

Annex F

Risk: Loss of Competence

<p>A: Net loss of competent staff B: Unsatisfactory Learning and Development C: Inadequate or ineffective use of Learning and Development resources by D/Ds D: Corporate failure to apply the resources well, identify skills gaps, priorities, changing needs</p>	
Probability of Risk	<p>A: low except in specific areas B: low C: low D: medium</p>
Increasing or Decreasing	<p>A: increasing in certain difficult areas (e.g. RI, B3 policy makers in Rose Court, Medical Inspectors); B and C: good processes in place, risk likely to remain low; D: risk unlikely to increase and may decrease through efforts to gain corporate Investors in People (IiP) recognition.</p>
Effect\consequence of risk	<p>A: HSE may be unable to meet its targets in certain areas; B and C: Quality of work may be affected, may be unable to do some jobs at all; D: may waste HSE resources, failure to achieve IiP recognition, HSE unable to respond to changes in demand.</p>
What control measures are in place?	<p>Annual recruitment programme negotiated with D/Ds; £5.2 millions spent on learning and development in D/Ds (8.2% of HSE's GAE budget, equating to over 1.2K per capita annually); one of the key objectives of the negotiated pay agreement is to retain competent staff across HSE; HSE is subject to external standards on IiP and, therefore, aims to continually review its learning and development systems.</p>
What mechanisms provide assurance that they are operating effectively?	<p>Contract management team manage the central training contracts of around £2.2 millions; regular contact between the HR community in D/Ds and Personnel Division, monthly report on recruitment and budget issues scrutinised by the HSE Board.</p>
Do any new measures need to be added? (specify)	<p>Continue to implement planned learning and development strategy across the organisation and to evaluate its effectiveness and the effect on performance; continue to work with D/Ds to improve their recruitment planning capability (e.g. Work in partnership with PEFD, OMF on improved planning processes).</p>
If new measures are to be added when will they be in place?	<p>Work is ongoing.</p>

Risk: Recruitment Failures

<p>A: Recruitment shortfalls due to external factors B: Ineffective recruitment processes/procedures C: Insufficient resources D: Inaccurate prediction or specification of needs</p>	
<p>Probability of Risk</p>	<p>A: variable (generally low e.g. For Band 4 trainee inspectors, Band 6 Bootle new recruits but high especially in some specialist areas) B: low C: low D: medium</p>
<p>Increasing or Decreasing</p>	<p>A: there are certain posts where no difficulty is anticipated in recruitment - see above. HSE traditionally attracts large numbers of good quality applicants. However, there are typically some specialist posts where HSE has experienced difficulties over the last 2 - 3 years in attracting applicants at all or in attracting the right quality of applicant. For these posts, the risk of recruitment shortfalls is likely to remain high. At the moment this includes a number of nuclear specialist posts, Wells engineers, Railway signallers and rolling stock engineers. B: risk likely to remain low as processes and procedures are being continually updated and streamlined. C: Although this is currently a low risk this is likely to rise and may become high risk if CSR cuts have to be made in the recruitment team and recruitment levels remain high (as seems to be indicated at least for the next couple of years). D: Currently there is no sign that the probability of this risk will decrease.</p>
<p>Effect\consequence of risk</p>	<p>A: HSE unable to meet its targets due to inability to fill key posts; some work may have to be dropped or rescheduled; implications for agreement of starting pay on appointment due to continuing pressure from D/Ds to increase starting pay but this can affect equal pay issues. B: damage to credibility of HR function, both in PD and D/Ds, escalating recruitment costs but with poor record of filling posts. C: Unable to meet HSE demand to fill key posts leading to difficulties in meeting work plans in D/Ds. D: wasted resources in advertising and recruitment costs and Personnel Division (PD) staff costs for failed or withdrawn campaigns; inaccurate predictions cause loss of confidence in general public if HSE fails to recruit promised numbers and applicants may never apply for our posts again; effort spent on a wasted recruitment campaign diverts resource from other potentially more urgent work.</p>

<p>What control measures are in place?</p>	<p>Annual recruitment programme negotiated with D/Ds and continually updated; continuous improvement measures included in the annual Personnel Programme which is reviewed at mid and end year; monthly reporting of recruitment issues to HSE Board; London recruitment strategy drafted and will be negotiated with TU side; PD and PEFD starting to work together in partnership to review the recruitment plans of D/Ds against the current budget situation.</p>
<p>What mechanisms provide assurance that they are operating effectively?</p>	<p>Recruitment issues are regularly discussed with the HSE Board and any additional measures thought necessary are put in place (e.g. The introduction earlier this year of a specific London recruitment strategy).</p> <p>Budget holders are required to plan delivery of targets and resource outturn within their allocated budgets, those plans form a forecast monthly profile for the financial year. In previous years the recruitment plans of D/Ds were not checked against this profile. With the partnership arrangement now working between PEFD and PD, D/Ds are now being held to account more strictly and are beginning to work towards more accurate forecasting and more controlled risk taking in recruitment terms.</p> <p>Personnel Division produces a twice yearly Personnel Digest including a wide range of management information about HSE's workforce. This statistical data is used both centrally and in D/Ds to plan in both the short and longer term for recruitment needs (e.g. Taking account of retirements, turnover rates etc.).</p> <p>Personnel Division also monitors the success (or otherwise) of every recruitment campaign and maintains contact with D/Ds to monitor changes in the business demands which might affect recruitment. From time to time PD provides information to the HSE Board to consider the impact of workforce information statistics and takes appropriate action as a result.</p>
<p>Do any new measures need to be added? (specify)</p>	<p>The monthly forecasting process is being reviewed between PEFD and PD with a view to incorporating a much more strategic view of the realistic staffing and post filling position across HSE and the consequent impact on income generation, resource outturn and outputs.</p>
<p>If new measures are to be added when will they be in place?</p>	<p>Changes have already started with a more coherent approach between PEFD and PD in discussions with HID and FOD. This approach will be extended to discussions with all D/Ds by the end of the financial year.</p>

Risk: Poor Morale Leading to Loss of Commitment

<p>A: Loss of confidence in critical HR systems (pay, post filling) B: Loss of confidence/opposition to corporate actions (e.g. HSE Change Programme) C: Loss of confidence in line management or other local factors D: Adverse climate for industrial relations</p>	
<p>Probability of Risk</p>	<p>A: medium B: medium C: low D: low</p>
<p>Increasing or Decreasing</p>	<p>A: likely to remain at this level and may increase depending upon the pay deal agreed this year. B: likely to remain at this level, may increase depending upon the impact of the HSE change programme. C: likely to remain low, risk may increase in restricted locations where management problems exist. D: will increase if adverse decision made against HSE in recent Equal Pay case at Tribunal and is likely to increase in any case due to the more confrontational approach being adopted in recent times by the main Trade Unions.</p>
<p>Effect/consequence of risk</p>	<p>Any sustained loss of morale is likely to lead to staff retention problems, increased pressure to recruit and a knock on effect on HSE's ability to meet its targets; HSE's senior managers may lose credibility if the change programme is not implemented successfully and may consequently lose commitment from the lower bands.</p>
<p>What control measures are in place?</p>	<p>A negotiated Personnel Programme for 02/03 agreed with the HR community and TU side which supports the HSE Management Plan; a communications strategy in place for the HSE Change Management project; quarterly meetings between Personnel Division and the HR community which give the opportunity to discuss morale/retention problems; regular (local and national) Whitley meetings between management side and TU side.</p>
<p>What mechanisms provide assurance that they are operating effectively?</p>	<p>Feedback via the Staff Survey; biannual survey of personnel services to collect feedback from HSE staff; the Change Management Team have encouraged D/Ds to hold communications sessions with HSE staff and to provide feedback on the progress of the programme to the team.</p>

<p>Do any new measures need to be added? (specify)</p>	<p>If further CSR led cuts are needed across PD this is likely to lead to a severe cutback of some services HSE staff have previously enjoyed (e.g. the potential loss of the Personnel Helpline which answers 20,000 calls annually would be a severe blow). These enquiries would need to be managed somehow, although the resources would not be available in PD. Some D/Ds need to take positive action to reassure TU side that they value consultation and involvement when they are developing or proposing new systems/ procedures affecting staff.</p>
<p>If new measures are to be added when will they be in place?</p>	<p>To be discussed.</p>

Risk: Loss/Disruption Arising From Adverse Equal Pay Judgements

<p>A: Unmanageable financial implications B: Loss of trust between HSE and staff C: Loss of management control over pay and performance management D: Administration of caseload overwhelms Personnel (pay policy) staff</p>	
Probability of Risk	<p>A: high B: low C: low D: medium</p>
Increasing or Decreasing	<p>A - D: very likely to increase to high if the decision in the recent Equal Pay Tribunal goes against HSE and in favour of the applicant. TU side will undoubtedly take forward substantial numbers of additional cases if the decision goes against HSE.</p>
Effect/consequence of risk	<p>Pressure from TU side to make significant increases in pay award to staff, not just for this financial year but on continuing basis. Unlikely to be able to meet demands from within current HSE resources without cutting posts/recruitment (and this would certainly lead to loss of capacity), needing to approach Treasury with business case for substantial additional money. Serious threat of additional Equal Pay cases - this may be in the order of over 200 cases pending. HSE unlikely to be able to meet costs of fighting cases or deal with impact on pay system from within own resources, Personnel Division would be quickly overwhelmed by even 2 or 3 additional cases.</p>
What control measures are in place?	<p>It is not possible to put control measures in place to deal with the consequences of the loss of the Equal pay case (and any subsequent cases). However, control measures have been put in place to improve HSE's situation for the future. Equal Pay Audit carried out in 2001, Premium Pay review in place, strong relationship established with expert law firm.</p>
What mechanisms provide assurance that they are operating effectively?	<p>Communications strategy for PD to inform HSE staff of changes to pay arrangements, including issue of guidance following conclusion of annual pay negotiations; meetings with D/D staff to explain HSE pay arrangements; ongoing casework on pay issues provides feedback on effectiveness of pay systems; information is available via the Staff Survey and the Survey of Personnel Services.</p>
Do any new measures need to be added? (specify)	<p>This will need to be reviewed once the decision on the Equal Pay case is released.</p>
If new measures are to be added when will they be in place?	<p>Plan to be devised following receipt of decision on Equal Pay case.</p>