



Challenges



Health and Safety Commission
Business Plan 2007/08

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About us

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Foreword

The Health and Safety Commission (HSC) launched the *Strategy for workplace health and safety in Great Britain to 2010 and beyond* in February 2004, with the mission to gain recognition of health and safety as a cornerstone of a civilised society. In the same year the Government set Public Service Agreement (PSA) targets as part of its Spending Review 2004. We are now in the last year of that spending review period and three years on from the launch of the Strategy.

We have achieved much with the Health and Safety Executive (HSE) working in partnership with local authorities (LAs), employers, employees, Government, and non-government bodies. There have been some notable successes. This is a tribute to the quality of work and commitment of our staff, without whom this progress would not be possible.

The mid-year review of performance carried out in November 2006 concluded that HSE was successful in carrying out most of its planned activities, and on track to achieve most of the objectives set out in the 2006/07 Business Plan. It also noted slippage of some low priority work due to resource problems, mostly in the major hazards area. The quarter 4 performance report indicated that performance overall was encouraging and steady.

The *Health and safety statistics 2005/06*, published in November 2006, showed we are making good progress and are broadly on track to achieve the PSA targets. Some challenges remain, namely sustaining the record of success achieved so far in injuries reduction, in the services sector and in the offshore sector.

A key element of the Strategy has been to maximise regulatory effectiveness by ensuring that HSE and LAs work more closely together, increasing efficiency and effectiveness and using their combined strengths to achieve better outcomes. HSE and LAs go into 2007/08 with a good track record of working together, with regional structures in place that facilitate joint planning, and with local government strongly committed to support HSE's main delivery programme.

We have made a good start with our work on promoting the business benefits of sensible health and safety management and worker involvement in managing risks in the workplace. We now plan to embed the outcomes of this work into our main business streams.

With these successes behind us, we face major challenges ahead. The nuclear industry is facing the problem of ageing plant, as well as restructuring and decommissioning, and potential growth. The offshore and onshore sectors are facing significant change with increasing demands on our workforce, particularly from the Buncefield investigation, and we still face challenges in maintaining the improvements we have made in delivering the PSA targets.

We face these challenges at a time when the resource environment is tough and staff numbers are reducing. There is also uncertainty about our settlement for the 2007 Comprehensive Spending Review (with effect from 2008/09), which may bring further challenges. It is clear that to maintain our success we will need to focus on becoming more effective, continue to improve efficiency and recover a greater proportion of our chargeable costs.

This Business Plan sets out a stretching and exciting programme of activity. We hope it is helpful in communicating our priorities and objectives to ministers, stakeholders and our staff. We have identified four key business areas to guide our activities – delivering health and safety outcomes; enabling justice; providing support to Government; and demonstrating public accountability. The Commission will assess performance in all these four areas.

In September 2007, I shall step down as Chair of the HSC. I would like place on record my appreciation of the contribution by my fellow Commissioners, the Chief Executive and staff of HSE, LAs and all our stakeholders and partners.

A handwritten signature in black ink, consisting of the name 'Bill' followed by a stylized cursive signature that appears to be 'Callaghan'.

Bill Callaghan
Chair, Health and Safety Commission

Introduction

This plan summarises the key activities and interventions that HSC and HSE, working with LAs and other partners, have planned for 2007/08.

The HSC three-year business plan 2005/06-2007/08 covers the Comprehensive Spending Review (CSR) 2004 period and sets out how we will implement the *Strategy for workplace health and safety in Great Britain to 2010 and beyond* and deliver our Public Service Agreement (PSA). Further details can be found at www.hse.gov.uk.

It is important that, in planning future business, HSC/E ensure that they properly discharge each of their key roles set out in the Health and Safety at Work etc Act 1974 and fully account for the use of both their statutory powers and the public funds they receive. Having considered the full scope of its roles, HSE has identified four key business areas and is planning its activity against these. They are:

- delivering health and safety outcomes;
- enabling justice;
- providing support to Government; and
- demonstrating public accountability.

The objectives and the work under each of these business areas and their interrelationships are described in the body of this plan. Corporate support, which includes communications, science and innovation, and managing resources, underpins and enables the activities in these business areas. HSE hopes its stakeholders and staff will find this helpful in understanding the wide range of work that HSE does. It should be noted, however, that as with any effective plan particular work activities may well hit the mark in more than one business area.

Performance against this plan will be monitored quarterly and monthly. Specific information is covered in monthly reports such as the financial outturn and staff health and safety statistics. The quarterly performance report includes measures of progress in the Balanced Scorecard (the HSE Board's chosen performance management tool), including performance against the PSA targets. HSE also carries out a more detailed mid-year review to determine progress against this plan and publishes the HSC Annual Report, which highlights performance at year end together with HSC/E's annual accounts.

The performance report is supplemented by the Corporate Risk Management Plan (CRMP), which provides information on business risk. As well as identifying risk and management controls, it covers contingency plans in areas that are likely to have a major impact on our business, such as major incidents and civil emergencies.

It is important that we learn and share lessons with our staff, stakeholders and partners and feed these into our future planning. We do this through:

- investigating incidents when things go wrong to ensure that there is no recurrence;
- sharing the lessons learnt through events, published reports and other communication channels;
- specific surveys and engagement with our stakeholders; and
- specific initiatives within HSE to ensure that we build on success.

The Strategy has been successful so far in achieving the aims it set out, and HSE intends to continue in 2007/08 in the broad direction set in the three-year plan. However, HSE recognises that to continue to provide value for money and deliver priority work in an increasingly challenging resource environment, it needs to improve effectiveness and performance, and position itself for the coming years ahead. This plan outlines a number of work streams aimed at achieving these aims.

At the time of writing we do not have our budget allocation for the next spending period (2008/09–2011/12). Although our budget is known for 2007/08, the impact of our future allocation may mean that we have to return to this plan to review how we will resource our priorities.

Delivering

health and safety outcomes

Objectives

To deliver improved health, safety and welfare outcomes for those in or otherwise affected by work, through intervention programmes:

- to protect people from health and safety risks;
- to influence people and organisations – dutyholders and stakeholders – to embrace and promote high standards of health and safety; and
- to assure safe management and control of, and to prevent catastrophic events in, major hazard industries.

Work to deliver health and safety outcomes is closely related to work under enabling justice. For example, campaigns, provision of information and advice, guidance and targeted inspections lead to raised awareness and improvements in behaviour. But serious cases of non-compliance lead to enforcement action and/or prosecution. Equally, HSE is aware that enforcement action has a wider impact by raising awareness of the importance of sensible health and safety management, thus contributing to improvements in outcomes.

The PSA underpins much of HSE's drive to improve standards of health and safety across the spectrum of workplaces and work activities. Using sensible risk management principles, and based on sound evidence, these targets focus HSE's efforts where they are most needed and enable us to measure the effectiveness of the chosen interventions.

HSE's PSA for Spending Review 2004 is:

By 2008, improve health and safety outcomes in Great Britain through progressive improvement in the control of risks in the workplace.

Performance against the PSA is measured through targets for occupational health and safety, and for major hazards.

Delivering occupational health and safety PSA targets

HSE is committed to reducing work-related ill health, the number of fatal and major injuries and working days lost. It does this through campaigns, advice, guidance and targeted interventions through the *Fit for work, Fit for life, Fit for tomorrow Programme* ('Fit3').

Fit3 covers a wide range of industries and sectors including manufacturing, construction, agriculture, public services (education, health, police, armed forces), and other commercial services such as banking, shops, offices, hotels and caterers.

The work is delivered by HSE's programme, sector, and operational staff working with LAs, through partnership with a wide range of stakeholders. Communication is an integral part of the interventions and plays a crucial role in the delivery of improved health and safety outcomes.

The PSA targets to assess performance in occupational health and safety are to reduce by the end of 2007/08 (from a 2004/05 baseline):

- the incidence rate of work-related ill health by 6%;
- the incidence rate of fatal and major injuries by 3%; and
- the number of working days lost per worker from injury and ill health by 9%.

HSE will continue to embed and strengthen its partnership with LAs. It is clear that a strong partnership between HSE and LAs is essential and that all concerned continue to work towards making the partnership 'the way we do business'. Regular meetings between HSC and the Local Government Panel enable HSC/E to engage with local government issues, ensuring a high-level dialogue.

HSE has made significant improvements since the PSA targets were set and performance is broadly on track, but there are still challenges in maintaining this record, particularly in the services sector and against the fatal and major injury target.

Key deliverables

During 2007/08, we plan to deliver major initiatives aimed at reducing the incidence of work-related stress (particularly in the public sector), musculoskeletal disorders and the number of injuries and ill health cases associated with the movement of goods. We will aim to deliver interventions that support the recent *Health, work and well-being strategy*, *Healthy Working Lives Scotland* and *Health Challenge Wales* agreed with the Department of Health (DoH) and Department for Work and Pensions (DWP). The key activities in 2007/08 will include:

- a third major campaign on musculoskeletal disorders focusing on reducing the incidence of back pain and associated working days lost. The inspection phase of the campaign will take place in January and February 2008, supported by a succession of events throughout 2007/08;
- continuation of the nationwide *Moving Goods Safely* (MGS) initiative. This is a partnership initiative between HSE and local authorities, targeting the logistics industry. It aims to reduce injuries and ill health arising from falls from vehicles and musculoskeletal injuries from handling goods;
- a major workplace transport communications campaign in Autumn 2007, which will centre on preventing falls from vehicles;
- initiatives throughout the year to reduce the numbers of injuries and ill-health cases in building and facilities management, the waste and recycling sector and contract cleaning companies;
- *Healthy Workplace Solutions*: a continuing programme to embed the stress management standards in the financial services and public sectors;
- the launch and embedding of the revised Construction (Design and Management) Regulations 2007 to achieve a further step change in the construction industry's performance;
- the final year of the *Workplace Health Connect* pathfinders, from which HSE will learn lessons about engaging small and medium-sized enterprises (SMEs);

- taking advantage of opportunities during the year to target inspection, enforcement and stakeholder engagement in sectors where we can reduce injuries and cases of ill health; and
- continuing to develop a closer partnership between HSE and LAs to facilitate the delivery of the targets.

Performance measures

- Annual statistics, published in November, to measure progress on occupational health and safety PSA targets.
- Quarterly in-year data and performance reports.

HSE uses a number of leading indicators to assess the effectiveness of its interventions. These are:

- biannual surveys of employers and employees to assess the effectiveness of key messages at raising awareness and changing behaviours in the workplace;
- evaluation of initiatives and interventions for their effectiveness to inform future plans; and
- trend data for injuries.

Delivering major hazards outcomes

HSE's major hazards work seeks the regulation and safe management and control of those industries where catastrophic failures have the potential to cause significant harm to people or society. It covers sites licensed under the Nuclear Installation Act and other nuclear regulations; offshore and onshore major hazard industries (offshore oil and gas, chemical and downstream oil, mining, explosives manufacture and storage, gas storage and high pressure distribution, and biological agents). The timelines or outcomes of HSE's permissioning work can have a major impact on Government policies and the economics of the industry.

Although occupational health and safety issues (eg slips and trips) are addressed in these industries, the prime focus is on process safety. This includes assessing and managing the effects of potential equipment failure and human error on the overall safety of the process, covering hazard and risk assessments, design, commissioning, operation, testing, maintenance and emergency procedures, to give the right level of assurance by the dutyholders.

While HSE goes into 2007/08 with a good safety record, the major hazard industries are facing significant change and restructuring, which is putting demands on HSE's resources. This brings its own challenges in maintaining the successful record so far. In meeting these challenges HSE will seek to protect these areas from any staff reductions, improve efficiency and effectiveness, recruit more inspectors where needed, and extend use of external organisations for technical support using framework agreements.

Major hazards work will be directed at preventing major incidents, maintaining effective management of nuclear waste, meeting civil contingency expectations, delivering the PSA targets, and enhancing public assurance, while maintaining stakeholder and public trust.

The PSA targets in the major hazard industries are, by the end of 2007/08 (from a 2001/02 baseline), to reduce:

- the number of events reported by license holders that HSE judges as having the potential to challenge a nuclear safety system by 7.5%;
- the number of major and significant hydrocarbon releases in the offshore oil and gas sector by 45%; and
- the number of relevant RIDDOR (Reporting of Injuries, Diseases and Dangerous Occurrences Regulations) reportable dangerous occurrences in the onshore sector by 15%.

Progress against the major hazards PSA targets is broadly on track, but challenges still remain in the offshore sector.

During 2007/08, HSE will continue to plan for a significant amount of new work resulting from restructuring within the nuclear industry, accelerated decommissioning and clean up, and new investment programmes, including the prospect (although this is still subject to consultation) of assessing new civil reactor designs.

In the face of increasing demands, HSE plans to prioritise its nuclear work to better target its regulatory activities and achieve greater consistency, proportionality and productivity. It will do this through the application of its integrated intervention strategy to direct the right amount of effort at inspections, assessments, and corporate safety performance at Board level, to gain maximum leverage.

Key deliverables

- Maintaining assurance of continued safe operation at nuclear sites: HSE plans to further refine its integrated intervention strategy targeted at every nuclear licensed site and dutyholder to ensure that dutyholders maintain their safety focus in the face of industry changes and other issues. HSE plans to fully embed the strategy with all dutyholders allocating at least 90% of available Nuclear Installations Inspectorate (NII) resources to planned intervention activities and 10% to reactive work in 2007/08.
- Timely hazard reduction of nuclear waste on reactor and nuclear chemical plant sites: HSE will, through engagement with licensees, the Nuclear Decommissioning Authority (NDA) and other regulators, ensure that progress continues to be made against plans and specifications.
- Ministry of Defence (MoD): HSE will discharge its regulatory obligations effectively and achieve milestones agreed with dutyholders and MoD to meet the Atomic Weapons Establishment (AWE) baseline programme.
- Nuclear decommissioning: decisions from outcomes of licence application assessments from the new organisations (site licensee companies (SLCs)), which are being established to manage the sites.
- Ensure that lessons learnt from investigations into major accidents (eg Texas City, Buncefield and Festival Fireworks) are communicated effectively to and within the relevant industries and incorporated into their risk control systems and HSE's regulatory strategies.
- Development, in partnership with industry, of leading safety performance indicators to assist in providing assurance that major hazard risks are being adequately monitored and controlled.

- Development and implementation of an integrated programme to improve the effectiveness of arrangements for auditing and verification of major accident risk control measures in the offshore industry.
- Assessment of safety cases and reports submitted to HSE by dutyholders.
- Investigation of significant dangerous occurrences and incidents to ensure lessons are learnt to prevent a recurrence – at site, company and sector level as appropriate.

Performance measures

Performance measures are currently under further development.

- Quarterly statistics on progress against PSA targets.
- Delivery of planned interventions to time, budget and quality performance standards, and delivery of reactive work.
- Timely implementation of actions resulting from the Buncefield investigation.
- Evaluation of specific initiatives and interventions for their effectiveness including the delivery of key programmes of work offshore and key goals onshore.
- Feedback from direct communications with stakeholders and major hazardous installation dutyholders and workers.
- Safety case and report assessment to time and quality performance standards.

As well as specific work targeted at these industries, HSE has a cross-cutting programme of work aimed at learning and sharing lessons across the major hazard industries. Specific initiatives include: influencing corporate safety culture, performance indicators, human behaviour and change management.

Enabling delivery of health and safety outcomes

The HSC Strategy recognises that to deliver our outcomes it is important to develop closer partnerships and communicate the benefits of and promote worker involvement in sensible health and safety management.

HSE has made significant progress in setting up partnership arrangements with LAs, which are now being embedded into the business streams.

Key deliverables

- Promote the benefits of sensible health and safety management. Much greater improvements are possible if businesses believe in the benefits of effectively managing health and safety. HSE will work with and convince businesses of the benefits of managing health and safety. Key work activities will include:
 - new guidance for directors on their health and safety responsibilities by autumn 2007;
 - work planned in partnership with large organisations through the Large Organisation Partnership Pilot (LOPP) initiative – a joint project between HSE and LAs for a more customer focused approach. The majority of action plans were drawn up by April 2007. The results of the evaluation of the pilot are due in autumn 2008;

- increased impact with large organisations through a co-ordinated approach through the Field Operations Intervention with Large Employers (FOILE) initiative;
 - an ongoing programme to review and improve information and advice to small businesses that is easy to understand, through HSE publications, web material and the Business Link website. This will be based on customer feedback, beginning with a revamp of the HSE business web pages in spring 2007;
 - embedding and promoting tools to help businesses manage health and safety, working with Business Link to promote the tools and to reach SMEs; and
 - piloting and promoting the use of the Corporate Health and Safety Performance Indicator (CHaSPI) in the NHS and local authorities. These pilots will be completed by June 2007 and the results of the evaluation are expected in 2008/09.
- Promote the benefits of worker involvement in health and safety management. Workers are often best placed to understand the risks in their workplace. HSE will plan to promote worker involvement and to embed this into its main business streams. Key work activities will include:
- simplifying and updating the guidance on safety representatives and safety committees (the 'Brown Book'), making it more streamlined and coherent, providing more practical examples, illustrative case studies and advice on how to meet legal requirements;
 - encouraging more people (particularly women, who are under-represented) to volunteer to become health and safety representatives. This is a three-year project that will begin in 2007/08 by setting up a stakeholder group within the retail sector to explore good practice and the options for sharing good practice more widely;
 - exploring with Acas and other partners the scope for working more closely together to provide a more joined-up service to the public;
 - looking for opportunities to strengthen worker involvement in health initiatives, building on the work done with Investors in People on the healthy workplace standard.
- Deliver the Fine Tuning project.
- The Fine Tuning project was set up to look at fine tuning the implementation of the HSC Strategy with particular reference to the Fit3 and Major Hazards work. In particular the project looks at improving targeting of interventions, introducing more discretion at local manager level, reducing bureaucracy, acknowledging the value of non-programme high priority work and improving evaluation – by building on successes, experience at all levels and learning to date.
 - The project was based on a consultation exercise across HSE and input from key LA representatives.
 - Recommendations and outcomes are likely to include: further work on segmenting audiences to improve targeting of interventions and their impact on health and safety standards; arrangements for sharing knowledge and expertise across HSE and wider; and building on and combining staff strengths to make our delivery of health and safety outcomes more effective and efficient. The last of these will include a number of trials with operational staff in 2007.
 - A initial report and action plan will be available in May 2007.

Other non-PSA outcomes

Registration, Evaluation and Authorisation of Chemicals (REACH)

HSE will take on the role of UK Competent Authority (CA) for REACH and deliver the agreed 2007/08 business plan for the CA, which accompanies the funding provision from the Department for Environment, Food and Rural Affairs (Defra). In 2007/08 HSE's primary focus will be to raise awareness and understanding among UK dutyholders. Efforts will fall heavily on communicating with dutyholders through an advice service which will address queries, promote messages through a website and arrange further publicity material.

Biocides

As the UK CA for EU biocidal products legislation, HSE will deliver the required reviews of biocidal active substances and continue to influence EU decision-making on the further details of how this legislation is implemented. HSE's objectives for 2007/08 are to:

- complete and take through the EU regulatory process the assessment of 3-5 active ingredients; and to start the assessment of a further 10-15;
- process all approvals of biocidal products under the UK Control of Pesticides Regulations to the required performance standards agreed between HSE and industry.

Gas safety

The objective of operational work on gas, both by HSE and LA inspectors, is to investigate serious gas incidents and follow up notifications of dangerous gas fittings. Over the course of 2007/08, HSE will:

- give particular focus to non-registered installers and opportunities to support publicity for gas-related risks;
- monitor the emerging outcomes of the gas safety review, which was completed in late 2006, to ensure that HSE's operational priorities and approach align with the recommendations and secure improvements in consumer safety in the most efficient and effective ways;
- develop proposals for a modernised gas installer registration scheme, involving new functions and greater industry ownership. There will be a competition for the new provider, who will start work by April 2008. The current registration scheme is operated by the Council for Registered Gas Installers (CORGI).

Public safety

HSE will continue to give priority to work on public safety to maintain public confidence in the health and safety system. In autumn 2007 HSE will publish revised guidance for the fairground industry. The guidance has been developed in close consultation with the industry and is aimed at securing further improvements in worker health and safety, and the safety of members of the public.

Performance measures

- Delivery of progress against planned milestones to quality and budget.
- Evaluation through surveys of employers and employees.

Enabling justice

Objectives

- To help promote a just and fair society in our area of responsibility, through actions in line with the HSC Enforcement Policy Statement and other relevant Codes (eg the Code for Crown Prosecutors).
- To provide equitable conditions for all businesses to operate, and to ensure those who do comply with the law are motivated to continue doing so.

Investigating incidents when things go wrong, enquiring into citizens' complaints and enforcing the law including prosecution when there has been a serious breach, remain key priorities.

HSC/E believe that enforcement action and direct contact with those who break the law have an important deterrent effect in the wider health and safety community and thus contribute to overall improvement in health and safety outcomes.

HSC/E will ensure their approach on enforcement takes account of developing Government thinking on a statutory compliance code and the potential use of alternative penalties.

Key deliverables

HSE will focus on supporting HSC's response to Government initiatives, improving efficiency and effectiveness, better aligning enforcement activity with work detailed under *Delivering health and safety outcomes* (page 7), and improving communications. Key activity will include:

- investigation of reported incidents and complaints that meet the current selection criteria;
- improved consistency of operational decision making with HSC's Enforcement Policy Statement and improved delivery of investigation and prosecution activity including developing a more risk-based approach to investigating complaints;
- pilots of alternative front-line delivery models, examining the most efficient and effective ways of dealing with planned front-line work and reactive investigations. The pilots are planned for evaluation in 2008/09;
- improved operational productivity and effectiveness; and
- ensuring HSC's Enforcement Policy Statement properly reflects the proposed new Statutory Compliance Code for regulators by April 2008.

Performance measures

- Performance measures for enforcement are being developed (the 'Enforcement Dashboard'), based on sound evidence and judgement about consistency of decision making.
- Investigate RIDDOR incidents meeting the selection criteria to defined measures.
- Follow up complaints within three weeks of receipt to defined measures.

Providing support to Government

Objectives

- To provide specialist advice and relevant evidence to assist the Government in major policy decisions affecting society and the economy, including decisions on health and safety policy and how these take account of broader policy issues.
- To help shape the health and safety debate in the light of HSE's experience and potential for influencing.
- To provide ministers with timely, accurate and succinct advice on health and safety in their day-to-day relations with Parliament, with industry and interest groups, and with the public.

Providing support to Government is an HSE-wide priority. Much parliamentary and ministerial briefing work arises reactively and falls to centres of expertise within HSE. Other planned work ensures that HSE remains an exemplar of proportionate, effective regulation and that the implementation of European Union health and safety strategy is in line with UK interests, and that HSE supports the wider Government agendas.

Key deliverables

International influence:

- ensuring implementation of the recently published EU Strategy for Occupational Safety and Health 2007-2012 is in line with UK interests;
- responding effectively to the outcome of the 'so far as is reasonably practicable' (SFAIRP) infraction case at the European Court of Justice (judgment expected by July 2007); and
- negotiating on implementing, by the end of 2008, legislation on international chemicals and flammable chemicals, eg on behalf of the UK Government on the Globally Harmonised System for classification and labelling for supply.

Better regulation:

- implementing HSE's Better Regulation Simplification Plan to reduce the administrative burdens on business by 25% by 2010. This will include a major initiative to help businesses focus on the practical management of risk, rather than paperwork, and rationalising guidance/web pages on COSHH;
- discharging HSE's commitment to evaluate the duty to manage asbestos in the workplace – to provide evidence of impact and to inform any decision on extending the scope of the regulations, eg to domestic premises (evaluation to be completed by April 2008); and
- implementing the outcomes from the domestic gas safety review. The changes to the regime are aimed at securing improvements in gas safety for consumers.

Energy Review:

- providing independent regulatory oversight of any developments ensuing from the Government's decisions on a civil nuclear new-build programme, including stakeholder engagement programmes;
- providing regulatory oversight of non-nuclear major hazard implications of the Government's Energy Policy Review – particularly in respect of the maintenance and development of the British natural gas infrastructure and CO₂ sequestration activities.

Land use planning:

- LAs will be responsible for their own land use planning by March 2007 in line with Planning Advice for Developments near Hazardous Installations (PADHI). HSE will continue to support local authorities with land use issues, for example, general advice on the use of PADHI, supporting LAs in any appeals against their decisions made on the basis of HSE advice, and updating the maps of consultation distances around hazardous installations. HSE will be developing its policies on land use planning advice, proposed by the end of 2007, in the light of public consultations on large-scale petrol storage sites and on the management of societal risk around major hazard installations.

New responsibilities:

Following the Hampton report, *Reducing administrative burdens: effective inspection and enforcement*, and the Government's Better Regulation Action Plan, HSE will be taking on responsibility for a number of additional areas of regulation:

- Adventure Activities Licensing Authority (AALA): HSE took on the role of Adventure Activities Licensing Authority from the Department for Education and Skills (DfES) on 1 April 2007. Most of the duties, which will fall to HSE in its new role, will be performed on its behalf by Tourism Quality Services Ltd, the commercial company currently designated as the licensing authority;
- Office of Civil Nuclear Security (OCNS) and the operational arm of the UK Nuclear Safeguards Office: with effect from 1 April 2007, the security activities of OCNS have been performed by HSE on behalf of HSC. The operational nuclear safeguards work of the Department of Trade and Industry (DTI) has also been carried out by HSE with effect from the same date. The staff in both areas transferred to HSE with their work.

The aim of these arrangements is to consolidate the safety, security and safeguards activities of the Government in a single organisation, consistent with the thrust of the recommendations of the 2005 Hampton Report, so as to enable more effective and better co-ordinated regulatory activities and oversight of the industry, and more effective deployment of resources. These changes mean that HSE will act as the single point of contact for all operational matters concerning nuclear safety, security and safeguards;

- Competent Authority role for REACH (Registration, Evaluation and Authorisation of Chemicals). REACH is new EU legislation that will come into force as an EU Regulation on 1 June 2007. See page 13 for details of work planned in 2007/08;
- Gangmaster Licensing Authority (GLA): We will be drafting and Defra will publish a consultative document on proposals to transfer the GLA from Defra to HSE by April 2009. The consultation will be based on a Regulatory Reform Order under the Legislative and Regulatory Reform Act 2006, which HSE will draft.

Performance measures

- Meeting the milestones for the planned deliverables to time and budget.
- Satisfying Ministers, HSC and the HSE Board with the quality of analysis and advice, to be measured by levels of agreement with HSE recommendations and other feedback.
- Responding to parliamentary questions and requests for briefings to the timescales set by Ministers, HSC and senior officials.

Demonstrating

public accountability

Objectives

- To demonstrate high standards of accuracy, openness and timeliness in providing information and in accounting to Government, Parliament, and the public for HSE's actions, decisions and use of resources.
- HSE's advice and decisions to be underpinned by the best available knowledge and science.

HSE receives approximately 500 Freedom of Information (FOI) requests a month, currently more than any other Government department or body, and provides quarterly statistics to the Department of Constitutional Affairs (DCA) as part of the process of monitoring that requests are dealt with in a timely manner.

HSE is accountable to both the public and to Parliament for its actions and use of resources and must demonstrate that it provides value for money as a public organisation. To this end, HSE reports internally and externally on its performance.

HSC and HSE are open and transparent bodies. The public can attend the Commission meetings. In addition to information on plans and performance, HSC/E publish outcomes of research reports, incident investigations and consultations on matters affecting health and safety issues. You can find more details on the HSE website www.hse.gov.uk.

Key deliverables

- In 2006/07 HSC issued a consultative document proposing improvements to HSC/E's current corporate governance arrangements through the merger of HSC and HSE into a single body. Initial indications show wide support for the proposal. If confirmed, the Commission will invite the Minister to consult on detailed proposals to conform with legislative requirements. These processes and parliamentary scrutiny will preclude introduction of any new governance arrangements in 2007/08.
- Diversity: deliver HSE's equality schemes on gender, race and disability; including reaching out to different groups (such as migrant workers), and working jointly with the Disability Rights Commission (DRC) to promote effective and sensitive management of risk for people with disability.
- Produce the plans, annual statistics, annual report and accounts, and performance reports.
- Produce and publish research reports, outcomes from incident investigations, and consultations.
- Respond to FOI requests in a timely manner.

Performance measures

- Discharging 95% of FOI requests within the 20-day time limit and monitoring via quarterly statistics.
- Publishing plans, accounts, reports, outcomes of consultations and health and safety statistics to time and set standards.
- Outcomes from peer review of commissioned research (the research will be published subject to commercial and security considerations).

Corporate support

Objectives

- To support HSC/E's priorities at a corporate level by engaging with stakeholders and undertaking generic research and analysis.
- To ensure the organisation functions effectively and efficiently by managing our people and financial resources and by ensuring it performs functions in accordance with the law.

Communications

Communications form an integral part of the main business areas described earlier. HSE plans to devote the major part of its communications budget to improvement of health and safety outcomes.

This section covers the corporate elements of HSE's communications activity, which aims to promote sensible health and safety management and confidence in HSE internally and externally.

Key deliverables

- Stronger and better links with key corporate stakeholders.
- Improved and increased media awareness of HSC/E's activities, including response to media reports.
- Increased use of the improved HSE website.
- Improved visibility of Board members, communicating the big picture issues to staff.
- Delivering weekly e-bulletins, and a monthly magazine to keep staff informed.

Performance measures

- Maintaining our familiarity and confidence ratings among employers and employees.
- Improved confidence ratings among MPs, and feedback from our corporate stakeholders.
- Improved media coverage of HSC/E activity.
- Keep HSE in the top five Government websites, judged by standards of accessibility, and increase traffic to the HSE website by 20%.

Science and innovation

HSE and Health and Safety Laboratory (HSL) scientists and engineers play a pivotal role in delivering and supporting the main business areas, and in supporting other Government departments.

The HSC Science Strategy 2005-2008 sets out how HSE will apply high-quality science to provide a sound evidence base to support delivery of HSC/E's vision and mission. HSE will continue to develop and refine science plans for all of its business activities, whether focused on delivering the PSA or meeting other business needs in the short and longer term.

HSE is supported by its in-house agency HSL, which carries out and publishes research, and provides scientific and forensic services.

As an agency, HSL competes in the market place, providing scientific research and services to non-HSE customers, while being HSE's prime provider of science. HSE and HSL plan to continue to develop their strategic partnership, streamlining the arrangements between them. HSL has a good record in gaining revenues from non-HSE sources and plans to further develop this part of its business by continuing to build its capabilities and improve its competitiveness.

Annual performance targets covering HSL's financial efficiency, its delivery of services and the quality of its science, and addressing the relationship with the health and safety PSA targets are published each year in an Annual Performance Agreement (APA) between HSE's Chief Executive and HSL's Chief Executive.

HSE has agreed to make £5 million of its science budget available to local authorities over a period of four years from April 2005, so that they might make increased use of science, especially from HSL, to support delivery. This has been successfully used to date and £1 million will be available in 2007/08 for LAs to place work with HSL.

Key deliverables

- Publish the new Science Strategic Plan for 2008–2011 by March 2008.
- Improve the commissioning and application of science and technology in HSE, simplifying and streamlining the way it is delivered, and establishing the HSE/HSL partnership.
- Look at new ways of incorporating the results of horizon scanning to influence HSE's forward planning and priorities.
- Implement the Government's Chief Scientific Advisor (CSA) Guidelines 2005 by delivering workshops for policy makers and scientists and reviewing key scientific and policy areas. One review in 2007/08 will focus on the development and use of new software.

Performance measures

HSE is currently in the process of reviewing and further developing performance measures for its science work. The following are currently being considered:

- monitoring the extent of the external engagement (public and private sectors) in producing the new HSE Science Strategic Plan to provide assurance that HSE is addressing the 'right things in the right way';
- monitoring trends in the percentage of science project milestones met;
- the quality of HSE's science as assessed by peer review; and

HSE also intends to publish a response to the Government's CSA's review of HSE's science by the end of May 2007.

Intelligence, statistics and economic analysis

HSE analysts work increasingly with counterparts in DWP and elsewhere in Government to ensure that HSE's policies and work support the wider employment and occupational health agenda and are based on sound evidence. HSE will continue to look for increased co-operation in data gathering and sharing to help reduce burdens on employers, for example, by limiting the need for separate surveys.

Key deliverables

- Revised estimates of the proportion, and numbers, of cases of six key cancers that can be attributed to work exposures.
- Surveys to track improvements in exposure to risk and in the control of risk relevant to leading indicators, and in outcomes to injuries, ill health and days lost.
- New governance arrangements for evaluation and improved guidance on evaluation and other evidence gathering.
- Production and publication of annual health and safety statistics and judgement on progress.
- Assessments of the economic impact of HSE's activities.

Performance measures

- Outcomes from the peer reviewed report on the revised estimate for the six key cancers presented early in 2007/08. Further work will continue through the year.
- Extent of use of analysis for policy development as judged by HSE's Chief Scientific Advisor.
- Annual statistics released on time (November 2007), and to Office for National Statistics guidelines.
- Economic impact assessments to meet Government guidelines.

Legal support

The Legal Adviser's Office supports the work of HSE, in particular in enabling justice and providing support to Government.

Key deliverables

- Effective management of legal risk reviewed by the Board twice a year.
- Effective monitoring of the work of the solicitor agents engaged by HSE in enforcement cases under procurement arrangements which started in April 2007.
- Training of HSE staff on legal matters.
- Supporting enforcement decision makers with legal advice.

Managing resources

HSE's objective is to maintain delivery and activities so far as possible, although the funds available in 2007/08 will decline in real terms, and thus staff numbers will continue to reduce. HSE also needs to prepare for 2008/09 and on, although the grant-in-aid settlement for that period may not be known until late in 2007/08.

In managing its resources HSE aims to improve its efficiency and effectiveness and invest in the people it employs, while positioning the organisation to manage over the forthcoming CSR 2007 period.

The reductions in staff numbers will not be proportionate across HSE. The areas of work for which HSE recovers its costs will be protected, and the reduction of resource will be greater in the support functions to maintain front-line delivery, particularly of health and safety outcomes and justice, as far as possible.

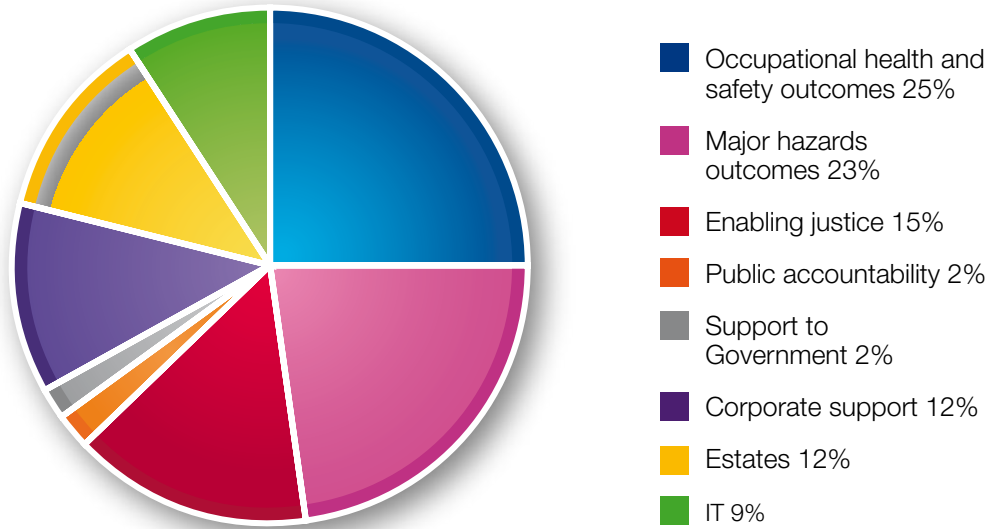
HSE recognises that it is through its people that it will deliver its business goals. A key priority during 2007/08 will be to reconsider the skills needed for delivery and how best to develop our staff to meet those needs.

The full-time equivalent staff number (including HSL) at 1 April 2006 was 3811. The planned number at 1 April 2007 is 3580, and at 1 April 2008 it is 3469.

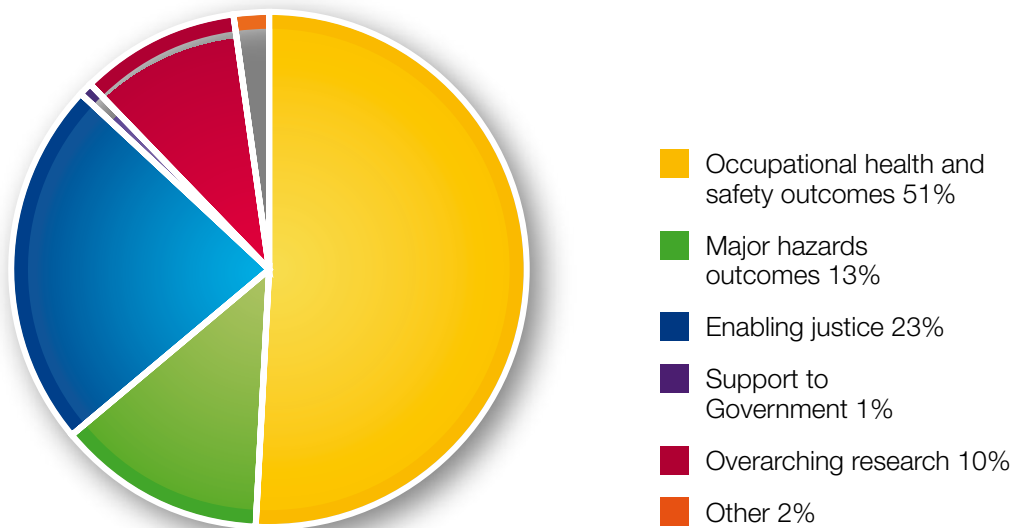
The budget for 2007/08 (including funds of £5 million carried forward from 2006/07) is summarised below.

Budget (excluding HSL)	£ million (2007/08)
Administration (gross excluding other)	213
Administration (other)	7
Programme (gross)	67
Total expenditure	287
Income	(52)
Net resource	235
Capital	31

Proposed total administration budget allocation



Proposed total programme budget allocation



Key deliverables

- A healthy environment and safe conditions for staff.
- A strategic plan for the three years from April 2008 that is both deliverable and affordable.
- Improved efficiency and effectiveness.

HSE has a challenging target of achieving a £50 million efficiency saving between 2005/06 and 2007/08; half of this cash-releasing. The profile for the savings target is £10 million in year one, £15 million in year two and £25 million in year three.

£21.5 million (43%) of the target had been achieved at the halfway point. This consisted of £15 million cash and £6.5 million productivity.

The current total projected saving over the SR 2004 period is £54.8 million. This will be made up of £32.8 million cash and £22 million productivity. Achieving the remaining projected efficiencies in 2007/08 will be challenging. Much will depend on key programmes and projects fully delivering planned benefits. These will mainly include IT investments to streamline and improve our corporate support and improve service delivery, such as:

- completing improvements to the Corporate Office Information Network (COIN);
- completing implementation of our Electronic Document Records Management (EDRM) system and Outlook Express;
- completing implementation of e-HR as part of the HR Service Transformation programme; and
- the work streams of the HSE Fundamental Review, which include making best use of resources, improving delivery and making best use of science.

HSE's staff numbers reduced by about 230 (in full-time equivalent (FTE)) between 1 April 2006 and 1 April 2007, reducing costs by £4.12 million and a further £8.6 million in 2007/08. A further reduction of about 100 FTEs is planned for 2007/08. These reductions will be partially offset by additional staff for new or transferred-in functions (see *New responsibilities*, page 17).

HSE's estate in 2006/07 cost £26.9 million, or about 10% of its available resource. Rents and utilities are increasing, and with reducing finances and staff numbers the proportion of HSE's spend on estates is likely to increase. HSE has more office space than it is likely to need. As part of reducing its overheads and improving effectiveness, the HSE Board has initiated a review called *How and where we work*.

This strategic review is exploring how HSE can improve its working arrangements and reduce its estate costs while continuing to meet the needs of its business, and maintain and improve aspects of working conditions for its staff. It includes looking again at the impact on HSE's business of operating from two headquarters (London and Bootle) and at its regional estate to see if current office locations and ways of working provide the right mix of cost efficiency and effectiveness.

HSE is also introducing a new workforce strategy, which includes:

- better aligning skills with business needs;
- identifying critical skills gaps;
- introducing more effective learning and development, succession planning and talent management arrangements; and
- more diversity in our workforce.

Performance measures

Performance measures are currently under development.

- Quarterly and monthly staff health and safety statistics against targets.
- Outcomes from skills audits and performance agreements.
- Achieving the milestones in the efficiency and effectiveness, and workforce strategy plans to quality standards, time, and budget.
- Quarterly staff diversity statistics against targets.