

**HEALTH AND SAFETY COMMISSION and LOCAL GOVERNMENT PANEL
MEETING 9 MAY 2006**

**PERFORMANCE MANAGEMENT ARRANGEMENTS FOR THE HSE/LA
PARTNERSHIP**

**A Paper by HSE Local Authority Unit/LACORS
Cleared by Justin McCracken (HSE) on 25 April 2006**

Issue

1. The development and agreement of proposals for measuring and monitoring the performance of the Partnership between HSE and Local Authorities (LAs).

Recommendation

2. The Health and Safety Commission (HSC) and Local Government Panel (LGP) are invited to agree the proposals for measuring and monitoring the performance of the partnership between LAs and HSE.

Background

3. The draft aims and terms of reference for HSC/LGP meetings include the following key roles in relation to performance and monitoring. These are;-

- Aim: To review the effectiveness and performance of the LA/HSE partnership in relation to stated objectives and assess its impact on health and safety outcomes;
- Term of reference: To take an overview of LA performance information and audit reports, including an annual "Performance Report" which will provide a report on partnership arrangements (planning, delivery, auditing), the overall state of the partnership and the impact of the partnership on health and safety outcomes.

4. A report to HSC in February (HSC/06/09) set out the proposals for sustaining the partnership between LAs and HSE, and closure of the LAs and HSE Working Together Strategic Enabling Programme (LASP).

5. The *LAs and HSE Working Together Annual Report 2005* (attached) sets out the current situation regarding the planning and delivery of the partnership arrangements, the overall work of the partnership in respect of what's happening in the field and statistics in relation to key health and safety outcomes.

6. There is a need to ensure that there are robust arrangements for ongoing monitoring of the LA/HSE partnership and evaluating the impact that it has on improved health and safety outcomes. This paper sets out the proposals for developing the ongoing measuring and monitoring of the LA/HSE Partnership, health and safety outcomes and auditing performance.

Proposals 

Performance Monitoring

7. The performance monitoring being considered for the LA/HSE partnership are based upon:

- The continued success of meeting the original Statement of Intent partnership vision (e.g. ensuring that partnership working makes the best use of joint resources)
- Using measurable inputs and outputs (e.g. use of joint warrants, and joint training),
- Measuring the effectiveness of the partnership's new infrastructures (e.g. HELA and Extranet)
- Indicators of the process of successful partnership working (e.g. are partners willing to change what they do and how they do it?)
- Enabling the performance of individual Enforcing Authorities to be gauged against a common standard/model (e.g. using S 18 Guidance)

8. However, a number of external factors and drivers (see Annex 1 for fuller description) will influence the development and timing of this work. These include:

- Proposals by the Office of the Deputy Prime Minister and Treasury on new performance frameworks to replace Comprehensive Performance Assessment and Best Value.
- Proposals by the Local Government Association (LGA) and the Improvement and Development Agency (IDeA) on a new performance framework for localities
- Proposals being developed by the Local Better Regulation Office (LBRO) to reduce burdens on industry and plans to introduce a new performance framework for Trading Standards and Environmental Health by 2009.
- Proposed changes in the mechanisms for auditing local services e.g. Local Services Inspectorate.
- The need to meet HSC's Public Service Agreement targets and the programmes developed for achieving these e.g. Fit for Life, Fit for Work, Fit for Tomorrow (FIT3).

9. With respect to FIT3 it should be noted that the now concluded LASP was an enabling programme designed to provide an environment for programmes like FIT3 to improve health and safety outcomes rather than to deliver improved outcomes itself. However the commitment that HSE and LAs have made on delivering the FIT3 programme can be used as measurable inputs and outputs on the success of HSE/LA partnership working. HSE's science and analytical services directorate (COSAS) is working with the FIT3 coordinators to develop a range of indicators for that programme.

10. Because Local Better Regulation Office (LBRO) has signalled its intention to develop a performance framework for Environmental Health and Trading Standards by 2009 the work the LAU is undertaking on performance monitoring will also need to be developed in accordance with the work of LBRO. HSE is already contributing towards the LBRO work and the agreement of regulatory priorities for Environmental Health and Trading Standards.

11. This will however offer opportunities for HSE/LACORS to help shape LBRO's approach, based on our experiences of the partnership, but it will also introduce a period of uncertainty on key issues such as performance management.

Performance Auditing

12. LAs are currently required to undergo an audit every 5 years against HSC's Section 18 Health and Safety at Work etc Act 1974 (s.18 HSWA) guidance on making adequate enforcement arrangements. This is primarily achieved through inter-authority auditing. The poorest performing LAs were potentially subjected to a separate HELA audit. As the partnership has developed the programme of HELA audits has diminished although LAs have been advised that it has not been abandoned and that the policy of auditing poor performing LAs will continue, in lieu of the new arrangements being developed.

13. A pilot exercise of HSE and LAs auditing each other against the existing s.18 HSWA Guidance has been undertaken in Wales and a report of the exercise will be available shortly. HSE's Local Authority Unit (LAU) is currently developing revised s.18 HSWA Guidance so that it can be commonly applied to both LAs and HSE.

14. LAs have increasingly been involved in an area of work initiated by the HSE on assuring the HSC of the consistency and proportionality of HSE and LA regulatory decision-making through a process of peer review (under the auspices of the HSE Internal Audit group). This process has also informed other HSC Programmes particularly the Enforcement Strategic Enabling Programme (STEP).

15. In summary, the performance of LAs' partnership work may be measured through a variety of regimes and frameworks including HSC auditing, peer review and inter-authority auditing, the developing LBRO performance framework and Comprehensive Performance Assessment/Best Value, etc. arrangements.

Process and timetable

16. The next steps of the process for developing and agreeing the proposal are:

- Define success criteria for partnership working/infrastructure
- Develop measurable inputs/outputs/intermediate indicators
- Develop process of partnership indicators
- Link with existing research/other programmes/external factors
- Develop methodologies for measurement/auditing/common standards/model
- Consult and agree performance monitoring method with HELA/Policy Forum members
- Review success of performance monitoring arrangements

17. The timetable for completing development of the success criteria, measurable inputs etc and other partnership indicators is late Spring.

18. Agreement of the proposals with HELA/LACORS Health and Safety Policy Forum members will be by correspondence during summer 2006.

19. It is intended to issue revised s.18 HSWA Guidance in October 2006 following further consultation.

20. LAs have been asked to complete their 2005/06 and 2006/07 LAE1 returns (method by which LAs record their enforcement activity) earlier than normal so that key information can be extracted for inclusion in the December 2006 Partnership Report. In-year data will also be requested to inform Fit3 performance monitoring.

21. It is intended that proposals to measure the partnership will be included on the agenda for the planned keep in touch meeting with Lord Hunt scheduled for June.



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22. HSC and the LGP are asked to note this early work in developing proposals for managing the performance of the partnership between LAs and HSE. And to suggest any particular performance indicators that they consider would be particularly useful to include.



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ANNEX 1**External factors influencing the development of performance management arrangements**

- 1) General LA performance in England is managed through the Best Value (BV) framework, which encourages efficiency, effectiveness, economy and continuous improvement, and the Comprehensive Performance Assessment (CPA) framework designed to improve public services. Comparable frameworks apply to Scotland and Wales.
- 2) Both CPA and BV frameworks have given significant improvements in the delivery of services but they foster compliance rather than innovation, are process heavy and resource hungry, focus on extremes of performance and fail to fully engage citizens.
- 3) Because of this the Office of the Deputy Prime Minister (ODPM) and the Treasury have suggested the development of a new performance framework. This is based upon the principles of robust information, clear priorities and targets – balancing national, local and other interests, robust performance management within councils, external challenge and assurance and tackling under-performance. It is likely that this model will be a significant driver for any future performance frameworks in the United Kingdom.
- 4) The LGA and the Improvement Development Agency (IDeA) are working closely with the ODPM to propose a performance framework for delivering improvements in the localities. The key principles of this framework are published annual assessment, periodic peer challenge, annual independent audit, streamlined inspection – proportionate to risk and sector led intervention.
- 5) Another significant driver on LA performance monitoring is the agenda for reducing burdens on business introduced by the Hampton Review and being developed by the Better Regulation Executive (BRE) and the Local Better Regulation Office (LBRO).
- 6) LBRO will oversee Trading Standards (TS) and Environmental Health (EH) regulation of business in the United Kingdom. Its aim is to reduce industry burdens by encouraging intelligence-led risk based enforcement, making business compliance easier by coordinating the work of the regulators, reducing the number of inspections and the need for form filling.
- 7) LBRO will introduce a new performance framework for TS/EH regulatory activity by 2009 and are taking into account the work of the ODPM and Treasury discussed above.
- 8) Current LBRO options include developing a single planning framework for in scope regulatory services. The regulators and departments would forgo their own separate performance management requirements from LAs. Instead, using an agreed priority framework, consisting of strategic objectives, priority activities and high-level outcome goals, they would work with individual LAs or clusters of LAs on a local 3-year enforcement plan.

- 9) These plans could start from a baseline assessment of regulatory need founded on factors such as demography, business density and type, rural/urban density etc. From there relevant priority activities could be identified along with the appropriate balance between them for a particular locality. After setting out the contribution a service could make to high-level indicators this could be tracked from the agreed baseline position using local regulatory outcomes and milestones linked to the high-level indicators. The enforcement plans would also show how resources are to be deployed to meet the objectives and any agreed local variations from the priority framework.
- 10) It is possible that a provisional priority framework will be ready for piloting by the end of 06/07 with a small representative cluster of LAs whilst the work continues to evolve with regulators, regulating Departments, local government representatives and devolved administrations.
- 11) Performance against local enforcement plans would be evaluated by LBRO working with the Audit Commission (AC). It is expected that the AC will join with the Benefits Fraud Inspectorate to form a new Local Services Inspectorate (LSI). The LSI will bring an ability to measure against cross-cutting and collaborative objectives. Self-assessment and peer review would play important roles in assessing progress, developing plans and designing remedial actions.
- 12) Other organisations that “inspect” LAs e.g. Food Standards Agency and HSE feed into LSI process through the Local Services Inspectorate Forum (LSIF). This will allow coordination of various aspects of the work such as data quality and the use of self-assessment.
- 13) Because LBRO has signalled its intention to develop a performance framework by 2009 the work HSE’s LAU is undertaking on performance management based on the revised s.18 HSWA Guidance will also need to be developed in accordance with the work of LBRO
- 14) HSE is now conducting an internal review to ensure that it puts arrangements in place that will oversee and support the partnership through the next few years, as partnership working is embedded. The aim of the review is to provide not only an effective interface for our work with LAs but also with LBRO’s work.
- 15) LBRO is however unlikely to be established before 2009. This delay will offer opportunities for HSE/LACORS to help shape its approach, based on our experiences of the partnership, but it will also introduce a period of uncertainty on key issues such as performance management. It will be a significant task for the post-Programme arrangements to engage with the LBRO team and to be recognised as having much to offer to its development.
- 16) The priorities suggested by HSE for the LBRO priority framework are based on the targets HSC published in its Revitalising Health and Safety Strategy to reduce work place injury, ill health and working days lost.
- 17) As part of the “Spending Review”, which is the way money is distributed to government departments, the HSC was required to agree targets with the Department of Work and Pension (DWP) and Treasury. These are known as Public Service Agreement (PSA)

targets and are the means by which the Government and public can monitor HSC's and HSE's performance.

18) The PSA targets are by 2007/08 reduce the:

- incidence rate of work-related fatal and major injuries by 3 per cent;
- incidence rate of work-related ill health by 6 per cent;
- number of days lost due to injuries and ill health by 9 per cent;
- number of events reported by licence holders, which have the potential to challenge a nuclear safety system by 7.5%;
- number of major and significant hydrocarbon releases in the offshore oil and gas sector by 45%;
- number of relevant RIDDOR reportable dangerous occurrences in the onshore sector by 15%.

19) LAs and HSE working together can significantly affect the first three of these targets relating to injuries, ill health and working days lost. The means of achieving these reductions have been translated into a strategic programme of work called Fit for Work, Fit for Life and Fit for Tomorrow (FIT3).

20) The FIT3 programme aims to target the joint resources of the HSE and LAs at those areas where they will have most impact on the targets for example work placed transport, musculo-skeletal disorders, working at height, slips and trips, disease reduction, stress etc.

21) A number of HSE's other Strategic Enabling Programmes will impact on the delivery of these targets. These include the:

- Enforcement Programme – aims to ensure the effective, efficient and targeted use of enforcement in delivery of HSC's strategic goals
- Worker Involvement Programme – aims to secure more and better worker involvement in sensible health and safety risk management
- Business Involvement Programme – aims to promote appropriate health and safety management as an integral part of effective business management.