

Health and Safety Executive Board		HSE/15/06	
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Estates Excellence – outline options for a future governance and business model

Purpose

1. To invite the Board to consider:
 - The partnership achievements of the Estates Excellence (EE) project to date in delivering free support and advice to SMEs;
 - Initial options for the future of EE, including the governance and business model and
 - Wider implications for future HSE partnership efforts based on the options and analysis set out in paragraphs 9-21.

Background

2. An important element of HSE's interventions is working with other partners to influence, educate and raise awareness in specific Sectors. This has been and will remain an important element of our plans. Taking its lead from the 2009 Strategy, FOD Southern Division developed the Estates Excellence programme in partnership with regional stakeholders. It started as a pilot in 2009 and the HSE Board agreed to roll out the programme nationally in 2012/13.
3. Where it has worked well, EE has been characterised by willing and extensive support from a wide range of stakeholders, including commercial companies and other organisations, such as the Fire Service and Local Authorities. Much of the delivery on the ground is provided free. HSE has acted primarily as a catalyst in challenging and encouraging others to become involved, provide resource and take ownership for driving forward improvements in health and safety standards in SMEs.
4. Feedback from partners has almost universally been positive, ranging from the provision of venues for training and other events, printing or other physical support or, crucially, the through releasing staff to be "Estate Excellence Visiting Officers" (anything up to 75% of EE Visiting Offers can be provided by our partners). Across a very broad spectrum, EE has been able to mobilise enthusiastic support¹ and is a good example of how HSE creates knowledge

¹ <http://www.hse.gov.uk/pubns/hse51.pdf>

and awareness of health and safety risks to encourage behaviour change as part of a wider menu of interventions.

5. Although EE draws extensively on lessons learnt from earlier efforts at partnership, it is primarily intended to provide free simple advice tailored to the needs of the SME community in a targeted area. It has developed its own toolkit of communication techniques, sophisticated training packages and IT, as well as more conventional face to face contacts between SMEs and representatives of the project. It generally sits apart from the enforcement agenda.
6. The Board has previously considered two papers: HSE/13/ 123 (an update of the national roll out and initial results) and HSE/13/77 (a more detailed evaluation of the year 1 national roll out).

Achievements

7. Estates Excellence has offered support to over 5000 businesses across the country and provided training for over 4000 people delivered primarily with HSE visiting officers and staff from other organisations. The year 1 (national roll out) evaluation found that around 7 out of 10 businesses who participated in an EE event took some action to reduce risk. These were often small changes, but with a positive impact on the business (see Annex 1). Training for a range of “Estates Excellence Visiting Officers” has provided an opportunity for some partnership organisations to improve both their competence base and consistency. Phone and face-to-face interviews found these results to be consistent with the full evaluation carried out in 2013.
8. EE continues to evolve and is providing intelligence on what support SMEs want and need, what strategies work, how small businesses access information and what influences their behaviour. We have refreshed our training material, developed new products and attracted new partners to support the programme. For those businesses (particularly the self employed and micro businesses) who say they do not need or want our support or attend our training, we are now signposting them to useful resources such as the HSE ‘ABC of health and safety’ web pages, the basic risk assessment template and the health and safety tool box.
9. Other recent and planned developments include:
 - Development and delivery of a “Hazard Alley” at the events, providing participants with practical examples of common hazards, the likely risks and the range of solutions and sensible controls;
 - Considering a re-brand of the EE promotion material in response to feedback from end users and partners;
 - Exploring the use of streaming or providing basic health and safety training sessions over the internet from the existing EE web pages – allowing business to access learning at a time convenient to them;

- Exploring the opportunities social media can play in promulgating health and safety messages and in promoting events we plan to run;
- Developing a partnership with the National Apprenticeship Scheme, who can influence those businesses that have taken on apprentices to participate in the Estates Excellence programme – recognising that the programme can provide young people with knowledge and information for their working life.

Argument

10. EE has faced challenges and business risks, and struggled at times to secure sufficient resources to have an impact in some locations. It has not expanded from the original model based on a specific industrial estate to tackle more dispersed customers, such as peripatetic SMEs. For 2014/15 EE has a budget from HSE of up to £20k, not including staffing, which is allocated mainly to advertising and other media spending. Partners contribute both staff and other resources, like suitable venues. If EE is to continue, develop and grow, the National Project Board (NPB) believes strongly that the programme needs to become more professional, with a clearer strategy and vision for the future, secure funding and operating under more robust governance.

11. The NPB have recently reflected on the current EE business model and governance arrangements – to explore whether alternative arrangements might provide a more sustainable business version.

12. The Project Board considered five broad options.

- I. Wind up the programme,
- II. Status Quo (do nothing option),
- III. Create a commercial company – limited by Guarantee or Shares,
- IV. Create a charity organisation,
- V. Create a community Interest company (CIC).

13. A summary of the Project Board's initial analysis of these options follows. The HSE Board is invited to comment and provide a steer on the next steps and timetable.

Option analysis summary:

Wind up the Estates Excellence Programme

14. The NPB believe that business case for EE remains strong and that there is still a demand for this type of intervention. We know that SMEs find it difficult to access up to date, sensible and cost effective advice and our experience has shown that where SMEs are aware of their health and safety obligations, this increased awareness encourages them take proactive steps. No one else is currently delivering this joined-up range of free support and services. The evaluation suggests that EE delivers real benefits and has a positive

effect in reducing risk, changing behaviours and raising health and standards in those organisations who participated.

15. Annexes 1-5 set out the benefits of the EE programme for the target audience, HSE and our partners, describe the programme in more detail and provide a list of organisations represented on the NPB.

Status Quo

16. The NPB recognised that the status quo was probably not viable in the medium to long term. While commitment from many partners remains strong it is variable and some find long term commitment difficult within the terms of their SCR agenda. The present structure limits the sort of contribution partners can make to EE and prevents direct financial support. On the other hand, many are keen to go further and to expand the Programme to reach SMEs in areas other than conventional industrial estates. Given the influence that HSE has on business compliance, the NPB believes strongly that HSE needs to be fully involved and to remain as an equal partner for EE to continue and to retain its current recognition.

Commercial Company

17. The EE USP is true partnership-led intervention, using the resources and expertise of business, regulators and other organisations, delivering free support, advice and training. Full commercialisation is therefore likely to be difficult. The Project Board recognised that there are already well-established and effective organisations providing some of these services on a commercial basis and competing directly with them may be difficult and high risk.
18. A fully commercial approach would also create challenges for many of the existing EE partners and carry a risk (based on feedback from them) that they would be unable to continue to support a new commercial structure that was formed solely to make a profit.
19. The Project Board did not feel that a fully commercial company delivered the values of the Estates Excellence programme.

Charity

20. Setting up a charity would allow the programme to attract funding, sponsorship and raise income making it less reliant on HSE funding and removing some of the risks around continued support. Staff could be employed as volunteers or as salaried staff. It would allow EE to continue to deliver a free service, but EE could also charge for services.
21. Full Charitable status can be restrictive, as it is limited by the agreed “charitable purpose”. The governing document may only be changed with the agreement of the Charity Commissioners and it is complicated to set up.

22. Whilst the NPB recognised that there were strengths and opportunities around setting up a charity to deliver EE they believed that the charitable status might prove restrictive to the long-term development of the programme.

Community Interest Company (CIC)

23. A CIC offers many of the benefits, opportunities and strengths that both a commercial organisation and a charity offer, but fewer restrictions, more flexibility and no risk of losing partners. It offers the potential to broaden the partnership and relationships with both the public and private sectors. Although it is subject to regulation both by the CIC Commissioner and Companies House (as it is usually set up as a limited company first) it has fewer restrictions than a charity. The added advantage is that it can expand provided that it continues to serve the community it was set up to support and has the status of a “social good” enterprise which can attract SCR funding and longer term support. Similar to a charity, a CIC has an asset lock so that all assets and any profit can only be used for the benefit of EE and the community it serves.

24. Based on early thinking, this is the NPB’s current preferred option.

Devolved Administrations

25. EE operates across the whole of GB including Scotland and Wales. There are no devolved administration barriers to setting up a CIC. However it will be important to engage with and retain support from partners across the whole of GB. The “Scottish Centre for Healthy Working Lives” is already a member of the Project Board and support from them and other similar bodies will be important if EE is to flourish.

Action

26. This paper updates the HSE Board on EE progress. The NPB has examined the options in more detail at a workshop and now proposes a more detailed consideration based on a draft Business Plan for a possible CIC (the preferred option) early in 2015/16.
27. There are wider implications and prompts to partnership issues more generally and how this might develop as part of a future HSE intervention mix. The Board is therefore also asked to consider both the detail of EE and the possible implications of re-creating or otherwise learning from the model.

Next Steps

28. If the HSE Board agrees that the NPB should explore the CIC (or any other option) further; the NPB will undertake work to consult widely, with existing and potential partners, explore fully legal and financial issues with treasury and treasury solicitors, develop a business case to evaluate the options fully, setting out the business benefits, risks, costs, timetable, etc, to present at a later meeting. Assuming an acceptable business case can be developed then

it is envisaged that a transition period of around three years would then follow using a small team to create the governance structure (setting up a CIC or similar), secure and engage partners, resources and funding, and fully take on the delivery of the Estates Excellence programme across the country. Resources for that team would come from primarily from within HSE, but EE partners have already indicated they would be willing to provide expertise to facilitate this process.

Paper clearance

29. Cleared by David Snowball, Director FOD following SMT clearance on 11 December 2014.

Annex 1:

Benefits of Estates Excellence to the businesses it supports

30. The Estates Excellence Project Board, delivery team and partners recognise that raising awareness about sensible health and safety management, encouraging business to understand the hazards and health and safety risks in their workplace and helping them implement sound health and safety measures, brings wide-ranging benefits. Some of these business benefits are:

- Protection of workers from accidents and occupational ill-health
- Reducing the risk of a fire
- Improving worker involvement in health and safety management
- Better working conditions for staff
- Safer environment for customers
- Improving staff morale and staff retention
- Saving money for providing health, safety and fire prevention training,
- Reduced absence costs including sick pay, overtime costs, cost of temporary labour or recruitment costs for replacement staff
- Saving on insurance costs and reducing insurance claims
- Reputation protection
- Reducing the risk of delays in production
- Reducing the risk of damage to, or loss of, products, equipment and raw materials
- Fines and other legal costs following an accident or a breach of health and safety law

31. Our full evaluation has shown that seven out of every ten businesses that participate in the Estates Excellence programme go on to take risk reduction action, realising some (or many) of the above benefits. The Estates Excellence team did not carry out a full evaluation of the 2013 programme, because the initial follow up interviews found very similar results to the full year 1 (national roll out) evaluation. However, some of those that were contacted made the following comments:

- Many reported that their worker involvement and engagement with staff increased as a direct result of the information, advice and training provided by the Estates Excellence team. This has led to joint solutions being found to manage health and safety issues, improve efficiency, quality and productivity.
- Many of the companies reported taking action as a result of the information, advice and training they received. One company reported that they had seen their accident rate reduce, which the manager suggested was a direct result of his company's participation in the Estates Excellence training. He suggested that hearing the health and safety message from an expert, external to the company, has changed his staff attitude to health and safety.

They are now more compliant, following the company's policies, wearing PPE and reporting hazards that they identify whilst at work.

- Another company carried out review of their fire risk assessment and fire prevention arrangements after the Fire Service advised them that they had stored flammables on their only fire escape route. The same company also ordered new PCs, with adjustable stands, on realising that they were not complying with DSE good practice.
- One Landlord, who sublet a number of units to different companies, responded positively to advice received when the Estates Excellence team, identified that his fire alarm was in fault, that he had no fire escape signage and that he had broken plug sockets, which could be used by his contractors (cleaners, etc) and tenants.
- A multi-national franchisee company, which was an Estates Excellence partner, was unaware that they had duties to protect contractors working on their fragile roof and were required to ensure the contractors were competent, the work was planned and that they had the right equipment. As a result, they attended the Estates Excellence training and advised their head office to change their procedures and provide more guidance to their site managers.
- Another business owner following the telephone interview sent the Estates Excellence team an email to put on record their feedback.

'Not only were the sessions just the right length of time, the presenters were interesting and knowledgeable and came from all walks of life, and the advice they gave completely invaluable to small businesses such as ours. We were able to ask as many questions as we needed, and most presenters were happy to pass on their personal emails in the event we had further questions or needed support. All that was offered completely free of charge which is so impressive and so valuable to smaller companies that don't have the budgets or often the in-house knowledge to be able to implement a safe working environment for their staff. Overall the scheme far exceeded any expectations I had before I attended. As I booked myself on every day for most of the courses I got to know the team at Estates Excellence, and I found them to be helpful, honest and above all non-judgemental making questions that much easier to ask'.

- Nearly all reported that they could / would not have paid for the health and safety training and would not have attended the training if it was not provided free and was not backed or supported by HSE.

32. Whilst only a small number of follow up calls were made, there is good evidence that where businesses participate in the Estates Excellence programme, the new knowledge is making a positive difference and improving health and safety outcomes.

Annex 2:

Benefits to HSE of its continued participation in Estates Excellence

33. HSE's involvement in the Estates Excellence programme delivers many benefits to the programme and for HSE as a partner. Many new partners are attracted to become involved because they want to partner and work alongside HSE. Many participants and end users said that they only attended the training because it was supported and backed by HSE; giving it a quality status.

34. The programme also offers HSE a number of benefits.

- It supports one of HSE's strategic goals, to customise approaches to help SMEs in different sectors comply with their health and safety obligations
- Enhances HSE's reputation amongst many of our important stakeholders
- Increases our corporate knowledge of how best to reach and influence SME's, what support and information SME's need, how they access information and what influences behaviour
- Increases our network of partner organisations that will carry HSE's message about sensible health and safety
- Is helping us build working relationships with a range of partners, opening doors for further collaboration and sharing of resources in other areas
- Develops our staff in areas of marketing, communication and project management
- Positions HSE as being part of the health and safety solution

35. The cash contribution to the 2014/15 programme is 10K, with the option to draw down a further 10K if needed. Based on the target, which is to support at least 2000 businesses in 14/15 (if the whole 20K budget is used) this equates to £10 per business supported.

36. The resource cost is more variable but on average an event will use.

- 10-15 hrs Band 2 / Band 3 time (depending on who leads and the size of the project)
- 30-50 hrs Band 5 time (depending on the size of the project).
- 10-20 hrs Band 6 time (depending on the size of the project).

This equates to between £2500 and £4000 per event. For the planned 9 events in 2015/16 this is between £22500 and £36000 or the full cost of a Band 5 or 6.

37. This resource is matched, and often exceeded by a factor of three by the collective contribution of our partners.

Annex 3:

Benefits to the Estates Excellence partners who support Estates Excellence

38. Many partners in the public sector tell us that Estates Excellence is delivering part of their work programme - increasing compliance, reducing the risk of fire, supporting business growth and positioning them (like HSE) as part of the health and safety solution.
39. Many of our private sector partners say that sharing their experience and knowledge is rewarding, they are proud to help other businesses meet their health and safety obligations. It provides networking opportunities, can help them win new business and forms part of their corporate and social responsibility agenda. They, like the public sector, wanted to respond to the HSE Board's challenge and be part of the health and safety solution.

Annex 4

A Brief Description of the Estates Excellence Programme

1. Estates Excellence was created in 2009 and was piloted in six locations across the South East of England during 2009-11 and was launched on a national basis in 2012.
2. Focussing on geographical area or specific industrial estates with a high concentration of SMEs, Estates Excellence works with a wide range of partners to help business owners and landlords to improve health and safety on their sites. To do this the project uses “Estates Excellence Visiting Officers” to:
 - visit businesses to identify knowledge gaps
 - provide free training and guidance on site
 - set up support networks and communities to bring businesses together.
3. The programme focuses on support visits, not traditional inspection visits. Estates Excellence aims to provide businesses with the right knowledge to improve their health and safety management systems. It aims to ensure that SMEs are not wasting time and resources on risks that are not relevant for their business.
4. By spending between 60 - 90 minutes on site, the visiting officers direct SMEs to information about the relevant risks. They tailor the visit – smaller businesses will have shorter visits. The visit includes:
 - **A Walk around:** spending a few minutes walking round the workplace to gain an understanding of the business and its risks.
 - **A Questionnaire:** help to fill in a self-assessment questionnaire that covers both knowledge and standards of health and safety in the business.
 - **A Risk Identification:** an identification of the key risks that are most relevant to the business and help them identify:

- what they know about the topic?;
 - what they have done to address any issues?; and
 - what else they need to do?
- **An Information pack:** giving free information & guidance pack and links to further information
 - **Training events:** an invitation to attend free training, held locally based on the needs identified during the visit.
 - **Occupational Health Surveillance:** on many sites EE offers free health surveillance to employees covering such topics as respiratory disease and hearing loss – at one event several serious cases of hand arm vibration were identified in this way and treatment routes were identified.
5. The reason for the visit is to help the SME manage risks. If a serious risk is found during the visit the visiting officer will ask the SME to voluntarily stop or change their practices to prevent further harm, and then carry on with the visit. If the SME refuses to stop the work and or make changes, the Estates Excellence Officer has the option of calling in an Inspector to resolve the issue but this is very rare

Annex 5

Organisations Represented on the Estates Excellence Programme Board

The EEF
Southern Water
SERCO
The Institute of Directors
The TUC
The Federation of Small Businesses
The Health and Safety Executive – operational and Board level
The Local Authorities
Veolia Environmental Services
Mars UK
Chief Fire Officers Association
Scottish Centre for Healthy Working Lives
SEGRO
Zurich Insurance
Land Securities
Caxtons

The Programme Board has ownership of and directs delivery of the Estates Excellence Programme. It meets approximately every 4 months and members provide both a venue and facilities for these meetings. It is facilitated by HSE, with a part time project manager at B3 and chaired by a B1 – Head of Operations.