Health and Safety Executive (HSE)

Review of the efficiency of charging processes

Final draft

December 2001

Deloitte & Touche
Hill House
1 Little New Street
London EC4A 3TR
United Kingdom

CONTENTS

1. INTRODUCTION

Deloitte & Touche has been engaged by the Health and Safety Executive to perform a review of the introduction of charging schemes for COMAH, Gas Transportation, Offshore and Railways.

One of several purposes of our review is to establish "the effectiveness of the financial and administrative arrangements for the charging schemes". To meet this purpose we have undertaken one strand of work looking specifically at the efficiency of the charging processes in operation for each of the charging schemes within our remit. This report sets out the methodology applied for this strand of work and our findings, recommendations and conclusions.

1.1 Methodology

Following an introductory videoconference in London, Deloitte & Touche undertook visits to all the charging schemes under review in Bootle, Birmingham and Aberdeen.

The following teams were consulted:

- COMAH and Gas Transportation Charging Team, headed up by Charles Ransome (Bootle) – who also has overall responsibility for Offshore;

- Railways Charging Team, headed up by Bev Forth (Birmingham);

- Offshore Charging Team, headed up by Kelvin McFadyen (Aberdeen);

- Central Finance, headed up by Victor Isenwater (Bootle); and

- the Business Efficiency Unit Team (Bootle).

Rather than attempting a quantitative or benchmarking review of the efficiency of the teams we have focused on identifying inefficiencies in work-processes and subsequent recommendations for improvements.

1.2 Status

This is the final draft for review by HSE which takes into account the comments received in relation to the first draft of 6 September 2001, and the subsequent second draft. It does not touch on issues raised by dutyholders in relation to the quality of invoices as these have been included in the Review of the Queries and Disputes Procedures and will be further discussed in a dedicated workshop within the Railways project strand in early 2002.

2. OVERVIEW OF CHARGING PROCESS

2.1 Introduction

This section of the report briefly covers the existing charging process.

2.2 Overview of Charging Process

The process involves three main resource pools within HSE:

- Inspectors, who either input their chargeable time directly into a time-recording system or who send charge-sheets to the relevant charging team;

- Charging Teams, which check the completeness of time data submitted, generate detailed invoices and invoice requisitions (A/C4s) which are passed to finance;

- Central Finance in Bootle, which uses the invoice requisitions to generate an accounting system invoice which is then posted to the charge-payer.

The following sections describe the roles of each.

2.2.1 Inspectors

Inspectors record details of their chargeable time, including notes of the actual activities performed. This data is either input directly into the activity recording system or submitted to the relevant Charging Team for data entry.

2.2.2 Charging Teams

The Charging Teams are primarily responsible for the collection and generation of time summaries which are used to create detailed invoices and to prepare invoice requisitions which enable Central Finance to raise accounting invoices.

Their main activities include:

- ensuring completeness of time data used for charging purposes;

- inputting time recording data where inspectors do not input data directly into systems;

- processing activity data to generate detailed invoices and supporting documents which provide detailed breakdowns of the specific activities time charges relate to;

- producing an invoice requisition (A/C4) which is sent to Central Finance for them to generate an accounting invoice;

- dealing with queries at all levels (levels 1 to 3);

- generating management information (including levels of fees recovered) for directorate management;

- providing secretarial support to CRGs;

- producing draft memorandum trading accounts.

2.2.3   Central Finance

Central Finance is based in Bootle and provides the accounting system backbone to the invoicing process and is common to all the Charging Schemes within the scope of this review.

Main charging related activities include:

- producing final invoices from invoice requisitions (A/C4s) submitted by Charging Teams on the RASP accounting system;

- sending final invoices together with detailed invoices and other supporting documents provided by the Charging Teams to the customer;

- cash collection and chasing debtors (invoices are chased 30 days after issue);

- acting as an interface for dealing with queries and disputes (queries are passed to the Charging Teams for resolution);

- assisting in the calculation of the hourly charge for each charging scheme.

In addition, the Central Finance function generates invoices for the other Charging Schemes as well as providing management information to Head Office management.

The Central Finance Payables Team deals with payments to the EA and SEPA which correspond to their share of COMAH work invoiced on their behalf by HSE. This activity is relatively minor within the charging exercise.

2.3   Key Characteristics of Charging Schemes

Each charging scheme reviewed has a number of key characteristics which have been briefly covered below.

2.3.1   COMAH and Gas Transportation

Background

The COMAH and Gas Transportation Charging Team is currently based in Bootle. It is in the process of being relocated to Aberdeen and merged with the existing Offshore Charging Team located there.

As part of "joining-up" government, COMAH invoices are issued by the HSE and include charges for COMAH work performed by the EA and SEPA.   Until April 2001, HSE time charges were submitted in timesheet form to the Charging Team and then input into the ABC/ABG system.   This process has now been superseded for HID inspectors. The new process is due to be replaced by more efficient integration with CIS in the near future.

Structure of the team and key metrics

The COMAH and Gas Transportation Charging Team consists of two full-time staff and two temporary staff (whilst the process is streamlined and relocated) and for the

year 2001/2002 had a budgeted cost attributable to charging activities of £118,000 for COMAH and £6,500 for Gas Transportation. Budgeted receipts are £4,500,000 for COMAH and £30,000 for Gas Transportation. The cost per COMAH invoice is £46 and £108 per Gas Transportation invoice. The team raises approximately 660 invoices per quarter – about 645 of which relate to COMAH and 15 to Gas Transportation.

2.3.2 Railways

Background

The in-house Birmingham Charging Team for Railways has only been in operation since March 2001 and has only performed one invoice run. The Charging Team was previously based in London at Rose Court and was staffed by temporary officers supplied by Manpower.

The level of invoices raised has changed significantly since December 2000 when the method of registering safety cases changed. Previously all safety cases came through Railtrack. Since changes in regulations, the safety cases are drawn up by individual train operating companies.

Inspectors in RI1 and RI2 record time directly into CRISP. RI3, until April 2001, submitted weekly timesheets which were input into CRISP by the Charging Team. Since April, RI3 inspectors have been inputting data directly into FOCUS, but because FOCUS does not have the facility to record chargeable time, the weekly timesheets continue to be submitted, and chargeable time is re-entered by the Charging Team.

Structure of the Team

The Railways Charging Team employs 3.2 FTEs and has a budgeted cost of £98,900 for 2001/2002 attributable to the administrative process of charging. Budgeted receipts for this year are £5,300,000. It raises about 60 invoices per quarter. This equates to a cost per invoice of £412. Additionally, within inspector teams, support staff provide assistance in the completion of time recording data. This has been estimated to cost £81,200 in 2000/2001. In 2001/2002 terms this equates to £350 per invoice.

2.3.3 Offshore

Background

The Offshore Charging Team is based in Aberdeen. Over the next year, this team will be merged with the COMAH and Gas Transportation Charging Team which is being relocated to Aberdeen from Bootle.

The main time recording system used is ORION.

Structure of the Team

The Offshore Team employs 3.5 FTEs and has a budgeted cost of £93,000 attributable to charging administration for 2001/2002. Budgeted receipts for the year are £6,500,000. It raises about 55 invoices per quarter. This equates to a cost per invoice of £423.

3. KEY FINDINGS AND RECOMMENDATIONS

3.1 Introduction

Our review of administrative efficiency has highlighted a number of issues which we have grouped under the following headings:

- the general process within the Charging Teams;

- the billing process;

- time recording systems;

- the query process;

- IT systems.

The sections overleaf sets out issues and recommendations relating to each of these.

3.2 General Process

	Issue / Impact	Recommendation
a)	**Effort on invoicing is triplicated** The Charging Team generates a detailed invoice which shows hours charged for different activities and notes on the specific activity performed. This is used to manually generate an invoice requisition (A/C4) which summarises the detailed invoice. The A/C4 is sent to Central Finance which uses the invoice requisition to create an accounting system invoice. Copies of detailed invoices and invoice requisitions are kept both by the Charging Team and by Central Finance (except Offshore where A/C4's are discarded).	A system solution should be found to reduce the effort required in raising invoices and eliminate the necessity for the same data to be input three times. When considering possible IT solutions management should consider whether further efficiency savings could be made by integrating the work of the Charging Team and the Central Finance Team.
b)	**Paper chit flows which confirm invoices raised are inefficient** Manual "invoice raised" chits are issued by Central Finance for each individual invoice requisition (A/C4). These are returned to the Charging Team where they are filed with each individual A/C4 and the data is entered onto the invoice tracking log. This data is needed to allow the Charging Team to locate filing if a query is made.	"Invoice raised" chits should be replaced by the invoice tracking log already used by the Charging Team. During each invoice run, this spreadsheet should be sent electronically to Central Finance and updated with invoice numbers when issued. This would allow Central Finance to efficiently: ● check all A/C4 requests have been received from the Charging Team; ● check all invoice requested have been issued; ● reduce paper flows, their associated postage costs, and time spent filing; ● generate a simpler trail for tracing files at Charging Team locations. The same tracking sheet could also be used as a query tracker, reducing duplication of tracking effort by sharing the same electronic log files.
c)	**Paper chit flows which confirm cash received are inefficient** On receipt of a payment, Central Finance sends the Charging Team a paper chit which confirms that cash relating to a specific invoice has been received. These chits are used by the Charging Team to establish the level of income received for management reporting purposes within the operations directorates. This inefficiently duplicates the cash monitoring effort of the Central Finance team.	"Invoice paid" chits should be discontinued. The existing "cash received chit" system duplicates the cash monitoring which already takes place in Central Finance. These chits should be replaced by monthly income received schedules to be generated by Central Finance, if required by the operations directorates.
d)	**Invoice requisitions are completed by hand** Within Railways, invoice requisitions (A/C4s) documents are completed by hand. This procedure is more labour intensive than the use of standard electronic templates (used by other Charging Teams) and there is also a risk of transposition errors by Central Finance.	Electronic templates which hold the main invoicing data (including names and locations of sites to be charged) should be created. These should reduce the administrative burden of future invoice runs, and reduce the risk of transposition errors.

3.3   Billing

	Issue / Impact	Recommendation
a)	**Long-running dispute with a dutyholder is impacting on cash flow** A dutyholder is currently holding back on the payment of invoices due to insufficient information being provided on invoices, in particular with respect to safety case proposals (only the proposal code is provided by the HSE). This has resulted in a significant cash shortfall. The financing cost will be borne by the HSE in the short-term, although it is likely that these costs will be recharged to industry in the future through increases in charges.	A speedy resolution to the problem should be sought to prevent future invoicing problems and to clear the balance outstanding. The problem is confined to one company, and therefore should be resolved quickly once the amendments required have been established.
b)	**No interest Charged on Overdue Debts** No interest is charged on overdue debt. In the case of the dutyholder above, we have estimated foregone interest to be equivalent to £70,000. It could be argued that this is inequitable as it will be borne by all charge-payers in the coming year as the scheme has to cover its financing costs.	Late payers should be charged interest on a discretionary basis, both as an incentive to making the payment sooner, and to prevent other companies in industry from bearing the late-payment costs through increased charges in future years.
c)	**Payments to the EA and SEPA are co-ordinated by the Charging Teams rather than Central Finance** EA and SEPA invoice recharges are co-ordinated by the COMAH Charging Team. This process relies on the "invoice paid" chits sent from Central Finance. Once the chit is received, the Charging Team sends an instruction to the Payments Team to release the cash collected on behalf of the EA and SEPA. Since this is purely a payment issue, it would make more sense for Central Finance to instruct the Payments Team directly.	Central Finance should instruct the Payments Team to make payments to EA and SEPA once the charging income has been received. Since Central Finance could inform the Payments Team on a monthly basis.

3.4   Time Recording

	Issue / Impact	Recommendation
a)	**Time recording of inspectors is not always up-to-date** Missing or incomplete time data delays the invoicing process and can lead to: ● changes having to be made to invoices; ● reconciliations after invoicing runs to pick up any late time data; ● time charges being invoiced in the following quarter; ● administrative time being wasted chasing timesheets.	The importance of timely timesheets should be stressed to inspectors and inspector team administrators.
b)	**Inspectors do not book all their time into the time recording system which makes it difficult to determine whether time lines are complete** The Charging Team has to rely on informed guesswork to decide whether a time-line is complete. Within the CRISP system, for example, there is no facility for inspectors to flag their timesheet submission as "complete". Since some inspectors only account for chargeable time in CRISP, it is not possible to determine whether a timesheet has been finished.	Each inspector should report all their time (chargeable and non-chargeable) within each time recording period. Time recording for all inspectors should be in standard hours. In this way any incomplete timesheets/time lines can be easily identified and chased where necessary.
c)	**Inconsistent and inefficient methods of data entry** There are different methods of data-entry in use within and between different charging schemes as summarised below: ● for COMAH, HID inspectors use one system to record their work while inspectors from different directorates, such as FOD and TD, use different systems (they also do an amount of COMAH work). ● For COMAH, HSE, EA and SEPA inspectors all have their own time-recording systems; ● For Railways Charging Railways RI3 submit charging-data separately that has to be centrally re-entered. Re-inputting data is clearly inefficient and adds to the risk of error. It adds an unnecessary burden to Charging Teams and, ultimately, charge-payers.	Inspectors should ideally input their time data directly into the appropriate time recording system to avoid the need to re-input data and therefore save administrative time. The implementation of CIS within COMAH, a new direct entry web-interfaced system, is a forward step in this direction.
d)	**Two time recording systems used side-by-side by some Railways Inspectorate Teams** Within RI3, FOCUS is used for general time recording and CRISP used for chargeable time recording. This requires inspectors to generate time data for two systems which wastes time. Additionally, the CRISP submissions are not input directly and need to be re-entered by the Charging Team, taking additional resource.	Inspectors in RI3 should input their time data into one single system to reduce time spent time recording by inspectors, and to avoid the need for the Charging Team to re-input data.

	Issue / Impact	Recommendation
e)	**Inconsistent time recording periods are used by inspector groups within the same Charging Scheme** Within Railways, inspectors in RI3 make submissions on a weekly basis, whereas RI1 and RI2 make submissions on a monthly basis. This makes the process of monitoring data unduly complex and time-consuming for both inspectors and Charging Team.	The Railways inspectorate should introduce one standard time recording system for all staff.

3.5   Queries Procedures

It should be noted that as part of another strand of work within this review Deloitte & Touche will be conducting a review of the Queries and Disputes procedure. The findings from this should be consolidated with the following in a later consolidated report:

	Issue / Impact	Recommendation
a)	**EA COMAH time submissions are insufficiently detailed and result in delays in cash collection and a disproportionate numbers of queries**	The HSE should consider the following options:
	The level of detail provided by time submissions from the EA is not sufficient. For example details of inspector and dates of site visits are not included in their submissions. As a result, operators frequently query these bills until further information is provided. Since the EA's response time for queries is long, this results in delays in cash collection which are <u>not</u> directly attributable to the HSE's inefficiency, as operators will not pay invoices which are being queried. In contrast there have been no queries on SEPA time recording.	• improving EA response times through talks with EA management; • agree a specific standard for information required by each industry and then rejecting any charging requests from EA which do not meet the requirements; • issuing multi-part invoices, which allow the HSE and SEPA elements to be paid, and EA amounts to be left unpaid and queried separately; • charging EA an administrative fee for co-ordinating cash collection.
	Problems with EA time recording, which in total account for approximately £150,000 (3%) of COMAH invoicing per annum, contributed to half of the COMAH queries outstanding in July 2001. These result in an administrative burden for HSE which is then borne by charge-payers.	
b)	**Query resolutions are not prioritised by amount outstanding**	Query resolution should be influenced by the size of the disputed amount, rather than the nature of the dispute itself. The more cash is collected, the less financing cost is borne by the HSE / other charge-payers in the future.
	The current query tracking sheet used by Central Finance does not include invoice amounts and is not focussed on size of amounts recoverable.	
	Since delays in payment have a direct cash-flow impact for the HSE, the larger disputes will have a greater cost for the HSE.	
c)	**No enforcement of non-payment to date**	Although the level of non-payment is not in itself significant, to retain credibility and reduce delays in payments, the HSE should seek to enforce protracted non-payment cases.
	No legal case has been brought against a non-payer to date.	

3.6   IT Systems

	Issue / Impact	Recommendation
a)	**No electronic data transfer between Charging Teams and Central Finance** Existing data interchange between Charging Team and Finance functions is manual and requires re-entry of ALL data fields. When an invoice is raised in Central Finance, all data fields need to be either re-keyed or checked, as any changes in address on Charging Team databases do not feed into the Central Finance accounting system.	We understand that the existing problems of data transfer are driven by system constraints. In any new systems procurement exercise, management should ensure that databases are synchronised across the organisation and should interface electronically. This would eliminate the need to: ● re-input data; ● hold duplicates of paper documents; ● and avoid possible data entry errors which can delay cash collection.
b)	**Existing system does not batch process detailed invoices or invoice requisitions** The processing of charges for each customer requires database records to be accessed and retrieved site-by-site. Each detailed invoice and invoice requisition (A/C4) has to be raised by selecting the relevant client site, exporting the data on time charged for that site, manipulating this data to generate a detailed invoice, and then generating an invoice requisition by summarising this data. This process is labour intensive, time-consuming and inefficient.	A system solution should be found to enable batch generation of A/C4s, including supporting time data.
c)	**To date there has been little co-development of systems** To date, the development of the charging scheme systems has been predominantly kept separate within each charging scheme.	The future development of systems would benefit from a cross-scheme steering group, to share ideas on user interfaces, the functionality required, what has worked well within each scheme, and potentially reduce the number of interfaces and systems used around the organisation. Common systems should be procured to cover all charging schemes. Any joint implementation of IT systems is likely to offer considerable administrative cost savings for the HSE.
d)	**Railway inspector groups use different core systems** RI1 and RI2 use CRISP, while RI3 uses FOCUS. RI3 only input chargeable data into CRISP.	Railways inspector teams should ideally use one common system in order to: ● simplify accounting for charging; ● reduce the inspector burden of time recording by requiring them to only provide input to one system.
e)	**System user interfaces should be made more user-friendly** CRISP, the main activity recording system used by the Railway Inspectorate and by FOD in general, is not user friendly. Examples include non-alphabetical listing of inspectors, duplicate inspector fields where inspectors have moved to other departments or where departments have been reorganised, and details of inspectors who have left the HSE remaining on system. This makes data-entry time consuming and can result in inspectors or Charging Team staff in inputting time data against incorrect inspector codes.	CRISP needs to be made more user friendly. In particular it requires: ● an archiving function to remove old details of inspectors who have moved department or left the HSE altogether; ● alphabetical selection of inspector names.

	Issue / Impact	Recommendation
	This is turn can lead to errors on invoices or result in under-recovery of charges.	
f)	**Chargeable status of site set by IT department** Within the Offshore Charging scheme the chargeable status of the site is set by the IT department in Norwich. Any requests need to be routed through to Norwich by the Charging Team, which can cause delays.	Responsibility and access to establishing the chargeable status of a site should be held by the Charging Team, rather than the IT department in Norwich. Software is currently being developed within ORION to prevent these delays.
g)	**ORION does not allow billing addresses to be associated with individual sites** Within the Offshore charging scheme this makes invoicing time-consuming, as the Charging Team has to manually establish the billing address for each site. Within Offshore, the majority of billing locations differ from the inspection location, and this lack of functionality creates a significant administrative burden.	The time recording systems should allow billing addresses to be associated with individual sites. We understand that this should be achieved by the new web-based system.
h)	**Time recording systems are not integrated with the accounting system** An integrated time recording and accounting system would allow invoices to be generated automatically rather than through a labour-intensive exercise of duplicate data-entry and multiple data-handling.	An end-to-end system solution should be found which will integrate time recording with invoice generation. In this manner, considerable cost savings will be made.

4.   CONCLUSIONS ON EFFICIENCY

4.1   Introduction

The findings on the efficiency of the charging process within COMAH/Gas Transportation, Offshore and Railways need to be placed in the context of an understanding of the total costs of the charging schemes and their charge-out rates.

The costs of the HSE Charging Teams amounts to a budgeted figure of £484,400 for the year 2001/2002.   This represents 3% of the total costs of £16,310,000 for running the four charging schemes[1]. They therefore contribute about £3.27[2] to the HSE hourly charge-out rate.

This means that any improvements in the efficiency of the administrative process will not be particularly significant compared to the overall costs of inspectors and other overheads.   Therefore any improvement in efficiency is unlikely to lead to any significant reductions in the charge-out rates.   For example an efficiency saving of 20% in the administrative process would only reduce hourly charge-out rates by 65p.

The sections below highlight the main findings and main considerations for the future of the charging schemes.

4.2   Main Findings

The review has highlighted a number of aspects of the charging process which are inefficient and we have made recommendations to accompany these.

The main inefficiencies arise from:

- the existence of three separate Charging Teams for the four schemes under review. It should however be noted that the COMAH and Gas Transportation Charging Team is in the process of being incorporated into the Offshore Charging Team which will reduce the number of Charging Teams to two;

- the lack of electronic data transfer between time recording and billing functions, resulting in the need to re-enter data and multiple handling of data;

- the lack of batch processing facilities for generating detailed time records by site inspected, resulting in the need for a manual site-by-site interrogation of time charged databases;

- the lack of joint-development of time recording systems and sharing of successful solutions across charging schemes (an example of a successful solutions is the web interface being introduced by COMAH, Gas Transportation and Offshore);

- inefficient paper flows related to confirmations of invoices raised and cash received in Central Finance;

---

[1] On the assumption that total costs equal budgeted revenue.

[2] Taking a simple average hourly rate of £109 between the four schemes.

- the use of different time recording systems in different charging schemes, which makes it difficult to combine charging teams and achieve economies of scale in the administration process;

- the use of multiple time recording systems within charging schemes (e.g. Railways);

- time recording by inspectors is not always up-to-date, resulting in delays in invoicing and potential under-recovery of chargeable time;

- the need to re-enter data prepared by inspectors relating to time recording systems;

- insufficient information for operators within the EA elements of COMAH invoices which often result in queries being raised by charge payers;

- an apparent absence of strategic cross-organisational thinking about how IT could improve efficiency. For example across the HSE there are 29 charging schemes yet little thought seems to be being given to a single web-enabled timesheet data-entry system.

The most significant inefficiencies arise from the lack of flexibility of the existing time recording systems and the lack of connectivity of the accounting system used by Central Finance.

4.3   Longer-term considerations

4.3.1   Hourly Charging Framework

Any future changes to IT systems, and accompanying process improvements, should only be made once a decision has been made about the future of the present charging schemes. Any change to a flat rate or component based system would require its own specific IT requirements and different process improvements. A levy-style method of charging would probably eliminate most of the functions of the current Charging Teams as individual inspector time data would not be used to generate invoices and the queries and disputes procedure would become redundant. However, inspectors should still be required to record chargeable time to enable the overall levy to be calculated.   The total estimated costs of the Charging Teams, support staff and Central Finance within HSE are presently £484,400 per annum (see Appendix 2).

4.3.2   Is there a business case for merging Central Finance and Charging Teams?

Currently the workload of the Charging Teams appears too great to be incorporated into the existing Central Finance function.   Within the scope of considering the business case for a new integrated time recording and billing system the potential benefits of bringing together the Charging and Finance Teams should be considered. Merging these teams would offer the potential for greater economies of scale as well as the potential to simplify the entire administrative process. It would be possible either to integrate the work of the Charging Teams with Central Finance or the work of Central Finance into the Charging Teams.

4.3.3 Is there a business case for implementing an end-to-end accounting system which can generate invoices automatically?

A detailed business case should be prepared to establish whether the benefits of introducing an integrated time recording and billing system across all or many of the HSE's 29 charging schemes would exceed the costs of procuring and implementing an appropriate solution.

Any such business case should probably not be developed until decisions are made about the future of the present charging schemes if the administrative costs of these schemes are material to the total cost of administering all the charging schemes.

4.3.4 Requirements of future systems working within the existing charging framework

The Head of the COMAH Charging Team has put together a Business Case for new IT facilities to support the COMAH, Gas Transportation and Offshore charging schemes. This work appears relevant for the future development of any of the charging schemes. Features of the new system outlined in the business case include:

● allowing the aggregation of chargeable timelines by client, business unit or incumbent, depending on the requirements of each charging scheme;

● allowing the input of chargeable time incurred by HSE non-COMAH staff, and by EA and SEPA;

● allowing the capture of chargeable costs incurred by contractors, and travel and subsistence costs incurred by staff where these are directly chargeable to operators;

● providing batch generation and printing of invoice requisitions, and supporting detail;

● providing electronic retention and retrieval of data generated.

We would suggest adding one further key requirement:

● eliminating the need for re-entry of data into the accounting system, by having an integrated time-recording and billing solution.

4.3.5 Planning For Future Charging Schemes

When planning the timing of invoices under new schemes, consideration should be made to the existing workload of the Finance Team. Where possible, new schemes should avoid the COMAH charging quarters which are by far the busiest. This applies specifically to invoicing for biotechnology sites which is currently being debated.

5. APPENDIX ONE: KEY HSE INDIVIDUALS CONSULTED

Name	Directorate
Charles Ransome	HID (COMAH)
Bev Forth	FOD (Railways)
Kelvin McFadyen	HID (Offshore)
Val Jones	Central Finance (FINU2: Bootle)
Mel Hughes	Central Finance (FINU2: Bootle)
Barry Beggs	Central Finance (FINU2: Bootle)
Victor Isenwater	Central Finance (FINU2: Bootle)
Jean Kitchin	Business Efficiency Unit
Dave Carter	Business Efficiency Unit

6. APPENDIX TWO: KEY STATISTICS AND PERFORMANCE INDICATORS

The following table sets out the costs of each of the charging teams which have been reviewed. The costs have been provided by Central Finance and the budgeted numbers of invoices and receipts provided by the Charging Teams. These figures only include overheads attributable to team members on a headcount basis and exclude the costs incurred by the EA or SEPA which only relate to COMAH.

Scheme	Budgeted cost 2001/2002	Nos of invoices requisitions processed	Cost per invoice requisition	Budgeted receipts 2001/2002	Average receipt per invoice	Cost as a % of receipts
Offshore	£93,000	220	£423	£6,500,000	29,545	1.4%
Railways [3]	£182,900	240	£762	£5,300,000	22,083	3.4%
COMAH	£118,000	2,580	£46	£4,477,039	1,735	2.7%
Gas Transportation	£6,500	60	£108	£31,350	523	20.7%
Central Finance (Bootle)	£49,000	-	£16	-	-	-
Central Finance (PEFD)	£35,000	-	£11	-	-	-
Total	£484,400	3,100	£156	£16,308,389	5,261	3.0%

Conclusions should not be drawn as to the relative efficiency of each team from the cost per invoices requisition figures calculated above for the following reasons:

- different complexities in generating time-data;

- different complexities in generating summary invoices;

- different complexities in generating A/C4s;

- different complexities in dealing with Queries and Disputes.

---

[3] Budgeted cost 2001/2002 comprises charging team costs of £98,900 and support staff costs of £84,000 (incurred at the inspector team level, based on 2000/2001 estimated cost inflated for 2001/2002)

7. APPENDIX THREE: GLOSSARY OF ACRONYMS

To be completed with assistance from HSE:

Acronym	Standing for/explanation…
ABC/ABG	Lotus Approach Databases for COMAH (ABC) and Gas Transportation (ABG)
A/C4	Accounts 4
CIS	Common Information System
COMAH	Control of Major Accident Hazards
CRISP	Corporate Railways Information Systems Programme
EA	Environment Agency
FOCUS	Field Operations Computer System
FTE	full-time-equivalent
HSE	Health and Safety Executive
ORION	Offshore Division Reporting, Information and Operational Network
PEFD	Planning, Efficiency and Finance Division
RI1, RI2, RI3	Railway Inspectorate 1, 2 and 3
SEPA	Scottish Environment Protection Agency