

MANAGING THE ORGANISATION

Business improvement

1.35 HSE's commitment to continuous improvement is delivered through its Business Improvement Plan. The plan shows HSE achieved savings of over 4% of our administrative costs during 2001/02 through a combination of cash savings and quantifiable added benefits. This exceeds the PSA target for 3% year-on-year efficiency gains.

1.36 As in previous years, savings have been achieved from a wide range of HSE activities, for example:

- further rationalisation and more effective use of our accommodation;
- improvements to HSE's work with pesticides;
- streamlined vacancy filling procedures; and
- streamlined evaluation of research portfolio.

Resources

Full details of HSC/E accounts for 2001/02 can be found in Part 2.

Staffing

Table 28 Total HSC/E staff in post by occupational group

Occupational Group	1 April 2001 Staff in post	1 April 2002 Staff in post
Inspectors	1 534	1 625
Other professional or specialist staff	1 333	1 461
Other staff	1 027	964
Total staff	3 894	4 050

Table 29 Total HSC/E staff in post by Directorate/Division

Directorate/Division	1 April 2000	14 April 2001	1 April 2002
	Staff in post	Staff in post	Staff in post
Health and Safety Commission	33	-	-
Support and Senior Management Support Unit			
Solicitors Office	20	22	36
Policy Unit (and training initiative)	41	-	
Resources and Planning Directorate	506	500	500
Health Directorate	258	245	244
Safety Policy Directorate	136	127	110
Strategy and Analytical Support Directorate ¹	-	102.6	108
Rail Directorate ²	-	-	33
Operations Group			
Operations Unit	26	13	14
Local Authority Unit	15	17	11
Field Operations Directorate	1 440	-	
HM Railway Inspectorate	108	-	
Field Operations Directorate & HM Railway Inspectorate ³	-	1 567	1 694
Chemical and Hazardous Installations Division	287	-	
HM Inspectorate of Mines	32	-	
Offshore Safety Division	230	-	
Hazardous Installations Directorate ⁴	-	526	545
Nuclear Safety Directorate	240	247	253
Directorate of Science and Technology	167	-	
Electrical Equipment Certification Service	50	44	40
Technology Division ⁵	-	123	121
Total HSE staff	3 589	3 534	3 709
Health and Safety Laboratory	348	360	341
Total staff	3 937	3 894	4 050

Notes:

- 1 Strategy and Analytical Support Directorate was formed from Senior Management Support Unit, Policy Unit, Statisticians' Branch, Economic Advisors Unit and Risk Assessment Policy Unit. The figure includes HSC support staff.
- 2 Rail Directorate formed from Safety Policy Directorate in November 2000. (Staffing figures combined with those for Safety Policy Directorate at 1 April 2001.)
- 3 Field Operations Directorate and HM Railway Inspectorate brigaded May 2000.
- 4 From 1 April 2000 Chemical Hazards Installations Division, Offshore Division and HM Mines Inspectorate combined to form Hazardous Installations Directorate.
- 5 Technology Division was formed from the main part of Directorate of Science Technology, the other parts of which were moved into other Directorates.

Recruitment

1.37 Recruitment into HSE is conducted in line with the Civil Service Commissioners' Recruitment Code. We operate systems and procedures that meet the Code and ensure that recruitment is carried out on the basis of fair and open competition and selection on merit. The systems and procedures are subject to periodic internal and external audits. The Code requires departments to publish summary information about their recruitment and the use of permitted exceptions to the principles of fair and open competition and selection on merit.

1.38 During the year there were:

- 451 staff recruited;
- 17 'New Deal' appointments under fair and open competition. The New Deal programme is a Government initiative to assist the long-term unemployed;
- 26 UK secondments/loans into and out of HSE and 11 overseas secondments;
- Three extensions of short-term appointments beyond the initially publicised period; and
- 14 re-appointments of former civil servants.

Table 30 Recruitment

Recruitment level	Number	Male	Female	White	Non-white	Not declared*	Disabled
SCS	1	0	1	1	0		0
Band 1	1	0	1	0	0	1	0
Band 2	9	4	5	1	1	7	0
Band 3	68	49	19	41	0	27	0
Band 4	144	72	72	114	13	17	0
Band 5	30	13	17	13	0	17	0
Band 6	198	90	108	104	24	70	0
Total	451	228	223	274	38	139	0

Notes: *Information on ethnic status is not always provided.

Private Finance Initiative (PFI)/Public Private Partnerships (PPP)

1.39 **HSL laboratory:** Ministerial approval was given on 19 November 2001 for the PFI deal for HSL accommodation to be located on HSE's Harpur Hill, Buxton site. Following final commercial negotiations the deal was commercially and financially closed on 12 April 2002. The deal requires the PFI concessionaire - Investors in the Community (Buxton) Ltd - to design, build, operate and finance a new laboratory facility for HSL. This involves the construction of a £56 million laboratory, and subsequent maintenance and provision of

support services (eg IT maintenance and support, security, cleaning, catering, office support services) for a further period of 30 years.

1.40 **REFIT – IT:** On 29 June 2001, HSE let a PFI/PPP contract to CMG UK Ltd, working in partnership with Computacenter, to provide IT and consultancy services to all HSE users over the next ten years. CMG and Computacenter took full responsibility for the service in October 2001 following a three-month transition period.

1.41 **Merseyside HQ Project:** A business case for the privately funded renewal of HSE's Merseyside headquarters has been approved, and proposals invited in competition from a shortlist of consortia.

1.42 **Hsedirect:** The first revenue flows from the hsedirect website started in 2001/02. Hsedirect (designed to increase access to legislation and guidance) is a PPP with Butterworths Tolley and is an online database containing the full text and related images of health and safety legislation, ACOPs and HSE guidance publications. The addition of 600 HSE publications during the year and improved functionality on the site led to an increasing number of subscriptions, so demonstrating the value for money aspect of the service.

Sponsorship

1.43 In 2001/02 HSE received sponsorship from a number of employers in support of the 2001 Working Well Together (WWT) campaign which is an industry-wide construction health and safety campaign developed by HSC's Construction Industry Advisory Committee (CONIAC). Sponsorship was provided for two elements of the campaign:

- the WWT bus tour, a roadshow which visits construction sites around the country to promote health and safety messages and encourages workers to 'sign up' to best health and safety practice;
- the WWT 4C awards dinner at which awards are presented to winners and tables are 'sold' to WWT member organisations, mainly those who have entered the awards.

Bus tour

3M	£30 000
Hilti	£5000
Taylor Woodrow	£15 000
Total	£50 000

Awards dinner

CITB	£10 000
Contract Journal	£2500
Channel Tunnel Rail Link	£5000
Lincsafe	£5000
Table sales*	£19 450
Total	£41 950

* Competition entrants who 'buy' a table for their organisation for the awards dinner. Individual companies do not pay more than £5000, the figure above which organisations are identified.

Wider markets

1.44 HSE reviewed its approach to charging for various aspects of its work (including publications and provision of information) under the Wider Markets Initiative. It also re-examined its approach to exploiting any commercial applications of research and the use of sponsorship. HSE pointed out that there were limits set by its role as a regulator in how far it could pursue income from its work. It also concluded that it had an active approach to pursuing charging within those limits.

Departmental Investment Strategy

1.45 HSE manages its capital assets through the Departmental Investment Strategy (DIS). Investment to support its activities is mainly in accommodation, scientific instruments and motor vehicles. Under a PFI contract, HSE's IT assets have been transferred to an independent supplier as part of the provision of HSE's IT services. A PFI contract has been agreed for the provision of a new laboratory for HSL.

Resource accounting and budgeting

1.46 The switch from cash accounting to resource accounting by central government departments became effective from 1 April 2001. HSE is now planning, controlling and accounting for expenditure on a resource basis.

Reducing fraud

1.47 The levels of fraud committed against HSE are small. We are continuously seeking to further reduce it by systematic risk identification and improving control measures. Where fraud is detected, we press for the strongest possible action against those committing offences to act as a deterrent to others.

Prompt payment of bills

1.48 HSE's and HSL's combined payment performance for the 2001/02 financial year is 98.9%. Although below the Government's target of 100%, this is a very good performance and marginally higher than last year's figure of 98.4%. Improvements in this performance level are likely to continue in 2002/03 as the expansion of the Government Procurement Card (a low cost method of paying suppliers quickly for small value purchases) continues to impact on the speed with which low volume invoices are paid.

Charging

1.49 Ministers and HSC agreed that the Control of Major Accident Hazards Regulations 1999 (COMAH), gas transportation, offshore and railway charging schemes should be reviewed after two years of operation. The evaluation began in June 2001 with survey and other work to see what effects charging had in industries covered by COMAH. The following reports have been completed:

- the COMAH charging scheme;
- the effectiveness of the administrative processes;
- the effectiveness of the queries and disputes procedure; and
- the reasonableness of HSE's charge out rates.

1.50 HSC concluded that no fundamental change should be made to the approach to charging for COMAH

work. On the administrative processes, HSE has already introduced some improvements and will take forward further work as part of its review of IT services. The queries and disputes procedure was found to work well and was regarded by those who had used it as fair. The comparison with HSE's charge out rates with public and private comparators showed some evidence that HSE's rates were higher than some others. HSE will be maintaining its efforts to improve in this area.

1.51 HSC will report to ministers on the evaluation and review of gas transportation, offshore and railways in autumn 2002.

1.52 The Industry-wide Charging Review Group presented its annual report to the HSC on 15 January 2002. Issues on which progress was reported included:

- emerging findings of the evaluation of the COMAH charging scheme;
- operation of the queries and disputes procedure;
- fitness for purpose of the charging guides for industry;
- alternative methods of charging; and
- continuing viability of a separate Gas Transportation Charging Review Group.

1.53 As part of HSC's policy of recovering HSE costs in 'permissioning' regimes, charging was introduced from 2 April 2002 for approval functions undertaken as part of the Offshore Installations and Pipeline Works (First-Aid) Regulations 1989. This brings this work into line with onshore first aid provisions. HSC agreed that charging should not be introduced for work under the Chemicals (Hazard Information and Packaging for Supply) Regulations because the expected revenue was regarded as *de minimis*.

Information technology

1.54 IT service contracts were retendered during 2001/02 and REFIT arrangements with CMG/Computacenter were set up on 17 October 2001. In addition, there was progress on about 60 projects including:

- information security - further work on implementing BS7799 (a detailed security standard) and firewalls;
- migration to Lotus Notes e-mail system;
- roll-out of Microsoft Office 2000 to networked PCs;
- changes to existing systems, eg new boundaries and divisions in FOCUS (the management system used by FOD), upgrade of the PARIS personnel system; and
- support of development of new systems, eg the hydrocarbons database and an incident contact centre for reporting incidents and accidents.

1.55 The first stage of HSE's e-correspondence and briefing system 'All Round Knowledge' (ARK) was rolled out in July 2002. It is a software application for HSE staff to use when preparing and approving briefings and official correspondence. The system will enable HSE to join up with the Whitehall-wide Knowledge Network briefing system managed by the Office of the E-Envoy.

Equality and diversity

1.56 Progress has been evident in most of the key areas over the last year with diversity now in the mainstream of our policies and procedures. Our main achievements during 2001/02 were:

- The new **senior civil service (SCS) performance management procedures** introduced this year, require all SCS members to draw up a performance agreement with a least one diversity objective (or broader management objective with a strong and explicit diversity element). An essential element of the performance management system is the SCS competence framework, which sets out key behaviours that SCS must demonstrate in their roles as leaders of the civil service. All HSE's SCS participated in a 360-degree feedback assessment based on the behaviours set out in the competence framework. They have received individual assessments and a corporate report has also identified issues for HSE. Individuals have been encouraged to complete a development plan to monitor progress in the areas identified from this assessment.
- HSE has had considerable success in **recruiting ethnic minority applicants** in our trainee inspector of health and safety campaign this year. Of 115 successful recruits, 10% were from ethnic minority backgrounds. This is due to a combination of factors: increased promotional activities; revamped advertising and prospectus; contracted-out sifting and so on. The overall quality of applicants was much higher than in previous years. We won an award for 'recruitment excellence' from the Birmingham Evening Mail for our 'University of Life' advertisement. This approach accounted for 61% of returned applications.
- **Staff survey results** on diversity are very encouraging. For example: 75% of staff viewed HSE as an equal opportunities employer (up from 67% - government benchmark 65%). 73% considered they were treated with dignity and respect at work (up from 70% and staff experience of unacceptable behaviour also dropped from 18% to 14%).

1.57 Progress on 2001/02 challenges:

- **Stronger corporate leadership:** All members of HSE's SCS have either hosted or attended one or more of 38 diversity training workshops for staff across the UK to demonstrate the commitment of senior managers to this agenda. Senior managers are being seen to actively support the reduction of long hours culture by leading by example and are encouraging a safe environment for staff to speak out against unacceptable behaviour. The Director General instigated a corporate induction package for all new recruits.
- **Under-representation issues at senior levels:** We have achieved improvements on gender, race and disability (see table below). The improvement on disability has been particularly encouraging. HSE participated in the Cabinet Office civil service-wide 'Pathways Development Programme' for ethnic minority staff with upward potential. All eligible ethnic minority staff and their line managers were invited to management briefings held by the Cabinet Office and, as a result, five individuals submitted applications. Three of these were selected by the Cabinet Office to attend the Development Check Centre. Each applicant was given comprehensive feedback and a personal development plan as a result of attending the Development Check Centre and HSE will be doing what it can to ensure their development needs are met.

- **Challenging unacceptable behaviour:** HSE is redrafting its staff handbook chapter on unacceptable behaviour to make it easier to follow and to improve access. Together with the launch of our Harassment Contact Adviser Network and new-found confidence generated by the diversity workshops, individuals feel more empowered to challenge unacceptable behaviour as they perceive it.
- **Disability issues:** HSE recently surveyed everyone in the organisation to establish who may be in need of workplace assistance. The response was very encouraging with an increase of 1.5% over 1999 figures, bringing our March 2002 total (of those declaring a disability) to 4.6%. We have also taken new membership of the Employer's Forum on Disability, which is designed to help us employ people with disabilities and serve disabled 'customers'.
- **Management capability:** Our new *Essential training for managers* package has been bedding in and HSE's approach to diversity is a recurring theme in the training. The training is mandatory for new managers, but we have been particularly pleased with the take up of individual modules of the programme by existing managers. The modular approach means staff do not need to spend lengthy periods away from home to undertake training. We have also developed a new 'personal development for women' course.
- **Diversity training:** There were some teething troubles with the initial training sessions in 2001 with early feedback indicating that it was not sufficiently challenging. In addition HSE decided to open the training on a voluntary basis to all staff, not just managers. Around 70% of staff have attended the workshops, which, for a voluntary programme, is a considerable achievement. The workshops have been a great success with positive feedback from over 90% of those who attended.
- **Equality proofing performance reviews and other HR systems:** Performance management and pay arrangements: This is a project started this year to revise HSE's performance management and pay arrangements in support of the Civil Service Reform Programme. The aim is to obtain stronger performance management in the organisation by promoting more open and honest discussion, as well as a sharper focus on individual development and continuous improvement. The new arrangements will be piloted from April 2002 and introduce new independent checks for equality and quality of performance appraisal, development and reward aspects. In addition, a new framework for performance related payments will be introduced including reward panels set up to consider high performance awards, which will also include an independent element in the decision making. As a result of this new work, the focus has been taken back from further evaluation of the current appraisal system.

Table 31 People declaring a disability

BAND	1 APRIL 1999		1 MARCH 2002		TARGET 2005*	
	Number	%	Number	%	Number	%
SCS	0	0	1	1.8	2	3.7
B1	2	1.6	3	2.2	4	3.1
B2	7	1.2	23	3.6	10	1.8
B3	15	1.3	48	3.8	19	1.6
B4	11	2	21	3.2	16	2.9
B5	11	2.7	23	4.3	16	3.9
B6	73	6.1	82	7.5	77	6.4
TOTAL	119	2.9	201	4.6	144	3.5

Table 32 Females

BAND	1 APRIL 1999		1 MARCH 2002		TARGET 2005*	
	Number	%	Number	%	Number	%
SCS	13	24.5	13	23.2	15	29
B1	8	6.2	18	13.1	13	10
B2	71	12.2	97	15.3	80	13.7
B3	304	26	389	30.8	326	27.8
B4	259	47.1	325	48.8	275	50
B5	268	65.7	364	68	263	64
B6	873	72.9	756	69.5	838	70
TOTAL	1 796	43.9	1 962	44.8	1 810	44.2

Table 33 People from ethnic minority backgrounds

BAND	1 APRIL 1999		1 MARCH 2002		TARGET 2005*	
	Number	%	Number	%	Number	%
SCS	0	0	0	0	1	1.8
B1 G6	1	0.8	3	2.3	3	2.3
B2 G7	7	1.2	15	2.5	12	2.1
B3 SEO	35	3	54	4.4	45	3.8
B4 HEO	17	3.1	47	7.3	24	4.4
B5 EO	31	7.6	42	8.2	38	9.3
B6 AO/AA	103	8.6	117	11.2	118	9.9
TOTAL	194	4.7	278	6.5	241	5.9

* Projected figures at 1 April 1999

Race Equality Scheme and Race Relations (Amendment) Act 2000

1.58 A considerable amount of work has been carried out to further develop our approach to race equality. The 2000 Act requires both HSC and HSE to address the elimination of racial discrimination and promotion of equal opportunities and good race relations. In addition, orders made under the Act require named public bodies to publish a race equality scheme by 31 May 2002. The legislation has provided an excellent opportunity to re-examine our existing initiatives on racial equality and identify how we can be more effective.

1.59 In May 2002, HSC and HSE published a draft race equality scheme, which can be found at: <http://www.hse.gov.uk/aboutus/hsc/res.pdf>. The scheme represents the culmination of reviews within HSE Directorates and sets out a co-ordinated approach to race equality. It addresses how we will promote equality of opportunity through our own employment practices, as well as in the way that we interact with external stakeholders, including workers, employers and members of the public.

1.60 There is no legal requirement to consult on the content of the scheme. However the decision was taken to issue an interim scheme for consultation and to publish a revised version in early 2003, taking account of comments received. The Commission for Racial Equality has indicated that it regards this approach as representing good practice.

1.61 The scheme includes an action plan, containing 45 key commitments to be completed over the next three years. Progress against these will be reported annually, and at the end of the three years the position will be reassessed and a further scheme will be issued.

Staff training and development

1.62 In 2001/02 the HSE Board agreed a corporate strategy for learning and development, which sets out priorities and outlines the skills staff will need in the coming years. HSE also prepared for corporate assessment for Investors in People.

1.63 In terms of centrally held contracts for training, over 450 courses ran with over 3000 staff trained. Subjects covered range from those relevant for all staff such as the induction course, HSE's occupational health and safety arrangements, management training, personal development and IT skills, to those for specific jobs such as legal training for regulators, or the Occupational Health and Safety Postgraduate Diploma run by Heriot-Watt University.

Government targets on sickness absence

1.64 In May 2001, new arrangements were introduced to manage sickness absence more effectively. The arrangements are designed to support line managers in removing barriers, wherever possible, that prevent staff from attending work, which take account of health, personal and domestic circumstances. The guidance emphasises that managers should be supportive and sensitive when dealing with absence issues. However, when repeated periods of absence cannot be justified, managers are required to agree attendance improvement targets with staff which, if not achieved, could lead to dismissal. From April 2001 to March 2002, there was a total of 32 422 working days lost in HSE through sickness absence, an average of 8.06 working days lost per staff year, a reduction from 8.5 days last year. These arrangements are currently under review, to ensure that the

improvements are maintained and where appropriate the arrangements will be modified to further support staff and management.

Green housekeeping

1.65 HSE is fully committed to pursuing and promoting best environmental practice across its estate and has continued to implement several initiatives and introduce new techniques and technologies to make HSE a 'greener' place to work. Activities included:

- implementing a green housekeeping strategy;
- continued participation in the Public Sector Energy Efficiency campaign to reduce annual energy consumption on HSE's estate, demonstrating value for money in energy procurement and usage, as well as cost-effective management;
- establishing sound data collection methods and baseline information for measuring progress against the 12.5% target reduction in annual emissions of carbon dioxide and other greenhouse gases in HSE buildings by 2010;
- developing an environmental management system (EMS) for the functions of HSE's Business Services Division and considering opportunities for implementing such systems elsewhere on the estate;
- considering environmental implications when decisions are taken on purchasing and the use of resources;
- printing HSC/E publications, wherever possible, on environmentally friendly paper, using environmentally friendly processes;
- extending recycling schemes in HSE premises and continuing to reduce paper consumption by encouraging the use of recycled paper - 100% of paper purchased, under contract, by HSE comprises 100% post consumer waste; and
- undertaking three Building Research Establishment's Environmental Appraisal Method (BREEAM) surveys in multi-occupied buildings during the period.

Business risk

1.66 At its meeting in July 2000, the HSE Board adopted a Business Risk Model (BRM) which identified the main risks facing HSC/E. HSE 'Owners' of these were also identified who agreed to analyse these risks, identify the control systems in place and further control measures. The Board reviewed the BRM at its meeting in July 2002, amended it and agreed to take forward further development work and discuss progress in the autumn.

Welsh language scheme

1.67 Under the Welsh Language Act 1993, HSE is required to establish a scheme for the promotion of the Welsh language. The Welsh Language Board approved this in 1997. Since the introduction of the scheme HSE has continued to progress its Welsh language services.

1.68 This year has seen more staff attain NVQs at all levels in Welsh. These language skills are now being implemented through more staff attending various events and functions organised by HSE for the public in Wales. We have also continued to expand our range of publications in Welsh and following a review of our publications this year, it is now HSE's long-term aim to produce back-to-back bilingual leaflets where that is more appropriate than separate language versions.

Devolution

1.69 HSC/E has a commitment to working in partnership with the devolved administrations of Scotland and Wales in areas of common and closely related interests. HSE has good working relationships with the Scottish Executive and the National Assembly for Wales on a wide range of issues, many of which are devolved, including public health, agriculture, education and enterprise. In Scotland a steering group has been set up to ensure the RHS and SH2 initiatives can be taken forward effectively. In Wales, work continues to ensure that the initiatives are embedded into the work of the Assembly and other key organisations (eg NHS Wales, WDA).

Employee involvement

1.70 In addition to formal consultations and negotiations with HSE trade unions, at national and local Whitleys, staff are directly consulted and briefed about major proposals for organisational or personal changes. For example, during 2001/02 a number of staff have been involved in the design and development of new performance management and pay arrangements. The active involvement of intermediary groups, such as personnel contacts in Directorates/Divisions, is also sought to help review and develop personnel policies so that they meet HSE's business needs.

HSE's management plan 2001-04

1.71 HSE's Management Plan was published in October 2001 and sets out HSE's management priorities for the next three years and the activities that the organisation will focus on to progress these priorities. The Plan was developed to support our delivery of the Strategic Plan, and to help ensure that HSE is fit enough and smart enough to deliver its key priorities. It covers HSE's long-term management strategy, including its approach to Modernising Government.

1.72 It is a wide-ranging and detailed plan (containing some 80-odd actions) under four key priorities to:

- lead and look after staff, valuing their contribution and their diversity and the benefits this brings to the way we engage with stakeholders;
- get the right people in the right place at the right time, building and making best use of their skills to deliver key objectives;
- manage our information resources and the knowledge, expertise and experience of our staff, and apply it to our priorities efficiently and effectively;
- secure better business planning through integrating the management of our resources, systems and procedures to deliver high quality business objectives in an efficient and responsive way and giving value for money.

1.73 The first year of such a wide-ranging and detailed Plan has seen much activity with solid work undertaken by Directorates and real achievements recorded. For detailed progress see Annex 1.