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HEALTH AND SAFETY EXECUTIVE

Senior Management Team

Options for the reassessment of HSE's liP status

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Issue

1. In line with current government policy, HSE is required to maintain its Investors in People (liP) status. On 1 January 2006 a new set of standards for IIP practitioners was introduced and it is against these revised standards HSE now needs to be assessed – a summary of the revised standards is attached Annex 1.
2. This paper sets out the background to HSE's current position regarding its liP status and proposes an option for retaining recognition.

Timing

3. To maintain our liP status, HSE must complete the reassessment process by November 2010 at the latest. To ensure this happens in good time, we will need to start the planning process during summer 2009, and start the reassessment interviews in November this year.

Recommendation

4. Two proposals concerning the reassessment method are included with this paper. Both have pros and cons and both have varying resource and cost implications which are set out in detail in Annex 3, and in summary in para 20.
5. Following discussions with D/Ds via Business Partners, and evaluations of the pros, cons, and costs, we would recommend the SMT choose option 2 – ie that HSE¹ goes for a single organisational reassessment.

Background

6. HSE last undertook an liP reassessment in 2005 and subsequently maintained its liP status for the period 1 January 2006 through to 31 December 2008.
7. To maintain its liP status HSE should have been reassessed during 2008. Due to the amount of pressures on the business at that time and on the horizon eg HWWW, HSE looked for Cabinet Office to confirm that it was still Government policy that we should retain liP status, and on confirmation that this was the case, we contacted the Centre for Assessment and Recognition - North West (CAR NW) HSE's liP assessors, to establish our options.
8. CAR NW informed us that we could defer our reassessment and go into a state of 'Retaining Recognition', for two years. This would involve a CAR NW assessor carrying out a small sample review drawing on a cross section of staff from across HSE, including the Chief Executive, Director of HR and TU side, to assure CAR NW that HSE had an ongoing commitment to reach the liP standard. The review took place in November 2008.

¹ We are assuming this would include HSL

9. The assessor presented his findings to the awarding body in March 2009, who confirmed their approval of our plan (see copy at Annex 2), and the continuation of our recognition as an Investor in People. It is worth noting that had his findings been repeated across a wider, more representational audience, we would have comfortably maintained our liP status. We can retain this status for a maximum of 2 years but the assessor must revisit HSE to review progress against the plan at the start of the reassessment, and this must be within 12 months of the date of the last site visit (ie 12 months from November 2008). Annex 4 provides a proposed high level time line.

Argument

10. Accepting opting out of liP is not an option; HSE must therefore undertake a full reassessment. This has to begin by November 2009, and should be completed by November 2010 at the latest.
11. There are 2 options open to us. We have described them briefly below, and explored them further in Annex 3.
 - Option 1 - a rolling review by D/D. If we select this option, each D/D would be individually assessed with the number of staff being interviewed dependant of the size of the D/D. Following their assessment, each D/D would receive feedback on their performance from the assessor, a report specific to their D/D and, if appropriate, an action plan to bring them up to the required standard. At the end of the process the assessor will draw together all of the individual D/D reports into one corporate report which will establish if HSE as a whole is meeting the required liP standards.
 - Option 2 - a single overall HSE assessment. If we select this option, the assessor will produce one overall corporate report for HSE. Individual D/Ds will not receive any specific feedback
12. Regardless of which option we choose, HSE will need to agree the format of the final report with the assessor, It can be against the standard liP cycle of "Plan, Do and Review, highlighting the improvements / changes since the last review; or, we can ask the assessor to report against a number of agreed business objectives e.g. the HWWW project.
13. There is also little difference in the style of the review. The assessor will interview staff for approximately 30 minutes, and more usually on a one-to-one basis (though it is also possible that the assessor will see some staff in groups, which might save some staff time). The assessor will focus the conversation to establish what they do and what learning and development they've had. Though there is no preparatory work needed, staff selected may wish to give some thought to these areas before their interview
14. All interviews are confidential – the assessor will provide feedback in the report but will never recount who said what.
15. CAR NW estimate a minimum of 3% of the work force and a maximum of 6% will have to be interviewed. Their view is that the number of staff interviewed is likely to be at the top end of this range, given HSE's complexity, and that it will be 4 years since a full review was carried out. The works out at around 430 staff for option 1, and 250 staff for option 2.
16. The costs of reassessment regardless of which option is selected will be met from the corporate HR budget.
17. Taking into account the assessor view last time that HSE was in good shape, the costs, pros and cons of the options, and the achievability and progress of the activities in the action plan, we recommend option 2 as the way forward.

Consultation

18. In writing this paper, we have consulted HSE Business Partners, Cabinet Office and CAR NW.

Presentation

19. No issues identified.

Costs and Benefits

20. The cost of retaining our liP status will vary depending on which option is taken. The table below gives a summary of assessor days and likely opportunity costs for both options.

	Option 1 - Rolling Review	Option 2 - One Overall assessment
Number of Assessor days required to prepare, interview and report @ £650 + VAT per day	49 days x 650 = £31,850 Plus any T&S incurred by the assessor	26 days x £650 = £16900 Plus any T&S incurred by the assessor.
Number of staff required to be interviewed	430 based on 30 minutes per member of staff and using band 4 as an average = £5235	250 based on 30 minutes per member of staff and using band 4 as the average = £3045
Total Cost	£37085 + VAT + assessor T&S	£19945 + VAT + Assessor T&S

21. Government policy dictates that HSE must meet and retain liP requirements and status, it's worth reminding ourselves and our staff that there are the real business benefits eg:

For the Organisation

- Better morale and a motivated workforce
- Greater outputs
- Training activity more closely linked to business needs
- Impetus to other improvement and quality initiatives
- Customer satisfaction
- Positive publicity for the organisation

For the Employee

- Recognition and job satisfaction
- Better communication on training and development issues
- A good and supportive working environment.
- Improved skills, increased responsibility and involvement
- Better career development opportunities
- Pride in belonging to a successful organisation
- Good quality training where and when it is needed.

Financial/Resource Implications for HSE

In addition to the costs already described elsewhere in this paper, we estimate that the preferred option would approximately 15-20 days effort for HR to plan, organise, administer and coordinate this process.

Environmental implications

22. None.

Action

23. SMT is invited to consider both options, and whether they can support our recommendation that we pursue option 2.

24. Once a decision has been taken, HR will start the process. Please send responses to Steve Hankinson in the first instance

Annex 1 - Summary of the Revised IIP Standard

A new standard for IIP was introduced on 1 January 2006 just after HSE's last assessment. The key difference between the old and the new standards are:

- Principals reduced from 4 down to 3
- Indicators reduced down from 12 to 10
- Evidence requirements increased from 33 to 39

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The new standard reflects typical business cycle of "plan, do and review" and places new emphasis on employee involvement and on maximising their potential. It is designed to ensure that it continues to offer relevant support to employers of all sectors and sizes. More emphasis has been placed on evaluation, encouraging organisations to understand the impact development is having on the organisation's performance and ensuring learning is fed back into the planning cycle. The changes are designed to ensure that the standard remains a relevant, practical and flexible tool to support employers seeking to plan, implement and evaluate their business strategies. The elements of the standard are set out below:

The Key Principles

- Developing strategies to improve the performance of the organisation – an Investor in People develops effective strategies to improve the performance of the organisation through its people.
- Taking action to improve the performance of the organisation – an Investor in People takes effective action to improve the performance of the organisation through its people.
- Evaluation of the impact on the performance of the organisation – an Investor in People can demonstrate the impact of its investment in people on the performance of the organisation.

The Indicators

- Plan
 - A strategy for improving the performance of the organisation is clearly defined and understood.
 - Learning and development is planned to achieve the organisations objectives
 - Strategies for managing people are designed to promote equality of opportunity in the development of the organisation's people
 - The capabilities managers need to lead manage and develop people effectively are clearly designed and understood.
- Do
 - Managers are effective in leading, managing and developing people.
 - People's contribution to the organisation is recognised and valued.
 - People are encouraged to take ownership and responsibility by being involved in decision-making.
 - People learn and develop effectively.
- Review
 - Investment in people improves the performance of the organisation.
 - Improvements are continually made to the way people are managed and developed.

Annex 2 – Retaining Recognition Action plan

Investors in People principle	Action to be implemented	by who (lead)	By When
Plan	<p>1 Communicate to all employees that, due to significant and organisational change, HSE has delayed its Investors in People re-assessment until the end of 2009 but that the organisation remains fully committed to all the principles of the Standard. Also, this action plan should be communicated to staff.</p> <p>2 Consult with all interested parties (internal and external) on the agreement of the specific objectives for the new HSE UK strategy.</p> <p>3 Involve staff and Trade Unions in the agreement of specific Directorate and Divisional objectives aligned to the new HSE strategy.</p> <p>4 Implement the “People Strategy”</p> <p>5 Implement the “Competence and CPD” project for inspectors and roll out to other grades and disciplines</p> <p>6 Review the current HSE management related competences to ensure that they clearly define the “Knowledge, Skills and Behaviours that managers need to lead, manage and develop their staff”.</p> <p>7 Finalise and implement the “Management Development Programme” for middle managers, new, experienced and leaders</p> <p>8 Finalise learning and development priorities to ensure organisational competence.</p> <p>9 Agree the tender for learning and development provision</p> <p>10 Continue to consult with trade unions and affected staff with respect to HWWW</p> <p>11 Plan the roll out of “Professional Skills for Government 2”</p>	<p>HR Director</p> <p>HSE Board/SMT</p> <p>SMT</p> <p>HR Director FOD/HID</p> <p>HR Director</p> <p>Head of L&D</p> <p>Heads of D/D/Head of L&D</p> <p>Head of L&D</p> <p>HWWW Prog Manager</p> <p>Head of L&D</p>	<p>July 09</p> <p>July 09</p> <p>Ongoing</p> <p>Ongoing Sept 09</p> <p>May 2010</p> <p>Ongoing</p> <p>Done</p> <p>Ongoing</p> <p>By 2012</p>
Do	<p>12 Implement the Warwick University post graduate diploma (£4m budget)</p> <p>13 Implement the agreed HWWW actions</p> <p>14 Induct new “Policy” staff to Bootle to replace those lost by HWWW</p> <p>15 Recruit inspectors to make up the 1283 staff defined by Government</p>	<p>Head of L&D</p> <p>HWWW Prog Manager</p> <p>PG BP</p> <p>HR Director</p>	<p>Ongoing</p> <p>Ongoing</p> <p>Ongoing</p> <p>Ongoing</p>
Review	<p>16 Look at how the e-HR system can be used to measure and report the percentage of performance reviews carried out, PDPs agreed and</p>	<p>HR SC Manager</p>	<p>Ongoing</p>

Investors in People principle	Action to be implemented	by who (lead)	By When
	<p>objectives implemented</p> <p>17 Ensure that each Division understands how to evaluate the impact of learning and development on Divisional performance. Ensure that each Division is carrying this evaluation out and is communicating the results to employees.</p>	Head of L&D	March 2010

Annex 3 - Table of Options

Options	Pros	Cons	Expected Cost
1. Rolling Programme	<ul style="list-style-type: none"> ○ Each Directorate / Division will undergo their own assessment and get a report specific to them. ○ If the assessor flags any areas of concern during his assessments, there would be time to put together and implement an action plan prior to the final accreditation thereby minimising the risk of HSE as a whole not retaining IIP status. ○ The burden of resourcing the coordination would be spread around all of HSE and not just HR ○ HSE used the Rolling Programme approach last time. 	<ul style="list-style-type: none"> ○ The assessor will require more days on site and writing up reports meaning that the cost of the rolling programme will be significantly more expensive. ○ Considerably more staff across HSE will need to be interviewed by the assessor. This will incur additional opportunity costs when staff are already stretched. ○ Divisions would be expected to provide the required resource to coordinate their own assessments assessment. This will be difficult to influence. 	Approx £37k across HSE plus T&S
2. One overall HSE assessment.	<ul style="list-style-type: none"> ○ Would involve fewer staff being interviewed, require less assessor days on site and less assessor days writing reports thereby greatly reducing cost to the organisation. ○ Would be a cheaper option to HSE as a whole. ○ As the numbers are lower the process will be quicker ○ Indications from the November 2008 assessment were that HSE is in good shape ○ Actions in the plan are already underway or planned. 	<ul style="list-style-type: none"> ○ Directorates and Divisions would not get specific feedback. ○ HR would need to coordinate and provide the required resource to administer the entire reassessment. With reducing staffing levels across the SC this would be an additional burden. ○ With a single assessment, there may be a greater risk of failure if parts of the organisation are not meeting the. Standard HSE could be required to work over a longer period with CAR NW to return to the standard. 	Approx £20K plus T&S

Annex 4 - High Level Timeline

