek external benchmarks from public and private sectors.)	H
13. Effective use of Science & Technology	Is HSE making effective use of its S&T capability?	1 Similar to existing measures (Resource to priorities, effectiveness of S+T projects (from project form) and horizon scanning). This should overall reflect all S+T activity inc softer science (e.g. social science.) (E)	Q
		2 HSL performance	Q

Owner: Chief Scientist and Engineer		3 Measure of resources aligned with <ul style="list-style-type: none"> ○ Evaluation and impact assessment (underpins delivery perspective); ○ Horizon scanning (informing and positioning us for emerging risks to H&S); <i>(Future work planned with Risk Policy Unit in SD.)</i> ○ Scientific (forensic) support and research (in support of delivery). 4 Future work planned with CoSAS (CSU and CSKU) who will work to develop indicators based on elements of strategy and emerging OST review. <i>(Meeting held with CSU and CSKU on 19.12.05. Above work discussed. Further work planned, however measures from OST review and emerging Science Strategy Roadmap are outside the mandated timer frame of this project.)</i>	Q
14. Leadership & Management Capabilities (inc trust & confidence of staff in HSE & HSE management)	Does HSE have effective leadership and capable managers who instil trust and confidence in staff?	1 Staff survey data, to be available annually (although, plans for a 6 monthly staff temperature taking survey that has not come into fruition - may be more useful done more regularly with sample base - and in other indicators from scorecard)(E).	A/H
Owner: CE		2 Pulse panel feedback (do we need to devise a specific quarterly question?)	Q
		3 Measure of proportion of SCS, B1 and B2 having PSG core competencies for leadership – or measure of training regime or improvement.	A
		4 Measures of milestones and outcomes from Management Capability project: <ul style="list-style-type: none"> ○ A more managerial culture (define further - ? fewer better skilled managers of people?).) ○ Improved performance management of all staff (how do we measure?) ○ Procedures that encourage talent to be identified and brought on. 	H
		5 Measures of internal communications. ? Based on Staff survey and /or Pulse Panel. (Owned by Comms Dir).	A/Q
15. Delivering change Owner: ?CE	Does HSE embrace and deliver change effectively?	1 Progress towards milestones established by the Board sub-group on change.	Q
16. Contributing to the government's wider agenda. Owner: ?CE	Is HSE seen to be contributing positively to the wider government agenda?	1 Hampton Implementation (Progress against HIPB plan milestones.) Health, Work and Wellbeing Agenda? Annual survey of OGD, Cabinet Office and BRE?	Q /A
♣ Q = qtrly; H = half-yearly; A = Annually			
E = Existing		Green shading = Existing	