

Health and Safety Executive Board		Paper No: HSE/10/25	
Meeting Date:	24 February 2010	FOI Status:	Open
Type of paper:		Exemptions:	
Trim reference:	2010/64600		
<b>Developing a performance measurement framework for HSE and the wider health and safety system</b>			

## Purpose of the paper

1. To seek approval from the board to develop a new performance measurement framework for HSE and the wider health and safety system based on a basket of directional indicators.

## Background

2. Since 2000 we have been using the Revitalising Health and Safety targets (or variations on them) as the basis for performance measurement in HSE. These are numeric outcome targets and do not permit differentiation between HSE performance and that of the wider system. For the 2008-2011 Spending Review period, we successfully negotiated with DWP that the DSO targets should be directional rather than numeric. However, they are still based on health and safety outcomes.

3. Now that work towards delivering the new strategy is underway, we need to develop appropriate and robust measures of performance measurement related to the strategy themes. This provides an opportunity to rethink our approach to performance measurement. In particular to:

- capitalise on our learning from ten years of outcome targets;
- take stock of what others across government are doing in terms of performance measurement;
- make use of both leading and lagging indicators;
- develop separate targets and indicators for HSE as distinct from the wider health and safety system.

4. Arrangements for formal reporting of HSE's performance to DWP are agreed up until 2011 which gives us some time to establish a framework internally before needing to negotiate new performance targets in a post-election environment. If we can agree and establish a system along the lines proposed below, over the next 12 months, we will be in a stronger position to influence the content and nature of future departmental targets and ensure that they appropriately measure the organisation.

## Argument

### Directional versus numeric targets

5. To be able to set a realistic and challenging numeric target, it is necessary to have the following things in place:

- i. a time series of past data

- ii. a model of the causation of the indicator i.e. how much change in x is needed to result in an ultimate change of y in the target measure
- iii. projections of all the causative factors
- iv. predictions of the effects of HSE's actions

6. At the time that the Revitalising Health and Safety targets were set, all of these things were lacking. Some progress has been made since, for example we do have time series of outcome data for both injuries and ill health. However, much of the information is still missing:

- we don't yet understand the link between precursor measures and outcomes;
- we have been unable to disentangle the specific impact of HSE's actions for the majority of interventions;
- predicting causative factors (assuming we knew what they all were) is fraught with difficulties and requires skills and knowledge we don't have in HSE.

There is therefore no logical basis for specifying a target level of improvement as this could not be evidence-based and would be entirely arbitrary. Hence, we are proposing that future targets should be direction-based, at least until these knowledge gaps have been reduced.

### **Leading indicators**

7. It has been recognised for some time that it is ineffective to focus primarily on health and safety outcomes to monitor the impact of HSE's activities. Outcome measures are influenced by too many external factors which are outside of our control (such as the economic climate) and, particularly in the case of long latency disease, it can take many years before the benefits of any intervention feed through into the outcome data.

8. Therefore, to complement this data we need to also measure precursor events or leading indicators. By "leading indicator" we mean some aspect of the pathway leading to an injury or case of ill health which, if substantially changed, would be expected to reduce the incidence of injury and/or ill health. These indicators may relate to attitudes, behaviours, exposure levels or elements of workplace practice such as control measures used. These aspects are much closer to HSE's work and therefore any changes in them can be more easily attributed to our actions. A further significant advantage of these measures is that they apply to both conventional health and safety and major hazards.

9. The Fit3 and WHASS surveys made a start at collecting precursor data of this sort and the new strategy monitoring surveys which begin later this year will build on this. A cross-directorate group, led by CSAG, has also begun to look at how to develop useful leading indicators in HSE. This group will be expanded to include a fuller range of directorates and will consider the possibilities of exposure data as well as using data from outside of HSE such as sales of particular safety or control items, attendance on accredited training and industries own performance data.

## **Proposed framework**

10. The model we are proposing for progress measurement and future target development is to establish a small number of over-arching objectives with directional statements that capture as much of the totality of what HSE is trying to achieve as possible. Progress against these objectives would be measured via a series of indicators which should follow Treasury's 'Fabric' criteria (see annex A) and, as far as possible, be National Statistics to provide the necessary assurances of quality and independence. This is a model used successfully by a number of other public bodies.

11. Provided that the majority of indicators were moving in the right direction, we would be assured that progress was being made in a particular area. Indicators which were not moving as expected might point to areas where more work is needed or a different approach required. Furthermore, the use of a broad range of indicators will ensure that progress measurement is not subject to the imperfections and distortions which can affect individual data series.

12. HSE's overarching objectives should link directly to the strategy themes and the corresponding indicator data should be a mix of outcome data and leading indicators. The table in Annex B illustrates the sorts of indicators we would expect to use to monitor progress. This is not an exhaustive list. Instead it is an illustration of how we could apply the model. Decisions about the precise nature of the indicators for each area need to be taken in consultation with the lead business unit, DCE's Office, PFPD and CSAG.

13. Most of these proposed indicators measure performance in the health and safety system. However, the intention is for the model to be hierarchical and that the same framework could apply to measuring HSE's performance, and, separately, to measure the contribution of non-HSE parts of the health and safety system. This will be difficult to achieve because of the knowledge gaps referred to above. However, as we build on our evidence base and learn more about the impact of our actions, the robustness and relevance of the model for measuring HSE performance should improve.

## **Presentation and publication**

14. The National Statistics indicators within the framework would need to be produced and published in line with the Code of Practice for Official Statistics i.e. made publicly available with 24 hour pre-release access to officials who are not involved in the production process. DWP have recently stated that all DSO and PSA indicators should be treated as National Statistics and published accordingly

15. Since the aim would be for the majority of the indicators to be National Statistics, we should consider whether a new part of the HSE website could be set up where the framework could be described and published in full. This could be part of the Statistics site or under the Strategic and Planning area. This approach, which reinforces openness and transparency of government, is one that many other government bodies have begun to use.

**Action**

16. The Board are asked to approve the proposed approach to future performance measurement and to support further work to develop the detail of the measures to be used.

**Paper clearance**

17. This paper has been cleared by SMT on 3 February 2010.

## Annex A – Treasury guidance on performance measurement

When developing a performance system, the criteria of the whole system should be '**FABRIC**':

- **Focused** on HSEs aims and objectives;
- **Appropriate** to, and useful for, stakeholders who are likely to use it;
- **Balanced** to give a picture of what HSE is doing, covering all main areas of work;
- **Robust** in order to withstand organisational change or individuals leaving;
- **Integrated** into HSE, being part of business planning and management processes; and
- **Cost Effective**, balancing the benefits of the information against cost.

Each performance measure (or indicator) should be:

- **Relevant** to what HSE is aiming to achieve;
- able to **avoid perverse incentives** (that is, not to encourage unwanted or wasteful behaviour);
- **attributable** - the activity being measured must be capable of being influenced by actions attributed to HSE;
- **well-defined**, with a clear unambiguous definition;
- be **timely**, in that data collected can track progress and be useful;
- **reliable** - accurate enough for the intended use;
- **comparable**, with past periods or similar work elsewhere;
- and **verifiable**, with clear documentation to ensure the measure can be validated.

A Guide to developing Performance Measures has been developed by CSAG, based on the HMT 'Fabric' Criteria.

## Annex B – Illustrative indicators for a new performance measurement framework

Strategy theme	Possible indicators
Leadership	Employers set H&S targets Annual reports cover H&S Awareness of directors duties % employees saying they are told when they do not follow good H&S practices % employees saying that there are no major shortcuts taken when worker H&S at stake % workers report that H&S is a high priority with management where they work
Competence	Use and quality of training Sources of H&S info/advice used Recognised management system in place
Worker Involvement	% employees who say workers and management work together to ensure safest possible conditions % workers feel free to report safety problems TU recognised / employee safety reps / existence of H&S committees
SMEs	H&S climate measures Inspection scores (from benchmarking studies) Access and use of relevant advice Provision (by HSE) of appropriately targeted advice for SMEs
Health	Occupational health provision Ill health outcome data Health compliance inspection scores (from benchmarking studies) Use/sales of control measures (long latency) <i>Exposure data (possibility under discussion)</i>
Avoiding catastrophe	KPIs from duty holders Outcome measures (dangerous occurrences) H&S climate measures <i>Inspection scores (if FOD benchmarking exercise was rolled out to HID)</i>
Investigation and enforcement	<i>Measures of risk based targeting (if these can be developed)</i> <i>Measures of LA inspection activity (if possible)</i>
Rebranding HSE	HSE's reputation amongst key stakeholders
Motivating the health & safety system	Reducing administrative burden on business <i>(in line with Better Regulation, and the HSE Simplification Plan)</i>
Reducing ill health and injury outcomes	Outcome data Inspection scores (from benchmarking studies)