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## HEALTH AND SAFETY COMMISSION

### HSC/E Workers' Safety Adviser Challenge Fund : Progress report and approval of the supporting arrangements

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Cleared by Jane Willis, Co-Director, Policy Group on 22 April 2004

#### Issue

1. To note the progress in taking forward the arrangements in support of the HSC/E Workers' Safety Adviser Challenge Fund and to formally approve these arrangements.

#### Timing

2. Urgent. The closing date for bids from partners for awards from the Challenge Fund was 7 May 2004. The current plan is for those bids to be assessed in May with the announcement of successful bidders planned for 9 June 2004 with funding commencing on 1 July 2004.

#### Recommendation

3. The Commission is asked to :

(a) note the progress made since the announcement concerning the creation of the WSA Challenge Fund by Andrew Smith, the Secretary of State for Work and Pensions in October 2003;

(b) formally approve the arrangements in support of the WSA Challenge Fund as set out in **Annex A** – “The WSA Challenge Fund - The Roles and Responsibilities of the HSC, the HSE, the WSA Challenge Fund Management Board and WSA Challenge Fund Manager”; **Annex B** - “The WSA Challenge Fund – Information Pack”; and **Annex C** – “WSA Challenge Fund – Forward look, April – September 2004”.

#### Background

4. Andrew Smith, Secretary of State for Work and Pensions, announced the creation of the WSA Challenge Fund in October 2003. Funds of £3m (£1m in 2004/5; £1m in 2005/6; £1m in 2006/7) were granted to HSC/E to take forward the WSA Challenge Fund. The Government's decision to create the Challenge Fund was influenced to a large extent by the results of the evaluation of the HSC's Workers' Safety Adviser Pilot the report of which was presented to Ministers in September 2003. The Pilot evaluation report highlighted the improvements that the WSAs helped to bring about in participating workplaces:

- Nearly 73% of employers said awareness had increased on health and safety matters and a third of employers stated that communications had improved;
- Over 75% of employers said they had made changes to their approach to health and safety as a result of the pilot with those changes taking place in; and
- Nearly 70% of workers observed an increase in the amount of discussion on health and safety.

5. Announcing the formal launch of the WSA Challenge Fund on 31 March 2004 Bill Callaghan, HSC Chair, said the scheme would provide funding for Workers' Safety Advisers (WSAs) to help workers in SMEs and their employers identify and manage risks to occupational health and safety together. While the evidence is overwhelming of the benefit worker involvement contributes to improving health and safety it remains a major concern that six out of ten workplaces have no arrangements for worker involvement in place. The Chair welcomed the opportunities that the WSA Challenge Fund would provide. The £3m would be used to fund awards that would inspire social partners to collaborate on projects that would encourage workers and their employers to work together to drive improvements in managing health and safety. The focus of the Challenge Fund would be small firms and organisations that lacked such arrangements.

## Argument

6. There are three key streams of work currently being taken forward by HSE all of which are critical to the success of the WSA Challenge Fund:

*(a) The roles and responsibilities of the HSC, HSE, the WSA Challenge Fund Management Board and Challenge Fund Manager (Annex A)*

7. This document sets out the roles and responsibilities of the various parties. HSC/E remains responsible and accountable to Ministers for the operation of the WSA Challenge Fund and HSE will provide the Commission with regular reports on the operation of the Challenge Fund and the progress of funded projects.

8. HSE will secure the services of an external organisation to manage and administer the Challenge Fund (the "Challenge Fund Manager"). The Challenge Fund Manager's responsibilities will include:

- assessing bids against the criteria laid down in the "Information Pack" and making recommendations to the Challenge Fund Management Board (the "Management Board")– see **Annex B**;

- administering awards from the Challenge Fund, the financial management of the Challenge Fund including accounting to HSC/E for expenditure and auditing projects in receipt of awards; and
- monitoring progress and providing HSC/E and the Management Board with regular progress and financial management reports.

HSE is planning for the Challenge Fund Manager to take up the role and responsibilities in early July 2004 (see **Annex C** – Forward look”). Interim arrangements have been put in place for administering and managing the Challenge Fund for the critical period prior to the appointment of the Challenge Fund Manager. Project expenditure will be subject to audit by the Challenge Fund Manager and HSE to ensure monies expended are proper and in line with project objectives and the conditions attaching to the award.

9. The Challenge Fund Management Board will have a membership that mirrors key social partners including members drawn from employers’ organisations, trade unions and academic and professional bodies with health and safety interests. The Chair and seven members will be drawn from outside of HSC/E. The role of the Management Board will be to consider the assessments and recommendations of the Challenge Fund Manager and to accept and reject applications for awards, subject to HSE approval. The Management Board will receive quarterly reports from the Challenge Fund Manager on progress of the funded projects and will have the role of helping to ensure that expenditure by the project partners accords with Challenge Fund objectives.

10. We will look to the Management Board to identify strong examples of WSA involvement leading to increased worker involvement and improved health and safety. Professor Stephen Wood, Chair, Institute of the Psychology of Work, University of Sheffield, has been appointed by HSE to chair the Management Board. Professor Wood is a leading expert on worker involvement and partnership. He will be assisted by seven members. The five individuals named in **Annex D** have indicated their willingness to join the Management Board and have now been formally invited to serve as members – we plan to report at the Commission meeting on progress on remaining appointments to the Management Board.

**The Commission is asked to approve the arrangements detailed in paras. 7 – 10 and Annex A.**

*(b) Invitations to social partners to bid for awards from the WSA Challenge Fund*

11. The WSA Challenge Fund was formally launched on 31 March this year and was accompanied by a HSC Press Release – see **Annex E** (CO13:04). £1m of funds are available for the first year. At that time organisations were invited to come forward with bids for awards from the Challenge Fund. Information on the WSA Challenge Fund (see **Annex B**) together with details of how to apply for funding was posted to the HSE web site that day. The criteria used for assessing applications is set out in the Information Pack (see page 9 of Annex B) including other information on who is eligible to apply for an award and the role and responsibilities of the WSA. We are in the process of developing systems for handling appeals from unsuccessful applicants.

12. The Information Pack and Application form are the key documents for partners/organisations who are keen to find out more about the Challenge Fund and/or wish to bid. The closing date for bids is 7 May 2004. We will report to the Commission at

the meeting on the number of bids received. An event has been organised for 9 June 2004 to be hosted by the HSC Chair and DWP Ministers at which the successful applicants for Challenge Fund awards will be announced. HSC members are welcome to attend. Funding for successful applicants will commence on 1 July.

**The Commission is asked to approve the arrangements detailed in paras. 11 and 12 and Annex B.**

*(c) Arrangements for evaluating the effectiveness of the WSA Challenge Fund*

12. HSE is currently putting arrangements in place for the evaluation of the effectiveness of the WSA Challenge Fund and in particular the impact of the WSAs on health and safety performance through increased worker involvement. It is considered essential to make an assessment of existing worker involvement arrangements, and of the arrangements for managing health and safety, at the outset of the life of the Challenge Fund. We plan to commence a representative baseline survey of workers and their employers in August. Baseline survey findings will be reported to the Commission at the earliest available opportunity.

**The Commission is asked to note the developing evaluation arrangements**

**Consultation**

13. HSE has had extensive discussions with a range of stakeholders over the course of the last four months on the developing proposals and arrangements including on the contents of the information pack. Workshops were held in December 2003 and January 2004, which were attended by a number of employers organisations, trade unions, representative and health and safety bodies. Those discussions helped guide HSE in its work of making sure that the various documents were comprehensible and practical. PEFD and Solicitors have been consulted and have provided advice on the Challenge Fund proposals.

**Presentation**

14. There has been media and local, national and trade press interest in the Challenge Fund. The award winners event planned for 9 June 2004, which is to be attended by the Chair and Ministers, may well attract press interest. There will be an accompanying HSC/E Press release. All of the information on the WSA Challenge Fund has been made available via the HSE web site – and hard copies provided to those enquirers without access to the Web. Briefing material for HSC/E speakers has also been prepared.

**Costs and Benefits**

15. We will be assessing cost and benefits of the WSA approach as part of the evaluation exercise.

**Financial/Resource Implications for HSE**

16. DWP will be transferring £1m funds to HSC/E for the period 2004/5 through the mechanism of the Winter Supplementary Estimate. All the major costs associated with the WSA Challenge Fund, including the management and administration of the Challenge Fund, the awards and the work of the Management Board will be met from the funds made available by Ministers. There will however be budgetary implications associated with new demands on existing resources, for example, on press and publicity and legal advice, that will fall outside of the £1m of programme monies made available. HSE's work in developing the proposals has been met from existing resources allocated to the development of the HSC/E's measures to promote greater worker involvement and consultation on health and safety. DIAS and Policy Group budget holders have been made aware of potential additional calls on existing resources – we estimate these resources to be in the region of £20k. PEFD's advice has been sought concerning the financial arrangements needed to underpin the Challenge Fund.

### **Environmental Implications**

17. None

### **Other Implications**

18. None

### **Action**

19. The Commission is asked to agree the recommendations set out at para. 3 above.