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HEALTH AND SAFETY COMMISSION

SMALL FIRMS ALLOWANCE SCHEME

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Issue

1. To advise the Commission on the evaluation of the pilot Small Firms Grant Scheme.

Timing

2. Routine

Recommendation

3. That the HSC note the overall recommendation was that HSE should NOT move forward with a national grant scheme directed to small businesses until it can target the scheme more effectively.

Background

4. Action Point 26 of the RHS strategy stated "The Health and Safety Commission will advise Ministers on the design of a grant scheme to encourage investment by small firms in better health and safety management".
5. HSE recognised that a good deal of uncertainty remained over the optimum design of any grant scheme directed to small firms and that it had little experience of providing direct support to SMEs. HSE also felt unable to set sensible targets for the sorts of improvements a scheme would make, as little baseline data existed. In light of these uncertainties, HSE elected to 'pilot' a grant scheme in order to overcome some of these information gaps. Reference previous paper: HSC/01/104

6. The pilot Small Firms Allowance Scheme (SFAS) was launched by HSE in August 2002 and completed its activities in December 2003. The aim of the pilot was to test the feasibility and optimal design of a grant scheme aimed at helping small businesses improve their management of health and safety.
7. The scheme was piloted in three Business Link Operator (BLO) regions (Devon & Cornwall, Essex and West Yorkshire). SFAS provided a financial subsidy towards the costs of one-to-one mentoring support and training to micro firms up to £1000 per firm. Trained H&S practitioners delivered the services under the direct management of the BLOs, with overall coordination carried out by HSE with support from the DTI's Small Business Service.

Argument

Successes

8. The SFAS pilot served its main purpose and successfully generated a huge amount of information and insight on how to go about managing the delivery of H&S support to small businesses, and on the costs and benefits involved
9. The pilot has demonstrated that demand exists among the small business community for the forms of support offered, and that it is possible to successfully deliver H&S mentoring and training to small firms using a distributed network of Business Link Operators and H&S consultants.
10. On completion of its activities over 1,100 micro firms had undertaken mentoring and training in health and safety under the pilot. Satisfaction levels among participating firms were extremely high, with over 90% assigning a positive or very positive rating to the scheme overall.

Drawbacks

11. The 'unit cost' to HSE of delivering SFAS services averaged £1,000 per participant. The management effort required to deliver this service was significant, representing roughly one-third of HSE spend on the pilot.
12. Although the scheme was successful in delivering improved understanding of H&S among participants, it is unclear whether or not the support enabled firms to comply fully with H&S legislation. The pilot has shown that, when operated on an 'untargeted' basis, the scheme will tend to attract firms that are already good H&S performers.

Conclusions of the Evaluation

13. The evaluation concluded that the scheme would achieve its core objective of reducing the incidence of work-related ill health and accidents in participating small firms. However, the impacts in this respect will not be significant and may well be negligible due to:
 - the fact that many of the participants were already 'good performers'
 - the relatively low levels of 'additional value' associated with the type of support provided by the scheme.

- It concluded that a grant scheme such as SFAS would be unlikely to have a significant impact on Revitalising Health and Safety targets.
14. Additionally HSE should also seek to establish what forms of support would be most effective at encouraging otherwise disinterested firms to improve matters. The evaluation concluded that only then would HSE have a solid rationale for action and a reliable basis for determining appropriate solutions.
 15. It also made specific recommendations relating to planning, scheme design, support framework, monitoring, evaluation and marketing were HSE to decide to move forward with a national scheme in future. Key issues were the selection of H&S practitioners to be employed on the scheme and a quality control mechanism to ensure that support delivered matched the scheme's objectives. The evaluation was made available to the team launching Worker Safety Advisory Fund.

Action

16. The evaluation recommended that HSE should research which small firms (in terms of size and sector) experience the highest levels of accidents and ill health and why some firms are failing to adequately address H&S issues. However it is the view of Policy Branch (in conjunction with Operational Policy) that HSE already has a great deal of information on the issues which the evaluation suggested should be researched further. We believe that our emphasis should be on eliciting that information from Sectors (and others such as our LA partners) and concentrating on its co-ordination and dissemination.