

To Richard Hillier
Project Board Members

cc Dick Pape
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From Brian Fullam
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CHARGING EFFICIENCY PROJECT - PROGRESS REPORT

1 Since the first meeting of the Project Board the following actions have been completed:

- Bob Henry and Clive Holtham have agreed to join the Board.
- An article has been prepared for Management Briefing – for the November edition.
- A project bulletin board has been established.
- I have made a presentation to each of the Charging Review Groups. Members expressed considerable interest in the project; the fact that the project was underway drew much of the fire from the complaints about the steep rises in charges for Railways and Offshore.
- The Project Initiation Document (PID) has been drafted and will be circulated to members in the next ten days.
- A meeting with Jonathan Holvey and Andrew Strawson from the TU side to discuss their involvement. We agreed that I would keep Jonathan informed of progress and would ensure a TU representative was invited to any workshop.

2 The project is in the data/information collection phase with the following actions underway:

- Analysis of the make-up of charges to identify target areas for efficiency savings
- Analysis of chargeable processes through a series of workshops involving staff from each of the charging regimes
- Analysis of processes contributing to the overheads through workshops or meetings as necessary
- Benchmark MH charging processes with those in HSL, EA and some external comparators (CMG, W S Atkins, Lloyds, Serco).
- Hold discussions with the the managers of other projects which may influence the findings of this project. Contact has been made with the HID and FOD projects to improve inspector productivity, and the COIN.

3 The analysis of the make-up of charges has identified possible overcharging for the information systems element of the central overhead. If our suspicions

are confirmed chargeout rates could be reduced by between one and two pounds per hour, with the reduction being incorporated into the 2003/4 rates.

- 4 With the interest shown by industry and TU representatives on the charging review groups I am considering how best to make publicly available information on progress with the project. The option I favour is to post in the Charging page of HSE's website copies of the project brief, PID, minutes of Project Board meetings, and highlight reports. I will seek members' views at the next meeting of the Board.
- 5 The preliminary timetable in the Project Brief identified the need for a Board meeting to sign-off the PID and to allow the whole of the Board to meet. With the delays in preparing the PID this is now likely to take place towards the end of November.

Brian Fullam

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