

Health and Safety Executive Board Paper		HSE/B/08/12	
Meeting Date:	6 February 2008	FOI Status:	Fully Open
Type of Paper:	For discussion	Trim Ref:	2008/38813
Exemptions:	No		

HEALTH AND SAFETY EXECUTIVE

The HSE Board

FINE TUNING REVIEW - UPDATE ON BETTER SEGMENTING OUR MARKET

A Paper by Sarah Mallagh

Advisor(s): Sandra Caldwell, Jane Willis, Patrick McDonald and Andy Fisher

Cleared by Sandra Caldwell on 29 January 2008

Issue

1. In view of the need to develop a successor to the Fit3 Programme for 2009/10, to agree proposals for a new approach to the targeting and delivery of our planned activities, based on the application of the segmentation framework. As a complimentary and parallel exercise to note the terms of reference of a Sector Review.

Timing

2. Routine.

Recommendation

3. The Board to:
 - a. agree the proposals for the Proactive Delivery Model, summarised at annex 2; and
 - b. note the terms of reference for the Sector Review, annex 3.

Background

4. The Fine Tuning report identified that our current approach to targeting resources is not as good as it needs to be to maximise the impact we expect from our planned proactive activities. In October 2007 the Board endorsed the segmentation framework, set out in paper B/07/103, 'Fine Tuning Review – Update on better segmenting our market', see the flow diagram at annex 1, and agreed the development of a plan to implement the use of the framework to improve the targeting of our planned work. The proposals made do not include work carried out in relation to major hazards.
5. It is recognised that through the development and delivery of the Fit3 Programme significant knowledge and experience already exists in the organisation about how we might segment and target audiences and the proposals made build on this. At the local level work with CoSAS using regionally based data has begun to develop more specific intelligence and targeting enabling teams to better identify poor performers in line with the BRE recommendations. In developing the approach account has also been taken of the recommendations made in the HSE Board paper, B/06/89, 'Segmenting HSE's approach to duty holders', by Giles Denham, discussed in October 2006.
6. The sectors feed into the segmentation process by providing intelligence based on their broad over view of industry. Their sustained close involvement with

stakeholders is key in providing up to date information about technical and commercial developments and in identifying the issues affecting those at work and what role HSE might have in resolving them. This information assists both in the process of identifying which groups of duty holders we should target and in suggesting what types of interventions should be adopted to have most impact.

Argument

Application of Segmentation Process

7. The segmentation framework is a tool to aid decision making in determining where and how to target resources and what interventions/services/products to offer to maximise impact. As illustrated by annex 1 it is a three stage process which is evidence based with structured decision points. In summary:
 - 1) **Market and audience segmentation** – the process of identifying coherent groups of similar duty holders (segments) by overlaying a series of homogenous characteristics.
 - 2) **Targeting the audience** – the process of evaluating and selecting which segments to pursue to maximise impact
 - 3) **Positioning the intervention/service/product** – the process of ensuring the action taken properly meets the needs of the target audience.
8. The work carried out in relation to asbestos provides a good example of how this three stage approach has been used to develop the identification of a high risk set of activities at stage 1 into a defined group of duty holders (tradesmen and maintenance workers, principally electricians and plumbers) at stage 2, who can then be targeted with messages specific to their working environment at stage 3. The campaign taking place at the end of February will make use of stakeholders contacts to distribute information through DIY stores and will also trial various media routes to help develop a better understanding of how to most effectively reach this audience with our messages.
9. In addition to improving the targeting of our activities, the framework provides a common process, which, by involving all relevant parts of the organisation at each stage, will enable us to much better coordinate the planning and implementation of our proactive work. Currently, much of our work is being done in isolation and there is limited evidence that links between different areas are being made. For example, during the final quarter of this work year, three different campaigns, construction refurbishment, asbestos and slips, trips and falls are all targeting the peripatetic building and maintenance trades.
10. Segmentation can be usefully applied to identify priorities at different levels in the decision making process. Its application is iterative with more specific target audiences being identified at each level, from strategic priorities down to local targets. On the basis of using the framework in this way we have developed a proposed Proactive Delivery Model which applies segmentation at three levels, strategically, cross-HSE and at the local level.

The Proactive Delivery Model

11. The model is summarised as a flow diagram at annex 2. The model takes as its starting point the HSC Strategy and the overall business priorities set and is underpinned by statistical analysis and research. For SMEs and large organisations it is recognised that a sub-strategy for some aspects of proactive work has already been established and these are integrated into the overall model. For SMEs, unless they are identified as high risk, the focus of activity will

continue to be the provision of information and advice and for large organisations the LOPP and FOILE arrangements will remain in place with identified priorities and campaigns being picked where they have relevance. High risk SMEs and large organisations outside of LOPP and FOILE will be identified as part of the segmentation process and will be subject to targeted interventions as appropriate.

12. Currently, the Fit3 programme directs where to target resources for our planned work, however, a successor to the programme to cover the next spending review period needs to be developed for 2009/10 onwards. The intention is to use the segmentation framework, with the benefits of better coordination that it offers, to drive this process. Segmentation will help both to define the component parts of the successor to Fit3 and to inform the way in which we manage our activities.
13. In terms of defining the component parts, at the strategic level segmentation has already been used, through the application of data analysis and other evidence, to identify certain priority sectors or areas which present a high risk, these include, construction, agriculture and the health agenda, and will form the starting point for the components to be included in the successor to Fit3. In addition, CoSAS have already begun work to look more critically at how data can be analysed at the strategic level to help define other potential areas.
14. Once the broad strategic priorities are identified the segmentation process will be applied at the cross-HSE level to define in more detail the segments that exist within these broad areas. These will then be evaluated and a decision made as to which ones to select for action.
15. This process will identify a set of segments or 'business areas' which we need to target through the use of a mix of interventions to achieve specific changes in behaviour or outcomes, for example, hairdressers, building maintenance workers, contract cleaners, hotel and catering workers. Focusing our activities on the basis of business areas, rather than by topics or hazards, will enable a coordinated set of interventions to be developed which is coherent, avoiding multiple unlinked messages, and properly targeted to the needs of the particular group of duty holders. The work being done in relation to the waste and recycling industry, firstly to identify it as a priority area for action, and now to deliver a set of coordinated interventions provides a good example of the model.
16. The delivery focus of the business areas means we see them being managed on a task and finish basis to achieve agreed outcomes typically over a period of between 1 and 3 years, rather than setting up permanent mechanisms. Based on the segmentation process over time attention would move on to different business areas to deal with their issues. The task and finish approach allows the flexibility to do this.
17. As indicated certain components of the successor to Fit3 are already identified and work to apply the segmentation process to them has been begun. For construction considerable work has already been done to break the industry down into different audiences, based on risk and job role, and to consider what different attitudes to health and safety exist. A campaign to target the property development sector is planned for next year and research work is to be carried out to explore in depth the attitudes held by small building contractors and the clients who operate in the sector. The information will be used to design the intervention mix and its content so it is tailored to meet their specific needs.

18. An approach known as 'insight' has been used to gain a better understanding of how HSE might approach the health agenda. 'Insight' is a structured method for developing a detailed understanding of the audience, who they are and what motivates the behaviours we want to challenge. It is designed to help develop options at a strategic level based on the audience's perceptions of the organisation or issue and is useful in widening the evidence base used in the segmentation process to evaluate which segments we will have most success in pursuing. The 'insight' recommendations made in relation to health are currently being considered but have raised strategic questions about whether HSE can be successful in influencing change in certain areas because of the way in which the organisation is perceived, or whether others are better placed to do this. The approach is also being used to help explore how we might approach the agriculture sector differently recognising that we have had limited success in influencing certain groups within the sector historically, ie. small family farmers. In addition, work to explore what use we might make of social marketing techniques is also being done.

Sector Review

19. The proposal to establish a set of business areas and the application of the segmentation process to identify possible new priority areas for planned work leads to a need to review the existing sectors, to ensure wider ongoing business needs are met, any new priority areas are supported and to avoid possible overlap in responsibilities. The role fulfilled by sectors is distinct from the proposed business areas in two key respects. Firstly, their role is holistic meeting business needs for both proactive and reactive work, for example, establishing benchmarks for setting standards and for enforcement, secondly, their work is long term, for example, maintaining sustained relationships with strategic stakeholders. It has therefore been agreed that a review of sectors will be carried out in parallel with the implementation of the proposed proactive delivery model.
20. The terms of reference for the review are at annex 3 and are designed to ensure current assumptions are fully examined and the proposals made are justified on meeting specific business needs. It will look both at the existing sectors and explore what new or different sectors may be required to address future or currently unmet needs. Possible management arrangements and location issues will not be considered until after the review has been completed. It has been agreed that the review will be jointly led by Elizabeth Gibby, Policy Group and David Snowball, FOD.

Timescales

21. As indicated some work to start to identify the components of the successor to Fit3 has begun. Work in other areas, informed by the HSC discussions, using the segmentation framework will now start with high level products being produced for the autumn to feed into the corporate planning process for 2009/10.
22. Work will also start immediately on the sector review and this will report by the end of the second quarter 2008/09, with a view to any new arrangements being implemented by the start of 2009/10.

Consultation

23. The proposals have been developed and discussed by Sandra Caldwell, Jane Willis, Patrick McDonald, Giles Denham and Andy Fisher, Communications Directorate.

Presentation

24. The successor to the Fit3 programme to deliver our planned work will need HSC agreement and ministerial support. It is therefore key that the process to be used to develop this is understood and agreed by HSC at an early stage. An explanation of the segmentation framework has been included in the current paper to the HSC on Corporate Planning and further details on the proposed approach and model can be provided for their discussions in March. Emphasis needs to be placed on the fact that the development of the segmentation framework stems from the findings both of the Fundamental and Fine Tuning Reviews and builds on experience gained from the Fit3 programme, to the extent that examples of its successful use already exist. A key benefit of adopting the process is not only to help better target our activities to increase our impact but to ensure that this is done in a more coordinated way.

Costs and Benefits

25. The proposed Proactive Delivery Model is designed to improve efficiency by enabling the planning and delivery of our proactive activities to be better coordinated. The model ensures priorities are clearly established and agreed by all relevant parts of HSE and work is organised in a way, based on the business areas, which avoids duplication of effort. The application of the segmentation process as the basis of the model will also improve effectiveness by ensuring the proactive work done is better targeted to the needs of the identified audience and hence has more impact. Each area identified as part of the successor to Fit3 would be subject to its own cost benefit assessment before resources were committed to it.
26. The implementation of the model will need to be carefully managed to ensure that the effort put into seeking additional evidence and analysis at each level is proportionate to the outcome to be achieved and the resource available to deliver it.
27. The sector review may identify new areas requiring a long term sector team approach and there could be additional costs for HSE to meet Local Authority needs if these cover areas within their jurisdiction.

Financial/Resource Implications for HSE

28. The introduction of the model is principally about redirecting existing resources and better managing the planned work we do in support of the HSC strategy. The work to define the successor to Fit3 is already required and the model again provides a method for achieving this rather than establishing a need for additional work. It is anticipated that staff in the existing Fit3 teams will take this work forward so no additional staff resources will be required.
29. The segmentation process will require research to be carried out to add to our evidence base, in particular, to provide us with a better understanding of the audiences we are seeking to have impact with. Further work to establish what, if any, additional data is required to develop the high level products for the autumn needs to be done and the research required to build our understanding of the

business areas identified will depend on what knowledge already exists and how many areas are identified. As an indication the 'insight' work done in relation to the Health Agenda cost £47k and for agriculture will be in the region of £35k.

30. Until the outcome of the sector review is known it is not possible to estimate the resource implications of any changes required.

Environmental Implications

31. N/A.

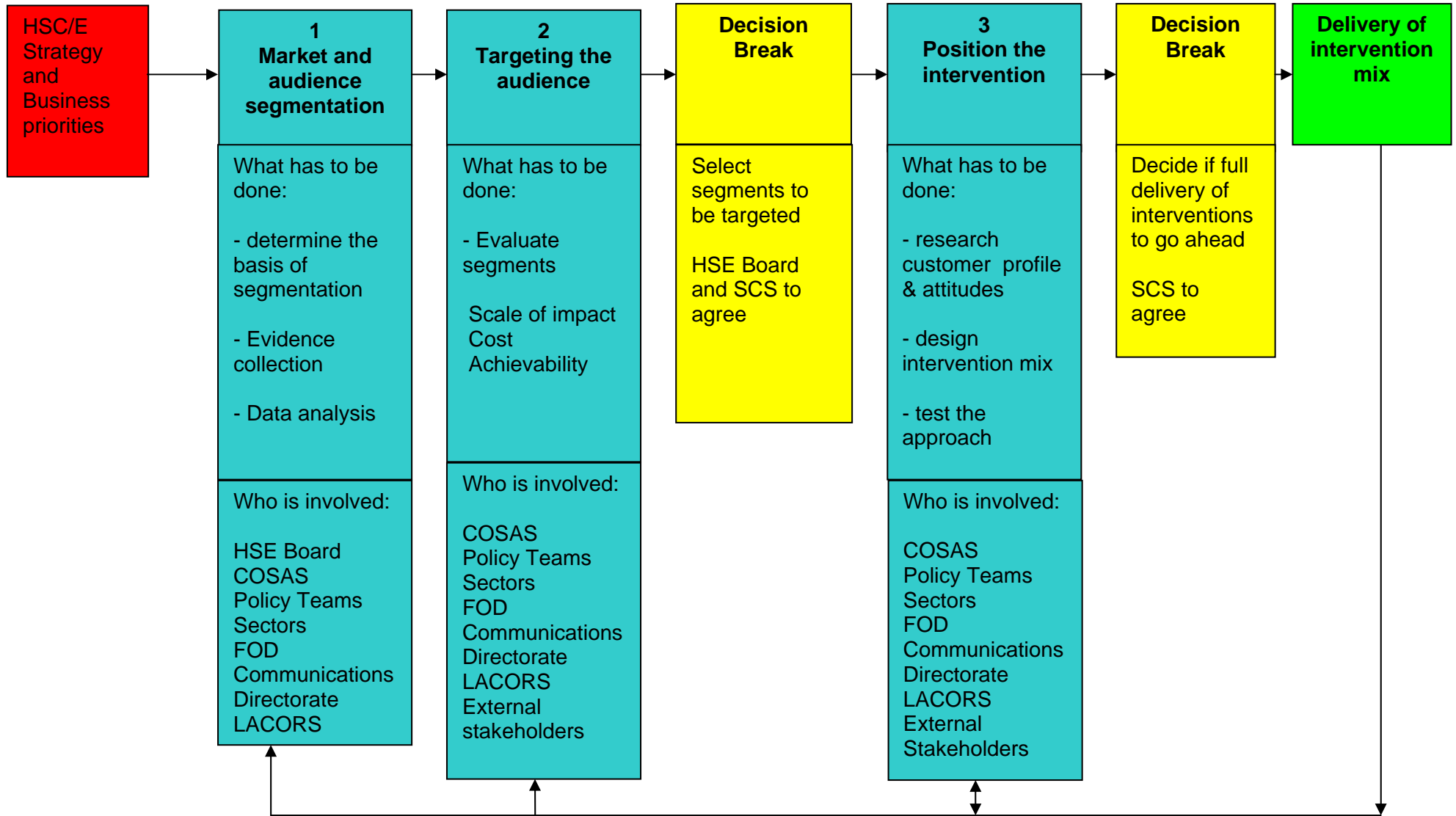
Other Implications

32. If the model is agreed work will need to start immediately to engage the Local Authorities in the process and establish the mechanisms through which they will contribute to the segmentation process at the various stages.

Action

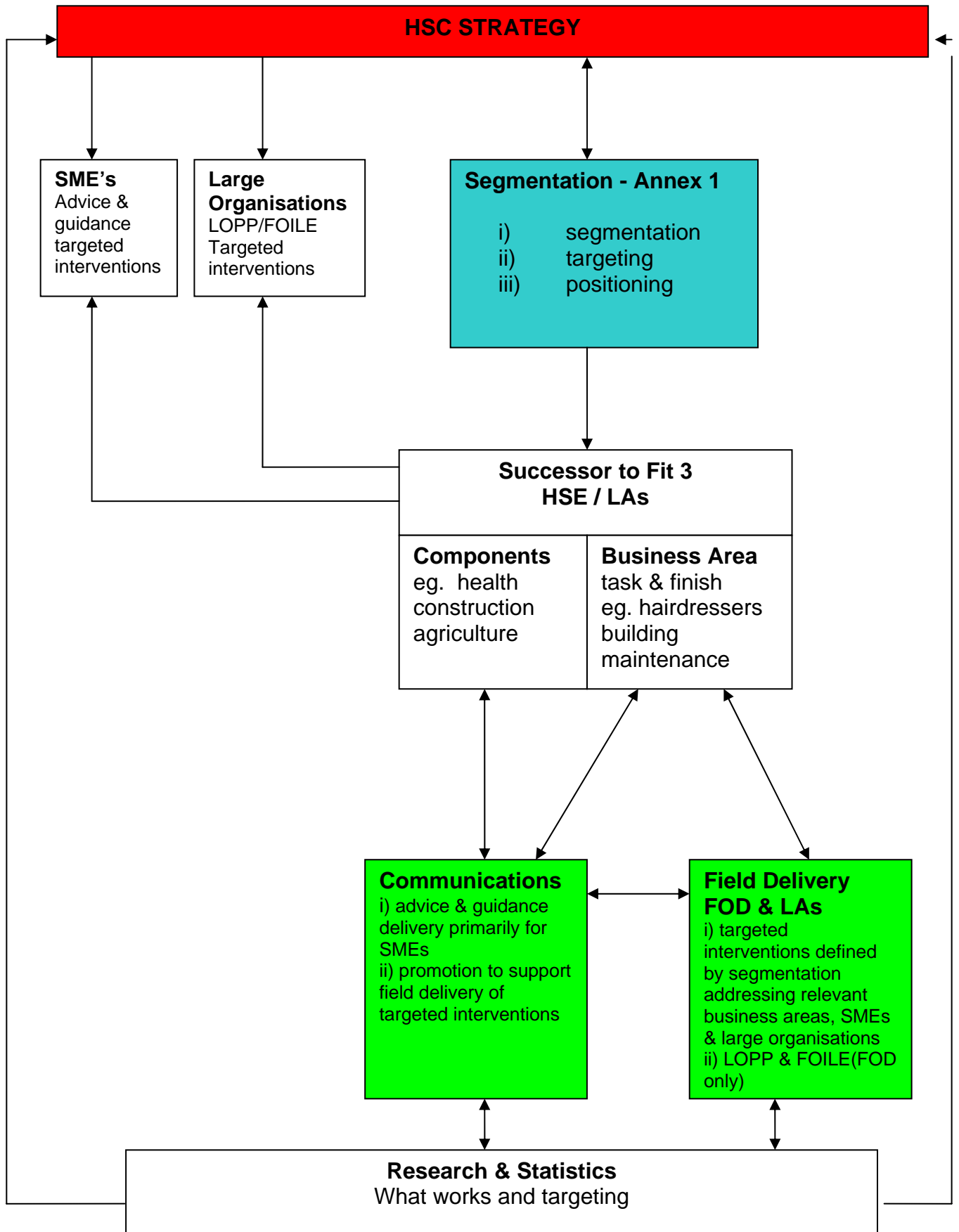
33. If the Proactive Delivery Model is agreed work to implement it will need to be taken forward urgently. An action plan setting out the work to be done to deliver the high level products required for the autumn to feed into the corporate planning process will be developed, led by Policy Group, by mid March.

ANNEX 1 - SEGMENTATION FRAMEWORK



Feedback from research and evaluation of delivery informs future use of segmentation

ANNEX 2 – PROACTIVE DELIVERY MODEL



ANNEX 3 - TERMS OF REFERENCE

SECTOR REVIEW 2008

In the context of continued delivery of HSC's Strategy to 2010 and taking into account experience of the Fit3 Programme, the Fine Tuning Review and MBUS, the terms of reference for the review are:

To review the continuing need for sectors and identify their unique contribution to the delivery of HSE's business:

- i) Determine which teams/units are in the scope of the review
- ii) Carry out a desk top review of previous sector reviews to identify key learning points, whether these were implemented and, if not, the reasons for this
- iii) Review the responsibilities and work done by each of the identified teams/units in the last 3 years to identify:
 - key functions
 - roles and responsibilities
 - any significant needs, internally and externally, which have not been met
- iv) Critically examine the continuing need for the identified functions and roles and responsibilities
- v) Explore what additional business requirements need to be met in the future, taking into account the emerging revised strategy of the merged HSC/E
- vi) Define a set of principles and criteria to determine in what circumstances a sector team approach is required to meet HSE (LA) business needs
- vii) On the basis of vi) above, and informed by the segmentation process, make recommendations for the delivery of sector work to meet ongoing and future business needs
- viii) Management arrangements and location issues are excluded from the terms of reference