

Meeting Date:	6 March 2007	FOI Status:	Fully Open
Type of Paper:	Above the line	Paper File Ref:	
Exemptions:	None		

HEALTH AND SAFETY EXECUTIVE

Minutes of the HSE Board meeting held on Tuesday 6 March Room 6.1.26, Redgrave Court, Bootle

Present

Geoffrey Podger	Justin McCracken	Jonathan Rees	Alex Brett-Holt
Colin Douglas	Giles Denham	Vivienne Dews	Jane Willis
Patrick McDonald	Eddie Morland	Kevin Myers	Mike Weightman

Apologies

Sandra Caldwell

Also attending

Steve Dennis, Peter Buckley (all items), Gaynor Coldrick (for items 2,3 and 4), Tim Beaumont (for item 3), Amanda Shaw (for item 4), Alison McKenzie-Folan (for item 4), Gordon MacDonald, Rachel Russell, John Gould (for item 5), John Hampton (for item 7) and Heather Bryant (for item 13).

Minutes

René McTaggart

1 Minutes of the HSE Board held on 7 February and the Action Points

1.1 The minutes of the last meeting were agreed without amendment.

2 Agenda Item 2 - Finance and staffing – current position - (Paper B/07/25 closed)

2.1 Vivienne Dews, Steve Dennis and Gaynor Coldrick introduced the paper with the following remarks:

- a. Spending has fallen since the December 06 forecast;
- b. February forecast shows a net resource reduction from December of £1.2m which includes reduced Admin of £0.4m and additional operating income of £0.6m;
- c. The current forecast Programme expenditure under-spend of £0.5m is partly offset by reduced income of £0.3m;
- d. Current indicators are that we are likely to meet the planned staffing levels by the end of the year but that the payroll target for 2006/07 will not quite be met (approx £200k over);
- e. The run of spend on travel and subsistence remains lower than forecast; this suggests that the controls are working and intervention programmes are not being held back by an overall lack of T&S funding;
- f. A Training and Conference under-spend of at least £119k was forecast, attributed to lower than expected costs on Scottish legal training, high potential events and delay in the Heriot Watt replacement;
- g. Operating income was set to exceed the December forecast by £600k.

2.2 The Board discussed the paper during which the following comments were made:

- a. The Board agreed that an under-spend (gross) of between £400k and £1m should be considered to be a good outcome;
- b. Excess income will need to be discussed with DWP;
- c. There was concern about legal training for inspectors in FOD Scotland. It

was agreed that this issue should be resolved as soon as possible to ensure that staff have the training needed to undertake the work;

- a. NSD are 'fairly' confident of meeting their targets for the year.

Action Point 17 Sandra Caldwell to provide Board Members with a short note on the current position in providing Scottish based inspectors with training in Scottish law.

Budget and review of affordable staffing plans (Paper B/07/41 Closed)

2.3 This part of the minute is closed.

3 Agenda item 3 – Health and Safety Corporate Plan (Paper B/07/27 Closed)

3.1 Tim Beaumont introduced the paper with the following remarks:

- a. This plan was drafted to be more streamlined and focus on the main strategic issues;
- b. The plan includes information on the Occupational Health Provision contract, stress action plans and leading indicators (inc the provision of safe driver and lone worker training); and,
- c. That the plan has been drafted to allow Directorates to adopt the relevant parts rather than produce individual plans.

3.2 During the subsequent discussion, the following comments were made:

- a. The work being taken forward by HSE to improve its sickness absence performance - so that it is in line with the best in the civil service - needs to be covered more prominently;
- b. A reference to the workshops to ensure the stress action plans are fit for purpose needs to be made. Additionally, clearer recognition of the potential increase in stress levels, and the adherence to the stress management standards to address it, caused by the current financial position needs to be included;
- c. Paragraph 4 of Annex 2 should be deleted; and,
- d. The importance of the measures to control the risk associated with office working, as covered by the risk assessment, need to be recorded in the plan.

3.3 The Board thanked Tim for his excellent work and approved the draft plan subject to the amendments listed above.

Action Point 21 Tim Beaumont to produce a revised version of the corporate plan to take account of the Board's comments.

4 Agenda item 4i – Human Resources - Diversity (paper No B/07 28)

4.1 Vivienne Dews outlined the key issues in the paper which included:

- a. The progress in meeting the diversity targets and the recommendation to set a new target for those with disabilities;
- b. A progress report on the diversity projects underway; and,
- c. Proposals to take forward equality for gay, lesbian, bisexual and trans-gender staff.

4.2 The Board noted the progress and discussed the work on diversity covering the following points:

- a. The Board Champions agreed to continue to play an active role in the delivery of the targets;
- b. The Board acknowledged that in the current climate it is not possible to recruit externally to help meet the targets. It was therefore agreed that the current position should not disproportionately affect any groups;
- c. It was recognised that if it was decided to move parts of HSE out of London that this will have a significant effect on the levels of representation of black and minority ethnic (BME) staff. Recruiting staff from BME groups outside of London has proved extremely difficult in the past. HSE, as an employer, would

need to do all it can to ensure Bootle is an acceptable place for all its staff to work;

- d. The Board agreed that, while challenging, the current targets should remain until such time that evidence emerges that suggests they should be changed;
- e. The Board also considered whether to run an exercise to gather information on the interest in a network group for gay, lesbian, bisexual and transgender staff. The Board decided that before any such action HR should 'test the water' to see if this exercise would be welcomed, including contacting HSE Trade Unions;
- f. The Board agreed that rather than revise the disability targets, HR should consult Equal about focusing action on dealing with real issues facing staff, taking into account the concerns raised by staff with disabilities in the 2006 Staff Attitude and Stress Survey;
- g. The Board was more than happy to promote a grouping for gay, lesbian, bisexual and transgender staff but needed to arrange a dialogue with potential members to establish what would be valuable.

Action Point 22 **HR to produce options for taking the issues discussed forward.**

Agenda item 4ii – Human Resources - Improving Performance (paper No B/07/29 - Closed)

- 4.3 Vivienne Dews and Amanda Show introduced the paper on moving from performance reporting to performance improvement. The Board agreed that a range of solutions will be needed including:
- a. Tackling poor performance through the line management chain;
 - b. Ensuring the performance agreements are produced on time and have SMART objectives;
 - c. Greater standardisation of performance agreements so that peer review and benchmarking can be undertaken;
 - d. Improved collective knowledge of the skills base within the organisation; and,
 - e. Top down commitment to ensuring the process is adhered to including linking the performance of managers to the quality of the performance management of their staff.

Action Point 23 **The Board agreed to commission a system for auditing the quality of performance agreements and management, and suggested that a discussion with HSE's SCS might be beneficial.**

Agenda item 4iii – Human Resources - Talent management (paper No B/07/30)

- 4.4 Vivienne Dews introduced a paper by outlining the progress with the development of staff and sought a steer on the appropriateness of re-establishing the 'Talent Pool'. The Board agreed the importance of ensuring the recruitment and development of talent but was not convinced of the need for a talent pool.

- 4.5 As covered in the earlier discussion the Board reiterated their views on the importance of performance improvement, the need for greater clarity for staff on their career paths, and the need to make best use of available staff. It was important that HSE staff had good advice on the career paths available to them and that talent was developed 'in depth' as well as 'in breadth'.

Action Point 24 **The Board agreed not to pursue the existing talent pool arrangements. HR are to discuss with the Chief Executive the arrangements for succession planning at Board level.**

Agenda item 4iv – Human Resources - HPA Review (paper No B/07/31)

- 4.6 Vivienne Dews and Gaynor Coldrick introduced the paper and made the following comments:
- a. HM Treasury require departments to have some form of performance pay in place and the HPA system meets those requirements. We are committed to

- the current HPA arrangements for the duration of the current pay agreement;
- b. We are now in the position where we need to consider what form of performance pay we will have once the current pay agreement expires. Discussions with TUs will start in June 07.

4.7 This section of the minutes is closed.

Action Point 25 **HR to produce a recommendations paper on the issues discussed for further consideration.**

5 Agenda item 5 – Redefining HSE’s Key Corporate Stakeholders (Paper B/07/33 - Partially Closed)

5.1 Colin Douglas introduced his paper and confirmed that the changes proposed by Board members had been taken into account. The Board noted the COI research which showed that HSE’s is communicating well with stakeholders. The Board welcomed the findings but stressed we must not become complacent.

5.2 The Board acknowledged the pressures on the staff to fulfill their role as the lead contacts and complete their ‘day jobs’. The Board agreed that they would seek opportunities to relieve the pressure on staff by playing a more active role in communicating with stakeholders and agreed the list of stakeholders.

Action Point 26 **Colin Douglas to take forward work to engage with stakeholders**

6 Agenda item 6 – How and Where We Work (Paper B/07/34 -Partially Open)

6.1 Jonathan Rees and Gordon MacDonald introduced the paper and outlined the main issues for consideration as follows:

Communications and Staff Feedback

6.2 The discussions on communications and staff feedback included:

- a. From the initial staff feedback (from face to face discussions and responses to the intranet feedback form) it is clear to the Board that this project is creating uncertainty, especially but not exclusively, for staff in Rose Court;
- b. The Board agreed to help address the uncertainty by providing staff with a clear timetable for likely decisions, an indication of when any changes might occur, and details of the options available to those who may be affected by any office closures;
- c. The Board understood the desire for a quick decision, but were clear that while an early decision might be helpful, it had to take into account the preparation and consideration of a robust options appraisal and business case.

Options Appraisal

6.3 The Board noted that BSD and colleagues had undertaken further work on those options meriting more detailed exploration as agreed by the Board in January. The Board were informed that this analysis required a number of assumptions to be made (these assumptions are set out in the paper) to enable the costs and benefits to be estimated. It was agreed that further work is needed to refine the thinking as more information becomes available.

6.4 The Board then considered the three main options available;

- a. Reducing the number of field offices from 28 to 20.
- b. Establishing around six regional centres (or hubs) and around 50 small drop in centres.
- c. Reducing the HSE presence in Rose Court.

6.5 The key points for consideration for each were:

Reducing the number of offices

- a. This option involved reducing the present field network by (almost) a third and

included assessing hot-desking for visiting staff. The analysis has showed that this approach would provide a very modest saving in financial terms.

- b. A more viable approach might be to look at the retention of offices on a case by case basis, including reducing the size of some offices where this was economically viable.

Establishing 'hubs'

- c. The regional centres or hubs option, while potentially attractive in some ways (for example offering improved job opportunities for some staff), has very high set up costs.
- d. As it would take HSE a long time to break even it is not likely that this is a realistic option.

Reducing our presence in Rose Court

- e. The appraisal suggested that there were at least two financially viable HQ options. Both options provide reasonable returns in the medium term.
- f. In either case, significant up front investment would be needed but HSE stands to make noticeable savings. The HQ options may therefore attract money from the DWP modernisation fund, which is available on an invest-to-save basis.
- g. The appraisal required a nominal date for delivering the options: for the HQ options, BSD assumed that staff redeployment would be achieved by October 2008.

6.6

Having discussed the issues above the Board agreed:

- a. That the alternative field option merits further work, on the condition that any potential reduction in office size factored in the costs of providing a high quality environment and support for staff;
- b. That the hubs option was not financially viable and was therefore unlikely to be a realistic option. However, while it didn't warrant further detailed work the Board agreed that the option should remain on the table;
- c. That further work was needed on the HQ options, including detailed consideration of which functions and posts might stay in London under the different options;
- d. That the next iteration of the options appraisal should include, the financial costs, further detailed consideration of the affordability aspects, the business benefits, and the impacts on staff, diversity and the environment. It should also include some sensitivity analysis and ranges of the costs for the different options;
- e. That the strategic objectives for the programme as set out in the options evaluation tool were broadly right. The objectives weren't all compatible and the Board would need to weigh up the financial, affordability, and other factors as it approached a decision;
- f. The Board agreed the programme governance arrangements. Arrangements were also agreed for the handling of short term property events where Sandra Caldwell and Vivienne Dews would provide oversight and the first point of decision (referring decisions to the Board as appropriate) to ensure regional and local decisions are made in the context of the bigger picture.

6.7

In the context of the HQ options the Board wanted to be clear that:

- a. The HQ options would only be viable if HSE was able to secure up front investment eg from DWP's modernisation fund. This would need to be explored;
- b. If Redgrave Court was established as HSE's HQ, then this would be the primary location of the 'Heads' of the organisation (ie the Chief Executive, the

Board and Commission);

- c. That the date in the options appraisal for relocating staff by October 2008 was an indicative date for the purpose of the appraisal at this stage and not necessarily an actual or final date for any move. That said, the Board recognised that if a move was to occur then an early date may both reduce uncertainty for staff, and enable HSE to respond to pressures to show early savings; and,
- d. Staff were right to want information on their options in the face of posts moving from Rose Court, and while a decision had not yet been made, this was an early priority.

Next steps

6.8 On timing and next steps, the Board agreed:

- a. To discuss How and where we work at their joint meeting with the HSC in mid-April. The Board would expect to have a clear steer on its preferred option(s), subject to the wider position on HSE's finances and any support from DWP, to share with staff after that meeting;
- b. The HSE trades unions would be formally consulted for a view to feed into the April discussion;
- c. Further work to prepare the full business case, with the intention of a decision being taken by the Board at its meeting in early July, will be undertaken. The Board will then discuss its final decision with DWP which may be contingent on DWP's agreement to investment from the modernisation fund. Early soundings will be taken with DWP in the context of wider discussions on HSE's financial position;
- d. The Board remain keen to have staff and trade unions input to aid their thinking and the work of the programme team. The Board will keep staff informed of progress.

Stoneleigh (Closed)

6.9 This part of the minute is closed.

7 Agenda Item 7 – Making Best Use of Science (MBUS): Progress Report (Paper B/07/39 Partially Open)

7.1 Justin McCracken and John Hampton introduced the paper and made the following remarks:

- a. The MBUS project was established to implement the recommendations from the Fundamental Review 2006 and aims to integrate science and technology (S&T) into delivery, improve flexibility and improve professional management. The project is split into 4 workstreams: Planning; Governance/finance; Organisational delivery; Communications.
- b. The Board were asked to provide support and guidance on three key issues:
 - i. Planning: The framework for planning is almost complete and the Board were asked to agree that in the short term only commissioned and corporate resource be included in the S&T plans.
 - ii. Governance/Finance: The proposals for governance are well advanced and should be ready at end-March. The Board were asked to agree that the ground rules for the management/delegation of S&T budgets should be developed by the MBUS Project Board.
 - iii. Organisational Delivery: The MBUS Project Board think it is essential that directors/line managers are engaged in this workstream. The Board were therefore asked to agree a delay in the development of delivery options - the revised timescale would permit a discussion at the July Board meeting.

7.2 The following points were made during the subsequent discussion:

- a. The Board expressed their thanks for the expert handling of a difficult issue. It

was also noted that expectations were high for the project.

- b. The Board agreed it should be made clear that the purpose of the project is to ensure that S&T work is undertaken effectively and not about identifying whether the right S&T work is being undertaken;
- c. The Board agreed that there was a need to ensure the key stakeholders understood their roles and that the MBUS project team should revisit the stakeholder roles and consider the benefits of running through practical examples;
- d. As a large proportion specialists work is on S&T, the Board agreed the need for a separate review to ensure work being undertaken is relevant to HSE's key priorities;
- e. The Board were assured that should any of the recommendations from this project need their approval that they would be given advance notice.

- 7.3 In responding to the specific questions raised the Board agreed the following:
- a. That in the short term only commissioned and corporate resource be included in the plans;
 - b. That the MBUS project Board should develop the procedures for delegation of S&T budgets with appropriate transitional arrangements; and
 - c. That the options for structural and management arrangements for S&T staff should be produced for the July Board meeting. However, the Board expressed their wish for any further delays to the next phase of the project to be avoided.

Action Point 27 **Board members to be provided with a briefing pack on the progress with project and the key messages.**

8 Internal Audit of Corporate Governance (B/07/18)

8.1 Geoffrey Podger outlined the findings of the internal Audit. The main aim of the audit was to identify what Corporate Governance measures were in place and was generally reassuring; the next steps are to explore how well they are being adhered to. The views of the Board were sought on what assurances they wanted to be satisfied that the audit was sufficient for an independent regulator.

8.2 The Board welcomed the report and agreed that further work was needed to ensure that the 'Declaration of Interests' list was up to date for all staff and Commission members.

Action Point 28 **Vivienne Dews to oversee the production of a response to the issues raised by the report.**

9. Quantifying the human benefits of health and safety improvements (Paper B/07/32)

9.1 Colin Douglas introduced the paper and outlined its main findings, including the need to make the link between lives saved (rather than just reporting on those lost) by health and safety measures.

9.2 The Board agreed the proposals in the paper, subject to very minor amendments, for publicising the positive effect the work of HSC/E.

Action Point 29 **Colin Douglas to clear the proposals through the Chairman and the Commission.**

10 Second progress report on the action plan following the fundamental review (Paper B/07/36)

10.1 Vivienne Dews introduced the paper. The Board noted that:

- a. A further paper is due in April which will propose incorporating some of the main FR workstreams into a corporate Change Portfolio;

- b. The action plan for delivering the findings of the review are to be placed on the Intranet once some of the more significant achievements have been completed;
- c. This is a 'good news' story that staff should be alerted to at the appropriate time.

Action Point 30 **Geoffrey Podger to up date staff on the achievements to date.**

11 HSE's Legal Risk Register (Paper B/07/35)

- 11.1 Alex Brett-Holt introduced the paper and outlined the main changes to the register from the previous month. These included:
- a. Two cases had gone amber from red including the work to defend the UK position on the use of SFAIRP;
 - b. The number of SI's being produced has returned to the lower levels experienced prior to the work needed to transfer rail responsibility to the ORR; and
 - c. As mentioned earlier there is a need to provide training for inspectors on Scottish Law that may only be deliverable by contracting in training expertise.

Action Point 31 **Alex Brett-Holt to bring forward the legal risk register to the Board's September meeting.**

12 Agenda for April meeting

- 12.1 The Board agreed the agenda for the April meeting subject to the following items being added:
- a. The results from the consultation on the merger of the Executive and the Commission;
 - b. The implementation of the Macrory review; and
 - c. The How and where we work project as it relates to the Northampton office.

Below the line papers

The Board agrees the proposal in paper B/07/40 (on the Adventure Activities Licensing Authority) so long as the cost remains proportionate to the risks.

Away day –Wednesday 7th March: Formal discussions

13 The Draft Fine-tuning Project Report

- 13.1 Peter Buckley and Heather Bryant introduced the paper and outlined the main findings of the report. The Board thanked Peter, Heather and those involved for their hard work and made the following remarks:
- a. The Board agreed that the report should give greater weight to the things that went well and acknowledge the positive effect that programme working has had on HSC/E ability to met its targets;
 - b. The Board agreed that the report was an accurately reflection of 'what people think';
 - c. The Board agreed that the report is a good opportunity to show that the Board have listened to the views of others and are acting on them accordingly;
 - d. The report is about 'how we do our business' rather than 'what business we do';
 - e. The Board agreed that if HSE moves to a 3 year planning cycle that a successor for the FIT 3 programme will soon need to be developed to ensure the momentum is maintained until the end of the Revitalising period;
 - f. The report needs to make it clear that there is not a 'one size fits all' solution to HSE's activities as a range of different interventions are needed. It was therefore important to recognise the contribution that HQ and policy based staff have made;
 - g. The Board agreed that the report is a route map for the next 5-10 years and

therefore needs to be linked into the affordability plans. The Board also recognised that it is not possible to implement all the recommendations of the report in one hit. Therefore some quick wins in terms of quantifiable actions need to be identified;

- h. The report needs to build on the information on the work of LAs. It was also agreed that at least one pilot scheme, that builds on our partnership with Local Authorities, needs to be developed; and,
- i. The Board also discussed the importance of evaluation, the need to set a framework for identifying priority work, understanding the relationship between delivery programmes and structure programmes, and the need to free up resource by reducing the bureaucracy.

13.2 Following the discussions the Board welcomed the draft report as an accurate snapshot of the views of stakeholders and HSE staff. They also accepted that further refinements would be needed to the draft to take account of these discussions. Geoffrey offered the following as a summary of the discussions:

- a. The Board agreed that the final draft of the paper should be made generally available;
- b. Board members were invited to provide detailed written comments to the project team within 10 days of the Board discussions – the report will then be re-circulated for clearance via correspondence;
- c. A separate discussion is needed with LACORS to further develop the section on the local authority sector;
- d. The Board agreed that the Commission should be provided with a copy of the report with a covering paper. The report will then be launched in April after the Commission's residential meeting.

Action Point 32 Sandra Caldwell to identify pilot project to enhance the partnership working with Las

Action Point 33 All Board members are to provide detailed comments to the project team by 20th March.

Action Point 34 Peter Buckley and Heather Bryant to produce a revised version of the report, taking account of the Board Discussions