



Baroness Neville-Rolfe  
Minister of State  
Cabinet Office  
70 Whitehall  
London  
SW1A 2AS  
(via email)

13 March 2024

Dear Minister,

### **HSE pay flexibility business case**

I am writing on behalf of Prospect members who work in the Health and Safety Executive (HSE). For over four years, management in HSE have committed to the submission of a pay flexibility business case to address the lack of pay progression within the pay system for delegated grades.

Progress over that period has been frustratingly slow, with a proposed business case withdrawn at the last moment in the 22/23 pay round due to management concerns about delays in the clearance process. We were therefore pleased that management agreed to submit a business case for the pay years 23/24 and 24/25 during our discussions in 2023.

Our understanding is that the business case was predicated on investing in staff capability and rewarding and recognising the acquisition of knowledge, skills and experience, reflecting the system successfully introduced in the Office for Nuclear Regulation.

The HSE pay flexibility business case was submitted to the Department for Work and Pensions on 15 August 2023 and having received clearance was submitted to the Treasury and Cabinet Office on 20 September 2023. Since that time both Prospect and the employer have been pressing for regular updates on progress.

We were informed on 11 March 2024 that the business case had failed to gain your ministerial support and in effect had been rejected. The reason we have been given for this is that it was not “linked directly to individual performance”. We believe this to be a fundamental misreading of the Cabinet Office Pay Remit Guidance. The Pay Remit Guidance makes no reference to the linking of “individual performance” to capability-based pay frameworks. Indeed, the only references to linking pay to individual performance relate to the use of non-consolidated bonus pots.

Linking pay to developing capability in grade and rewarding performance through the payment of non-consolidated awards are two very different things. Rewarding capability in grade by recognising the acquisition of knowledge, skills and experience drives both productivity and service delivery. It also supports the Government’s agenda of encouraging deep subject matter expertise in the Civil Service. This is very different from how an individual is perceived to have performed in a particular year, which is already recognised in the Pay Remit Guidance through the use of non-consolidated pay pots.

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Both HSE management and the unions recognise that the lack of pay progression within the HSE pay system is a fundamental flaw which needs to be urgently addressed. Prospect is seeking an urgent meeting with you to ask that you reconsider your decision.

The anger amongst members and staff should not be underestimated. HSE recently came 85<sup>th</sup> out of 108 organisations in the Civil Service People Survey with regard to staff satisfaction on pay and benefits. Less than a fifth of staff believed that their pay was reasonable compared to people doing similar jobs in other organisations. Most worryingly, a quarter of staff indicate that they want to leave their jobs either immediately or in the next year, with the key contributory reason being pay.

To have the pay flexibility business case turned down – more than seven months after its submission – on what appears to be either political whim or a misreading of the Pay Remit Guidance is galling to all who have worked so hard to improve the pay arrangements in HSE and is infuriating for staff. The whole process makes a mockery of the notion of pay delegation. It is imperative that we meet at the earliest opportunity and seek to repair the damage that has been done.

I look forward to hearing from you. I will be sharing this letter with our members.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'G. Graham', written in a cursive style.

**Garry Graham**

Deputy General Secretary