

Health and Safety Executive Board		HSE/11/22	
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Update on Leadership in Health and Safety

Purpose of the paper

1. The purpose of the paper is;
 - to provide an update to the Board on an independent evaluation of measures taken to strengthen directors' leadership of health and safety;
 - to provide an update on the broad and diverse range of work undertaken to promote leadership; and
 - seek the Board's approval for proposed method to continue to promote this strategic theme. (Further detail can be found at para 10)

Background

2. There has been longstanding support for the need to promote effective director leadership for health and safety.
3. In 2006 the Chair of the then Commission concluded that whilst there was a need for improved guidance, they should not consider further legislation until the impact of various changes then in development were better understood (i.e. on corporate manslaughter, alternative penalties and company law reform). In June 2007 the IoD and HSE launched their joint guidance, developed by a stakeholder group, *Leading Health and Safety at Work* INDG417. In September 2007, the Board agreed the arrangements for an independent evaluation of the measures taken to strengthen director leadership of health and safety. In November 2008 they received an update on the first evaluation of the guidance and agreed that, while it was important to have a clear evidence base on the effectiveness of the guidance and wider developments such as corporate manslaughter, it would be unreasonable to expect the evaluation to provide answers on whether a legislative rather than a voluntary approach is needed. In 2009 a follow up survey was undertaken. Employee representatives (including the TUC) have argued for legislation that would impose positive duties on directors.
4. The evaluation has been carried out by an independent group of stakeholders chaired by HSE's chief scientist Patrick MacDonald. The terms of reference for the group and the membership are included in their report. Their final report was published in June 2010 <http://www.hse.gov.uk/leadership/steering-group-report.pdf>
5. The Board received a paper (HSE/10/28) in February 10 to update them on the delivery of the leadership aspects of the Strategy.

Argument

6. In sum, the evidence reviewed by the Steering Group overseeing an independent evaluation of measures taken to strengthen director leadership of health and safety suggests that:
 - “the numbers of organisations in which directors were aware of the guidance, had read it and subsequently taken action were significantly higher in autumn 2009 than in autumn 2008
 - the transition from awareness to readership and subsequent action was broadly the same in the two surveys. For example, in the baseline study, about 1 in 4 directors were aware of the guidance. About half of the directors who were aware of the guidance read all or parts of it. Again about half (48%) took some action after reading (some or all of) the document. This means that in the baseline study about 6% of all directors said they had taken some action after reading the guidance. It is not possible to ascertain a causal relationship between reading the guidance and taking action
 - given that the interval between the two surveys coincided with publicity and media coverage of other issues relevant to director responsibilities for health and safety, it is not possible to link any of the changes observed to the issuing of the guidance specifically.”
7. In response to a Parliamentary Question from Anne Begg (Aberdeen South) on 01/12/10 Minister Grayling stated; “The Government are committed to addressing the heavy toll of deaths in the construction industry which was highlighted in Baroness Donaghy's report. We will therefore progress those of the Donaghy recommendations accepted by the previous Administration which we consider are supported by the available evidence ... “Where, however, we lack firm evidence for particular recommendations - for example, that directors' health and safety duties need to be further strengthened - we do not propose to take further action at this time.”
8. Current legislation (Health and Safety at Work etc. Act 1974 Section 37) allows prosecution of directors and other senior managers of corporate bodies who have been personally culpable in a health and safety offence committed by that body. In the five years between 2005/6 and 2009/10 HSE took 73 successful prosecutions against individuals under Section 37 (27 of these cases were taken within the operational year 2009/10).
9. The following provides an update to the February 2010 Board paper (HSE/10/28) and summarises work undertaken during 2010/11 to continue influencing behaviour in this area. Further details can be found in Annex 1.
 - New inspection guidance *Managing for health and safety: Guidance for regulatory staff* has been issued to staff to aid the assessment of health and safety management. This guidance includes advice to regulators on the leadership and management of health & safety. This guidance has been issued to HSE staff and LA officers with training events planned shortly.

- Leadership issues are progressed during FOD's proactive and reactive work. Leadership is being promoted with large organisations in manufacturing (e.g. Nissan, Tata Steel, BAE, Sellafeld Ltd, Enterprise Managed services Ltd , European Metals Recycling Ltd); service sector (Newcastle Airport, LPG suppliers), public sector (Fire and Rescue Services, ACPO, Prison Service, Local Authorities and NHS Trusts see NHS Wales case in Annex 1.1) and construction who are refreshing a strategic framework for taking forward work with major projects and large dutyholders. FOD has delivered seminars and workshops with key audiences and continues to include leadership as one of the core agenda issues in its strategy for the London 2012 Games (see Annex 1.2).
- HSE has worked with sectors to develop approaches in specific industries. These include;
 - working with the food manufacturing sector through a health and safety forum (see Annex 1.3);
 - work with Local Authorities as clients, procurers and commissioners of services to set appropriate standards (see waste and recycling case in Annex 1.4);
 - delivering seminars, conferences and workshops (see ports industry initiative in Annex 1.5);
 - EEF have developed a "balanced scorecard" of leading and lagging indicators to monitor management performance in health and safety which they initially developed with their members, but have now made freely available in the open area of their website for anyone to use;
 - the Emerging Energy Technologies strategy which highlights the importance of industry leaders raising the profile of health and safety, developing high standards of technical excellence, implementing good operational practice and exerting influence over the supply chain.
- In addition to regular interactions between ND and new and existing licensee senior management, ND has developed a greater understanding of underlying contributing factors to major event (including leadership) and training inspectors to help identify these factors during inspections.
- Securing high standards of leadership features prominently within the suite of major hazard sector strategies. The strategic objectives are being delivered by:
 - testing, via intervention programmes, adherence to the principles of process safety leadership developed by the Process Safety Leadership Group,
 - industry promoting best practice in process safety leadership and management, including benchmarking programmes,
 - ensuring higher standards of process safety competence,
 - the development of a Process Safety Climate Tool (PSCT) to enable companies to benchmark their results against others in the process safety sector.
- Lord Young has recommended an enhanced role for HSE in the primary authority scheme. This is an area in which HSE could look to help local authority partners to further develop their approaches. Local authorities

as regulators have been promoting leadership through events encouraging commitment from large organisations to health and safety; proportionate use of consultants and working in partnership with other regulators (see Annex 1.6). In addition SMEs have been assessed on the management of health and safety.

- Other areas: HSE have been working with key stakeholders to encourage leadership from trade bodies and professional bodies in areas such as lung disease (CCID), leadership in construction at the Olympic site (CD and CCID).

Proposed Approach

10. Further regulation in this area will not be pursued on the basis of the current evidence. The key focus of activity will be to;
 - continue the delivery of leadership through sectors and the continued commitment from inspectorates to address leadership during inspections. HSE will continue to work with trade associations, trade unions and other stakeholders and build on the work undertaken in process safety, construction, manufacturing, ports and the public sectors.
 - building on the evaluation, HSE plans to help large organisations measure health and safety performance, undertake benchmarking and set meaningful targets through case studies developed with employer representative bodies. HSE will also continue to run and promote the benchmarking tool CHaSPI.
 - develop plans for the continued delivery of the worker involvement “do your bit” initiative, which is anticipated to improve leadership at local management and supervisory level and greater engagement with the workforce.

Action

11. The Board is asked to:
 - note the outcome of the independent evaluation;
 - note the broad and diverse work being undertaken by HSE and LAs to improve leadership; and
 - endorse the proposed approach to continue to promote leadership.

Paper clearance

12. Cleared by Jane Willis on 24th February 2011 and SMT on 2nd March 2011.

Annex 1 Examples of activity undertaken to encourage strong leadership in health and safety.

Annex 1.1 – Leadership in NHS Wales

FOD Wales Services Operational Team have been working with NHS Wales (Welsh Assembly Government) to develop a strategic approach to leadership across the whole of the NHS in Wales. The intervention aims to develop informative key performance indicators (KPIs) to allow effective monitoring of health and safety performance, developing methods to identify priority areas for improvements and accountability structures to drive improvements in health and safety across all business areas (e.g. estates etc). It is intended that these activities will be followed up by a proportionate, targeted inspection plan to ensure the activity is translating to the health and safety performance of all the Health Boards in Wales. The work has resulted in the development of the first health and safety key performance indicators for the NHS in Wales. These performance indicators have been set out in the NHS Annual Operating Framework (AOF) which means their delivery will be overseen by NHS Wales at CEO level. The performance indicators for 2011/12 include the development of a risk based prioritised health and safety action plan and the provision of health and safety training to all CEOs and Board members. The health and safety KPIs will now form a regular part of the annual AOF for the NHS in Wales and it is has been agreed that FOD operations will work with NHS Wales in future to ensure that going forward these KPIs become more targeted towards health and safety management, leadership and performance improvement.

Annex 1.2 - Leadership at the London 2012 Games

HSE inspectors have continued to seek evidence from ODA, their Delivery partner and their Tier 1 contractors about how they are promoting a positive culture for health and safety during the Big Build by setting high standards, reviewing performance and encouraging the work of the Safety Health and Environment Leadership Teams. HSE London 2012 Games team has also been working with London Organising Committee for the Olympic Games (LOCOG) on leadership, including it as part of the core agenda in the Intervention Strategy. All contractors working at the Olympic Park have been using the Process Safety Climate Tool (PSCT) on a mandatory basis. Also a research project is ongoing to explore leadership and worker involvement with regard to health and safety on the Olympic Park. The project forms part of a wider programme of research looking at various aspects of health and safety across the London 2012 Games and contributes to the learning legacy and sharing of good practice across the construction industry.

Annex 1.3 – Leadership in the manufacturing sector

By working with key trade bodies HSE have identified examples effective risk control and encouraged trade bodies to share their experience and knowledge with others, through a cross-manufacturing forum known as The Revitalising Network.

Additionally the manufacturing sector has worked with specific industries. For example the Food Manufacture H&S Forum represents all the main food/drink trade associations and trade unions. This Forum has overseen an injury-reduction strategy which has resulted in a 50% injury incidence reduction across this large industry sector. A similar approach for the plastics industries has resulted in a strategic health and safety delivery partnership (employers' organisations, employers, trade unions, HSE, equipment manufacturers and training organisations) dealing in the manufacture of plastics products

Annex 1.4 – Leadership in Local Authorities

Leadership from Local Authorities in their role as client for waste and recycling services has been used to exert influence through the supply chain by ensuring contractors (including delivery by their own in-house teams) have effective health and safety systems in place.

To encourage local authorities who are not fully aware of their legal responsibilities as clients for waste services – whether service delivery is conducted in-house or contracted out new guidance for local authorities in their role as clients when procuring and managing waste services was issued. This was supported by a series of 8 events aimed at local authorities across England, Scotland and Wales. The events were supported by key partners such as Environmental Services Association (ESA), Local Government Employers Organisation (LGA/LGE) (as well as Welsh and Scottish equivalents) and individual local authorities and contractors who proved an insight into their own experiences. The events provided local authorities with an overview of the problems, demonstrated the reasonably practicable steps they can take, provided an opportunity to speak to contractors and HSE staff, as well as share experience with other local authorities. To increase awareness and take up of the guidance by local authorities delivery of further talks by Sector and FOD inspectors locally has continued into 2010/11 and HSE (supported by Sandy Blair) had a stand at RWM exhibition at Birmingham which focussed on local authorities as clients.

To assess how well the guidance is being embedded within local authorities, a three year targeted proactive inspection by FOD teams commenced in October 2010.

Annex 1.5 – Leadership in the ports and shipping sector

Transportation Section has continued to work with the ports industry through Port Skills and Safety and the Ports & Shipping Partnership. Engagement with senior ports representatives culminated with a Ports Conference for 200 delegates hosted by HSE in Liverpool in January 2011 with presentations from several ports CEOs, the CEO of Skills for Logistics, CEO of Maritime and Coastguard Agency, DfT Ports Policy representative, TUs and Freight Transport Association. The conference was preceded by a top level meeting between HSE and CEOs of 13 of the UKs major ports and port groups. The ports have given their commitment to continuing efforts to improve health and safety in ports and to engage with HSE on the emerging risks from new technology such as off-shore wind farms.

Annex 1.6 - Delivering leadership through partnership with other regulators

In North West Leicestershire a business engagement partnership has been established to improve the way in which regulators engage with local businesses. Organisations represented on the partnership include: North West Leicestershire DC, Leicestershire County Council, Leicestershire Fire and Rescue Service, Leicestershire Police, Business Link, Federation of Small Businesses and Leicestershire Chamber of Commerce. HSE and HM Revenue and Customs also have links to the partnership and the Local Better Regulation Office (LBRO) have been supportive of the work undertaken.

Annex 1.7 – Process Safety Leadership in Major Hazard

The underlying causes of recent catastrophic incidents such as Buncefield, BP Texas City and Deepwater Horizon has highlighted that at the core of managing a major hazard business should be clear and positive process safety leadership with

board-level involvement and competence to ensure that major hazard risks are being properly managed.

HID has worked with groups such as the Process Safety Leadership Group, PSLG, and the Process Safety Forum to establish and secure industry sign-up to a clear set of principles for process safety management. Additionally, the standard and quality of process safety leadership and the adoption of key process safety indicators is examined as part of routine inspection within specific sectors of major hazard industries. This has prompted trade associations such as the Chemicals Industries Association to publish 'best practice' guidelines for process safety leadership.

Additionally, HID has prompted the establishment of a cross industry group to develop clear leadership and process safety management competency standards for the on-shore major hazard sector. This will incorporate competency standards and training provision on process safety leadership for CEOs, Directors and senior managers.

HID has recently commenced work to jointly lead on a communiqué from the Organisation for Economic Co-Operation and Development, OECD, calling for worldwide high standards of process safety leadership within chemical manufacturing and petrochemical industries.