



Case studies that identify and exemplify Boards of Directors who provide leadership and direction on occupational health and safety

Prepared by **Greenstreet Berman Ltd**
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Case studies that identify and exemplify Boards of Directors who provide leadership and direction on occupational health and safety

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HSE has identified a need to produce case study material which business leaders can identify themselves with and which persuade them of the benefits that effective leadership in occupational health and safety can bring to health and safety as well as to the business overall. This research has produced eight (8) case studies that highlight Boards of Directors who provide leadership and direction in occupational health and safety, showing what they do and what the benefits are to their organisations. This series of case studies will add to the previously completed case studies and the other initiatives from the HSC/E aimed at promoting greater corporate responsibility and accountability for health and safety.

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In particular, we wish to extend our thanks to all the Directors, Senior Health and Safety Managers and Advisors, Employee and Safety Representatives, Communication and PR Departments, and others within the case study organisations who made the time and effort to ensure that these case studies and the overall project was a success.

EXECUTIVE SUMMARY

BACKGROUND

HSE has identified a need to produce case studies which business leaders can identify with and which persuade them of the benefits that effective leadership of occupational health and safety can bring in terms of health and safety and overall business performance. This research has produced eight (8) case studies that highlight Boards of Directors who provide leadership and direction in occupational health and safety, showing what they do and what the benefits are to their organisations. This series of case studies will add to the thirty five case studies produced and launched in 2005 under previous contracts. The case studies form part of a suite of initiatives and tools from the HSC/E aimed at promoting greater corporate responsibility and accountability for health and safety. This contract includes 8 case studies.

SCOPE

The case studies:

- Identify the organisations by name;
- Describe the Board level arrangements for occupational health and safety and the nature of direction and leadership on occupational health and safety the Board provides and the reasons these arrangements have been put in place;
- Identify the benefits the Board level arrangements have brought to the management of occupational health and safety in that organisation, including any Board-led initiatives, e.g. workforce involvement in the management of occupational health and safety; and,
- Have been reviewed by Senior Executives and the HSE.

UNDERSTANDING HOW TO “REACH” THE TARGET AUDIENCE

Research to explore the target audience needs was done during the original 15 leadership case study contract and involved exploratory interviews conducted with a range of stakeholders interested in leadership on health and safety. The findings from this research were applied to the development of this series of 8 case studies.

THE CASE STUDY ORGANISATIONS

The eight companies, as identified in the table below, are from a range of sectors and industries, varying in size and geographic spread. They provide examples of public and private sector organisations and include some sectors not ‘traditionally’ associated with health and safety, e.g. education.

List of eight case study organisations launched in April 2006

Company	Sector	Activities	No. employees	Location
Amec	Support Services	Design, delivery and support of process, energy and infrastructure assets	13000 UK 44000 worldwide	UK and worldwide
ANC Express	Transport	Distribution	1534	UK and Ireland
BRE	Construction and the built environment	Research, consultancy and certification	550	Watford UK
British Sugar	Food	Manufacturing sugar	1348 employees 1000 contractors	Head Office - Peterborough
Goldthorn Park	Education	Educating children of ages 3 – 11	43 employees 400 children	Wolverhampton UK
Mid & West Wales Fire & Rescue Service	Public	Fire and Rescue Service	1400 (57 Fire Stations across Mid and West Wales)	Wales (covering 6 counties)
Neales Waste	Service sector	Waste management	101	Blackburn
Sainsbury's	Retail	Food Retail	150000	UK

The case study for each organisation has been worked up into two formats, namely:

- As a “glossy” double-sided A4 full colour primarily aimed to be disseminated by internet¹; and,
- As a fuller interview-based case study (as captured in Appendix 3 of this report).

CONCLUSIONS

In relation to the development of this series of 8 case studies, it is concluded that:

- The organisations featured in this series of case studies show very similar motivations, actions, benefits etc for providing Board level leadership of health and safety as the organisations featured in the previous 35 case studies;
- The case study organisations report a wide range of drivers for Board level direction of health and safety, key reasons relate to social responsibility, corporate risk and reputation and business productivity – again, the prospect of new health and safety laws is not the main driver for health and safety leadership although existing health and safety law is a key factor;

¹ The case studies can be accessed via the HSE website
www.hse.gov.uk/corporateresponsibility/casestudies/index.htm

- Organisations are not dissuaded from having a named Director responsible for health and safety by the prospect of being sued, due to the improved quality of health and safety management that health and safety leadership achieves;
- The way in which health and safety leadership is implemented varies between organisations but has commonly been achieved without needing high levels of health and safety experience or training for Directors.

1 INTRODUCTION

1.1 BACKGROUND

The aim of this study was to produce case studies that identify and exemplify Boards of Directors who provide leadership and direction on occupational health and safety. This will add to the suite of initiatives from the HSC/E aimed at promoting greater corporate responsibility and accountability for health and safety. Thirty-five case studies were produced and launched in 2005 under two previous contracts. Details of these are included in a previous report (HSE 2006²) this third contract includes an additional 8 case studies that were launched in April 2006.

HSE identified a need to produce case study material that business leaders could identify with and which persuades them of the benefits that effective leadership can bring to occupational health and safety and the business. Thus, the aim of this research is to contribute to fulfilling this need. This research highlights exemplar leaders showing what they do and what the benefits are.

There are a number of important issues that have a bearing on the case study concept:

- The Revitalising Health and Safety Strategy priority to explore and employ levers for influencing Senior Managers and Directors, and to engage with other agents for change;
- The necessity to provide information which the target audience can identify themselves with in particular in terms of sector and size but also widely applicable “stories” and topics in order to successfully “sell” health and safety leadership;
- The potential of appropriate and well written case studies to tell a good news story and initiate new ideas for improvements, and;
- The opportunity to use such case studies to help raise the profile of health and safety as an issue for a socially responsible organisation.

The HSC “Revitalising Health and Safety Strategy Statement” published in June 2000 included commitments to influencing Directors and also building the business case for health and safety. These case studies will add to HSC’s suite of measures that is developing in response to this.

These additional case studies, covering a range of types of health and safety issues and a range of sector settings will provide materials for HSC/E to use in developing their links with business and the public sector, in particular, at senior levels. They can be a powerful and positive vehicle for communicating messages since they show what can be done, generate ideas and are unlikely to be viewed as unwanted prescription from the enforcing authority.

Other case studies on “The Business Benefits of Health and Safety” produced evidence on what organisations consider to be the business benefits of good health and safety. These did not explore in detail the role of health and safety leadership in bringing about benefits to health and safety and the business. This is the gap being filled by the ‘leadership’ case study research.

² Shaw et al, Case studies that identify and exemplify Boards of Directors who provide leadership and direction in health and safety, HSE Books 2006 and on www.hse.gov.uk

1.2 SCOPE OF WORK

The case studies include:

- Identification of the organisations by name;
- Description of the Board level arrangements on occupational health and safety they have put in place, including any Board initiated measures to properly involve the workforce in the management of occupational health and safety;
- Description of the nature of direction and leadership on occupational health and safety the Board provides and the reasons these arrangements have been put in place; and
- Identification of the benefits the Board level arrangements have brought to the management of occupational health and safety in that organisation.

1.3 DEVELOPMENT OF THE CASE STUDY FORMAT

The research for the initial set of leadership case studies launched in March 2005 included a series of exploratory interviews to obtain some insight and understanding of what factors would provide a persuasive argument and how this could be presented in the form of a case study. These discussions also informed the selection criteria against which the possible candidate case study organisations could be selected from those showing interest to participate

The detailed findings from the twelve interviews are discussed in the previous case study report (HSE 2005) and were taken on board in the development of the case study format. It emerged from the exploratory discussions that a good and convincing case study needs to articulate:

- The drivers / motivating factors for a Director responsible for health and safety;
- The practicalities for the Director, e.g. training requirements, time commitments, etc.;
- The prior health and safety knowledge / experience of a Director;
- The way in which health and safety is captured within the business framework and how it came about, e.g. culture incorporating health and safety within the Board, within the organisation, etc.;
- The business benefits, in addition to the health and safety benefits, for the organisation; and,
- The way in which health and safety is kept 'alive' within the organisation.

It also emerged that some of the more convincing ways to demonstrate the value of health and safety against which the selection of case studies is made, are those stories capturing and conveying such elements as:

- A strong story of personal experience, e.g. witnessed a fatality on site, responsible for informing a wife/mother of a death, etc.;
- A message that for the issue to be dealt with seriously it required the involvement of the Board;
- There was an impact on the working practices that had implications for the organisation in relation to time and money;
- That this impact on working practices had a possible impact on the whole sector;
- There was a perceived risk to reputation; and,
- There was seen to be strategic value with improved internal control and co-ordination of risks, e.g. merging of health and safety responsibilities with that of environment / quality.

Importantly, in all of the case studies, it was suggested that there needs to be a "real life" element that can reach out to readers.

The findings from this research have been carried through in the development of all the subsequent case studies.

1.4 SELECTION, SCREENING AND REVIEW OF CASE STUDY ORGANISATIONS

Case study companies were identified via a recruitment and screening process. Initial contacts were identified from a number of sources including existing contacts of Greenstreet Berman Ltd, HSE staff contacts, participants and winners of various industry health and safety awards etc. Certain sectors were targeted to improve the representation of the overall set of case studies, for example, retail, education, construction, waste and Welsh based organisations. Companies were contacted by telephone and those that expressed an interest in participating were asked to complete a recruitment feedback form (Appendix 1) to establish that:

- They have a Board Director responsible for occupational health and safety;
- They could demonstrate the benefits of this arrangement and give examples of Director-led health and safety initiatives;
- They were happy to be a published/named case study for the HSE.

The recruitment feedback forms were reviewed and the most appropriate candidate companies were put forward to the HSE Project Manager for approval. The screening process involved a discussion with an HSE inspector who is familiar with the companies' activities. The selected companies were invited to participate as case studies.

Detailed research on the participating organisations was carried out via in depth interviews with Directors, Health and Safety Managers and other key staff involved in health and safety (e.g. Union Safety Representatives). A copy of the interview proforma is provided in Appendix 2. Following the interview, a draft research report and draft two-page 'glossy' case study was prepared by the Greenstreet Berman interviewer. These were reviewed and approved by the organisation concerned and by the HSE before being finalised for publication. The research reports for all the case study organisations are provided in Appendix 3.

2 DISCUSSION OF CASE STUDIES

2.1 OVERVIEW OF CASE STUDY ORGANISATIONS

The following eight companies were selected for this series of case studies. They are from a range of sectors and industries, and vary also in size and geographic spread as the table below indicates. They provide examples for public and private sector organisations.

Table 1 List of eight case study organisations launched in April 2006

Company	Sector	Activities	No. employees	Location
Amec	Support Services	Design, delivery and support of process, energy and infrastructure assets	13000 UK 44000 worldwide	UK and worldwide
ANC Express	Transport	Distribution	1534	UK and Ireland
BRE	Construction and the built environment	Research, consultancy and certification	550	Watford UK
British Sugar	Food	Manufacturing sugar	1348 employees 1000 contractors	Head Office - Peterborough
Goldthorn Park Primary School	Education	Educating children of ages 3 – 11	43 employees 400 children	Wolverhampton UK
Mid & West Wales Fire & Rescue Service	Public	Fire and Rescue Service	1400 (57 Fire Stations across Mid and West Wales)	Wales (covering 6 counties)
Neales Waste	Service sector	Waste management	101	Blackburn
Sainsbury's	Retail	Food Retail	150000	UK

The full interview report for each case study organisation is provided in Appendix 3 where the case study organisations are listed in alphabetical order. These describe the organisation and the process of change instigated by the Director and the resulting benefits.

The “glossy” versions of these case studies were launched in April 2006 as part of an ongoing initiative by HSC/E to promote health and safety as part of overall risk management in organisations. These “glossy” versions can be accessed via the HSE website³.

Some analysis of the findings from these case study organisations is presented below.

2.2 THE MOTIVATION OF THE CASE STUDY ORGANISATIONS

Table 2 indicates that the case study respondents are motivated to provide health and safety leadership due to a combination of factors. From the list of possible reasons presented to the companies in the proforma, the most common reasons with which they agreed or strongly agreed (in order of popularity) were:

³ HSE web site: www.hse.gov.uk/corporateresponsibility/casestudies/index.htm

- A wish to be socially responsible;
- The perception that health and safety is a significant corporate risk;
- The need to respond to health and safety legislation;
- A perception that productivity could be improved by better health and safety;
- Response to requirements of investors, business clients or insurers.

This suggests that, in implementing health and safety leadership, companies are more motivated by social responsibility and risk factors than they are by legislative measures but that improving bottom line productivity and responding to the requirements of investors, clients and insurers are also strong motivators.

Half the case studies report that health and safety improvements were prompted by demands from a new owner, change in management or new Chief Executive Officer (CEO) or Managing Director (MD).

The prospect of new laws on matters such as Director responsibility and corporate manslaughter was not a factor in prompting these Directors to provide health and safety leadership.

In a number of cases the organisation had experienced one or more serious incidents, which had made them recognise the risk posed to the organisation by poor health and safety.

Other reasons cited for increasing Board level direction in health and safety included:

- A moral and ethical desire to look after people;
- To be an employer of choice and attract good people;
- A moral duty – because it is the right thing to do;
- A wish to reduce the incidental costs to the business caused by minor accidents – these were adding up as vehicle numbers increased;
- A recognition of the need for professional support and the accountability of management in health and safety.

There is a recognition amongst the case study organisations that health and safety is a ‘corporate level’ issue that requires Director/ Board level attention to provide appropriate leadership. They accept that if the organisation wants and needs to manage health and safety effectively, Directors must set the direction and culture of the organisation. Specific reasons given in these case studies for the need for Board level leadership include:

- A core value and fundamental to the company’s guiding principles;
- Safety must be properly represented and organised at the highest levels within the company;
- Part of the overall business risk management strategy;
- Desire to be seen as a caring employer with staff retention recognised as an important element associated with productivity coupled with a return on investment;
- Belief that unless Board level commitment (both financial and time) was given, behavioural change would not occur;
- Board level direction in health and safety helps establish a clear line for communication and a clear forum for matters to be discussed;
- Health and safety needs to be at Board level for employees and others to take it seriously;
- Potential impact on the brand of health and safety failures;
- People are a major asset of the company so they must be looked after and there must be responsibility for this at Board level.

In relation to the issue of risks posed by their Board arrangements, respondents said:

- Their Board level arrangements have probably reduced the possibility of individual Directors being sued or prosecuted for a health and safety problem;
- Their Board level direction of health and safety has reduced the risk posed to their organisation by health and safety failures, and;
- Board level direction of health and safety does not stop the Health and Safety Director or the Board from properly managing other important aspects of the business and, if anything, it enhances it.

As with the previous set of case studies, organisations report that the risk of being sued is reduced due to the more efficient and effective standard of health and safety management and raised awareness. Similarly, better direction of health and safety reduces the level of demand placed on the Board due to the reduction in health and safety “problems”.

Table 2 Reasons for providing health and safety direction

<i>For which of the following reasons did you increase Board level health and safety direction?</i>	<i>Strongly agree</i>	<i>Agree</i>	<i>Unsure</i>	<i>Disagree</i>	<i>Strongly disagree</i>
The perception that health and safety is a significant corporate risk, e.g. risk posed by a major incident, prosecution, etc.	5	3			
A perception that productivity could be improved by better health and safety, e.g. reduction in absence and better staff morale	4	2	2		
The need to respond to one or more specific health and safety regulations / the growing body of health and safety regulation		7		1	
The need to respond to growing demands for corporate governance, e.g. Turnbull		3	1	4	
A wish to be socially responsible	4	4			
Demands from a new owner / change in management / new CEO or MD	1	3		2	2
The possibility of a new law on Directors’ health and safety responsibilities			1	5	1
The possibility of corporate manslaughter prosecutions		1	1	5	1
Response to requirements of investors, business clients or insurers	2	4	1	1	
<i>To what extent do you agree that...?</i>					
You developed your arrangements because of the prospect of legal mandation of Director’s health and safety responsibilities		2		5	1
You developed your arrangements because of the increased risk of Directors being prosecuted for manslaughter / negligence etc.		1		7	
You developed your Board arrangements despite advice from solicitors/consultants/advisors that this may increase the risk of individual Directors being held liable for health and safety failures			2	6	

Table 3 shows the benefits the case study organisations reported as a result of Board level health and safety direction and leadership. Reducing corporate risk, helping to fulfil corporate social responsibility aspirations, improved relations with the HSE and other external regulators and health and safety improvements in particular, have contributed to the business case for health and safety leadership.

Table 3 Benefits of health and safety direction

<i>To what extent do you agree that your Board level health and safety direction and leadership has:</i>	<i>Strongly agree</i>	<i>Agree</i>	<i>Unsure</i>	<i>Disagree</i>	<i>Strongly disagree</i>
a) Helped to reduce your corporate risk	3	5			
b) Reduced the disruption to your organisation created by health and safety problems	3	4	1		
c) Helped to improve business performance, e.g. less absence, more sales	2	3	3		
d) Helped to fulfil corporate social responsibility aspirations	2	6			
e) Helped to improve corporate communications and public relations	1	6	1		
f) Improved relations with the HSE and other external regulators	2	6			
g) Improved relations with investors, insurers and other external financial stakeholders	3	4	1		
h) Improved relations with trade unions and the workforce (give names of unions)	1	6	1		
i) Helped in the response to HSE improvement / prohibition notices and/or prosecutions	1	3	2		
j) Led to health and safety improvements, e.g. fewer injuries	7			1	

2.3 ACTION TAKEN IN DEVELOPING HEALTH AND SAFETY ARRANGEMENTS

The findings here are, again, similar to those from the previous case studies. In particular:

- Many of the Directors responsible for health and safety were not, originally, health and safety experts;
- Many of the Directors responsible for health and safety are also responsible for other aspects of company management;

Table 4 clearly indicates that most organisations give responsibility for health and safety to an existing Board Director rather than create a new seat on the Board. Depending on the precise health and safety issues to be managed and the composition of the Board, organisations have implemented health and safety leadership in a wide variety of ways. As stated in the previous report, this suggests that there is no universally applicable or effective method for implementing Directors' responsibilities. The range of Directors' health and safety responsibilities also varies according to factors such as the size of the organisation and the level of health and safety support available in the organisation.

Table 4 Number of case studies that created a new seat on the Board for health and safety

	<i>Yes</i>	<i>No</i>
Did you create a new seat on the Board to fulfil the role of Health and Safety Director?	1	7
Did you merge the responsibility with another Directorial role, e.g. HR, Risk, Operations?	5	3

The results in Table 5 indicate that organisations commonly read HSC/E and other guidance, consult with employee or safety representatives and go through a process of "iteration" in the development of their arrangements. Many also take guidance from the previous experience of Board members, benchmark themselves against other organisations, consult the workforce, train Directors and read guidance on corporate governance but are less likely to consult solicitors or use consultants.

Table 5 Number of organisations reporting various actions when making health and safety arrangements

When making the arrangements for health and safety, did you...	Yes	No	Unsure
...seek consultancy advice?	3	5	
...benchmark yourself against other organisations?	5	2	1
...read HSC/E guidance?	8		
...go through a process of "iteration" in the development of your arrangements?	7		1
...consult with safety representatives?	7		1
...consult a solicitor?	3	4	1
...read guidance on corporate governance?	5	2	1
...take guidance from previous experience of CEO / MD and / or other Board members?	6	2	
...consult with the workforce?	5	2	1
...consult with any recognised trade unions?	4	4	
...receive any health and safety training?	5	3	

As Table 6 shows, most of the participating organisations found developing their current Board level arrangements straightforward and relatively undemanding but that a small proportion had found it more challenging. This is consistent with the findings of the previous study. A small majority of the 8 case study organisations said they had not improved arrangements as a result of initial problems.

All the organisations feel that the time and effort required by the Board to direct health and safety is reasonable and all but one think it is justified by the business benefits. None of them expressed a wish to reduce the amount of time devoted to health and safety.

Table 6 Ease of developing arrangements

<i>To what extent do you agree that...?</i>	<i>Strongly agree</i>	<i>Agree</i>	<i>Unsure</i>	<i>Disagree</i>	<i>Strongly disagree</i>
It was straightforward to decide how to develop an effective set of Board arrangements	6	2			
It was relatively undemanding in deciding how best to provide Board level health and safety direction	5	3			
We have had to improve our Board level arrangements due to initial problems with our arrangements	1	2		4	1

Table 7

<i>To what extent do you agree that?</i>	<i>Strongly agree</i>	<i>Agree</i>	<i>Unsure</i>	<i>Disagree</i>	<i>Strongly disagree</i>
The time and effort required of the Board to direct health and safety is justified by the business benefits	4	3	1		
The time and effort required of the Board to direct health and safety is reasonable	4	4			
There is a wish to reduce the amount of time devoted by the Board to health and safety			1	6	1

3 CONCLUSIONS

This research has produced a further series of case studies that business leaders can identify with and which persuade them of benefits that effective leadership in occupational health and safety can bring to health and safety and business performance. They add to the existing 35 case studies and highlight 8 more Boards of Directors from organisations that range in size, sector and scope. This additional series of case studies will add to the suite of initiatives from the HSC/E aimed at promoting greater corporate responsibility and accountability for health and safety.

In relation to the development of this series of 8 case studies, it is concluded that:

- The organisations featured in this series of case studies show very similar motivations, actions, benefits etc for providing Board level leadership of health and safety as the organisations featured in the previous 35 case studies;
- The case study organisations report a wide range of drivers for Board level direction of health and safety, key reasons relate to social responsibility and a need to respond to corporate risk – again, the prospect of new health and safety laws is not the main driver for health and safety leadership;
- Organisations are not dissuaded from having a named Director responsible for health and safety by the prospect of being sued, due to the improved quality of health and safety management that health and safety leadership achieves;
- The way in which health and safety leadership is implemented varies between organisations but has commonly been achieved without needing high levels of health and safety experience or training for Directors.

APPENDIX 1: RECRUITMENT FEEDBACK FORM

FEEDBACK FORM

We have arrangements for occupational health and safety at Board level and think that we have information which could be used to demonstrate the benefits of such leadership. We are happy for Greenstreet Berman to contact the person below for further details and for this arrangement to be published by HSE as a case study to persuade others of the benefits of occupational health and safety leadership and direction championed by a Board Director.

Attention: Angela McMahon		
Postal Address:		Phone
Greenstreet Berman Winchester House 259-269 Old Marylebone Road London NW1 5RA		020 7170 4206

<i>CONTACT NAME</i>			
<i>POSITION</i>			
<i>ORGANISATION</i>			
<i>SECTOR</i>		<i>NO. EMPLOYEES</i>	
<i>Who should we (Greenstreet Berman) contact for further information?</i>	Name: Tel: Email: Address: City: Postal Code:		
<p><i>Please tick the appropriate boxes below:</i></p> <p><input type="checkbox"/> We have a Board Director responsible for occupational health and safety</p> <p><input type="checkbox"/> We can demonstrate the benefits of this arrangement</p> <p><input type="checkbox"/> We'd be happy to be a published / named case study for the HSE</p> <p><i>Please can you provide some <u>brief</u> information about Director leadership of health and safety in your organisation:</i></p> <p>1. <i>Who is/are the Director(s) responsible for health and safety, what is their background and why is health and safety a priority for them?</i></p> <p>2. <i>Please outline some examples of the types of Director led activities and initiatives taking place around health and safety in the organisation?</i></p> <p>3. <i>What benefits have resulted from the Director(s) championing health and safety?</i></p> <p>4. <i>Any other comments:</i></p>			

THANK YOU

APPENDIX 2: CASE STUDY INTERVIEW PROFORMA

INTERVIEW CONTACT DETAILS

<i>Date of Interview</i>		<i>Time</i>	
<i>Follow up</i>			
<i>Organisation Details</i>			
Company name			
Business Sector			
Business Activities			
Location		No. employees	
<i>Director Contact Details</i>			
Director responsible for health and safety			
Address point for Director			
Telephone			
Email			
<i>Health and Safety Manager Contact Details</i>			
Health and Safety Manager			
Telephone (direct)			
Email			
Address point for Health and Safety Manager (Other)			

1. Director Details

- (a) What is the name of the Director(s) responsible for health and safety?

- (b) What is their position/title(s)?

- (c) What is was the Director's previous role/position/company?

- (d) What is the Director's background experience?

- (e) What has given the Director their personal motivation to champion health and safety?

- (f) What were the key tasks/challenges for the Director when they were appointed?

- (g) Have you, or any other members of the Board, received any health and safety training?

2. History and reasons for the development of Board arrangements

- (a) What is the organisational context of this case study? Who is the Director being considered, what is the structure of the organisation and the structure of the Board? What are the current arrangements and responsibilities for health and safety at Board level? Do any Non-Executive Directors have a health and safety role?

Please complete Tables 1 & 2 now

- (b) How have the current Board level arrangements for health and safety developed over time, in particular the last 3-5 years?
 - Set out the sequence of events in chronological order – exactly what was done/what happened and why did it happen at that time, were there external or internal drivers/events? Say how the Director(s) were involved in each stage, what was their role in events, how did they drive/influence things that happened?

- What are the key drivers/influences on the changes? E.g. change of Director, specific incident, change in company ownership...
- (c) Why was health and safety considered important enough to deserve and require Board level direction?

Please complete Table 3 now.

- (d) Why has responsibility for health and safety been given to this post rather than, say, the Operations Director or Finance Director?
- (e) Do you have any other comments about how you decided on the current Board arrangements for health and safety?

Please complete Table 4 now.

- (f) Can you please describe any lessons learnt during the development or operation of your Board level health and safety arrangements?

3. Description of current arrangements

3.1 Health and safety responsibilities

- (a) What is the organisational structure for the implementation and monitoring of health and safety?
- Reporting lines within organisation (committees, managers, reps etc), how does information on health and safety get to the Board?
 - Is there documentation of the formal structure – roles and responsibilities of Director and others, safety policy documents etc?
- (b) Which of your employees would know who has the ultimate responsibility for health and safety? How would they know this?
- (c) Who would employees consider to be responsible for implementing health and safety in the organisation?

3.2 Summary of Board level leadership and direction

Please complete Table 5 now.

- (a) Can you please describe the way in which the Board and the Director for Health and Safety provide leadership and direction on health and safety? What do they actually do (on a day to day, weekly, monthly, annual or regular basis) to champion health and safety?

- (b) What are the advantages and/or benefits of having a named Director leading health and safety rather than having health and safety as a shared responsibility of the Board as a whole?
 - E.g. staff morale, culture change, raised awareness of health and safety etc

- (c) Why do you think it is important that Boards manage health and safety rather than delegating it to (say) Health and Safety Managers?

3.3 Specific arrangements regarding HSC action points

Can you please summarise your Board level arrangements for each of the following specific points:

- (a) Publicising the Board's role in health and safety

- (b) Each member of the Board recognising their personal responsibilities for health and safety

- (c) Ensuring Board decisions on procurement and contracting reinforce health and safety intentions

- (d) Board engaging with the workforce on health and safety

- (e) Board level arrangements for reviewing health and safety performance, keeping health and safety policy aligned with Board priorities, being informed of health and safety failures, ensuring health and safety management systems are in place and remain effective and are monitored / reviewed

4. Impact of Board level direction

Please complete Table 6 now.

4.1 Specific example(s) of benefits and data to demonstrate

- (a) Can you please describe specific example(s) of how your Board level direction of health and safety has benefited health and safety within the organisation?
- i.e. Qualitative and/or quantitative benefits/outcomes from specific initiatives or organisational changes. Say how the Director(s) was involved in these initiatives and the perceived impact of their actions.
- (b) Can you please provide quantitative data that demonstrates the measurable health and safety benefits of your Board level direction?
- E.g. Tables or graphs of injury and incident rates, absenteeism, training rates, staff turnover, employee or client survey results, ranking in sector....

4.2 Risks posed by Board arrangements

- (a) To what extent do you believe that your Board level arrangements have affected the possibility of individual Directors being sued or prosecuted for a health and safety problem? Please explain your answer.
- (b) To what extent do you believe that your Board level direction of health and safety has affected the risk posed to your organisation by health and safety failures? Please explain your answer.
- (c) Has the Board's and/or your involvement in health and safety stopped you or the Board from properly managing other important aspects of the business, if so what and how?

Please complete Table 7 now.

4.3 Your message to other Directors

What would you say to Directors and Boards that do not provide leadership and direction on occupational health and safety? What would you suggest to them and **why**?

My message to Directors and Boards that do not direct health and safety is.....

4.4 Three most important things

Of all the things that your Board/Director has done to direct health and safety, please cite the 3 most important:

- 1)
- 2)
- 3)

4.5 Recommendations to other organisations

Would you recommend your Board level health and safety arrangements to other organisations?

4.6 Further improvements and future plans

- (a) If you could improve further your Board level arrangements, what would you change and why?

- (b) What are your plans for the future development of your Board level direction of health and safety?

5. Other notes

5.1 Quotes

We would like quotes from some employees (e.g. staff, union representatives, Health and Safety Managers) giving their views on, e.g. what the Director does/has done to champion health and safety, health and safety improvements/changes they have seen/been part of etc.

- Provide the quote, name of person, their job title/role and contact number.

- 1)
- 2)
- 3)
- 4)

5.2 Potential issues

Are there any possible 'embarrassments' which could affect the impact of the case study? – e.g. incidents, sentencing from prosecution, current bad publicity in health and safety in part of the company...

5.3 Graphics

We need high resolution (300dpi or more, JPEG files) electronic versions (e.g. on CD) of the graphics to be included in the glossy. These should include:

- a picture of the Director(s) being profiled;
- a copy of your company logo (300dpi or more EPS or JPEG format);
- two or three other images that could be included in the glossy. What these are will depend in part on the story and what you are able and willing to provide. These could include a graphic of safety performance data or photographs illustrating the company and its work in some way.

5.4 Other contacts

Are there any other contact details we might need whilst finalising the case study? (e.g. Communications, Legal)

Table 1 Reasons for developing or having Board level direction

<i>For which of the following reasons did you increase Board level health and safety direction?</i>	<i>Strongly agree</i>	<i>Agree</i>	<i>Unsure</i>	<i>Disagree</i>	<i>Strongly disagree</i>	<i>Why did this become a factor?</i>
The perception that health and safety is a significant corporate risk, e.g. risk posed by a major incident, prosecution, etc.						
A perception that productivity could be improved by better health and safety, e.g. reduction in absence and better staff morale						
The need to respond to one or more specific health and safety regulations / the growing body of health and safety regulation						
The need to respond to growing demands for corporate governance, e.g. Turnbull						
A wish to be socially responsible						
Demands from a new owner / change in management / new CEO or MD						
The possibility of a new law on Directors' health and safety responsibilities						
The possibility of corporate manslaughter prosecutions						
Response to requirements of investors, business clients or insurers						
Any other reasons:						

<i>To what extent do you agree that?</i>	<i>Strongly agree</i>	<i>Agree</i>	<i>Unsure</i>	<i>Disagree</i>	<i>Strongly disagree</i>	<i>Comments</i>
You developed your arrangements because of the prospect of legal mandation of Directors' health and safety responsibilities						
You developed your arrangements because of the increased risk of Directors being prosecuted for manslaughter / negligence etc.						
You developed your Board arrangements despite advice from solicitors/consultants/advisors that this may increase the risk of individual Directors being held liable for health and safety failures						

Table 2

<i>When making the arrangements for health and safety, did you...</i>	<i>Yes</i>	<i>No</i>	<i>Unsure</i>
...seek consultancy advice?			
...benchmark yourself against other organisations?			
...read HSC/E guidance?			
...go through a process of “iteration” in the development of your arrangements?			
...consult with safety representatives?			
...consult a solicitor?			
...read guidance on corporate governance?			
...take guidance from previous experience of CEO / MD and / or other Board members?			
....consult with the workforce?			
.....consult with any recognised trade unions (please say which ones)?			
...receive any health and safety training?			

Table 3

Did you create a new seat on the Board to fulfil the role of Health and Safety Director?	<i>Yes</i>	<i>No</i>
Did you merge the responsibility with another Directorial role, e.g. HR, Risk, Operations?	<i>Yes</i>	<i>No</i>

Table 4

<i>To what extent do you agree that?</i>	<i>Strongly agree</i>	<i>Agree</i>	<i>Unsure</i>	<i>Disagree</i>	<i>Strongly disagree</i>
It was straightforward to decide how to develop an effective set of Board arrangements					
It was relatively undemanding in deciding how best to provide Board level health and safety direction					
We have had to improve our Board level arrangements due to initial problems with our arrangements					

Table 5 Directorial arrangements

Approximately what proportion of the named Director’s time is devoted to health and safety?	%
Approximately what proportion of the Board’s time is devoted to health and safety?	%

Table 6 Perceived values and benefits of Board level direction

<i>To what extent do you agree that your Board level health and safety direction and leadership has:</i>	<i>Strongly agree</i>	<i>Agree</i>	<i>Unsure</i>	<i>Disagree</i>	<i>Strongly disagree</i>	<i>In what way?</i>
a) Helped to reduce your corporate risk						
b) Reduced the disruption to your organisation created by health and safety problems						
c) Helped to improve business performance, e.g. less absence, more sales						
d) Helped to fulfil corporate social responsibility aspirations						
e) Helped to improve corporate communications and public relations						
f) Improved relations with the HSE and other external regulators						
g) Improved relations with investors, insurers and other external financial stakeholders						
h) Improved relations with trade unions and the workforce (give names of unions)						
i) Helped in the response to HSE improvement / prohibition notices and/or prosecutions						
j) Led to health and safety improvements, e.g. fewer injuries						

Table 7

<i>To what extent do you agree that?</i>	<i>Strongly agree</i>	<i>Agree</i>	<i>Unsure</i>	<i>Disagree</i>	<i>Strongly disagree</i>
The time and effort required of the Board to direct health and safety is justified by the business benefits					
The time and effort required of the Board to direct health and safety is reasonable					
There is a wish to reduce the amount of time devoted by the Board to health and safety					

APPENDIX 3: CASE STUDIES

AMEC

1. Director Details

(a) What is the name of the Director(s) responsible for health and safety?

Mike Straughen

(b) What is their position/title(s)?

Chief Operating Officer of UK Operations

(c) What is was the Director's previous role/position/company?

Mike joined Amec in 1982 and was Managing Director of Amec Oil & Gas from 1995 to 1999. He started getting involved in safety through the leadership of the Oil and Gas business and then through being engaged in some of the oil and gas industry's wider initiatives from late 1980's early 1990's.

From 1999 to January 2002 Mike was Managing Director of Amec Services. From January 2002 to April 2005 he was Deputy Chief Executive of Amec Group Limited. In this role he took responsibility for health and safety as the Amec UK structure was set up to amalgamate the separate businesses. He was appointed Chief Operating Officer of UK Operations in April 2005.

(d) What is the Director's background experience?

Mike's original background was as a construction engineer and then through the route of project management, operational management to general management. He has worked in petrochemicals and gas pipelines and been involved in the oil and gas sector since the 1970's.

(e) What has given the Director their personal motivation to champion health and safety?

There are two main things that contribute to Mike's personal motivation. Part of it is his psyche; he believes in being responsible and was brought up with a strong work ethic and strong moral ethics. The other part is his first hand experience of the consequences of health and safety failure.

In 1992 there was a helicopter crash in the North Sea and Amec lost a total of nine people. This was a wake-up call as he knew a lot of them personally and had worked with them offshore. This reinforced his commitment to good health and safety and brought a focus to it. He was involved in the oil industry "Step Change in Safety" initiative that started in 1996 and was Vice Chairman for three years until 2000. He then took up another role with "Pilot", the Government Oil & Gas industry advisory Board that includes safety in its remit.

(f) What were the key tasks/challenges for the Director when they were appointed?

Mike's first task was to improve performance across the Board, which has always been high on his agenda, but the second step was to challenge disparities across the business. He feels that at the start it may have been ok to accept that health and safety performance in one part of the business was not as good as another, but ultimately the aim is to get consistent performance across the company, working to the same values and the same principles.

(g) Have you, or any other members of the Board, received any health and safety training?

Mike has done quite a lot of health and safety training through his involvement with the oil and gas industry. At Loughborough University he did construction management with a strong emphasis on safety, and courses at other institutions specifically about offshore (fire-fighting etc.) He has participated in a number of courses that Amec have brought in, including one called SHAPE which was Safety and Health in Amec Process & Energy. He was involved in designing the course and also participated.

Jason Rowley provides internal advice to the Directors regarding health and safety responsibilities.

2. History and reasons for the development of Board arrangements

(a) What is the organisational context of this case study? Who is the Director being considered, what is the structure of the organisation and the structure of the Board? What are the current arrangements and responsibilities for health and safety at Board level? Do any Non-Executive Directors have a health and safety role?

Within the UK operations Amec does not have a Board as such, but an Executive Committee. This committee reports to Amec plc which is based in the US. Mike Straughen heads the Executive Committee which includes the Finance, Commercial and Business Development Directors and the Managing Directors of seven business streams:

- Oil & Gas
- Industrial
- Design and Management
- Construction Service
- Building and Facilities Services
- Logistics and Support Services
- Iraq

The Executive Committee manages the UK operations and each of the business streams has their own management team.

Within the UK Operations Executive Committee Mike takes the health and safety responsibility at the Operations level.

Mike also chairs the Board of the recently acquired NNC Nuclear Holdings.

See Table 1 & Table 2

- (b) How have the current Board level arrangements for health and safety developed over time, in particular the last 3-5 years?
- Set out the sequence of events in chronological order – exactly what was done/what happened and why did it happen at that time, were there external or internal drivers/events? Say how the Director(s) were involved in each stage, what was their role in events, how did they drive/influence things that happened?
 - What are the key drivers/influences on the changes? E.g. change of Director, specific incident, change in company ownership....

Amec is a UK Company listed on the London Stock Exchange. Its roots go back to Fairclough, a construction company in Lancashire. In the 1980's Fairclough acquired Matthew Hall and became Amec and in the late 90's started to expand internationally. In 1996/7 Amec purchased 46% of a French company, which was subsequently fully acquired and integrated and now represents the continental Europe business. It then acquired a Canadian based company, which had operations in Canada, America and worldwide and that evolved into the Americas regional business. There are now three main regional businesses, UK, continental Europe and Americas. Out of those three regional operations Amec actually work in approximately 50 countries around the world. It has a turnover of around £4 to £5 billion per year. There has been a huge change from a UK construction company into a global service provider.

Prior to 2002, the business streams within a UK operation were each separate businesses in their own right. They were each separate limited companies with a Managing Director and a full company structure. The Managing Directors either took the health and safety responsibility themselves or had one of their Directors with the health and safety responsibility. There was no overarching look and feel to the way the UK business was being managed.

In 2002 a change was prompted in recognition of what customers wanted at that time. The company was restructured to create a more coherent and cohesive organisation and a consistent approach in dealing with clients. This enabled different parts of the organisation to work with each other, share skills and present to our clients as a unified company.

The companies were brought together under one limited company and now operate as a single UK business with business streams rather than a series of separate limited companies. It was recognised that, to be successful, the companies needed to work more closely together and share skills and knowledge. This also brought benefits to health and safety.

In terms of health and safety, the key change was about working together more closely as Amec already had a health and safety functional support in each of the businesses. Jason Rowley the Health and Safety Manager had a role at plc level and was dealing with the UK as well as the growing international business in other parts of the world. When the UK business was restructured Jason was given the role of providing functional health and safety support to Mike in the UK operations but continued to support health and safety responsibility at plc level.

Amec have had three or four changes of structure since 2002 with a focus on bringing the company together into a single business, working together, sharing skills, knowledge and resources to become more efficient. The company was also keen to address differences in business and health and safety performance and close the gap between the best and the worst performing parts of the business and hence dramatically improving the overall performance.

Following the restructuring in 2002, Mike was appointed Deputy Chief Executive, reporting to the Chief Executive, and took on Director responsibility for health and safety. He was the best person for the role. When the senior management structure changed in 2005 Mike took up his current role, effectively heading the UK business, as Chief Operating Officer, and retained responsibility for health and safety.

- (c) Why was health and safety considered important enough to deserve and require Board level direction?

Amec feel it is absolutely fundamental to have health and safety direction at Board level. It is an Amec core value and is fundamental to the company's guiding principles, these guide everything they do, good safety is good business. They think that safety must be properly represented and organised at the highest levels within the company.

See Table 3

- (d) Why has responsibility for health and safety been given to this post rather than, say, the Operations Director or Finance Director?

Mike is the business head for the UK operations, he leads the business and his role goes across all the operations. In UK operations the Executive Committee is made up of Mike and other people with very specific functional roles like Finance and Commercial. Health and safety responsibility does not fit with these roles or with the Managing Directors of individual businesses as it goes outside of the business for which they are responsible. Mike also has the experience in health and safety.

- (e) Do you have any other comments about how you decided on the current Board arrangements for health and safety?

Mike is the most suitable person for the role.

See Table 4

- (f) Can you please describe any lessons learnt during the development or operation of your Board level health and safety arrangements?

The structure follows the structure that Amec set up for the business, because managing safety is part of managing the business. The lessons learnt in developing health and safety arrangements are very much about leadership, the soft bits of safety and the recognition of the importance of demonstrable visible leadership. Amec recognised that it was not enough to write in policies that safety is important and put good words down as guiding principles if the leaders did not demonstrate by their actions that they actually mean it. They have learnt that it is what you do, not what you say that makes a difference.

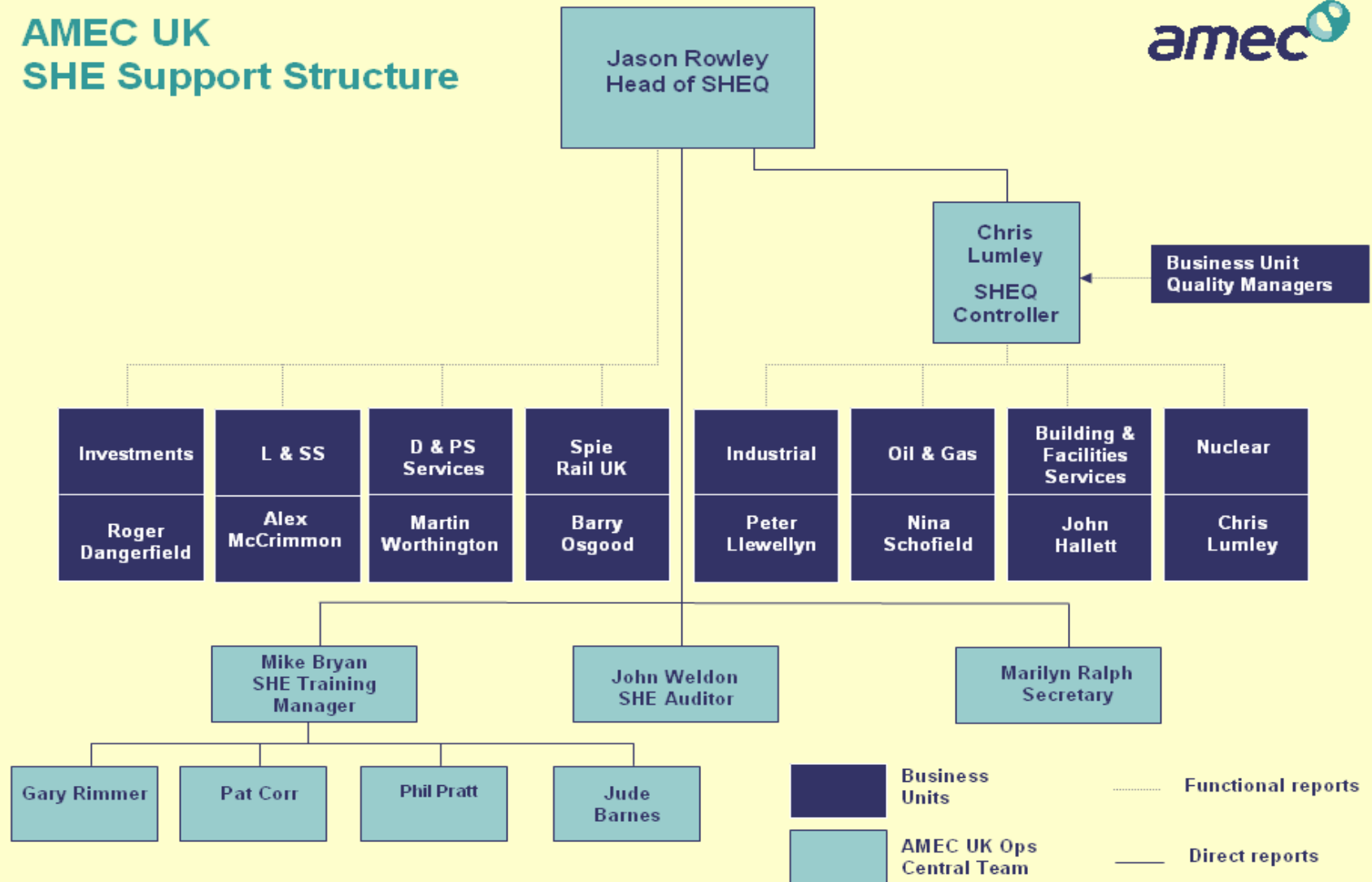
3. Description of current arrangements

3.1 Health and safety responsibilities

- (a) What is the organisational structure for the implementation and monitoring of health and safety?

Mike has health and safety responsibility for UK operations at Director level. Jason Rowley is Head of SHEQ for the UK operations and SHEQ Managers of the business units report to him either directly or through the SHEQ controller. The SHEQ Training Manager and SHE Auditor also report directly to Jason. Jason's role incorporates some responsibilities that are outside the UK operations.

AMEC UK SHE Support Structure



Information and advice on health and safety will go out through this structure and feedback will also come back up through this structure. Most of the actual implementation of health and safety is done in the business streams via appropriate management systems.

Management system

The management system sets out a framework, based on recognised international standards like OHSAS 18001 and ISO 14001, which every Amec business has to work to. Each business is required to have an HSE management system and there are elements that the management system has to contain. The businesses will determine what they need to manage their businesses, but they are working to a consistent framework. For example, there must be: consistent policy statements, procedures for hazard identification, risk assessment control, documented plans and objectives, a clear management structure and responsibilities, competence assurance, training, communication, operating procedures, document control, performance indicators, notification, recording and investigation of things that have happened, audit system, management reports and management reviews.

For example, on management reporting, Amec set out a template for what management reports need to include i.e. key issues, actual performance, any significant achievements, progress against agreed objectives, any enforcement actions that have been taken against the business, results of audits that have been undertaken, training etc. That template is used throughout the business. The framework was formalised five years ago. When Amec make an acquisition, they look at the current systems to identify where there are already elements of this framework and where there are gaps. The new business can be integrated very quickly using the framework.

Each of the business units have their own heads of function and they will work with the management teams within those businesses to develop the detailed management system which addresses health and safety policies, admin responsibilities and organisational structure, procedures, planning procedures, operating procedures, monitoring procedures, auditing procedures, performance review procedures etc.

Reporting

Each business has a line management structure with responsibilities for health and safety and one of the Directors takes health and safety responsibility. All the Directors have their own responsibilities that include leadership and setting a personal example.

The HSE head in each business reports to Jason who gets both the functional report on health and safety and the management report. The management report deals with all the elements of managing the business, how they are doing, profit and loss etc. but the first thing it would cover would be health and safety and environment. This is going up the management line of these businesses to Mike. The HSE element of the management report is a distillation of the functional report.

At the UK operations level, the Health and Safety Manager, Jason Rowley, prepares a full quarterly health and safety report and a brief monthly report to for the Directors and the rest of the Executive Committee.

The monthly report is an e-mail to the UK Management Team of the latest accident figures, any significant achievements e.g. milestones of millions of hours worked without accident and a couple of current issues. The quarterly report is six or seven pages long and covers the full range of health and safety measures included in the reporting template referred to above.

In terms of notification, there is a worldwide first alerting system. When anything serious happens there is a system that very quickly gets that information up to the Board.

Policy Documents

There is an integrated policy for safety, health and environment that is used across all the Amec businesses. The policy documents have a standard one page policy statement in UK signed by Mike Straughen. Each business has their own identical policy but signed off by the relevant Director. All Directors and management staff also have a statement of personal responsibilities. All documents are available on the company intranet and embedded in the management systems.

- (b) Which of your employees would know who has the ultimate responsibility for health and safety? How would they know this?

The answer depends on who you ask and how you phrase the question. Some employees might say Sir Peter Mason, who is the overall Chief Executive for the global business but it depends on how they perceive your question. Within UK Operations they might say Mike Straughen but within a particular business stream they will probably name the Director of that business. Part of the message Amec are trying to get across is that everyone is a safety leader so individuals might say “me”.

All staff have health and safety inductions and business unit policies signed by Directors are displayed on notice Boards.

- (c) Who would employees consider to be responsible for implementing health and safety in the organisation?

The answer to question (b) above also applies here, but it all depends on how far down the tree we've gone.

3.2 Summary of Board level leadership and direction

See Table 5

- (a) Can you please describe the way in which the Board and the Director for Health and Safety provide leadership and direction on health and safety? What do they actually do (on a day to day, weekly, monthly, annual or regular basis) to champion health and safety?

On a day to day basis Mike aims to demonstrate health and safety and raise awareness - making a point of holding handrails on stairs for example - to send out the right message. He feels that senior people must ‘practice what they preach’ or it is contradictory and weakens their position.

Health and safety is always an agenda item in all the meetings that Mike sets the agenda for. He has regular interventions in health and safety on a monthly, quarterly and annual basis:

- Gets a monthly report from all the businesses and a summarised report from Jason on health and safety.
- Gets a quarterly health and safety report from Jason

Safety is always on the agenda at the monthly Board meetings. Mike condenses the monthly report and presents it to the Main Board

Mike gets updates on on-going stuff all the time depending on what is happening. If there has been an incident or if they have achieved a milestone he tries to respond pretty quickly. Mike will generally build on that and send a personal note to whoever it is and which ever project it is, saying congratulations etc, so people know that he is aware. He will e-mail them a personal note if he cannot speak to them.

Mike has his own personal safety contract that is on the intranet and on the wall outside his office. It includes carrying out safety reviews in the business.

Mike tries to get out on site at least once a month. His commitment is to try to go round all the businesses at least once for a safety review.

Mike carries out an operational review of the individual businesses on a quarterly basis and safety is first on the agenda there. They look at safety, trading and then strategy and development with the relevant people.

There is an annual review of each business that covers health, safety, environment and sustainability. Mike spends half a day looking at where they are; what they have achieved; areas for improvement and developing a plan for the year ahead. He is constantly looking for opportunities for sharing best practice. Amec look at things that go well (as well as those that go badly) so they can really understand them, capture the learning and share it. They want to look at the factors that contribute to excellent performance.

On a site visit, Mike sits down with the management and has them talk through their safety management system and identify their key challenges. He then goes out on site and speaks to the workforce to test that and see how robust it is and asks how things compare to other sites people have been on. He would also pick up on, for example, people not wearing personal protective equipment.

A SHE Conference is held every two years but mostly deals with safety and health. This is a UK conference, but people from other regional operations are invited and it has a good global reach. Some of the businesses which are managed from the UK have global activities (for example in Nigeria, the Caspian region, Middle East, Far East, China, Russia). The Chief Executive does the opening address for the conference and Mike and Jason attend and contribute presentations.

- (b) What are the advantages and/or benefits of having a named Director leading health and safety rather than having health and safety as a shared responsibility of the Board as a whole?

Having a named Director provides a single point focus to crystallise strategies and plans for the Health and Safety Team to work with, to get things done and to move forward. Mike's background in oil and gas, which has been one of Amec's better performing areas, means that he is able to take his experience into other market sectors and not accept that the status quo is as good as it will get.

If people are doing well with health and safety on a project they get acknowledgement from within their own business. However, Amec feel that it is more powerful in terms of staff morale, when staff know that targets or achievements have been recognised and they get acknowledgement from outside that business, for example from Mike or even the Chief Executive.

It is useful to have a single person who can understand all the good things that are going on and look at how we can share best practice. They get an overview of what is going on. Mike can talk to the businesses and identify health and safety improvements happening elsewhere that they should consider but also pick up new ideas. He has found that good ideas are not all coming from the best performing businesses but from across the Board.

- (c) Why do you think it is important that Boards manage health and safety rather than delegating it to (say) Health and Safety Managers?

People expect to see the line management taking ownership of safety and being responsible for it. Mike thinks it is really important that a Board shows leadership in managing health and safety and is not relying purely on the functions to do it. He believes that a business that has a strong commitment and focus on safety generally is a well run business.

Amec puts health and safety at the core of the business as opposed to something that is bolted on afterwards. Their reputation is really important, they want to attract good people and good business, and do not want to get a bad name for hurting people, they want customers and staff to have faith in them.

3.3 Specific arrangements regarding HSC action points

Can you please summarise your Board level arrangements for each of the following specific points:

- (a) Publicising the Board's role in health and safety

Each Director has health and safety responsibilities that are published through the policy dissemination at the relevant levels. They also have their personal health and safety plans.

There is an internal newsletter that is also used as a means of publicising the Board's role and how important health and safety is to us. This is available on the intranet.

Amec have 'The Chief Executive awards' which are awards for health and safety. Each of the businesses, like Oil & Gas, Industrial, etc. run Managing Director SHE awards and then their winners go forward for consideration for global SHE awards. This is the second year of the Chief Executive awards. Managing Director Awards have been in place longer. The winners of the awards are invited to a ceremony presentation and dinner with the Chief Executive.

- (b) Each member of the Board recognising their personal responsibilities for health and safety

Each Board member has a personal SHE action plan that is updated on a yearly basis. They make a commitment in terms of things they will do internally and externally and things that they will do in their personal lives. This also recognises that safety doesn't stop when you leave the office or the site; it is about a way of thinking. It works on the basis that if you are safe at home you will be safe at work because you are starting to demonstrate the right behaviours – the things cross over.

The personal plans of the Board and Executive Committee are on the internal web, so that anyone can see what their leaders' action plans are and, at the end of the year, see how they have delivered against it. This cascades down to a Project Director etc. Everyone has their own personal SHE action plan. It is seen as a very powerful tool.

- (c) Ensuring Board decisions on procurement and contracting reinforce health and safety intentions

This is done within the businesses that are doing the work. There is a commercial review process, overseen by the Commercial Review Board, for taking on contracts and safety is embedded within that process. There are a set of standards for our contractors for health and safety that form part of the contract with a supplier and is the most direct way which we influence procurement.

Some of the businesses are working in partnership with clients in Oil and Gas installations out in the North Sea and there will be rules that the client imposes. These rules are added to the Amec rules and passed down the supply chain.

- (d) Board engaging with the workforce on health and safety

All members of the Board have personal SHE action plans.

The Board engage directly with the workforce through site visits, it is part of visible leadership and very much part of the culture. They visit sites with people working on projects and talk to them about safety.

There is a process called “Safety Watch” which is built into some of the behavioural training programmes. It teaches senior staff how to engage with the workforce on safety issues and how to use a process that will draw them out and get them to talk about what the safety issues are about what they are doing. It works on the basis that if a manager has identified that there is a problem with what they are doing, the manager should get them to identify it without informing them first. For example, if someone is not wearing their eye protection, the manager would not say “put your eye protection on” because they are then more likely to take it off again when the manager leaves. The manager should get them to identify that there is a risk that they will damage their eyes and they actually need to wear eye protection. This brings lasting change in behaviour instead of temporary change. It provides visible leadership and engagement.

There is a Works Council at the business level which provides a formalised forum for workforce engagement and feedback.

At a project level in the construction related business, there is an initiative called ‘VOICE’. It stands for Views of Operatives in the Construction Environment and it is about worker engagement. It entails getting volunteers to be VOICE representatives, they get some hazard identification training, and they then act as the ‘eyes and ears’ for health and safety. They have a formalised process for meeting with Site Managers and sorting out any health and safety issues. They also have some responsibility for putting right issues that can be dealt with there and then. They become workforce representatives, but are not necessarily union appointed representatives, but they are doing that type of role. VOICE has been written up in an HSE report a few years ago as an effective way of engaging the workforce.

There are other schemes that the Amec businesses use to engage the workers at project level such as potential hazard reporting schemes, reward schemes for safe working, reporting of hazards, incentive schemes. Work at Sellafield involved a scheme called “Cracked It” where they had targets for numbers of safe hours worked which were linked to donations of computers to schools.

- (e) Board level arrangements for reviewing health and safety performance, keeping health and safety policy aligned with Board priorities, being informed of health and safety

failures, ensuring health and safety management systems are in place and remain effective and are monitored / reviewed

Monthly business reports come from the Managing Directors of the businesses to Mike Straughen and start with health and safety.

The quarterly and monthly SHE reports to the Board.

Who receives the SHE alerts, the incident notification, depends on how serious the incident is. It is filtered as it goes up. Someone like Dave Winskill, heading a sub-stream in Industrial, will probably hear of everything that happens, and most of that will probably go to Steve Lee the MD running that business. Nine-tenths of that will go to Jason Rowley, the Health and Safety Manager and he will forward key aspects of that information to Mike and the whole Board. A portion of that will go up to the plc Board.

There is a quarterly overall business review that will start with SHE and then there is an annual review dedicated to SHE. Mike undertakes an annual SHE performance review with each of his businesses. Mike and Jason sit down with the Managing Director of each business, and sometimes the whole management team, and they talk about how their SHE performance has been over the past year, how they have done in meeting their objectives, what their objectives are for the coming year, etc. This is an annual review dedicated to SHE performance. In addition, Mike does quarterly performance reviews with these Managing Directors and their teams covering business performance. These include SHE performance and progress against objectives as part of that business performance review.

4. Impact of Board level direction

See Table 6

4.1 Specific example(s) of benefits and data to demonstrate

- (a) Can you please describe specific example(s) of how your Board level direction of health and safety has benefited health and safety within the organisation?

Behaviour change has been a key thing. There was an initiative called 'SHAPE' (Safety & Health in Amec Process & Energy) in the business unit that Mike was then running in Aberdeen, this was then rolled out across most of the Oil and Gas operations. This was refreshed into a programme called 'First Step'. The programmes were aimed at getting people to take personal accountability for safety and were rolled out across from Oil and Gas into Industrial and other business areas. Behavioural change is part of applying health and safety with a consistency. Amec now have something known as 'ABC' (Amec Behavioural Change), it is similar to 'First Step' but some elements have been improved and changed. It is an evolving programme.

Amec use climate surveys (e.g. the HSE climate survey) and common SHE performance standards to assess where each business is and look at what their needs are. The performance standards set out what excellent performance looks like in a range of areas of SHE performance and then provides a tool for businesses to assess how close they are to the goal of excellence. They then use this to guide the development of their SHE improvement programmes. They can identify the priority areas to address to get performance improvement. Mike has been very much behind performance standards and it drives the agenda. He started this in the oil and gas business but has developed it as a UK initiative and helped roll it out globally. It is a superb tool for getting the businesses to set their own agenda for improvement so they have control, it's based on where they are but it is all heading towards the same objective.

Each year, Mike sets some common objectives for the year that everyone should focus on. These are over and above their own improvement plans. There are two or three objectives that are common across all of the businesses, so everyone is moving forward. Mike sets some common goals for the businesses and below that they have their own improvement plans.

There has recently been more focus on the health part of HSE as it was identified as being an issue. Last year Amec had a specific objective for the businesses to make sure that they clearly identified all key health risks for groups of employees. They also put an occupational health surveillance process into place. The businesses are now getting people that they have identified as being exposed to health hazards through the health surveillance programme. Mike originally raised the issue about there not being enough focus on health and he and Jason developed a plan to improve health. They involved external bodies to identify the best way to proceed.

The initiative to have Personal Safety Plans came from Mike Straughen. Everyone in key management positions from senior management down through to supervisors have plans. These are personal statements of what they are doing to demonstrate personal commitment to health and safety. It raises personal responsibility and personal visibility and everybody is now much more aware of what influence they have on safety.

Amec hold a UK SHE conference every two years where they bring in about 120 people, half functional specialists and half Senior Managers in the business. Managing Directors attend together with members of their management teams. Around three years ago, the conference before last, Mike did a session specifically highlighting the issue of gaps in performance and the need for Amec to share the learning from the good businesses. Spreading that good performance and closing the gap is an important part of what Mike has been doing.

A good example is where Mike seconded someone with expertise in health and safety from one of the other businesses into the rail business for six months. The rail safety was clearly at odds with everything else Amec were doing, they had procedures and systems but weren't really delivering on them. Mike liaised closely with the rail team. The person seconded did a great job and made a real difference to the rail business on the behavioural side, which created a step change in performance.

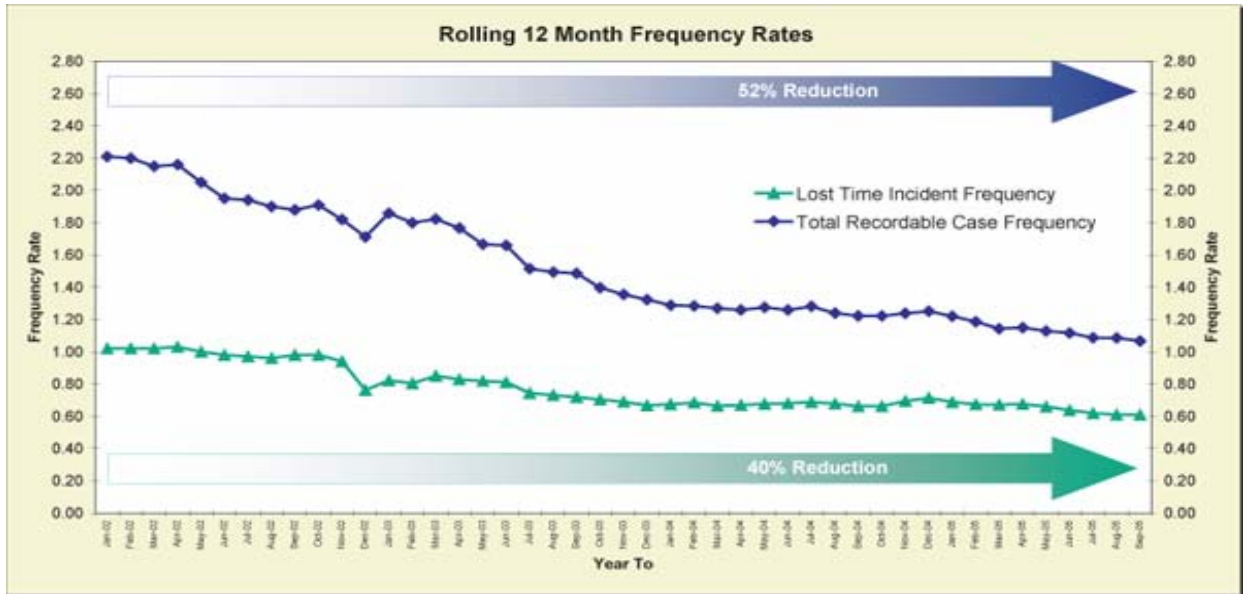
Heathrow Terminal 5 is another example of Mike's leadership– Mike and one of the Managing Directors went and presented to the Terminal 5 team about how they could do things differently. This helped stimulate that team into a high level of performance for a construction project.

Amec have been sector leaders in the Dow Jones Sustainability Index for the last two years. Last year they switched sectors from construction to Support Services, so they have had two years in different sectors in Dow Jones and have been sector leader twice.

They also have a score for the Business in the Community Corporate Responsibility Index. Their Index score is 85% and that specifically includes a health and safety element. They are way ahead of the sector in all participants' levels.

(b) Can you please provide quantitative data that demonstrates the measurable health and safety benefits of your Board level direction?

Sickness absence includes non-occupational staff but would include any occupational staff. Being better at occupational health should mean less sickness absence but they do not expect to get to zero. The figure is down to 2.36 days per employee last year, which is quite low compared to the industry average.



4.2 Risks posed by Board arrangements

- (a) To what extent do you believe that your Board level arrangements have affected the possibility of individual Directors being sued or prosecuted for a health and safety problem? Please explain your answer.

Amec believe that the better they are at health and safety the less risk there is. The better they are the fewer incidents they will have and therefore the less chance of somebody being found at fault.

- (b) To what extent do you believe that your Board level direction of health and safety has affected the risk posed to your organisation by health and safety failures? Please explain your answer.

Amec believe that if they are better at health and safety they will have fewer incidents, less failures and less chance of prosecution, therefore reducing risk. Also, if something does go wrong, they have a positive programme in place that would enable them to act quickly. This would be taken into account in any decision on an individual incident and could lessen the chance of the regulator taking action.

- (c) Has the Board's and/or your involvement in health and safety stopped you or the Board from properly managing other important aspects of the business, if so what and how?

No. Businesses with good safety performance are generally well managed businesses.

See Table 7

4.3 Your message to other Directors

What would you say to Directors and Boards that do not provide leadership and direction on occupational health and safety? What would you suggest to them and **why**?

“My message to Directors and Boards that do not direct health and safety is that good safety is paramount to a business and all Directors have a great ability to have a significant influence on health and safety by leading by example.

It’s not just what they say it’s what they do as well. A lot of people talk well and then actually do something different. For me it is really important that they understand that it’s not what they say that is important it is how they are perceived by the workforce that’s important, If they say one thing and then cut corners they won’t get the message across. Demonstrating by their actions, walking the talk. It’s a business imperative for us for all the reasons I have said before. It really is important. Our whole reputation hinges on it. We do employ good people and want to attract good people, we want to retain and attract customers. For everyone in senior management not just the Directors but the Board of Directors, it is a great opportunity to have a positive influence and to do that they need to lead by example.”

4.4 Three most important things

Of all the things that your Board/Director has done to direct health and safety, please cite the 3 most important:

- 1) Leading by example. The personal performance contracts give visibility to where people stand and what they are personally doing for safety. Making sure people have the right tools, equipment, training etc. to do their job is also part of leadership.
- 2) Acknowledging success as well as failure. Lots of businesses freak out when there has been an accident, but part of it is acknowledging and celebrating success and good performance. Amec started doing safety awards about 10/12 years ago in the businesses, that has gradually evolved and the overall Chief Executive now gives the awards.
- 3) Getting clear on accountabilities and responsibilities. Making sure that everyone is aware that they have a personal responsibility for safety. Having everybody understand their responsibility is fairly straightforward. Running a programme like First Step or ABC gets people to sit down and think about what their role is in the context of safety. It addresses behaviour.

4.5 Recommendations to other organisations

Would you recommend your Board level health and safety arrangements to other organisations?

Yes, we have found it very successful.

4.6 Further improvements and future plans

- (a) If you could improve further your Board level arrangements, what would you change and why?

Amec are happy with current arrangements.

- (b) What are your plans for the future development of your Board level direction of health and safety?

Mike has made sure that people appointed into senior roles have the right approach and attitudes to manage the HSE issues they have to manage. When Mike is appointing senior people he makes sure that he appoints someone that will take on a health and safety leadership role. If you accept that managing health and safety is part of managing the business, then it's a question of finding the person equipped to manage the business.

5. Other notes

5.1 Quotes

We would like quotes from some employees (e.g. staff, union representatives, Health and Safety Managers) giving their views on, e.g. what the Director does/has done to champion health and safety, health and safety improvements/changes they have seen/been part of etc.

- 1) “Mike has always been a proactive leader in the safety field and has demonstrated his commitment both by example and through encouragement to others. He puts safety first and takes on board any ideas for safety improvements.”

John Moss, MD of Design and Project Services.

- 2) “Good safety is paramount to a business and a fundamental cornerstone of success. Directors can have a significant influence on outcomes when they lead by example and it is essential that they ‘walk the talk’.”

Mike Straughen, Chief Operating Officer.

- 3) “Mike always makes time for SHE related issues irrespective of the business environment or other commitments. He recognises and acknowledges positive achievement, always asking about the next SHE improvement. This, to me, demonstrates his passion for SHE excellence.”

Dave Winskill, Operations Director, AMEC Industrial Division.

5.2 Potential issues

Are there any possible ‘embarrassments’ which could affect the impact of the case study? – e.g. incidents, sentencing from prosecution, current bad publicity in health and safety in part of the company...

Amec have a current prosecution notice that is unresolved. They are charged with three offences and have pleaded “not guilty” to the charges that were laid. It was listed for trial in February 2006 but the trial was postponed until early July.

There are two serious accidents that are being investigated at a site in Manchester.

Table 1 Reasons for developing or having Board level direction

<i>For which of the following reasons did you increase Board level health and safety direction?</i>	<i>Strongly agree</i>	<i>Agree</i>	<i>Unsure</i>	<i>Disagree</i>	<i>Strongly disagree</i>	<i>Why did this become a factor?</i>
The perception that health and safety is a significant corporate risk, e.g. risk posed by a major incident, prosecution, etc.	✓					Protecting reputation
A perception that productivity could be improved by better health and safety, e.g. reduction in absence and better staff morale	✓					Good business. Well run business going along with good health and safety
The need to respond to one or more specific health and safety regulations / the growing body of health and safety regulation		✓				Compliance with law is our minimum standard which is set out in our policy statement
The need to respond to growing demands for corporate governance, e.g. Turnbull				✓		
A wish to be socially responsible		✓				Sustainability programme
Demands from a new owner / change in management / new CEO or MD					✓	
The possibility of a new law on Directors' health and safety responsibilities					✓	
The possibility of corporate manslaughter prosecutions					✓	
Response to requirements of investors, business clients or insurers		✓				Responsible clients are looking for good health and safety performance
Any other reasons:						Moral, ethical, desire to look after our people and be an employer of choice and attract good people

<i>To what extent do you agree that?</i>	<i>Strongly agree</i>	<i>Agree</i>	<i>Unsure</i>	<i>Disagree</i>	<i>Strongly disagree</i>	<i>Comments</i>
You developed your arrangements because of the prospect of legal mandation of Directors' health and safety responsibilities					✓	
You developed your arrangements because of the increased risk of Directors being prosecuted for manslaughter / negligence etc.				✓		
You developed your Board arrangements despite advice from solicitors/consultants/advisors that this may increase the risk of individual Directors being held liable for health and safety failures				✓		No advice. Had we been advised we would have made the same arrangements regardless. However disagrees this is the case.

Table 2

<i>When making the arrangements for health and safety, did you...</i>	<i>Yes</i>	<i>No</i>	<i>Unsure</i>
...seek consultancy advice?		✓	
...benchmark yourself against other organisations?	✓		
...read HSC/E guidance?	✓		
...go through a process of “iteration” in the development of your arrangements?	✓		
...consult with safety representatives? (but not for Board level arrangements)	✓		
...consult a solicitor?		✓	
...read guidance on corporate governance?	✓		
...take guidance from previous experience of CEO / MD and / or other Board members?	✓		
...consult with the workforce?		✓	
....consult with any recognised trade unions (please say which ones)?		✓	
...receive any health and safety training?		✓	

Table 3

Did you create a new seat on the Board to fulfil the role of Health and Safety Director?	<i>Yes</i>	<i>No</i>
Did you merge the responsibility with another Directorial role, e.g. HR, Risk, Operations?	<i>Yes</i>	<i>No</i>

Table 4

<i>To what extent do you agree that?</i>	<i>Strongly agree</i>	<i>Agree</i>	<i>Unsure</i>	<i>Disagree</i>	<i>Strongly disagree</i>
It was straightforward to decide how to develop an effective set of Board arrangements	✓				
It was relatively undemanding in deciding how best to provide Board level health and safety direction	✓				
We have had to improve our Board level arrangements due to initial problems with our arrangements				✓	

Table 5 Directorial arrangements

Approximately what proportion of the named Director's time is devoted to health and safety?	15-20%
Approximately what proportion of the Board's time is devoted to health and safety?	10-15%

Table 6 Perceived values and benefits of Board level direction

<i>To what extent do you agree that your Board level health and safety direction and leadership has:</i>	<i>Strongly agree</i>	<i>Agree</i>	<i>Unsure</i>	<i>Disagree</i>	<i>Strongly disagree</i>	<i>In what way?</i>
a) Helped to reduce your corporate risk		✓				If you have the right arrangements, you manage risk better, you have less incidents, less goes wrong therefore there is less risk
b) Reduced the disruption to your organisation created by health and safety problems		✓				As above
c) Helped to improve business performance, e.g. less absence, more sales		✓				Good safety is good business
d) Helped to fulfil corporate social responsibility aspirations		✓				Part of sustainability programme, part of the triple bottom line
e) Helped to improve corporate communications and public relations		✓				Good for our reputation
f) Improved relations with the HSE and other external regulators		✓				Within the construction business, HSE have undertaken an intervention plan where they look in some detail that at the arrangements, management system, strategy, objectives, plans that are in place. This helps to guide their enforcement approach to the business and equally helps to inform them whether we are a business that does it well or not so well. This information is disseminated internally within the organisation, therefore what we are doing becomes better known
g) Improved relations with investors, insurers and other external financial stakeholders		✓				Improved relations with insurers, as proven health and safety programme. Sustainability index.
h) Improved relations with trade unions and the workforce (give names of unions)		✓				Verified through climate survey
i) Helped in the response to HSE improvement / prohibition notices and/or prosecutions		✓				In the event that those issues arise then it is superb mitigation. When something does go wrong, then all the things that we do become excellent mitigation. Demonstrates we are doing all that we can.
j) Led to health and safety improvements, e.g. fewer injuries	✓					See data

Table 7

<i>To what extent do you agree that?</i>	<i>Strongly agree</i>	<i>Agree</i>	<i>Unsure</i>	<i>Disagree</i>	<i>Strongly disagree</i>
The time and effort required of the Board to direct health and safety is justified by the business benefits		✓			
The time and effort required of the Board to direct health and safety is reasonable		✓			
There is a wish to reduce the amount of time devoted by the Board to health and safety				✓	

ANC EXPRESS

1. Director Details

- (a) What is the name of the Director(s) responsible for health and safety?

Mr Michael Holt

- (b) What is their position/title(s)?

ANC Group Operations Director

- (c) What is was the Director's previous role/position/company?

Michael was head hunted to join ANC Group along with Mark Gittins as CEO in August 2000. He had previously been on the Board of Cardwell for 18 months.

- (d) What is the Director's background experience?

Michael graduated in 1984 with a law degree. He has since the age of 27 been operating at Board level, and has subsequently worked at a number of companies within the manufacturing sector.

- (e) What has given the Director their personal motivation to champion health and safety?

Mandatory health and safety training Michael underwent in his first job made him appreciate the value of the inherent health and safety risks that can be faced by business and the importance of both recognising, managing and mitigating them.

- (f) What were the key tasks/challenges for the Director when they were appointed?

There were no real health and safety procedures in place within the organisation, and the organisation had been prosecuted by the HSE the year earlier. Furthermore, the company had in the previous year also been bought out by management and was focusing on realigning its business strategy to bring about an overall improvement in performance.

- (g) Have you, or any other members of the Board, received any health and safety training?

Michael has received health and safety training in previous roles held, and has received further training from Yvonne Jowett-Reid, the Group's Health and Safety Manager.

2. History and reasons for the development of Board arrangements

- (a) What is the organisational context of this case study? Who is the Director being considered, what is the structure of the organisation and the structure of the Board? What are the current arrangements and responsibilities for health and safety at Board level? Do any Non-Executive Directors have a health and safety role?

ANC Express operates in the parcel delivery sector, and has 85 collection and delivery depots throughout the United Kingdom, which also involves a franchise network. The operations are co-ordinated around two distribution hubs – one sited at Newcastle-under-Lyme called Parkhouse, and the other servicing the south known as Marston Gate. The Head Offices for ANC Express are situated at the Parkhouse site. There can be up to 180,000 parcels fed through the two hubs per week, resulting in as many as 200 trunk movements per night. On average, most runs for drivers are 4.5 hours.

ANC Express currently employs 1,400 staff across its operations, with some staff having been with the company for as long as 15 years. ANC Express is also reliant on agency staff, who are vetted and managed by ANC Resource Solutions (part of the ANC Group). They provide their own driver training programme, which is overseen by the Vehicle and Driver Safety Committee, as part of their risk management process.⁴ All other operational staff also undergo training in health and safety, which is co-ordinated by site Health and Safety Committees. There are some 60 different courses offered to staff, which are outlined in the Safety, Health and Environmental Manual.

ANC Group Board consists of five Directors and a Non-Executive Chairman, including:

- CEO (Mark Gittins)
- Group Operations Director (Michael Holt)
- IT Director
- Finance Director.

The Group's Executive Management Team includes the members of the Group Board as well as a number of other Directors representing various operational activities and divisions within the group, such as HR and logistics.

Michael reports directly to Mark Gittins, the CEO, and his responsibilities include managing those of Operations, Franchising and Services. He has as a result of this portfolio a number of reporting lines. Health and safety is part of the Services function and the SHE Manager, Yvonne Jowett-Reid, reports directly to him. Ultimate responsibility for health and safety lies with the CEO, Mark; however, he has delegated the responsibility within the Board to the Group Operations Director.

See Table 1 & Table 2

- (b) How have the current Board level arrangements for health and safety developed over time, in particular the last 3-5 years?

In 1999 there was an accident at the Marston Gate site that resulted in a prosecution. This brought the issue of health and safety to the Board's attention, particularly for the Finance Director. This was in part coupled to the fact that there had been a management buy-out of ANC Express that same year. A new CEO was brought in (Mark Gittins); and he subsequently invited Michael to join as Group Operations Director in August 2000. In addition to the Finance Director, there was also support from the Non-Executive Chairman, John Brotherton, to see health and safety more clearly aligned within the business operations.

⁴ *Having such a process in place has enabled ANC Express to clear its name as a driver who had previously driven for the company, whilst driving for ASDA was involved in an accident that resulted in the death of an off duty police officer.*

On reviewing the health and safety management, Michael realised that there were no real procedures in place, and the policy paid lip service to health and safety. With the support of other Board members, he therefore took on responsibility for health and safety. Initially, health and safety was incorporated as part of the operations report at the Group Board meetings; though it was soon recognised, and with motivation given by the Non-Executive Chairman, health and safety became a separate standing item on the Board's agenda from early 2002.

- (c) Why was health and safety considered important enough to deserve and require Board level direction?

There are a number of reasons as to why health and safety has been taken up at Board level including:

- Business approach to “operate and profit with integrity”;
- Part of the overall business risk management strategy;
- Want to be seen as a caring employer – staff retention recognised as an important element associated with productivity coupled with a return on investment.

See **Table 3**

•

- (d) Why has responsibility for health and safety been given to this post rather than, say, the Operations Director or Finance Director?

As above – health and safety is seen to be part of the overall business operations and therefore is integrated within the business culture.

- (e) Do you have any other comments about how you decided on the current Board arrangements for health and safety?

No.

See **Table 4**

- (f) Can you please describe any lessons learnt during the development or operation of your Board level health and safety arrangements?

None added.

3. Description of current arrangements

3.1 Health and safety responsibilities

- (a) What is the organisational structure for the implementation and monitoring of health and safety?

All the roles and responsibilities for health and safety are outlined in the ANC Safety, Health & Environmental and Safety Records Manual that is made available to all employees through the company's intranet. This is considered the “bible” for the company and is the first point of reference in all instances regarding health and safety. The Manual is authorised by the CEO, Mark Gittins and covers all ANC Group Ltd operated sites.

This manual also undergoes regular review and is updated monthly. Hard copies are held by SHE Co-ordinators, as well as other managers within the operations of ANC Express, e.g. Regional Operations Managers and Depot General Managers. Notice of any or no changes to the manual are sent to all these managers on a monthly basis by email.

There are Health and Safety Committees at every site, which meet every 4-6 weeks. Each of these committees is chaired by the Departmental Head, and is attended by the SHE Co-ordinator(s) and representatives of various functions, e.g. driver, handler, office etc as well as union representatives. The agenda and minutes of these meetings are forwarded onto the SHE Manager, Yvonne, within a week of the meeting being held. Additionally, the minutes are posted on the site SHE notice Board and kept with the Safety Records Manual.

Overseeing these committees is the Executive Health and Safety Steering Group Committee, which consists of:

- Group Operations Director (Chairman)
- HR Director
- Commercial Director
- Managing Director – Resource Solutions
- Managing Director – ANC Logistics
- Regional Operation Manager (Rota Basis)
- Transport Manager
- SHE Manager.

This committee meets every 3 months to discuss key health and safety issues and concerns from across the company. An additional strategic planning meeting is also held to outline initiatives for the upcoming year.

- (b) Which of your employees would know who has the ultimate responsibility for health and safety? How would they know this?

Michael Holt, as Group Operations Director – this is articulated within the ANC Safety, Health & Environmental and Safety Records Manual. However, health and safety is seen as a responsibility of all employees, from the Director down to the shop floor.

- (c) Who would employees consider to be responsible for implementing health and safety in the organisation?

Yvonne Jowett-Reid as the SHE Manager, who operates with the full support of Michael Holt as the Group Operations Director.

3.2 Summary of Board level leadership and direction

See Table 5

- (a) Can you please describe the way in which the Board and the Director for Health and Safety provide leadership and direction on health and safety? What do they actually do

(on a day to day, weekly, monthly, annual or regular basis) to champion health and safety?

- Chairs the Executive Health and Safety Steering Committee that meets quarterly to review overall performance. This committee also holds an additional meeting at which the following year's strategic plan is developed.
 - Reports at the monthly Group Board meeting on health and safety performance including a series of key performance indicators, that include for example:
 - The number of accidents reported in the last month, and in relation to the year to date
 - Number of RIDDORs and a breakdown of them
 - Days lost – as a % overall
 - Claims made in last 12 months
 - Any recent legal changes in terms of health and safety
 - Any extra-ordinary events, e.g. issues in terms of hazardous goods, etc.
 - Provides leadership and direction to the SHE Manager, Yvonne Jowett-Reid
 - Visits sites regularly and sits in on site SHE meetings in which there are union representatives
 - Is engaged in all initiatives and campaigns regarding health and safety and is kept regularly updated on progress.
- (b) What are the advantages and/or benefits of having a named Director leading health and safety rather than having health and safety as a shared responsibility of the Board as a whole?
- Improved working relationships between workers and management, with buy-in from the Board as well as the shop floor
 - Consistency in approach and communicated priorities within the company, sub-contractors and clients
 - Successful change in organisational culture
 - Improved reputation and recognised sector leader.
- (c) Why do you think it is important that Boards manage health and safety rather than delegating it to (say) Health and Safety Managers?

The management of health and safety is seen to be most beneficial to the success of the company and the staff by combining the skills of the Board Director and the Health and Safety Manager. Though the day-to-day implementation of health and safety is the responsibility of the SHE Manager, Yvonne, she works closely with the Group Operations Director, Michael in ensuring that strategically health and safety is aligned within the overall operations of the company. Furthermore, there is interaction with other roles and responsibilities within the company, e.g. the HR Director, Wendy Deane and Site Managers.

3.3 Specific arrangements regarding HSC action points

Can you please summarise your Board level arrangements for each of the following specific points:

- (a) Publicising the Board's role in health and safety

This is captured within the ANC Safety, Health & Environmental and Safety Records Manual as well as articulated in other ways such as the company newsletter, websites, promotion of initiatives, visiting sites, etc.

- (b) Each member of the Board recognising their personal responsibilities for health and safety

This is articulated within the ANC Safety, Health & Environmental and Safety Records Manual available to all employees. Similarly, health and safety is a standing item on the agenda of each Board meeting.

- (c) Ensuring Board decisions on procurement and contracting reinforce health and safety intentions

Again, this is articulated within the ANC Safety, Health & Environmental and Safety Records Manual.

It is also addressed in relation to the trade association forum (Parcel Carriers Safety Association – PCSA) with joint initiatives being run such as “Mark a parcel, save a back” which looks to educate their customers in correctly marking the weight of parcels.

ANC Express has also been working with customers in terms of the transport of dangerous goods which it has identified specifically in relation to the risk of transporting uncontrolled chemicals. These risks are perceived to be to employees, the business overall, e.g. such as reputational, as well as to neighbours. In this respect, the Sales Managers have been working with Yvonne and receive training on changes to the law which is subsequently conveyed to both customers and ANC Express franchisees. In one instance this has result in the loss of a large client, but has conversely also improved the image of ANC Express in the eyes of another, such that they have increased their contract.

Furthermore, a project undertaken between December 2004 – May 2005 at Marston Gate hub involving the installation of a new 30 foot carousel and was successfully completed within budget and on time (even with a two week delayed start) with no accidents recorded during the project with contractors and staff working on site during the entire process. The site continued to operate 24 hours continuously during this period, functioning as a depot by day part-shared with ANC Logistics and as a hub at night. Furthermore, it also involved changes to overall operations within the hubs with between 6-10,000 parcels needing to change trunking and distribution routes. ANC Express team worked closely with their contractors, Vanderlande, and put clear processes and procedures in place for them as contractors working on their site as well as with ANC staff. The successful delivery of the project has in part been attributed to the improved awareness of health and safety issues, which was also recognised externally when the company won a RoSPA Gold Award.

“Having embedded health and safety into day-to-day operations, we were able to install a new carousel at our southern hub without any recorded accidents, with no business disruption and within time and budget. The magnitude of what we were able to achieve in this project only really dawned on us once we had completed it.” John Munro, Operations Manager, ANC Express

- (d) Board engaging with the workforce on health and safety

Michael, as Group Operations Director, regularly visits the various sites, and participates in the site Health and Safety Committee meetings which include union representatives, the Site Manager and Site SHE Co-ordinator.

- (e) Board level arrangements for reviewing health and safety performance, keeping health and safety policy aligned with Board priorities, being informed of health and safety failures, ensuring health and safety management systems are in place and remain effective and are monitored / reviewed

As mentioned above, this is reported on at the monthly Group Board meeting, with extraordinary events also being reported on by the Group Operations Director, e.g. investment in new equipment, etc.

Additionally, an external consultant undertakes an audit twice a year of the 2 hubs which are considered to be the main risk areas to the business, which is also reported to the Board.

4. Impact of Board level direction

See **Table 6**

4.1 Specific example(s) of benefits and data to demonstrate

- (a) Can you please describe specific example(s) of how your Board level direction of health and safety has benefited health and safety within the organisation?

A year after joining ANC, Michael brought Yvonne on board to assist him in bringing about a significant improvement in health and safety across the company. This was the start to a six year plan that has focused on making health and safety fun, interesting and understandable to all employees within the company from the top management through to the shop floor – the overall intention being to embed health and safety into both the strategic as well as day-to-day operations of the business.

A number of initiatives have been undertaken in the last 4 years in which both Michael and Yvonne have played key roles. They have reworked the Health and Safety Policy, procedures and instigated a company-wide training programme for all employees (management and staff). One of the first initiatives run across the company to raise the awareness of the value and importance of health and safety was called “Monopoly”. Where previously, there had been the impression that the Health and Safety Manager was the “Profit Prevention Officer”, Michael felt he saw a change overnight, particularly with management coming back with interest.

This initiative was followed up by a number of courses run across the company dealing with such issues as risk assessments, EHS management, etc. The benefit is seen in that communication is now a two-way dialogue, with managers engaging Yvonne and Michael feeding issues back up. For Michael, this is significant evidence of the change in organisational culture, and that the “open door” policy is working and is effective in ensuring that the “hard” and “soft” sides of the business are coming together.

All staff undergo an induction process that includes health and safety. The company also has been addressing the challenge of staff who are not first language English speakers. Investment has been made in that:

- The SHE Manager is supported by an interpreter at all inductions;
- Pictograms are used on site rather than purely text-based signage;

- Free English classes are offered to staff with a commitment from the company to match the time put in by the member of staff, e.g. an hour for an hour;
 - Trialling a health and safety training video which is offered in 18 different languages, with plans in the longer term to develop their own company version.
- (b) Can you please provide quantitative data that demonstrates the measurable health and safety benefits of your Board level direction?

Another example of benefits of improved staff morale associated with the culture change has been the drop in staff turnover, but particularly in terms of staff absence recorded at the hubs during the busiest period (November – December) as the demand for agency staff has dropped notably in the last year:

- At Parkhouse, from an average of 55 agency staff on site to that of 25, and;
- At Marston Gate, also from an average of 55 agency staff down to approximately 2.

4.2 Risks posed by Board arrangements

- (a) To what extent do you believe that your Board level arrangements have affected the possibility of individual Directors being sued or prosecuted for a health and safety problem? Please explain your answer.

The risk management process has been significantly improved since 2000. Importantly, health and safety and is seen to be a responsibility of all employees within the company.

- (b) To what extent do you believe that your Board level direction of health and safety has affected the risk posed to your organisation by health and safety failures? Please explain your answer.

There is greater integration with business processes and transparency on health and safety issues which is visible up to the Board level, and this enables proactive rather than reactive management of risks posed to the company in terms of overall health and safety.

- (c) Has the Board's and/or your involvement in health and safety stopped you or the Board from properly managing other important aspects of the business, if so what and how?

Health and safety is not seen as a separate aspect of the business – it is part of the business, and therefore it is not a question of needing to make a choice about health and safety or something else. However, there is always a question as to whether there is value for money in the investments being made, in so much as challenging all that is invested in health and safety, as is done in every other instance in the business, recognising that there are qualitative benefits as well.

See Table 7

4.3 Your message to other Directors

What would you say to Directors and Boards that do not provide leadership and direction on occupational health and safety? What would you suggest to them and **why**?

My message to Directors and Boards that do not direct health and safety is...

“The role of the Director is one of facilitation to allow the Health and Safety Manager, amongst others, to do their job better. It means providing insight into the style and challenges facing the business as well as mentoring and assisting them.”

4.4 The most important things

Of all the things that your Board/Director has done to direct health and safety, please cite the most important:

- 1) Have the full support of all Board members so as to be seen to be “driven from the top”
- 2) Make health and safety fun – it doesn’t have to be dull!
- 3) Have the shop floor fully engaged and behind any initiative
- 4) Need to live and breathe the company’s values at all times so employees see that the business does really care.

4.5 Recommendations to other organisations

Would you recommend your Board level health and safety arrangements to other organisations?

Yes.

4.6 Further improvements and future plans

- (a) If you could improve further your Board level arrangements, what would you change and why?

No current changes envisaged.

- (b) What are your plans for the future development of your Board level direction of health and safety?

“We do always want to do more simply because we want to do better – it’s all part of being on a positive spiral to be the best, not necessarily the biggest!”

Areas that are being addressed with new health and safety initiatives include:

- Driver training;
- Training on legal changes to transport of chemicals for Sales Managers, franchises and even customers;
- Improvements that are coupled with environmental issues.

5. Other notes

5.1 Quotes

We would like quotes from some employees (e.g. staff, union representatives, Health and Safety Managers) giving their views on, e.g. what the Director does/has done to champion health and safety, health and safety improvements/changes they have seen/been part of etc.

- 1) “It’s a double benefit for the company to promote a healthy and safe working environment whilst showing that it really cares by following through with concerns raised by employees”
Derrick Cooper, Senior T&G Convenor, ANC Express.
- 2) “As the main sponsor from our Group Board, Michael is supportive in my development and takes an active role in all areas of health and safety, whilst understanding the need for full business integration”
Yvonne Jowett-Reid, Health and Safety Manager, ANC Express Ltd.
- 3) “Having embedded health and safety into day-to-day operations we were able to install a new carousel at our southern hub without any recorded accidents, with no business disruption, on time and within budget”
John Munro, Operations Manager, ANC Express Ltd.
- 4) “ANC’s health and safety practices are second to none. Whilst installing a new 84 chute Posisorter, no accidents were reported, despite the fact that while installing the new equipment, the business of sorting parcels was still in full operation. The cooperation and diligence of ANC’s Project Management Team was extremely impressive and professional. Achieving this 100% accident free environment, whilst installing large pieces of machinery is not always achievable”
Mark Waldron, Project Manager, Vandelande.

5.2 Potential issues

Are there any possible ‘embarrassments’ which could affect the impact of the case study? – e.g. incidents, sentencing from prosecution, current bad publicity in health and safety in part of the company, etc.

None

Table 1 Reasons for developing or having Board level direction

<i>For which of the following reasons did you increase Board level health and safety direction?</i>	<i>Strongly agree</i>	<i>Agree</i>	<i>Unsure</i>	<i>Disagree</i>	<i>Strongly disagree</i>	<i>Why did this become a factor?</i>
The perception that health and safety is a significant corporate risk, e.g. risk posed by a major incident, prosecution, etc.		✓				
A perception that productivity could be improved by better health and safety, e.g. reduction in absence and better staff morale	✓					
The need to respond to one or more specific health and safety regulations / the growing body of health and safety regulation		✓				
The need to respond to growing demands for corporate governance, e.g. Turnbull				✓		
A wish to be socially responsible		✓				
Demands from a new owner / change in management / new CEO or MD		✓				
The possibility of a new law on Directors' health and safety responsibilities				✓		
The possibility of corporate manslaughter prosecutions				✓		
Response to requirements of investors, business clients or insurers				✓		On the contrary, the company has been "educating" its suppliers and customers, and has also become more "attractive" to investors in light of its overall performance which includes health and safety.
Any other reasons:						

<i>To what extent do you agree that?</i>	<i>Strongly agree</i>	<i>Agree</i>	<i>Unsure</i>	<i>Disagree</i>	<i>Strongly disagree</i>	<i>Comments</i>
You developed your arrangements because of the prospect of legal mandation of Directors' health and safety responsibilities				✓		
You developed your arrangements because of the increased risk of Directors being prosecuted for manslaughter / negligence etc.				✓		
You developed your Board arrangements despite advice from solicitors/consultants/advisors that this may increase the risk of individual Directors being held liable for health and safety failures				✓		

Table 2

<i>When making the arrangements for health and safety, did you...</i>	<i>Yes</i>	<i>No</i>	<i>Unsure</i>
...seek consultancy advice?		✓	
...benchmark yourself against other organisations?	✓		
...read HSC/E guidance?	✓		
...go through a process of “iteration” in the development of your arrangements?	✓		
...consult with safety representatives?	✓		
...consult a solicitor?			✓
...read guidance on corporate governance?			✓
...take guidance from previous experience of CEO / MD and / or other Board members?	✓		
....consult with the workforce?	✓		
.....consult with any recognised trade unions (T&G)?	✓		
...receive any health and safety training?		✓	

Table 3

Did you create a new seat on the Board to fulfil the role of Health and Safety Director?	<i>Yes</i>	<i>No</i>
Did you merge the responsibility with another Directorial role, e.g. HR, Risk, Operations?	<i>Yes</i>	<i>No</i>

Table 4

<i>To what extent do you agree that?</i>	<i>Strongly agree</i>	<i>Agree</i>	<i>Unsure</i>	<i>Disagree</i>	<i>Strongly disagree</i>
It was straightforward to decide how to develop an effective set of Board arrangements	✓				
It was relatively undemanding in deciding how best to provide Board level health and safety direction	✓				
We have had to improve our Board level arrangements due to initial problems with our arrangements		✓			

Table 5 Directorial arrangements

Approximately what proportion of the named Director's time is devoted to health and safety?	%
Approximately what proportion of the Board's time is devoted to health and safety?	%

ANC felt this was very difficult to quantify as it is integrated into the day to day management.

Table 6 Perceived values and benefits of Board level direction

<i>To what extent do you agree that your Board level health and safety direction and leadership has:</i>	<i>Strongly agree</i>	<i>Agree</i>	<i>Unsure</i>	<i>Disagree</i>	<i>Strongly disagree</i>	<i>In what way?</i>
(a) Helped to reduce your corporate risk		✓				
(b) Reduced the disruption to your organisation created by health and safety problems	✓					
(c) Helped to improve business performance, e.g. less absence, more sales		✓				
(d) Helped to fulfil corporate social responsibility aspirations		✓				
(e) Helped to improve corporate communications and public relations		✓				
(f) Improved relations with the HSE and other external regulators		✓				
(g) Improved relations with investors, insurers and other external financial stakeholders	✓					
(h) Improved relations with trade unions and the workforce (T&G)		✓				
(i) Helped in the response to HSE improvement / prohibition notices and/or prosecutions			✓			
(j) Led to health and safety improvements, e.g. fewer injuries	✓					

Table 7

<i>To what extent do you agree that?</i>	<i>Strongly agree</i>	<i>Agree</i>	<i>Unsure</i>	<i>Disagree</i>	<i>Strongly disagree</i>
The time and effort required of the Board to direct health and safety is justified by the business benefits		✓			
The time and effort required of the Board to direct health and safety is reasonable		✓			
There is a wish to reduce the amount of time devoted by the Board to health and safety				✓	

BRE

1. Director Details

(a) What is the name of the Director(s) responsible for health and safety?

Guy Hammersley

(b) What is their position/title(s)?

Chief Operating Officer

(c) What is was the Director's previous role/position/company?

Managing Director of Construction Division

(d) What is the Director's background experience?

Guy Hammersley is Chief Operating Officer of BRE Ltd and a member of the BRE Board. He joined BRE in 1998 as Managing Director of BRE Construction Division and was responsible for BRE's structural engineering, materials, geotechnical and construction process business. He became COO in 2003 and took on responsibility for health and safety.

Prior to joining BRE he spent twenty years in the construction industry with the Laing Group in a variety of technical advisory and consultancy roles culminating in General Manager of LTG Technical Services and Laing Group R&D Manager. He also spent two years as Associate Dean in the Faculty of Science, Technology and Design at the University of Luton where he was responsible for industrial liaison and commercial affairs.

Guy has wide ranging experience on technical committees and working parties, including BSI, CEN, CIRIA, Geological Society, CBI, CBDG, Concrete Society and I Struct E.

(e) What has given the Director their personal motivation to champion health and safety?

Health and safety has always been an important part of Guy's career and is something he feel very strongly about. He believes in improving quality of life and in taking care of his employees. He is passionate about BRE's mission to "Build a Better World" and an important aspect of that is improving health and safety in the built environment. He sees it as essential that BRE practice what they preach. The role provides Guy with the opportunity to accelerate the process of continuous improvement in health and safety that had already been started.

(f) What were the key tasks/challenges for the Director when they were appointed?

Guy's key initial tasks were to:

- Appointment of a new Health and Safety Manager
- Identify priority areas for improvement
- Raise awareness through improved communication

- Create a visible presence for senior staff in relation to health and safety

(g) Have you, or any other members of the Board, received any health and safety training?

Guy has received some health and safety training in all the organisations he has worked in. Just before his appointment as Director responsible for health and safety he attended a training programme on 'Health and Safety for Senior Managers and Directors'.

2. History and reasons for the development of Board arrangements

(a) What is the organisational context of this case study? Who is the Director being considered, what is the structure of the organisation and the structure of the Board? What are the current arrangements and responsibilities for health and safety at Board level? Do any Non-Executive Directors have a health and safety role?

Profits from BRE business go to the BRE Trust. This has a Board of trustees and is managed as a charity. The money is spent on research and education related to the built environment. The BRE Board of Directors consists of: Chief Executive – Martin Wyatt, Chief Operating Officer – Guy Hammersley, Finance Director – James Horan and two Non-Executive Directors, Non-Executive Chairman – Brian Mellit and Non-Executive Director – Michael Brown. The BRE Trust has a separate Board.

This case study features the BRE Board and focuses on Guy Hammersley the Chief Operating Officer (COO) as the nominated Director responsible for health and safety. The whole Board has been involved in taking health and safety forward although there has always been one Director specifically nominated to lead on health and safety. The Non-Executive Directors have always taken an active role on health and safety. The Non-Executive chairman, Brian Mellitt, has brought particular expertise from his background with London Underground and Railtrack and has taken an active role in health and safety initiatives. Roger Kevern the Health and Safety Manager reports directly to Guy Hammersley.

BRE have three main divisions, Construction, Environment and Certification.

See Table 1 & Table 2

(b) How have the current Board level arrangements for health and safety developed over time, in particular the last 3-5 years?

BRE was formed when the governments Building Research Establishment was privatised in 1997. There was a management buy-out and the new CEO put the organisation under the control of the BRE Trust which is managed as a charity. A Board of Directors was formed to run BRE.

The process of change in health and safety commenced at the time of privatisation in 1997. The organisation changed rapidly over the next few years, diversifying into new areas. There was a growth in testing to support certification, and also in the amount of site work being undertaken. Greater use was being made of contractors and more clients (and their subcontractors) were visiting BRE sites. The move from a government research establishment to a consultancy business required diversification and increased the potential risks to the business.

The BRE Board sought advice from a health and safety consultancy company in late 2002 and they recommended BRE employ a specialist Health and Safety Manager. There was also training of Directors and Senior Managers in health and safety responsibilities. In early 2003, the Board identified that a step change was required to improve health and safety. It was considered that with the changing nature of our business, the time was right to accelerate the process of continuous improvement in health and safety. A number of initiatives were started, in particular specialist training for managers and a focus on better management of contractors.

In January 2003, Guy moved from being MD of the Construction Division to take on the role of COO. In line with the planned hand over of responsibilities, Guy was appointed as Director responsible for health and safety in June 2003.

In May 2003 there was a tragic fatal accident involving a contractor working for one of BRE's clients at their Cardington site. Everyone at BRE was deeply upset by this and the accident provided an additional spur to health and safety initiatives.

Part of the plan for accelerating improvement in health and safety was to strengthen the existing Health and Safety Group by appointing a new senior Health and Safety Manager to deal with the increased risks from diversification of the business and act as an advisor to the Board. Roger Kevern was appointed in November 2003. He had specific experience relevant to the future growth plans for the business.

The approach to the whole business has been one of continuous improvement and this has been a fundamental principle in the way they have approached health and safety.

(c) Why was health and safety considered important enough to deserve and require Board level direction?

The whole process of change at BRE has been led from the top, including health and safety. Guy feels it is essential that staff see that there is a top level driver for health and safety. He knows that it is the Board that provides direction to a business and that health and safety is integral to business success.

See Table 3

(d) Why has responsibility for health and safety been given to this post rather than, say, the Operations Director or Finance Director?

The roles of the Directors were reviewed in 2003 and the need for a step change was recognised. Guy was keen to take on the role so the responsibility for health and safety was placed with him as the COO.

(e) Do you have any other comments about how you decided on the current Board arrangements for health and safety?

Guy's role was structured to ensure that he was able to devote the necessary time to this important task.

See Table 4

(f) Can you please describe any lessons learnt during the development or operation of your Board level health and safety arrangements?

Key lessons were:

- There is always room for improvement – you never stop learning, you can always do better;
- It is important that senior management are very “visible” on health and safety, e.g. health and safety walkabouts;
- It is important to communicate through every means possible;
- Everyone must take ownership and responsibility for health and safety.

3. Description of current arrangements

3.1 Health and safety responsibilities

(a) What is the organisational structure for the implementation and monitoring of health and safety?

- Reporting lines within organisation (committees, managers, reps etc), how does information on health and safety get to the Board?
- Is there documentation of the formal structure – roles and responsibilities of Director and others, safety policy documents etc?

Guy is the Director responsible for health and safety. Roger Kevern the Health and Safety Manager reports directly to Guy and runs the Health and Safety Group. Line Managers have responsibility for health and safety i.e. MDs of divisions, Lab Managers, each division also has a nominated Health and Safety specialist (consultant).

The Joint Health and Safety Committee meets once a year and is chaired by the CEO – all health and safety representatives and MDs, and anyone else who has a vested interest in health and safety. It sets the overall strategy for health and safety and reviews performance.

The Working Safely Committee is a sub-committee of the Joint Health and Safety Committee that meets every 6 weeks and consists of about 8 people. This is chaired by Guy Hammersley. It sets health and safety goals and creates action plans so that things get done. All the divisions are represented on this committee.

There is a strong union (Prospect) at BRE and Trade Union Safety Representatives sit on both the Committees.

Health and safety responsibilities within the organisation are set out in the Health and Safety Policy, including Directors’ responsibilities. All employees receive a copy of the Health and Safety Policy at their induction.

- (b) Which of your employees would know who has the ultimate responsibility for health and safety? How would they know this?

Everyone should know that Guy is ultimately responsible for health and safety as it is part of the induction and training given to every member of staff and is described in the health and safety policy.

- (c) Who would employees consider to be responsible for implementing health and safety in the organisation?

Staff should see the COO as having ultimate responsibility for implementing health and safety, supported by the Health and Safety Manager and Health and Safety Group and their departmental management. However, training courses and the Health and Safety Policy make it clear that health and safety is everyone's responsibility.

3.2 Summary of Board level leadership and direction

See Table 5

- (a) Can you please describe the way in which the Board and the Director for Health and Safety provide leadership and direction on health and safety? What do they actually do (on a day to day, weekly, monthly, annual or regular basis) to champion health and safety?

Day to day

- Health and safety is integral to all BRE do and all the Directors will focus on health and safety issues during their management of the business.
- Guy devotes about 1 day per week to specific health and safety matters (more some weeks if specific initiatives are being worked on or regional offices are being visited) including: - site walkabouts, meetings with staff, preparation and approval of documents and presentations.

Weekly

- Guy meets formally with the Health and Safety Group every Monday morning.
- There is a meeting of all Directors and Divisional Managing Directors every Monday afternoon. Issues of health and safety are regularly raised.

Monthly

- A formal health and safety report is presented to the BRE Board and the BRE Performance Committee each month. Health and Safety is the first standing item on the agendas.
- A health and safety newsletter is published every month and is sent to all staff.
- There is a senior staff briefing on the first Thursday of every month attended by all Senior Managers. Health and safety is a regular agenda item.

- There is a monthly meeting between the CEO and the Trades Union. Health and safety matters are discussed and the COO attends for this as appropriate.

Regularly

- The Working Safely Committee meets every 6 to 8 weeks depending on the time frame of specific initiatives.
- The staff magazine “Team Talk” is published quarterly and always includes an item on health and safety.
- Site walkabouts by the Directors and the Health and Safety Manager – they look at what is happening around the site and workshops and talk to staff. These also provide an opportunity for feedback from staff back to Directors. Some of these walkabouts are scheduled but others are spontaneous. A list of action points will be developed from the visit.

Annual

- The Joint Health and Safety Committee meets formally once per year and is chaired by the CEO.
- Health and safety is an important component of the annual business planning process. Business planning is used to take forward new health and safety initiatives and ensure they are embedded in the wider plans across the business.
- An annual meeting is held for all staff and Guy presents a review of health and safety

- (b) What are the advantages and/or benefits of having a named Director leading health and safety rather than having health and safety as a shared responsibility of the Board as a whole?

Having one person with overall responsibility ensures focussed commitment and absolute clarity of leadership. Guy sees this as a fundamental principle of good leadership. It also gives a very clear message to staff of the importance of the issue.

Having a single, named Director responsible is better for getting things done as it is clear whose job it is. The more the responsibility is split the less likely it is that things get done.

- (c) Why do you think it is important that Boards manage health and safety rather than delegating it to (say) Health and Safety Managers?

It is the Board that runs the business and health and safety is integral to BRE’s business success. Guy believes that important issues must be led from the top as this demonstrates that the organisation takes it seriously. The Directors set an example for everyone else. The Board members also have vast experience of health and safety in other organisations and can share lessons learnt.

3.3 Specific arrangements regarding HSC action points

Can you please summarise your Board level arrangements for each of the following specific points:

(a) Publicising the Board's role in health and safety

The Board's role is publicised through:

- Inductions
- Team briefings
- The Health and Safety Policy
- Management meetings
- Minutes of meetings
- Visible health and safety walkabouts

(b) Each member of the Board recognising their personal responsibilities for health and safety

The roles of Directors are set out in the Health and Safety Policy and the Board and Senior Managers have received training in their health and safety responsibilities. The CEO and Trust Board Chairman are both proactive in ensuring that the Board fulfils its responsibilities.

(c) Ensuring Board decisions on procurement and contracting reinforce health and safety intentions

Managing contractors was recognised early on as a high priority for health and safety and is one of the BRE "High Five" priorities for improving health and safety. BRE have a special policy on managing contractors which is currently being improved again. They also have a system for the approval of contractors and suppliers and an approved contractor/supplier database.

(d) Board engaging with the workforce on health and safety

The Board engagement with the workforce is through:

- Scheduled regular meetings between the CEO and Trades Union Representatives
- Director walkabouts on site
- One on one contact – open door policy
- Carol Hughes Health and Safety Award

(e) Board level arrangements for reviewing health and safety performance, keeping health and safety policy aligned with Board priorities, being informed of health and safety failures, ensuring health and safety management systems are in place and remain effective and are monitored / reviewed

Health and safety is kept under review on an ongoing basis through the Health and Safety Manager's monthly reports to the Board. The Performance Committee and the Board meet monthly and health and safety is always on the top of the Agenda. The Performance Committee consists of the Board plus the Divisional Managers. The Performance Committee reviews health and safety performance against action plans. The half yearly review and annual review also look at health and safety for each department and the annual review sets out health and safety action plans for the following year.

4. Impact of Board level direction

See Table 6

4.1 Specific example(s) of benefits and data to demonstrate

(a) Can you please describe specific example(s) of how your Board level direction of health and safety has benefited health and safety within the organisation?

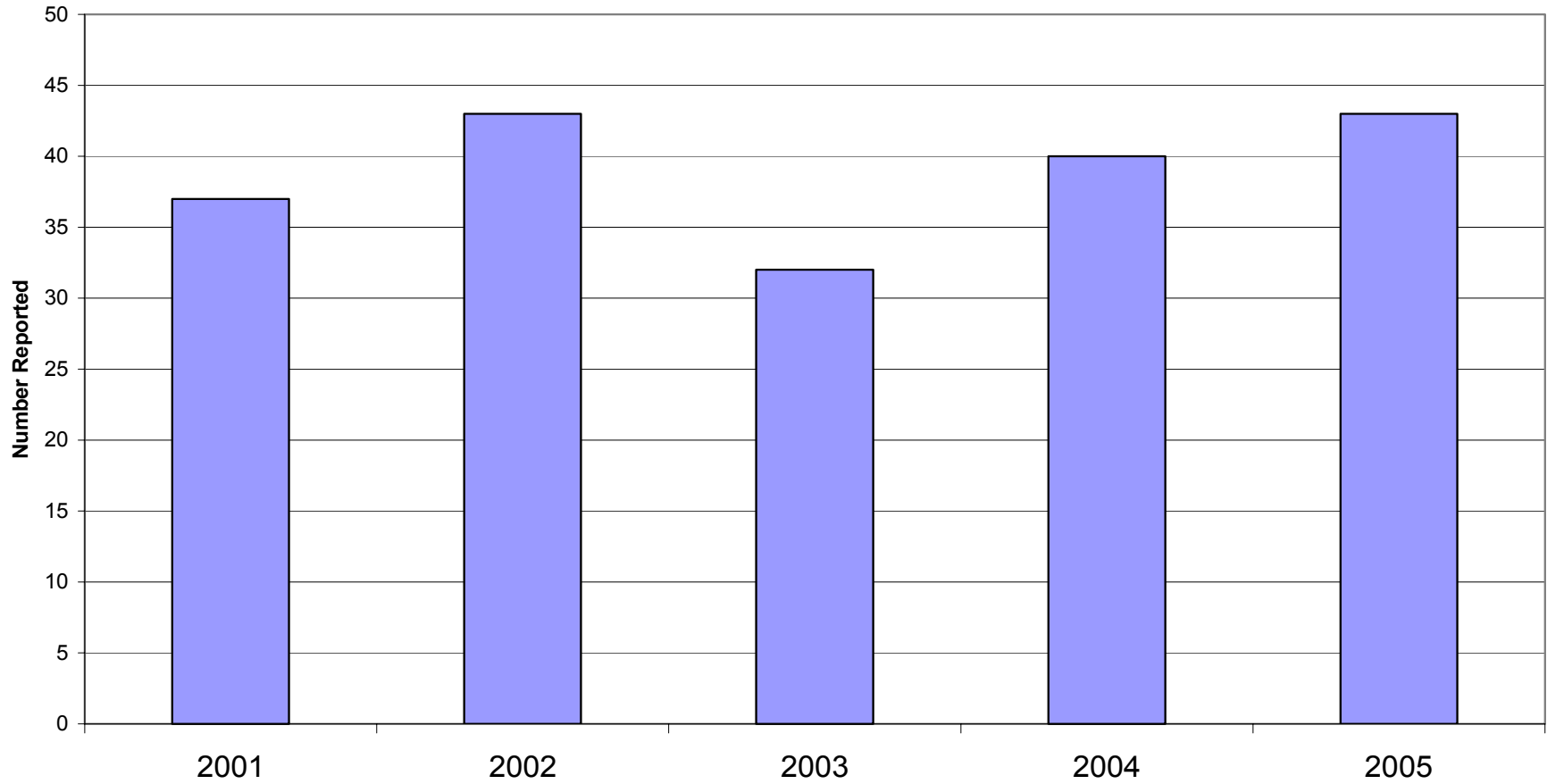
- Health and Safety Manager - Guy appointed a new highly qualified and experienced Health and Safety Manager who brought new thinking and ideas. Roger originally worked with BRE as a consultant and was then appointed as the full time Health and Safety Manager. Roger worked with the Board to develop a 5 year plan to improve health and safety at BRE.
- 'High Five' campaign – Guy initiated a campaign to highlight the 5 most important areas that BRE needed to focus on to improve health and safety. Posters were designed to raise awareness of these 5 issues and of health and safety generally. Campaign started in early 2003. There were revised procedures and training to back up improvements in these health and safety issues. Statistics for accidents/incidents related to these risks are improving.
- Working Safely Committee - Guy championed the idea of the Working Safely Committee to take forward and implement specific high priority health and safety initiatives. It allocates projects to individuals and ensures that there is an action plan to make sure these gets done. The Committee creates ownership of the projects and it has been very effective in getting things done and implementing initiatives.
- Site walkabouts - Site walkabouts by Directors and the Health and Safety Manager were initiated by Guy. Some of these are scheduled but Guy will also do occasional 'spontaneous' visits. He believes that leadership must be visible. The walkabouts have brought huge improvements in site safety. The laboratories and other areas of the site are now kept tidy and are therefore safer. It has improved relationships with staff and shows people that Guy is leading this drive from the top. It sets an example. Guy feels this gives him a clearer idea of exactly what is going on 'on the ground'.
- Health and Safety Awards – Guy set up an award scheme for people or teams who have pushed improvements in health and safety beyond what is expected. They must have achieved standards that are exceptional. Guy believes rewards are important. The awards are given when deserved and there is not a limit as to when or how many there are. There is an opportunity for anyone or any team who wants to push health and safety forward. The awards are approved by the Board. It gives people pride in their achievements, motivates staff and encourages them to look at what more they could do to move health and safety forward.

- Safety Alphabet – fun posters designed by Roger to put up on site notice Boards as a reminder of health and safety issues. This idea was approved by the Board. A new poster is put up every 2 weeks and then repeated the next year. It raises awareness in a fun way and keeps health and safety fresh.
- Health and Safety Newsletter – goes out electronically each month. It has all the accident figures in it and it highlights near misses etc The newsletter is supported by the Board.
- Guy shows leadership in everything he does. He sets an example for health and safety and always ‘walks the talk’. He tries to create an environment where people can come up with new ideas for improving health and safety.
- Guy and the other Board members worked with the Health and Safety Manager to improve the Health and Safety Policy to provide more clarity on roles and responsibilities.
- An Occupational Health Advisor was appointed with a focus on return to work of employees. Guy fully supported the appointment of the Adviser and ensured total senior management support.

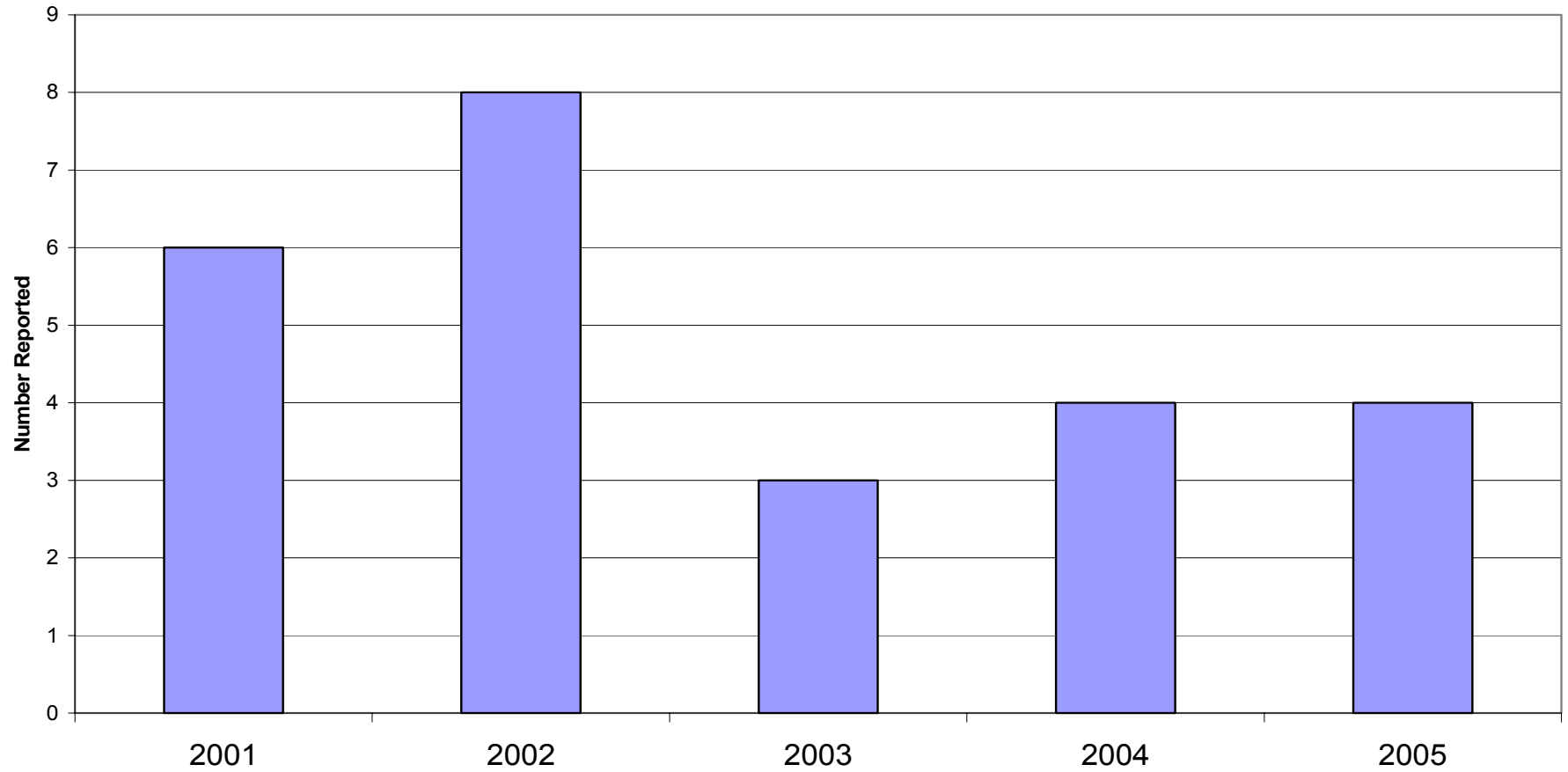
(b) Can you please provide quantitative data that demonstrates the measurable health and safety benefits of your Board level direction?

BRE now have a much higher degree of reporting. More serious accidents have reduced but now the more trivial accidents are all reported (e.g. paper cuts etc). Lost time due to accidents is significantly reduced as there are fewer serious accidents

Accidents & Incidents



Lost Time Accidents



Health and safety benefits include:

- Improved reporting and investigation of accidents/incidents with feedback translated into action
- Reduction in lost time accidents (data provided)
- Increased health and safety training and increased diversity of training
- Greater awareness and ownership of health and safety
- Sickness and staff turnover are both low and there is insufficient data to show any trends

Other business benefits are:

- It underpins the BRE brand and values, and is essential for a charity owned organisation focused on “Building a Better World”
- Customer feedback on health and safety is excellent
- Helped to gain ISO 14001
- A tidier site and laboratories
- May have helped productivity (but difficult to measure and we do not attempt any cost benefit analysis)

4.2 Risks posed by Board arrangements

- (a) To what extent do you believe that your Board level arrangements have affected the possibility of individual Directors being sued or prosecuted for a health and safety problem? Please explain your answer.

BRE feel that, with the increased effort and focus on health and safety, and the policy of continuous improvement, they are effectively managing risks by reducing the likelihood of accidents or non-compliance with legislation.

- (b) To what extent do you believe that your Board level direction of health and safety has affected the risk posed to your organisation by health and safety failures? Please explain your answer.

They consider that their policy and actions have reduced their risk for the reasons given in (a).

- (c) Has the Board’s and/or your involvement in health and safety stopped you or the Board from properly managing other important aspects of the business, if so what and how?

No

See Table 7

4.3 Your message to other Directors

What would you say to Directors and Boards that do not provide leadership and direction on occupational health and safety? What would you suggest to them and **why**?

“My message to Directors and Boards that do not direct health and safety is that health and safety is integral to business success. Directors that do not show leadership in this area are failing in their duty as Directors and their moral duty and are damaging their business.”

4.4 Three most important things

Of all the things that your Board/Director has done to direct health and safety, please cite the 3 most important:

- 1) Provided strong leadership
- 2) Raised the profile of health and safety
- 3) Appointed an excellent Health and Safety Manager to provide professional guidance, innovative thinking and support to the Board

4.5 Recommendations to other organisations

Would you recommend your Board level health and safety arrangements to other organisations?

Yes. They are simple and effective.

4.6 Further improvements and future plans

(a) If you could improve further your Board level arrangements, what would you change and why?

BRE find their Board arrangements simple and effective and they do not propose to change them. They are increasingly using the specific skills and expertise of individual Board members to support health and safety initiatives, e.g. The Chairman’s previous expertise from LUL and Railtrack and the CEO supporting the development of new documentation. This will be continued.

BRE have three operating divisions and one of these, Construction, set up its own local safety committee. This has proved to be very effective and it is proposed to replicate this in the other divisions.

(b) What are your plans for the future development of your Board level direction of health and safety?

Key new health and safety initiatives will be:

- Behavioural management
- New approach to training

- New audit system

5. Other notes

5.1 Quotes

We would like quotes from some employees (e.g. staff, union representatives, Health and Safety Managers) giving their views on, e.g. what the Director does/has done to champion health and safety, health and safety improvements/changes they have seen/been part of etc.

1) “Guy is a real model Director in leading health and safety. I have never known, in my 30 years experience of working in health and safety, a Director that has done so much to improve a site.”

Roger Kevern, Health and Safety Manager

2) “The accident in 2003 galvanised the organisation into action and Guy has created a step-change in health and safety over the last 3 years. The union supports the improvements that BRE have made and contributes helpful suggestions wherever possible. We try to work together constructively to continuously improve health and safety.”

Tony Fisher, Chairman of local Prospect Trade Union.

3) “Health and safety has become much more visible and helpful over the last few years. Health and safety staff are always there to help and major improvements have been made to update machinery to make it safer. Everyone is now aware of health and safety, at all levels.”

Clive Tipple, Principal Technician, Supervisor of the concrete laboratory.

4) “If there is an issue or something that we need to do we work with the health and safety team to work out how to do it safely. We talk things through and find safe solutions. Health and safety is a routine part of the job.”

David Warriner, Head of Consultancy and Business Development Group, Environment Division

5) “Everyone is now aware of the risks of projects due to the risk assessments. Health and safety is ingrained into the way we work, everyone has to be trained before they use equipment or carry out a procedure. I am a trained first aider and have trained people within BRE and provide them with ongoing support. There is now a team of about 20 first aiders amongst the staff so there are always enough people on site with training. Defibrillators and oxygen have been introduced onto the site to add extra support for first aiders. We provide help for people who have medical difficulties whilst at work as well as people who may have accidents. There is also incident practice on site. I feel I can discuss new ideas with the health and safety team and I get full support from the Directors.”

Paul Quarterman, Environmental Risk Assessment Team and Head First Aider.

6) “I have had support to set up a Working Safely Group within the Construction Division to disseminate things that come out of the Joint Working Safely Committee and feed things from the division into the joint committee. The two-way process earns respect for health and safety. People have an opportunity to feed into the process so health and safety improvements are going both ways – from top down and bottom up. People are now actively thinking about health and safety in everything they do.”

Sue Rogers, Event, Education and Training Manager for Construction Division, Health and Safety Consultant representing Construction Division on the Working Safely Committee.

7) “We have gone through a massive change with losing government funding and shifting to more varied clients. We need to work more as a team and be more organised and professional in all aspects of our work including health and safety. Good health and safety practice is an integral part of good business practice. We are continuously improving. There has been a marked improvement in the laboratories – people used to be a bit defensive when their labs were being inspected, now they see it as an opportunity to show off what they have been doing. It has been really important to have Guy driving health and safety improvements from the top – people look for an example. People know what is expected and know it is important. They also know that Guy knows what is going on – he is very visible.”

MD of construction division

5.2 Potential issues

Are there any possible ‘embarrassments’ which could affect the impact of the case study? – e.g. incidents, sentencing from prosecution, current bad publicity in health and safety in part of the company...

Nothing current.

Table 1 Reasons for developing or having Board level direction

<i>For which of the following reasons did you increase Board level health and safety direction?</i>	<i>Strongly agree</i>	<i>Agree</i>	<i>Unsure</i>	<i>Disagree</i>	<i>Strongly disagree</i>	<i>Why did this become a factor?</i>
The perception that health and safety is a significant corporate risk, e.g. risk posed by a major incident, prosecution, etc.		✓				Not a major driver
A perception that productivity could be improved by better health and safety, e.g. reduction in absence and better staff morale		✓				
The need to respond to one or more specific health and safety regulations / the growing body of health and safety regulation		✓				Diversification of the business from government research to consultancy and increasing potential risks (e.g. testing and certification)
The need to respond to growing demands for corporate governance, e.g. Turnbull				✓		Not really a driver
A wish to be socially responsible	✓					It is part of their mission. They want to lead by example
Demands from a new owner / change in management / new CEO or MD		✓				Demands of privatisation and management by-out and new CEO in 1997.
The possibility of a new law on Directors' health and safety responsibilities				✓		Aware of this but not a key driver.
The possibility of corporate manslaughter prosecutions				✓		Aware of this but not a key driver.
Response to requirements of investors, business clients or insurers		✓				Linked to the BRE mission and required by clients.
Any other reasons:	✓					BRE mission is to 'Build a better world'. They want to practice what they preach. It is part of the core values

<i>To what extent do you agree that?</i>	<i>Strongly agree</i>	<i>Agree</i>	<i>Unsure</i>	<i>Disagree</i>	<i>Strongly disagree</i>	<i>Comments</i>
You developed your arrangements because of the prospect of legal mandation of Directors' health and safety responsibilities				✓		They would have done it anyway as it is the right thing to do.
You developed your arrangements because of the increased risk of Directors being prosecuted for manslaughter / negligence etc.				✓		
You developed your Board arrangements despite advice from solicitors/consultants/advisors that this may increase the risk of individual Directors being held liable for health and safety failures			✓			No specific legal advice was taken on this

Table 2

<i>When making the arrangements for health and safety, did you...</i>	<i>Yes</i>	<i>No</i>	<i>Unsure</i>
...seek consultancy advice? Advice on managing health and safety taken in 2002/03	✓		
...benchmark yourself against other organisations?			✓
...read HSC/E guidance?	✓		
...go through a process of “iteration” in the development of your arrangements?	✓		
...consult with safety representatives? Unions have always been involved in health and safety – current union is Prospect	✓		
...consult a solicitor?	✓		
...read guidance on corporate governance?	✓		
...take guidance from previous experience of CEO / MD and / or other Board members?	✓		
....consult with the workforce? Done via interested groups, working parties, unions and through the formal structure of the organisation	✓		
.....consult with any recognised trade unions (please say which ones)? Prospect trade union was involved in the recruitment of the Health and Safety Manager	✓		
...receive any health and safety training? Directors and Senior Managers received training from consultants in early 2003.	✓		

Table 3

Did you create a new seat on the Board to fulfil the role of Health and Safety Director?	<i>Yes</i>	<i>No</i>
Did you merge the responsibility with another Directorial role, e.g. HR, Risk, Operations?	<i>Yes</i>	<i>No</i>

Table 4

<i>To what extent do you agree that?</i>	<i>Strongly agree</i>	<i>Agree</i>	<i>Unsure</i>	<i>Disagree</i>	<i>Strongly disagree</i>
It was straightforward to decide how to develop an effective set of Board arrangements	✓				
It was relatively undemanding in deciding how best to provide Board level health and safety direction		✓			
We have had to improve our Board level arrangements due to initial problems with our arrangements				✓	

Table 5 Directorial arrangements

Approximately what proportion of the named Director's time is devoted to health and safety?	20%
Approximately what proportion of the Board's time is devoted to health and safety?	10%

Table 6 Perceived values and benefits of Board level direction

<i>To what extent do you agree that your Board level health and safety direction and leadership has:</i>	<i>Strongly agree</i>	<i>Agree</i>	<i>Unsure</i>	<i>Disagree</i>	<i>Strongly disagree</i>	<i>In what way?</i>
(a) Helped to reduce your corporate risk		✓				By doing things as well as they can they feel they must be reducing risk.
(b) Reduced the disruption to your organisation created by health and safety problems	✓					There are less serious accidents and less disruption from the results of accidents. It is good management to get it right first time.
(c) Helped to improve business performance, e.g. less absence, more sales			✓			The business is growing. A lot of contracts now require specific health and safety standards. Absence rates have always been low.
(d) Helped to fulfil corporate social responsibility aspirations	✓					Taking care of staff, community and the environment is essential and is part of the BRE policy on sustainability and CSR.
(e) Helped to improve corporate communications and public relations		✓				Things are managed so there are no incidents and no concerns to the local community. They feel they must be seen to be taking health and safety seriously.
(f) Improved relations with the HSE and other external regulators		✓				BRE work with HSE on research and as experts. The work they have done has improved relations with the local HSE office.
(g) Improved relations with investors, insurers and other external financial stakeholders		✓				Improved health and safety help BRE to manage insurance premiums. Having no claims helps manage premiums. There is a good relationship with the BRE Trust Board.
(h) Improved relations with trade unions and the workforce (give names of unions)		✓				The relationship is good anyway but good health and safety helps keep a good working relationship with unions.
(i) Helped in the response to HSE improvement / prohibition notices and/or prosecutions		✓				BRE have had 2 (1997 and 2004) improvement notices. They have a rigorous way of investigating incidents and learning from them to make improvements. They can demonstrate compliance through this system.
(j) Led to health and safety improvements, e.g. fewer injuries	✓					Yes. There is now a culture of reporting. Everything is reported and BRE can take action on potential hazards. Lost time due to accidents is decreasing –see graph.

Table 7

<i>To what extent do you agree that?</i>	<i>Strongly agree</i>	<i>Agree</i>	<i>Unsure</i>	<i>Disagree</i>	<i>Strongly disagree</i>
The time and effort required of the Board to direct health and safety is justified by the business benefits		✓			
The time and effort required of the Board to direct health and safety is reasonable		✓			
There is a wish to reduce the amount of time devoted by the Board to health and safety				✓	

BRITISH SUGAR

1. Director Details

(a) What is the name of the Director(s) responsible for health and safety?

Karl Carter

(b) What is their position/title(s)?

Agriculture and Operations Director

(c) What is was the Director's previous role/position/company?

Karl's previous position before being appointed to the Board was Factory Operations Manager

(d) What is the Director's background experience?

Karl joined British Sugar 35 years ago as a Graduate Trainee. He has worked his way up through the company.

(e) What has given the Director their personal motivation to champion health and safety?

Karl has always been motivated to champion health and safety because of his experience working within operations. However, British Sugar experienced 3 fatalities during an eight month period in 2003. Prior to this, British Sugar had enjoyed industry recognition from RoSPA and the British Safety Council (sword of honour). Further to this external audits conducted by Lloyds were excellent. In essence, there was no indication of potential for the fatalities they were about to endure.

Alongside all affected by the fatalities, Karl found this time very distressing. He became driven to ensure that risks were managed so the potential for further incidents was reduced to a minimum.

It became obvious that managing health and safety with the focus on a systems approach was not adequate. The systems and associated statistics gave no indication that people were at risk. A behavioural change programme was needed to make people question their working practice and those around them.

(f) What were the key tasks/challenges for the Director when they were appointed?

The main challenge for the Board was to move away from a systems approach to one of behavioural change. Karl was also tasked with setting a series of aggressive objectives and targets, alongside introducing strategies and initiatives that would drive these forward within clear time frames.

(g) Have you, or any other members of the Board, received any health and safety training?

All Board members were given training by DuPont on HSE Directors responsibilities. They also received training on positive health and safety leadership, alongside how to conduct behavioural audits.

All Line Managers at factories undertook NEBOSH training (2 week course) and Supervisors undertook the IOSH Working Safely course (1 week).

2. History and reasons for the development of Board arrangements

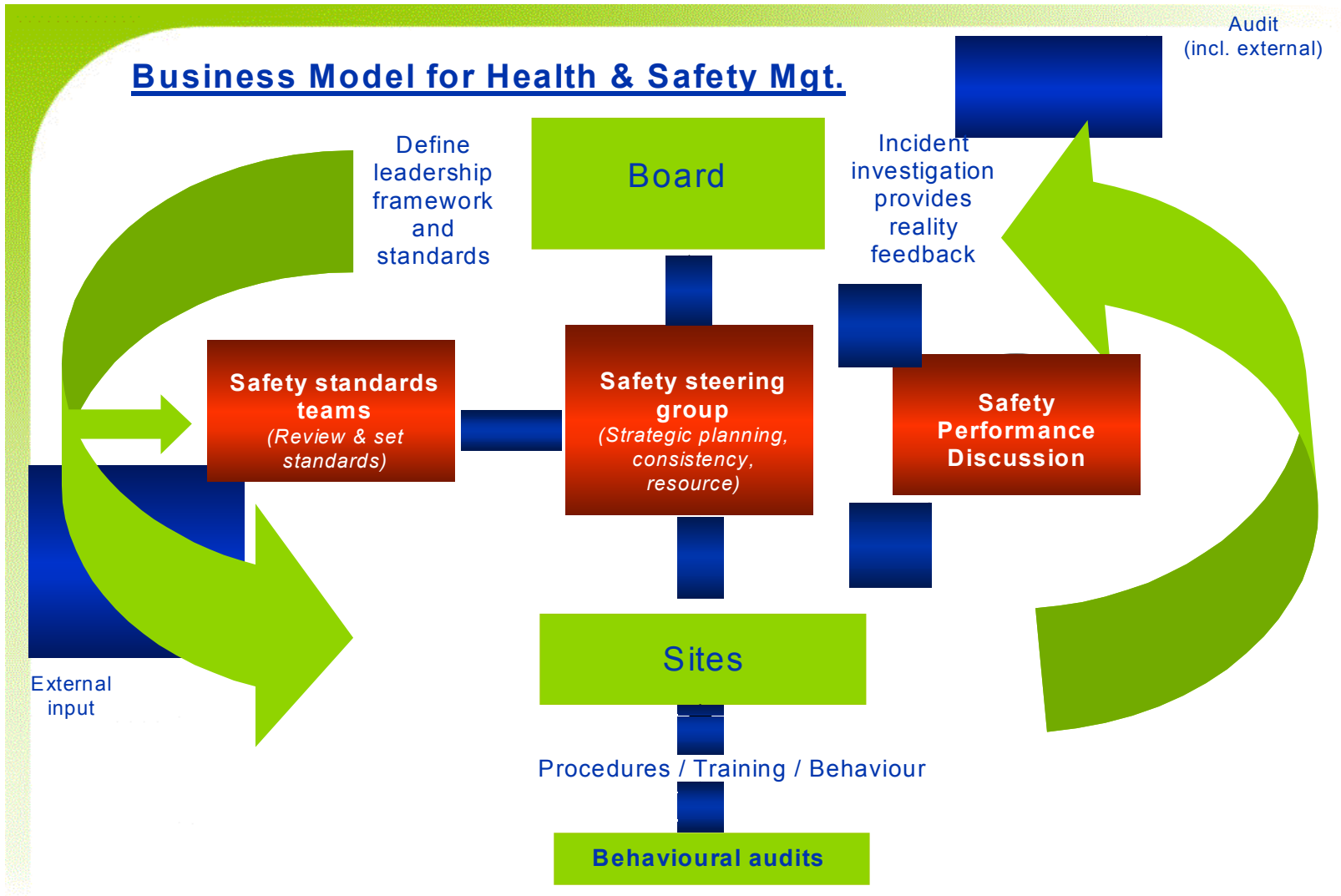
(a) What is the organisational context of this case study? Who is the Director being considered, what is the structure of the organisation and the structure of the Board? What are the current arrangements and responsibilities for health and safety at Board level? Do any Non-Executive Directors have a health and safety role?

The Director being considered is Karl Carter (Operations Director). Karl is responsible to the Board for Health and Safety and has corporate responsibility for ensuring the company has Management Systems and Structures in place to ensure that the company's commitment to legal compliance and continual improvement is met. However the ultimate responsibility lies with the CEO Dr Mark Carr, who also sponsors health and safety within the organisation. Mark Carr assigned health and safety responsibilities and accountabilities to two Directors upon his appointment in 2004 in addition to the work that he was sponsoring and the work Karl Carter was managing, thus establishing Board level Safety leadership.

The current structure within British Sugar is detailed below:

<p>Karl Carter – Agriculture and Operations Director. Champions the following:</p> <p>System Simplicity; Organisational Support for Safety; Benchmarking / Dissemination of Best Practice, Contractor and Haulier Health and Safety Management</p>	<p>Dr Mark Carr – Chief Executive Officer Champions the following;</p> <p>Policy/Leadership; Audit Process and Effectiveness; Measures / Reporting / Setting Goals / Setting Objectives</p>	<p>Michele Rowlands – HR Director. Champions the following;</p> <p>Risk Assessment; Safety Training, Occupational Health</p>
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British Sugar plc is a subsidiary of Associated British Foods (ABF). Dr Mark Carr sits on and reports to the parenting Board.



See Table 1 & Table 2

- (b) How have the current Board level arrangements for health and safety developed over time, in particular the last 3-5 years?

During 2003, British Sugar experienced 3 fatalities and one serious incident. Prior to this they had enjoyed an excellent safety record winning industry recognition from RoSPA and the British Safety Council (sword of honour). There were no indications of the devastating spate of incidents that were about to occur. The health and safety management was driven by a systems approach. The statistics looked good and every aspect of health and safety management appeared positive. External audits conducted by Lloyds confirmed this position.

In 2004 a new CEO was appointed whose background was in Operations (Corus Steelworks). He is extremely committed to ensuring employees 'go home safe at night'.

Working closely with Karl Carter and Ash Solanki (Company Safety Manager), it was decided that the focus had to move away from a 'tick box mentality' to one where the focus was on introducing behavioural change.

Upon appointment to CEO, Mark Carr designated health and safety responsibilities to the HR Director and the Commercial Director. He also set aggressive health and safety targets and ensured safety objectives were incorporated in the Directors' annual performance reviews

- (c) Why was health and safety considered important enough to deserve and require Board level direction?

It was a firmly held belief that unless this level of commitment (both financial and time) was given, behavioural change would not occur. The message needed to come from the Board that unsafe behaviours would not be tolerated, and that "nothing is more important than health and safety". The Board needed to develop the policy and standards to support this.

See Table 3

- (d) Why has responsibility for health and safety been given to this post rather than, say, the Operations Director or Finance Director?

The responsibility has been given to the Operations and Agriculture Director because he works closest with the manufacturing sites, hence has first hand experience of the day to day challenges to health and safety. Further to this, the Director is known amongst employees hence 'puts a face to a name' and ensures that health and safety is a high business priority.

- (e) Do you have any other comments about how you decided on the current Board arrangements for health and safety?

In order to successfully introduce cultural change, it cannot fall upon one person. It is essential that the Board is involved. This has to be led from the CEO who has to be seen to take a 'hands on role' in cascading change throughout the organisation.

See Table 4

- (f) Can you please describe any lessons learnt during the development or operation of your Board level health and safety arrangements?

“You must not assume that members of the Board have the necessary health and safety knowledge just because of the position they hold. Training needs to be put in place so they have a good understanding of leadership behaviours regarding health and safety. It is both unrealistic and unfair to expect Board members to take on accountabilities and responsibilities without equipping them with knowledge and understanding.” – Ash Solanki (Company Safety Manager)

3. Description of current arrangements

3.1 Health and safety responsibilities

- (a) What is the organisational structure for the implementation and monitoring of health and safety?

In 2005, the Board developed a model for positive health and safety management, which clearly illustrates how health and safety is managed within the organisation. All employees and contract staff have personal copies of this.

- (b) Which of your employees would know who has the ultimate responsibility for health and safety? How would they know this?

All employees know that Karl Carter has Board level responsibility for Health and Safety, due to his high visibility on sites. Karl cascades information in the following ways:

- Notice Boards
- Safety intranet
- Newsletters

Karl also conducts behavioural audits across all factories. Further to this, he (and his fellow Directors) address all employees twice a year, alongside chairing monthly steering group meetings. Karl has regular meetings with trade union representatives (Amicus, T+G, GMB)

- (c) Who would employees consider to be responsible for implementing health and safety in the organisation?

Everybody within the organisation takes responsibility for implementation on a day to day basis. Ash Solanki (Company Safety Manager) is seen to help drive the strategy.

3.2 Summary of Board level leadership and direction

See Table 5

- (a) Can you please describe the way in which the Board and the Director for Health and Safety provide leadership and direction on health and safety? What do they actually do

(on a day to day, weekly, monthly, annual or regular basis) to champion health and safety?

- All Board members who have accountability are expected to conduct a minimum of 2 behavioural audits per year.
- Board members have their own health and safety subject to champion.
- Karl Carter conducts a minimum of 7 behavioural audits per year

(b) What are the advantages and/or benefits of having a named Director leading health and safety rather than having health and safety as a shared responsibility of the Board as a whole?

It is important to have a Board member directly accountable for health and safety as this allows transparency and clear reporting lines. However, it is also vital that other Board members have distinct accountabilities as this ensures health and safety is at the forefront of any strategy.

As a result of Board members being seen to spend time on health and safety, employees know that the priority is genuine and not just being paid lip service to. This has brought about a significant change in the culture where everyone now sits up and listens.

(c) Why do you think it is important that Boards manage health and safety rather than delegating it to (say) Health and Safety Managers?

The Board needs to champion health and safety for several reasons; Firstly, they need to ensure that the budget is allocated; secondly, they need to display their commitment towards health and safety (without this being visible, it is doubtful that the behavioural change programme would have been successful), finally, they are legally responsible hence should be in control.

3.3 Specific arrangements regarding HSC action points

Can you please summarise your Board level arrangements for each of the following specific points:

(a) Publicising the Board's role in health and safety

The Board's role is published in the Site Safety handbook which is distributed to all employees. The Board objectives are updated annually as well as the individual Board Members responsibilities and the specific areas that they champion.

The Board's role is also on the company intranet.

(b) Each member of the Board recognising their personal responsibilities for health and safety

Health and safety performance objectives form part of individual Board members performance review objectives.

(c) Ensuring Board decisions on procurement and contracting reinforce health and safety intentions

This is always difficult to achieve, however, health and safety is on the Board's agenda every month and has become an integral part of running the business.

(d) Board engaging with the workforce on health and safety

This is achieved by individual Director's championing health and safety initiatives which are published. Alongside this, each Director is expected to conduct a minimum of 2 behavioural audits each year.

Throughout the change process, the Board actively consulted employees regarding health and safety objectives. This consultation and collaborative working still continues.

Board level arrangements for reviewing health and safety performance, keeping health and safety policy aligned with Board priorities, being informed of health and safety failures, ensuring health and safety management systems are in place and remain effective and are monitored / review

The Board review health and safety performance every month. Alongside this, an annual review of policies and objectives takes place. External audits are conducted on an annual basis and reported to the Board. Furthermore, All HSE reportable incidents (RIDDORS) are reported directly to Karl Carter within 24 hours of occurrence, hence investigations commence immediately. The outcome of these investigations allows any changes in procedures to be implemented at the earliest stage. The Board also work in partnership with the HSE and trade unions.

4. Impact of Board level direction

See Table 6

4.1 Specific example(s) of benefits and data to demonstrate

(a) Can you please describe specific example(s) of how your Board level direction of health and safety has benefited health and safety within the organisation?

Employees now know that safety is the number one priority. A range of initiatives have been introduced by the Board that reinforce this message. These include the introduction of the HSE safety climate survey that will be carried out every two years. The response rate for the first survey conducted in 2005 was approximately 85%.

A range of training was introduced for every employee. This raised the profile of health and safety, alongside empowering employees to take responsibility for their own and others health and safety. All Line and Factory Managers are now required to undertake a NEBOSH certificate course. All supervisors have to undertake the IOSH Managing Safely course. Every factory employee has to attend a one day IOSH Working Safely course.

Behavioural auditing takes place across all sites at least once a day. This ensures that health and safety is always prioritised. Alongside this, all Directors are expected to personally conduct behavioural audits (minimum 2 per year per Director)

British Sugar enjoys excellent working relationships with the HSE and trade unions as a result of them all working in partnership with the common goal of ensuring the safety of everyone.

Health and safety success is celebrated. A safety award scheme has been set up with the focus on rewarding pro-active measures and interventions.

All of the above have contributed towards the behavioural change that is now evidenced by a significant reduction in accidents.

There has been a 43% reduction in lost time injuries (reportable) between 03/04 to 04/05. This equates to a reduction from 9.1 reportable injuries per million man hours worked to 5.2 reportable injuries per million man hours worked.

There has also been a 42% reduction in all injuries during the same period. This equates to a reduction from 145 per million man hours worked to 83 per million man hours worked. (The above figure includes all contracted staff, hauliers as well as employees).

4.2 Risks posed by Board arrangements

- (a) To what extent do you believe that your Board level arrangements have affected the possibility of individual Directors being sued or prosecuted for a health and safety problem? Please explain your answer.

Board Directors were always accountable, however they had little control. Now they have a say in what happens as they are in the 'driving seat', hence have far greater control. As such, the risk of prosecution is reduced.

- (b) To what extent do you believe that your Board level direction of health and safety has affected the risk posed to your organisation by health and safety failures? Please explain your answer.

The risks have been significantly reduced because of the successful move away from a systems approach to one of behavioural change where every employee takes responsibility to think about health and safety risks before they act. It is impossible to eliminate risks; however it is possible to manage risks.

- (c) Has the Board's and/or your involvement in health and safety stopped you or the Board from properly managing other important aspects of the business, if so what and how?

Because health and safety has become integrated into all aspects of business activity, it has not impacted upon other aspects of running the business.

See Table 7

4.3 Your message to other Directors

What would you say to Directors and Boards that do not provide leadership and direction on occupational health and safety? What would you suggest to them and **why**?

My message to Directors and Boards that do not direct health and safety is.....

"Don't be complacent – your statistics, audits, figures and historic performance may indicate that all is well. However health and safety is about people and not performance indicators. The only way to minimise risk is to challenge actual behaviours. This needs to be driven from the top." – Karl Carter.

4.4 Three most important things

Of all the things that your Board/Director has done to direct health and safety, please cite the 3 most important:

- 1) Providing visible leadership and aligning health and safety policies and procedures across all sites.
- 2) Actively reviewing and setting aggressive targets
- 3) Defining and setting the behavioural Safety Standards for people working at British Sugar sites.

4.5 Recommendations to other organisations

Would you recommend your Board level health and safety arrangements to other organisations?

Yes – particularly for multi-site heavy manufacturing organisations

4.6 Further improvements and future plans

- (a) If you could improve further your Board level arrangements, what would you change and why?

The challenge we are faced with is to constantly keep health and safety fresh and focused. Significant improvements have been achieved, but complacency must not set in.

- (b) What are your plans for the future development of your Board level direction of health and safety?

The next stage is for everyone in the business to have a formal one to one discussion with their Line Manager about the behavioural Safety Standards (Safety Performance Discussion) as they apply to the individual, this will make safety personal.

5. Other notes

5.1 Quotes

We would like quotes from some employees (e.g. staff, union representatives, Health and Safety Managers) giving their views on, e.g. what the Director does/has done to champion health and safety, health and safety improvements/changes they have seen/been part of etc.

- 1) “Safety is of prime importance to me. I believe that all injuries are preventable; I require all those who work on British Sugar sites to play a full and active part. Working safely is not an added option; it is a condition of employment, failure to do so will inevitable cause us to reassess whether we should be working together. Remember there is no job so important that you can’t take two minutes to ‘Think Safety’”.

Dr. Mark Carr, Chief Executive

- 2) “With the help and guidance from the HSE, our aim of operating an injury free business now seems a realistic one rather than simply aspiration. Acting on best practice and involving everybody has yielded amazing improvements over a short space of time”.

Steve Williams, Factory Manager

- 3) “In the two years that I have been a member of the Health and Safety team I have always felt that I have the full support and commitment of Board members and Senior Managers”.

Steve Rawson, Safety Coordinator

- 4) “The concept of "Safety" within British Sugar has transcended from being a necessary 'cost' borne by the company, to being an absolute investment in the success of our business”.

Tim Hanitzsch Tech IOSH, Trade Union Safety Rep.

Table 1 Reasons for developing or having Board level direction

<i>For which of the following reasons did you increase Board level health and safety direction?</i>	<i>Strongly agree</i>	<i>Agree</i>	<i>Unsure</i>	<i>Disagree</i>	<i>Strongly disagree</i>	<i>Why did this become a factor?</i>
The perception that health and safety is a significant corporate risk, e.g. risk posed by a major incident, prosecution, etc.	✓					
A perception that productivity could be improved by better health and safety, e.g. reduction in absence and better staff morale			✓			
The need to respond to one or more specific health and safety regulations / the growing body of health and safety regulation				✓		
The need to respond to growing demands for corporate governance, e.g. Turnbull		✓				
A wish to be socially responsible	✓					
Demands from a new owner / change in management / new CEO or MD		✓				
The possibility of a new law on Directors' health and safety responsibilities				✓		
The possibility of corporate manslaughter prosecutions				✓		
Response to requirements of investors, business clients or insurers	✓					
Any other reasons:	✓					

<i>To what extent do you agree that?</i>	<i>Strongly agree</i>	<i>Agree</i>	<i>Unsure</i>	<i>Disagree</i>	<i>Strongly disagree</i>	<i>Comments</i>
You developed your arrangements because of the prospect of legal mandation of Directors' health and safety responsibilities				✓		
You developed your arrangements because of the increased risk of Directors being prosecuted for manslaughter / negligence etc.				✓		
You developed your Board arrangements despite advice from solicitors/consultants/advisors that this may increase the risk of individual Directors being held liable for health and safety failures				✓		

Table 2

<i>When making the arrangements for health and safety, did you...</i>	<i>Yes</i>	<i>No</i>	<i>Unsure</i>
...seek consultancy advice?	✓		
...benchmark yourself against other organisations?		✓	
...read HSC/E guidance?	✓		
...go through a process of “iteration” in the development of your arrangements?	✓		
...consult with safety representatives?	✓		
...consult a solicitor?	✓		
...read guidance on corporate governance?		✓	
...take guidance from previous experience of CEO / MD and / or other Board members?		✓	
....consult with the workforce?	✓		
.....consult with any recognised trade unions (please say which ones)?	✓		
...receive any health and safety training?	✓		

Table 3

Did you create a new seat on the Board to fulfil the role of Health and Safety Director?	<i>Yes</i>	<i>No</i>
Did you merge the responsibility with another Directorial role, e.g. HR, Risk, Operations?	<i>Yes</i>	<i>No</i>

Table 4

<i>To what extent do you agree that?</i>	<i>Strongly agree</i>	<i>Agree</i>	<i>Unsure</i>	<i>Disagree</i>	<i>Strongly disagree</i>
It was straightforward to decide how to develop an effective set of Board arrangements	✓				
It was relatively undemanding in deciding how best to provide Board level health and safety direction	✓				
We have had to improve our Board level arrangements due to initial problems with our arrangements	✓				

Table 5 Directorial arrangements

Approximately what proportion of the named Director's time is devoted to health and safety?	20%
Approximately what proportion of the Board's time is devoted to health and safety?	2%

Table 6 Perceived values and benefits of Board level direction

<i>To what extent do you agree that your Board level health and safety direction and leadership has:</i>	<i>Strongly agree</i>	<i>Agree</i>	<i>Unsure</i>	<i>Disagree</i>	<i>Strongly disagree</i>	<i>In what way?</i>
(a) Helped to reduce your corporate risk	✓					
(b) Reduced the disruption to your organisation created by health and safety problems		✓				
(c) Helped to improve business performance, e.g. less absence, more sales			✓			
(d) Helped to fulfil corporate social responsibility aspirations		✓				
(e) Helped to improve corporate communications and public relations		✓				
(f) Improved relations with the HSE and other external regulators	✓					
(g) Improved relations with investors, insurers and other external financial stakeholders	✓					
(h) Improved relations with trade unions and the workforce (give names of unions)		✓				
(i) Helped in the response to HSE improvement / prohibition notices and/or prosecutions	✓					
(j) Led to health and safety improvements, e.g. fewer injuries	✓					

Table 7

<i>To what extent do you agree that?</i>	<i>Strongly agree</i>	<i>Agree</i>	<i>Unsure</i>	<i>Disagree</i>	<i>Strongly disagree</i>
The time and effort required of the Board to direct health and safety is justified by the business benefits	✓				
The time and effort required of the Board to direct health and safety is reasonable	✓				
There is a wish to reduce the amount of time devoted by the Board to health and safety			✓		

GOLDTHORN PARK PRIMARY SCHOOL

1. Director Details

(a) What is the name of the Director(s) responsible for health and safety?

Nigel Whyte and Keith Rogers

(b) What is their position/title(s)?

School Governor and Head Teacher (respectively)

(c) What is was the Director's previous role/position/company?

Paramedic

(d) What is the Director's background experience?

Nigel was a paramedic for 9 years, as well as having been the Governor responsible for health and safety since 1999.

(e) What has given the Director their personal motivation to champion health and safety?

Having had first hand experience of fatalities as a paramedic, Nigel is only too aware of the potential dangers facing children. As well as this, Nigel's children also attended the school and so maintaining and improving health and safety is a very real part of Nigel's role.

(f) What were the key tasks/challenges for the Director when they were appointed?

Help manage the school budget, assist in school upkeep and development, improve standards and manage health and safety.

(g) Have you, or any other members of the Board, received any health and safety training?

Both Keith and the Staff Health and Safety Rep have received training, given to them by the Local Education Authority (LEA). In addition, 4 members of staff have received first aid training, although the law only requires 1 member to have received this training.

2. History and reasons for the development of Board arrangements

(a) What is the organisational context of this case study? Who is the Director being considered, what is the structure of the organisation and the structure of the Board? What are the current arrangements and responsibilities for health and safety at Board level? Do any Non-Executive Directors have a health and safety role?

In the context of a school, the equivalent Directors level we will be profiling is the Head Governor Nigel Whyte and the Head Teacher Keith Rogers (as the employer), who together have overall responsibility for health and safety within the school.

Nigel sits as the Head of the Board of Governors, of which there are 13 in total. The Boards roles include managing the school budget, supervising the schools upkeep and development and improving standards. In addition to this, Nigel has a specific responsibility for Health and Safety.

Keith Rogers' role as Head Teacher is to manage the overall running of the school. However, Keith reports the school's performance to the Board of Governors. Keith must report on Academic developments, Standard Assessment Tasks (SAT) results and any issues raised. Keith also has responsibility for health and safety and together with Nigel, which the two manage on a weekly basis.

See Table 1 & Table 2

- (b) How have the current Board level arrangements for health and safety developed over time, in particular the last 3-5 years?

The school follows guidance provided by Wolverhampton County Council that sets out both the Council's and Department of Education and Skill's Health and Safety Policy. This document is regularly updated to take into account new legislation and best practice. This guidance outlines the roles for governors and teachers and makes recommendations for school arrangements. The school is bound by law to follow this guidance.

The Board of Governors is comprised of 13 individuals, the majority of which have children at the school. Health and safety is led directly from both the Governor responsible and the Head Teacher (as the employer), down through to the staff. The Local Education Authority (LEA) also has a role in developing and overseeing health and safety on the school premises. The governing body must ensure that the school and its staff comply with the LEA's health and safety policy and practices. Keith, as the Head Teacher, implements and monitors health and safety across the school.

As the school was rebuilt in 2001/2, health and safety has developed in rather a systematic way. The re-build gave the school the chance to amend and develop new health and safety policies and procedures. The school was designed with health and safety in mind and the architecture represents these developments.

In addition, as the school faces new challenges, the health and safety policy is significantly robust enough to adapt to these changing circumstances.

The school is unique in the number of potential risks it faces. In addition to the regular health and safety issues that any business has to deal with, the school is also responsible for the care of the children whilst under the schools supervision. This responsibility caters for children's dietary requirements, supervision on school trips and outings and extra-curricular sporting activities. A set of procedures has been developed over time to help protect both students and inform staff of any potential issues.

For example, if a child has a dietary requirement as a result of an allergy, information on that child's medication and condition is kept, not only in the child's file, but also a photograph of the

child along with medical information and contact details (parents, doctors and dentist) are kept in the staff room and in the child's classroom.

An additional step was to train 4 members of staff in first aid and the use of epi-pens. The law only requires 1 first aider per 50 employees; however the school felt it more sensible to train 4 staff as a contingency in case a trained member of staff is off sick or on a school field trip.

- (c) Why was health and safety considered important enough to deserve and require Board level direction?

Board level direction in health and safety was ultimately required so that the governing body can properly focus on its health and safety needs by helping to mould and provide a clear set of procedures as well as to create a clear line of accountability. Furthermore, Board level directions helps establish a clear line for communication and a clear forum for matters to be discussed.

See Table 3

- (d) Why has responsibility for health and safety been given to this post rather than, say, the Operations Director or Finance Director?

Responsibility is shared equally between the Keith and Nigel. Keith must be held to account on health and safety matters and as the Schools governing body, it is up to the Governor designated to health and safety (Nigel), to hold Keith to account.

- (e) Do you have any other comments about how you decided on the current Board arrangements for health and safety?

No.

See Table 4

- (f) Can you please describe any lessons learnt during the development or operation of your Board level health and safety arrangements?

3. Description of current arrangements

3.1 Health and safety responsibilities

- (a) What is the organisational structure for the implementation and monitoring of health and safety?

Keith, as Head Teacher, implements and monitors health and safety within the school. The school has a Governor responsible for health and safety along with the Head Teacher. In addition, there is one staff member who has been designated a health and safety representative.

The LEA are to some extent responsible for managing health and safety at the school by:

- Providing site surveys every couple of years
 - Assisting with the development and implementation of the health and safety policy
 - Providing health and safety / first aid training for the staff, Head Teacher and Staff Health and Safety Representative
- (b) Which of your employees would know who has the ultimate responsibility for health and safety? How would they know this?

All employees would know that Keith and Nigel have ultimate responsibility for health and safety. But at the same time, they know that they can talk to their Staff Representative also.

- (c) Who would employees consider to be responsible for implementing health and safety in the organisation?

Keith would be considered by the staff as being responsible for implementing health and safety changes within the school although consultation with Nigel would also be expected.

3.2 Summary of Board level leadership and direction

See Table 5

- (a) Can you please describe the way in which the Board and the Director for Health and Safety provide leadership and direction on health and safety? What do they actually do (on a day to day, weekly, monthly, annual or regular basis) to champion health and safety?

In 2001/2 there was a major rebuild of the School. The old site was completely knocked down and a new school built on its ruins. As a result of this project, both Keith and Nigel had a huge task of managing health and safety for the entire year. Not just the health and safety on site, with the engineers and contractors, but also the health and safety of the children.

As the building work was so extensive, the school was shut down for 1 academic year. The children were transferred to another local school, only 2 miles away, but the amount of effort and co-ordination involved was significant, not only in relation to health and safety matters.

An example of this was regarding transport to and from school during the re-build. Nigel and Keith, together with the other Board members and staff and parents, devised a scheme to transport the children to and from school, as safely as possible with as little interruption as possible too.

The scheme centred around safety first and foremost. The children were never left unsupervised, from leaving the school gates to arriving at their destination. There were always at least 2 adults supervising them at all times. Children queued within the school premises until a coach arrived to pick them up. When the coach had arrived, they walked out of the school gates and around the corner (never having to cross a road on route) by 2 adults and Boarded the coaches, where parents were on board as voluntary supervisors.

When the children finished school for the day, the procedure was then duplicated until the children were within the school grounds and their parents had collected them.

- (b) What are the advantages and/or benefits of having a named Director leading health and safety rather than having health and safety as a shared responsibility of the Board as a whole?

See below.

- (c) Why do you think it is important that Boards manage health and safety rather than delegating it to (say) Health and Safety Managers?

In the school, the teachers have their own specific responsibilities, as do the Governors. Each Governor is assigned a year group and a particular subject(s) to help oversee and evaluate performance. Therefore, having one Board member and one teacher responsible for health and safety allows the others to spend more time on their own responsibilities, thus benefiting the pupils.

3.3 Specific arrangements regarding HSC action points

Can you please summarise your Board level arrangements for each of the following specific points:

- (a) Publicising the Board's role in health and safety

The staff are aware that the lead responsibility for health and safety is with the Head Teacher in collaboration with Nigel.

- (b) Each member of the Board recognising their personal responsibilities for health and safety

Only Nigel has official Board level responsibility for health and safety, however, other Board members, staff and parents are allowed to contribute.

- (c) Ensuring Board decisions on procurement and contracting reinforce health and safety intentions

The council are responsible for procurement but Nigel liaises with any contractors working at the school.

- (d) Board engaging with the workforce on health and safety

Every Monday morning, Keith holds a staff meeting to discuss the week's agenda, raise and help answer any issues and to discuss health and safety.

- (e) Board level arrangements for reviewing health and safety performance, keeping health and safety policy aligned with Board priorities, being informed of health and safety failures, ensuring health and safety management systems are in place and remain effective and are monitored / reviewed

Keith meets with the Board of Governors once every term. It is here that the Governors set targets relating to school standards, the restructuring of staff, behavioural policies and health and safety information.

Keith gets the chance to report on the schools progress and any other information that needs to be brought to the Boards attention. Health and Safety is discussed and if need be, new targets are implemented, the Health and Safety Policy is updated and there is a chance for general discussion.

4. Impact of Board level direction

See **Table 6**

4.1 Specific example(s) of benefits and data to demonstrate

- (a) Can you please describe specific example(s) of how your Board level direction of health and safety has benefited health and safety within the organisation?

When the decision was taken to rebuild and renovate the school premises, both Keith and Nigel got together to plan for more health and safety measures within the school. It was a sense of new school, new start.

Health and Safety played a very real part in the development of the new school building. For example, corridors were specifically designed to be wide enough to fit a wheelchair down them, quick, direct and easy access is now available to every fire exit within the school, all doors leading to the outside are fully secure, once the door has been shut, it cannot be opened again from the outside, thus preventing strangers just walking into the school.

The planning and organisation that went into the school rebuild has meant that there is now an organised system and set of procedures for implementing and improving health and safety policy and procedures.

When the school opened, there was still work that required completion, e.g. ongoing painting and decorating. A system was established by which all this work would be completed when the pupils were not around, being either in class or at home time. When the children were around, to prevent any accidents, the contractors were informed to stop what they were doing. Essentially, when the children had a break, so did the contractors, so as to avoid any potential accidents.

Another example where Board level direction and staff consultation led to improvements in health and safety relates to a long term illness suffered by a pupil at the school. A pupil who suffers from a physical condition was finding school life more and more difficult. Together, Keith, Nigel, the class teacher and the parents got together to discuss what the school could do to assist in getting the pupil back into class and offer suitable protection whilst on school premises. As a result of this consultation, a series of initiatives were introduced and a personal risk assessment was performed for this pupil. The child would be taken into classroom by the parent only after all the other children were in class, so as to avoid any falls or knocks. Adequate seating was provided to help support the child in the classroom, for example, rather than sitting on the carpet, the child was provided a chair with arm rests. At break time, as the

child's condition meant that they could not run around the playground, then supervision and break time activities were provided in the classroom where the pupil was constantly supervised by a member of staff. The system proved a great success and demonstrated the schools commitment to ensuring that health and safety does not effect a child's education and that the schools policy can be altered to meet any needs that may develop.

(b) Can you please provide quantitative data that demonstrates the measurable health and safety benefits of your Board level direction?

- No accidents or incidents recorded during the school rebuild of 2000/2001
- No fatalities recorded on site in last 10 years.

4.2 Risks posed by Board arrangements

(a) To what extent do you believe that your Board level arrangements have affected the possibility of individual Directors being sued or prosecuted for a health and safety problem? Please explain your answer.

The school's current health and safety policies, although designed to protect the children and the staff from any harm, are also designed to help protect the staff from prosecution, but not at the expense of child safety.

Risk assessments are now produced for every school trip, where the staff members supervising the trip go through the events the children will be participating in and draw up a list of possible risks that they may face and solutions to those risks.

With these processes in place, the staff are more aware of the dangers surrounding the children but are more assured to deal with them. Importantly also is that suitable measures have been taken to prevent accidents and incidents at the site and so the threat of prosecution has been reduced.

(b) To what extent do you believe that your Board level direction of health and safety has affected the risk posed to your organisation by health and safety failures? Please explain your answer.

Board level direction has helped reduce the chance for a failure in health and safety. The children at the school still face the same risks (e.g. when out on a school field trip); however, the Board has helped ensure that the correct processes are in place to sensibly and securely manage these risks.

(c) Has the Board's and/or your involvement in health and safety stopped you or the Board from properly managing other important aspects of the business, if so what and how?

Each Governor has been given a specific responsibility within the school. Health and Safety is managed at Board level by Nigel, whilst the other Governors ensure the management of their specific responsibilities.

See Table 7

4.3 Your message to other Directors

What would you say to Directors and Boards that do not provide leadership and direction on occupational health and safety? What would you suggest to them and **why**?

My message to Directors and Boards that do not direct health and safety is.....

“Health and safety should be managed sensibly. It is about knowing the risks and sensibly guarding against them.”

4.4 Three most important things

Of all the things that your Board/Director has done to direct health and safety, please cite the 3 most important:

- 1) Communication and Organisation
- 2) Having a flexible health and safety policy.
- 3) Good practice should not be taken lightly.

4.5 Recommendations to other organisations

Would you recommend your Board level health and safety arrangements to other organisations?

4.6 Further improvements and future plans

- (a) If you could improve further your Board level arrangements, what would you change and why?
- (b) What are your plans for the future development of your Board level direction of health and safety?

5. Other notes

5.1 Quotes

We would like quotes from some employees (e.g. staff, union representatives, Health and Safety Managers) giving their views on, e.g. what the Director does/has done to champion health and safety, health and safety improvements/changes they have seen/been part of etc.

- 1) “As a parent Governor both myself and Keith recognise the importance of successfully managing health and safety, working tirelessly to develop a safe working environment for both pupils and staff.”

Nigel Whyte, Head Governor, Goldthorn Park Primary School

- 2) “It is good for peace of mind that the school has a clear and sensible Health and Safety Policy so that we know our children are safe.”

Mrs Jandu, Member of Parent Teachers’ Association

- 3) “As Head teacher, it is my responsibility to oversee all aspects of health and safety. I owe this responsibility not just to the pupils, but to the parents and staff also. It is a responsibility that must be taken seriously.”

Keith Rogers, Head teacher, Goldthorn Park School

5.2 Potential issues

Are there any possible ‘embarrassments’ which could affect the impact of the case study? – e.g. incidents, sentencing from prosecution, current bad publicity in health and safety in part of the company...

None.

Table 1 Reasons for developing or having Board level direction

<i>For which of the following reasons did you increase Board level health and safety direction?</i>	<i>Strongly agree</i>	<i>Agree</i>	<i>Unsure</i>	<i>Disagree</i>	<i>Strongly disagree</i>	<i>Why did this become a factor?</i>
The perception that health and safety is a significant corporate risk, e.g. risk posed by a major incident, prosecution, etc.	✓					
A perception that productivity could be improved by better health and safety, e.g. reduction in absence and better staff morale			✓			
The need to respond to one or more specific health and safety regulations / the growing body of health and safety regulation		✓				
The need to respond to growing demands for corporate governance, e.g. Turnbull			✓			
A wish to be socially responsible		✓				
Demands from a new owner / change in management / new CEO or MD				✓		
The possibility of a new law on Directors' health and safety responsibilities						
The possibility of corporate manslaughter prosecutions			✓			
Response to requirements of investors, business clients or insurers			✓			
Any other reasons:						

<i>To what extent do you agree that?</i>	<i>Strongly agree</i>	<i>Agree</i>	<i>Unsure</i>	<i>Disagree</i>	<i>Strongly disagree</i>	<i>Comments</i>
You developed your arrangements because of the prospect of legal mandation of Directors' health and safety responsibilities		✓				
You developed your arrangements because of the increased risk of Directors being prosecuted for manslaughter / negligence etc.				✓		
You developed your Board arrangements despite advice from solicitors/consultants/advisors that this may increase the risk of individual Directors being held liable for health and safety failures				✓		

Table 2

<i>When making the arrangements for health and safety, did you...</i>	<i>Yes</i>	<i>No</i>	<i>Unsure</i>
...seek consultancy advice?		✓	
...benchmark yourself against other organisations?	✓		
...read HSC/E guidance?	✓		
...go through a process of “iteration” in the development of your arrangements?			✓
...consult with safety representatives?	✓		
...consult a solicitor?		✓	
...read guidance on corporate governance?	✓		
...take guidance from previous experience of CEO / MD and / or other Board members?	✓		
...consult with the workforce?	✓		
....consult with any recognised trade unions (please say which ones)?	✓		
...receive any health and safety training?	✓		

Table 3

Did you create a new seat on the Board to fulfil the role of Health and Safety Director?		<i>No</i>
Did you merge the responsibility with another Directorial role, e.g. HR, Risk, Operations?		<i>No</i>

Table 4

<i>To what extent do you agree that?</i>	<i>Strongly agree</i>	<i>Agree</i>	<i>Unsure</i>	<i>Disagree</i>	<i>Strongly disagree</i>
It was straightforward to decide how to develop an effective set of Board arrangements		✓			
It was relatively undemanding in deciding how best to provide Board level health and safety direction		✓			
We have had to improve our Board level arrangements due to initial problems with our arrangements				✓	

Table 5 Directorial arrangements

Approximately what proportion of the named Director’s time is devoted to health and safety?	% ?
Approximately what proportion of the Board’s time is devoted to health and safety?	% ?

Table 6 Perceived values and benefits of Board level direction

<i>To what extent do you agree that your Board level health and safety direction and leadership has:</i>	<i>Strongly agree</i>	<i>Agree</i>	<i>Unsure</i>	<i>Disagree</i>	<i>Strongly disagree</i>	<i>In what way?</i>
(a) Helped to reduce your corporate risk		✓				
(b) Reduced the disruption to your organisation created by health and safety problems			✓			
(c) Helped to improve business performance, e.g. less absence, more sales			✓			
(d) Helped to fulfil corporate social responsibility aspirations		✓				
(e) Helped to improve corporate communications and public relations		✓				
(f) Improved relations with the HSE and other external regulators		✓				
(g) Improved relations with investors, insurers and other external financial stakeholders			✓			
(h) Improved relations with trade unions and the workforce (give names of unions)			✓			
(i) Helped in the response to HSE improvement / prohibition notices and/or prosecutions			✓			
(j) Led to health and safety improvements, e.g. fewer injuries				✓		

Table 7

<i>To what extent do you agree that?</i>	<i>Strongly agree</i>	<i>Agree</i>	<i>Unsure</i>	<i>Disagree</i>	<i>Strongly disagree</i>
The time and effort required of the Board to direct health and safety is justified by the business benefits			✓		
The time and effort required of the Board to direct health and safety is reasonable		✓			
There is a wish to reduce the amount of time devoted by the Board to health and safety				✓	

MID & WEST WALES FIRE & RESCUE SERVICE

1. Director Details

- (a) What is the name of the Director(s) responsible for health and safety?

Richard Smith

- (b) What is their position/title(s)?

Deputy Chief Fire Officer and Director of Service Policy and Planning. Within this he has responsibility for Human Resources, which includes occupational health provision, training and development.

- (c) What is was the Director's previous role/position/company?

Richard was in the Fire service in Cheshire, where he was Head of Personnel Training before joining M&WWF&RS in July 2003.

His role was within a divisional office, and included overseeing the non uniform Health and Safety Advisor within the Brigade. Because of that he went through qualifications in Health and Safety and got an NEBOSH certificate.

- (d) What is the Director's background experience?

Richard has been in the fire service for 27 years. M&WWF&RS is the fourth fire authority he has worked in. He joined the fire service at 18 and moved from promotion to Warwickshire (for 12 years) and then to Cheshire before joining M&WWF&RS. During his career he has been involved with operations, training, health and safety and strategy.

Since joining M&WWF&RS nearly two and half years ago, his role has changed slightly and he picked up the Health and Safety reference as a Director about a year and a half ago. Once he joined M&WWF&RS he thought that policy and planning responsibility for the organisation was more appropriate to his role as Deputy Chief Fire Officer. He took on responsibility for community risk reduction, training and development and operational risk management and a couple of other departments including Health and Safety at Director level. Having a Deputy Chief Fire Officer leading the Service on health and safety policy demonstrated that they were taking it very, very seriously. He wanted to meet health and safety responsibilities head on and be accountable for leadership in that area.

- (e) What has given the Director their personal motivation to champion health and safety?

Richard recognises that he works in a job that is inherently risky and that they must take health and safety, assessing, controlling, and minimising risk seriously. There have been occasions within the National Fire Service where fire fighters have been killed and the service has to look at the reasons why and how things could be done to avoid a recurrence.

Richard has been in the Fire & Rescue Service a long time and understands how they need to operate to create a safe work environment. The last thing he wants is to have to visit an

employee's family to explain why their husband, wife or partner has been killed or have to deal with the aftermath of serious injury with people being retired from employment. He has personal experience of dealing with that sort of situation and he does not want to go through that again.

From his experience as an operational officer he knows that fire fighters are dependent on the officer in charge to make the correct decisions at an Incident and they need a framework and policy and an understanding and awareness of what should be done safely and correctly.

He believes that people should be able to come to work and do the job they like doing for which they are paid and trained to do in a safe operating environment. He is aware that people would get that in a factory or an office. The main difference with the fire and rescue service is that fire appliances need to go somewhere different each time they go out and they need to have the awareness built in to make sure things happen effectively and sensibly in different situations.

He also feels a moral responsibility for the people that work for him. He wants to use his experience to pick up small things and near misses and deal with them before they become system failures that could cause fatalities.

(f) What were the key tasks/challenges for the Director when they were appointed?

When he joined M&WWF&RS Richard felt that Health and Safety was looked upon by some people as something that Mydrian did in Headquarters and was not seen as part of the mainstream. He wanted to change the culture in the Service so that everyone, County Commanders, Heads of Departments, Station Managers, and Watch Managers etc took on their responsibilities within a policy framework. To make people aware that the service takes health and safety seriously monitor policies to make sure the Health and Safety Policy is updated and doesn't stagnate.

Another task was to reduce absence due to sickness, injury etc. and reduce the costs to the organisation of losing hundreds and hundreds of days through accidents at work that could and should have been prevented.

(g) Have you, or any other members of the Board, received any health and safety training?

Richard has received Health and Safety training in a previous role. All the Directors at M&WWF&RS also undergo a programme of training with regular refresher sessions.

2. History and reasons for the development of Board arrangements

(a) What is the organisational context of this case study? Who is the Director being considered, what is the structure of the organisation and the structure of the Board? What are the current arrangements and responsibilities for health and safety at Board level? Do any Non-Executive Directors have a health and safety role?

The Mid and West Wales Fire and Rescue Service covers six counties. The Executive Board comprises the Chief Fire Officer, the Deputy Chief Fire Officer (Richard Smith) and two Assistant Chief Fire Officers (one with a role as Director of Service Delivery and the other with a role as Director of Finance). The final member of the Board is the Head of Policy & Members Support (Judith Morris) who is a representative of the Fire Authority. Her role in the organisation is to link the Fire & Rescue Service with the Fire Authority. The service's budget comes from the unitary authorities that we cover. So the six counties pool money to fund our Fire & Rescue Service every year.

The Deputy Chief Fire Officer, Richard Smith, is the nominated Director for Health and Safety and is also the Director of Service Policy and Planning.

Mydrian Harries is the Service Risk Manager and he reports directly to Richard Smith. Mydrian's team consists of an administrative assistant and a fire-fighter who is also the Health and Safety Representative for the Fire Brigades' Union in Wales. There is a good relationship with the representative unions and a very open culture where people can talk directly to the safety team.

See Table 1 & Table 2

(b) How have the current Board level arrangements for health and safety developed over time, in particular the last 3-5 years?

- Set out the sequence of events in chronological order – exactly what was done/what happened and why did it happen at that time, were there external or internal drivers/events? Say how the Director(s) were involved in each stage, what was their role in events, how did they drive/influence things that happened?
- What are the key drivers/influences on the changes? E.g. change of Director, specific incident, change in company ownership....

HSE visit 1998/9 - There was a HSE inspection during 1998/9 following an injury to an employee. Part of their recommendation was for a specialist health and safety advisor to be appointed to provide professional advice to Mid & West Wales Fire & Rescue Service. This was a major motivator for change.

In addition, discussions with insurers indicated that the service needed to move up a gear in terms of health and safety management and overall risk management in order to help minimise increases in liability insurance premiums.

Also in the late 1990's early 2000 the Home Office Fire Service Inspectorate were beginning to look at better management of risk in all aspects of fire service activity and recognised the need for health and safety advisors to be appointed within Services. Fire Services were becoming exposed to new legislation in terms of risk assessments as they were not exempt from statutory health and safety duties. They were still required to provide a safe place of work for employees. Risk assessments were required for all work activities that Fire & Rescue Service employees were exposed to.

In the late 1990's in Wales, the three Fire & Rescue Services – North Wales, South Wales and Mid & West teamed up with Lancashire Fire & Rescue Service officers to develop their own health and safety audit process. Three of the services would audit the other on a rolling program. This audit also identified the need for a dedicated health and safety person at M&WW.

Mydrian joined as health and safety advisor in 2001. At that time, the Assistant Chief Fire Officer was the nominated Director responsible for health and safety. It was decided that, for health and safety to be taken seriously, not only by employees but by external organisations as well the Health and Safety Adviser needed to report to the Assistant Chief Fire Officer's level.

Historically, health and safety was perceived as a backroom function but Mydrian came from a background of preventative and proactive system management. He looked at what was in place against what was required and set performance goals.

The Directors gave him full autonomy to put things in place that would help the service now and in the future. They looked at long-term issues; where small changes could get them on the right path. They invited their insurance brokers to come in and look at the methods that were in place and to give specialist advice on things they needed to do.

In 2002/3 there was a Best Value Review. This identified a need for Line Managers to take responsibility for managing staff in terms of their health, safety and welfare.

Richard Smith was appointed as Deputy Chief Fire Officer in 2003. He had held the reference for health and safety in his previous Department in Cheshire.

When the Assistant Chief Fire Officer retired in 2004, this coincided with the HSE raising the profile of Directors' duties. Richard took on Director responsibility for health and safety and the reporting line for the Health and Safety Advisor was changed to the Deputy Chief Fire Officer level.

- (c) Why was health and safety considered important enough to deserve and require Board level direction?

Health and safety needs to be at Board level for employees and others to take it seriously.

See Table 3

- (d) Why has responsibility for health and safety been given to this post rather than, say, the Operations Director or Finance Director?

Health and safety needed to be at Director level and Richard had the experience and enthusiasm to take it on. It also fits well with his other responsibilities.

- (e) Do you have any other comments about how you decided on the current Board arrangements for health and safety?

It was important to make our stakeholders aware that our service was at the forefront of strategic and operational risk management. Ensuring all Directors were fully aware of all the health and safety issues created a collective responsibility by them to make a difference.

See Table 4

- (f) Can you please describe any lessons learnt during the development or operation of your Board level health and safety arrangements?

Having health and safety responsibility at Deputy Chief Fire Officer level and the full support of all our Directors has created much more transparency about what is required for good health and safety management. The workforce is also aware that health and safety is important and the Deputy Chief Fire Officer wants to drive it forward. People are encouraged by the fact that an interest is being taken in their workplace welfare.

3. Description of current arrangements

3.1 Health and safety responsibilities

- (a) What is the organisational structure for the implementation and monitoring of health and safety?
- Reporting lines within organisation (committees, managers, reps etc), how does information on health and safety get to the Board?
 - Is there documentation of the formal structure – roles and responsibilities of Director and others, safety policy documents etc?

Each of the six counties has a County Commander, who has the autonomy to manage health and safety for their County Command and most issues are resolved at this level. The County Commanders / Line Managers or their staff can contact Richard or Mydrian directly, the door is fully open, but they take ownership of their issues and address them locally.

Richard chairs a central Health and Safety Committee that has representatives from each of the six counties. Any issues that cannot be resolved locally can be brought to this committee and hopefully resolved.

There are minutes made of each Committee meeting and the representatives go through the minutes of the meeting and discuss all the issues with their local staff. Issues and procedures can be shared. All minutes of these meetings are available on the intranet.

All health and safety meeting minutes show attendees, including representatives from the Fire Brigades' Union, Retained Fire Fighters' Union, Unison, GMB and the workforce.

A report on health and safety performance is submitted quarterly to the Fire Authority Personnel Committee, which is attended by members of the Fire Authority and the Executive Board members. Fire Authority minutes are also available on the internet

Statistics are published monthly and there is a monthly accident information poster for each notice Board showing comparisons with previous years.

With Health and Safety Policy – every new employee gets a copy of the Statement of Intent signed by the Chief Fire Officer and this is supplemented by a copy of their roles and responsibilities as an employee. Clear documentation is given regarding the roles of the Directors and their own responsibility in terms of health and safety duties.

The Union representative who works with the Health and Safety Advisor will attend Fire Brigades' Union forums etc on health and safety and then cascade this information to the members at the grassroots. Union members will come to him with issues.

The Fire Authority Committee Panel is made up of councillors from each of the six counties. They meet with the Chief, the Deputy Chief Fire Officers and other Directors and discuss how the service is being run, including matters of HR, sickness management etc. and report back to their counties on how we are spending the funding from their respective Authority.

- (b) Which of your employees would know who has the ultimate responsibility for health and safety? How would they know this?

The service tries to make all employees aware that the Chief Fire Officer is ultimately responsible for health and safety and that Richard is the nominated Director of Safety, i.e. the

duties are delegated but not the ultimate responsibility. Richard chairs the Health and Safety Committee that demonstrates his role.

- (c) Who would employees consider to be responsible for implementing health and safety in the organisation?

Some would say Richard but others may identify Mydrian, the Health and Safety Advisor because he deals with issues on a day-to-day basis. They may not realise that a lot of strategies come from the Directors.

Every new employee now gets induction training. During their induction they are made aware of their own health and safety responsibility and go through a 22 point check list regarding policy, legal aspects, legal duties etc.

3.2 Summary of Board level leadership and direction

See Table 5

- (a) Can you please describe the way in which the Board and the Director for Health and Safety provide leadership and direction on health and safety? What do they actually do (on a day to day, weekly, monthly, annual or regular basis) to champion health and safety?

Richard has a genuine interest in health and safety. He is the representative for the CFOA Wales' Health and Safety Practitioners' working group. He attends the National Chief Fire Officers Association health and safety meetings to represent the interests of the Welsh services. He also Chairs the Consultative Committee for the Service, sits on the Executive Board and the Policy & Performance Board and is fully conversant with the organisation's current position on health and safety.

Richard attends the monthly Executive Board meeting and the quarterly Fire Authority Board meeting.

Richard sits on the National Fire Brigades Forum and is the Health and Safety Representative for all the Welsh Fire & Rescue Services.

Richard meets with Mydrian up to four or five times a month, but once every month as a minimum.

Richard visits fire stations as part of an annual programme for the year. If he needs to go to talk to a workforce regarding health and safety issues he will do so. Following such visits, if Richard identifies a health and safety issue he will contact Mydrian and ask him to look into it.

All the Directors have had health and safety training courses through the ranks and have also attended a one day seminar on Director Leadership in Health and Safety Management. Next year, Board members will receive a refresher course to update them to any changes. Richard has also had health and safety training in previous jobs. The Non-Executive Board member, from the Fire Authority has also received health and safety training.

Both the Chief Fire Officer and the Chair of the Fire Authority sign the Health and Safety Policy to demonstrate commitment to health and safety. The Fire Authority members are all on board with our organisational health and safety management strategy.

Richard chairs the quarterly Health and Safety Accident Panel meetings with the Health and Safety representatives from the different county commands and departments. Before the

meeting, Mydrian will brief Richard on what's happening, for example, with accidents, litigation claims, etc and try to pick up on any trends. They often pick a topic that they want as a theme for the meeting to emphasise to people that the Service takes health and safety very seriously e.g. Emphasising the need to wear seatbelts.

Richard has 12 Corporate Key Objectives based on a balanced scorecard principle. These are cascaded down through the organisation so that everybody knows what the service is trying to achieve. They include targets around having effective and empowered people. To be empowered and effective they need to be operating in a safe environment, be well trained and be aware of the processes there to assist them. He also has targets for occupational health.

Richard has a rolling programme of station visits which takes in all 57 stations. This is part of demonstrating his commitment to health and safety by ensuring he communicates the message across all service delivery areas.

Richard has responsibility for health, safety and occupational health for the Wales region of the Chief Fire Officers Association.

The Fire Authority has a committee structure with the health and safety performance of the service reported to the Performance and Policy Review committee and the Personnel Committee on a quarterly basis. This keeps members involved and informed. The Chief Fire Officer chairs the full Fire Authority meeting and Richard chairs the Performance and Policy Review committee.

- (b) What are the advantages and/or benefits of having a named Director leading health and safety rather than having health and safety as a shared responsibility of the Board as a whole?

The biggest benefit has been that people know the service is taking health and safety seriously. We have raised awareness and changed the culture. They know that if matters need to be addressed, a Director has the responsibility to drive things forward.

We are setting an example for other fire services. Richard has cascaded the good practice from M&WW to his national counterparts. M&WW have been asked to help audit and advise other services to help them improve performance and reduce insurance premiums.

- (c) Why do you think it is important that Boards manage health and safety rather than delegating it to (say) Health and Safety Managers?

It is important to have clear lines of communication and responsibility for managing safety. Change has to be driven from the Chief Fire Officer downwards. Directors can directly authorise investment when it is needed to influence change

3.3 Specific arrangements regarding HSC action points

Can you please summarise your Board level arrangements for each of the following specific points:

- (a) Publicising the Board's role in health and safety

All the Directors have a role and their responsibilities are highlighted in the Health and Safety Policy. This is available on the intranet and issued at inductions. When a new Director is appointed and a new policy issued, a copy of the changes is sent out inside everyone's payslip.

- (b) Each member of the Board recognising their personal responsibilities for health and safety

Every Director and all the Fire Authority members are provided with a copy of 'Directors' Responsibilities for Health and Safety'. The Directors have specific health and safety training on Directors' responsibilities.

- (c) Ensuring Board decisions on procurement and contracting reinforce health and safety intentions

Health and safety is part of the procurement policy. There is a dedicated Procurement Manager who reports to a Director and strict controls with regards to contractor management. Contractors have to meet certain requirements before undertaking work. Checks are made on the scope of work they are undertaking and their involvement to make sure they have the information they need to conduct their activity safely.

- (d) Board engaging with the workforce on health and safety

All Directors have an open door policy and the Board Directors go out and visit fire stations to engage directly with the workforce. Emails on specific issues may be sent directly to all staff from Richard. Richard chairs the Health and Safety Committee.

- (e) Board level arrangements for reviewing health and safety performance, keeping health and safety policy aligned with Board priorities, being informed of health and safety failures, ensuring health and safety management systems are in place and remain effective and are monitored / reviewed

Health and safety management is a key part of business planning and there are various key objectives to meet. The departments and directorships all have targets for indicators (KPIs) in terms of health and safety which they have to meet every year. There are also initiatives that they all have to follow in terms of improving health and safety performance. Monthly reporting keeps Directors fully aware of all statistics. If there was a significant event e.g. fatal injury Directors would be notified and requested to attend an 08.00am meeting with all the appropriate department heads.

4. Impact of Board level direction

See Table 6

4.1 Specific example(s) of benefits and data to demonstrate

- (a) Can you please describe specific example(s) of how your Board level direction of health and safety has benefited health and safety within the organisation?

Accident and injury reporting - The biggest change is in the accident reporting and investigation. This initiative started in 2003. The whole policy on absence management was reviewed and checked with ACAS. They impressed on managers that sickness absence was a serious issue. The way to stop people being absent through injury is not to have the accident in the first place. Driving down accidents has driven down the amount of sickness from injuries caused by accidents.

Looking at sickness absence data, it also became clear that some injuries to staff were resulting in long term absences that could have been avoided if there had been early intervention. They tightened up the accident reporting and investigation protocols. All on duty injuries have to be reported within 24 hours and all off duty injuries must be notified. Staff could then be referred to our occupational health advisers for early intervention to prevent injuries developing into long term absence.

There is now a seven day turn around (instead of six months) on accident investigations. The managers know they must operate within the policies to make a difference. It has raised awareness and made managers more accountable. They have seen a huge reduction in injuries and a huge reduction in sickness absence from this initiative. It gave a message to staff that:

- injuries to them were taken seriously
- occupational health assistance would be provide wherever possible
- the Directors wanted people to remain in work. If you have one person absent from a team then someone has to carry that work.

Richard was involved in developing and supporting the initiative to drive it forward. It was discussed at committee meetings and local forums with Mydrian supporting implementation with department heads. Richard was involved in promoting and endorsing the initiative at the committee level.

Health and safety audits – an audit process was introduced to measure the health and safety performance of every fire station. Every six months every department and fire station submits a report based on a small inspection that they do themselves. The Service Risk Manager (Mydrian), a representative from the training department and a representative from the operational risk management equipment department visit each fire station on a rolling programme to do a health and safety audit. Training records, equipment records and test records are checked and a report and action plan is prepared for that county commander. That person then needs to address any identified weaknesses in systems or procedures. Station Managers are alerted to any patterns or trends that need addressing and reminded of their responsibilities to health and safety. Richard has fully supported this initiative and ensured that it is properly resourced. If there are any issues regarding the release of staff for audits, Richard will provide his full backing. Richard’s management style is, “we know exactly where we want to go, I will help support everything we need to do to improve the safety of this organisation”.

Richard is keen to share expertise and best practice. He is driving the collaboration of the three Welsh Fire & Rescue Services to look at other organisations who want assistance to audit their health and safety practices and to produce a report.

Initiative to minimise vehicle reversing accidents – this is something that Richard has been pursuing very recently. At health and safety meetings and County Commander meetings, he has made it clear that the number of vehicle reversing accidents is too high and needs to be reduced. He is looking at how we can address that. For example, do they need more training; is current training appropriate etc. There are also policy measures where drivers must use guides to reverse and drive forwards out of the area where possible. He is also clamping down and strictly enforcing the wearing of seatbelts in vehicles.

Smoking policy - Richard was the main catalyst behind the smoking policy. He worked with the Service Risk Manager to develop the policy and then the draft was circulated to all staff. The smoking policy was implemented in 2004 following consultation with all employees and unions. This prohibited smoking in any Fire Authority building but smoking was permitted at dedicated places outside the buildings. The employees could see we were trying to safeguard their welfare. The results are not quantifiable apart from the more pleasant working environment.

Core factors causing on duty injuries – One of the main causes of injury was slips and falls, predominately caused by individuals running to the station (e.g. somebody running barefoot, another running in slippers, etc). A flyer was sent to everybody to raise awareness that these injuries were occurring and that they needed to look at methods of traversing to the station etc.

Managers' responsibilities - As a result of a Best Value Review in 2002/2003 it was recognised that a lot of the current desk assigned officers were needed out at the Operational Incident ground to manage risks with the crews. . There was a big shift to make Line Managers responsible for managing their staff in terms of health, safety and welfare. This was done by providing further training in the various courses run within the Service along with additional information from the Health and Safety Dept. The Directors fully supported the initiative. Clear lines of communication were created for safety and cascaded down through normal management. Every year we run a one-day Senior Managers' Seminar, for all the Senior and Middle Managers. Health and safety is discussed and last year there was an hour slot on "Managing Risk". It highlighted legislative requirements of managers; their roles and responsibilities, health and safety policy issues and identified some current weaknesses.

Safety Event Alert Newsletter – Richard uses this to raise awareness and highlight issues. For example, reminding people that they must wear personal protective equipment (PPE).

Distribution of accident statistics - accident statistics, vehicle statistics, injury statistics, etc are sent out monthly and displayed on notice Boards.

Prostate cancer awareness – Richard is currently talking to an occupational health contractor about running an awareness campaign about prostate cancer.

(b) Can you please provide quantitative data that demonstrates the measurable health and safety benefits of your Board level direction?

- Improved management of corporate strategic risks leading to insurance liability premiums being reduced by over a £100,000.
- Sickness absence days as a result of work related injuries reduced by 50% over last 2 years which has significantly reduced the strain on resources and costs to the organisation.
- Reduced injury incidence rate by over 50% over the last 3 years. See chart below for on-duty injury statistics.



4.2 Risks posed by Board arrangements

- (a) To what extent do you believe that your Board level arrangements have affected the possibility of individual Directors being sued or prosecuted for a health and safety problem? Please explain your answer.

The possibility of prosecution is probably reduced, there is a safer operating environment and therefore the risk of anything going seriously wrong has been reduced. Richard feels they are managing the risks.

- (b) To what extent do you believe that your Board level direction of health and safety has affected the risk posed to your organisation by health and safety failures? Please explain your answer.

Richard believes the risk of health and safety failures is reduced as they are better managing the risk, minimising and reducing risk wherever possible.

- (c) Has the Board's and/or your involvement in health and safety stopped you or the Board from properly managing other important aspects of the business, if so what and how?

No, it is an integral part of running the organisation.

See Table 7

4.3 Your message to other Directors

What would you say to Directors and Boards that do not provide leadership and direction on occupational health and safety? What would you suggest to them and **why**?

“My message to Directors and Boards that do not direct health and safety is that it is the right thing to do and whether you like it or not you have the responsibility for health and safety. You are better off accepting that responsibility; accepting the accountability and actually leading the organisation in managing risk rather than trusting to luck and hoping nothing goes wrong. You’re better taking control of your own destiny and doing something about it, than just leaving it to others. Good health and safety is the right thing to do from a moral, social and customer expectation viewpoint.”

4.4 The most important things

Of all the things that your Board/Director has done to direct health and safety, please cite the most important:

- 1) Leadership – Having a Director take personal responsibility adds a seriousness to the issue. It shows the organisation’s people that it is important. Richard’s leadership and determination have ensured that health and safety is mainstreamed into the organisation and they are seeing the benefit from it. He sees himself as a role model for health and safety who is actually what he says and ‘walking the talk’.
- 2) Accountability – Empowering people to be accountable and take responsibility for health and safety at all levels in the organisation. For example, through training and KPIs.
- 3) Integrating health and safety into the mainstream of the organisation - It is part of each persons and each manager’s everyday responsibility and working life. It is not ‘bolted on’ there is no opportunity to opt out. Managers manage with the performance management policies and the health and safety policies and see it as part of their day to day responsibilities.
- 4) Monitoring, recording, identifying weak points and then acting on the results.

4.5 Recommendations to other organisations

Would you recommend your Board level health and safety arrangements to other organisations?

Yes

4.6 Further improvements and future plans

- (a) If you could improve further your Board level arrangements, what would you change and why?

They are happy with current arrangements.

- (b) What are your plans for the future development of your Board level direction of health and safety?

M&WW are considering the development of a Strategic Risk Management Working Group. This would be a small team looking at strategic health and safety and HR to inform future policy rather than dealing with the day to day. The remit would be proactive and developing our continuous improvement.

5. Other notes

5.1 Quotes

We would like quotes from some employees (e.g. staff, union representatives, Health and Safety Managers) giving their views on, e.g. what the Director does/has done to champion health and safety,

- 1) "The Director for Health and Safety is the Deputy Chief Fire Officer Richard Smith, his leadership in this position leaves no doubt that his regard for health and safety issues in the Service is one of high priority, his direction during health and safety meetings is clear and precise and leaves no stone unturned to get to the bottom of an issue."

Roger Perry, FBU Wales Regional Official

- 2) "Richard's drive, enthusiasm and leadership as our Services' Director for Health and Safety has focused everyone's responsibility for health and safety management. The work of the Fire & Rescue Service can be very demanding and maintaining a safe workplace for our employees is crucial in delivering an effective service to the public"

Mr Brian Hall, Chair of the Mid & West Wales Fire Authority

5.2 Potential issues

Are there any possible 'embarrassments' which could affect the impact of the case study? – e.g. incidents, sentencing from prosecution, current bad publicity in health and safety in part of the company...

No.

Table 1 Reasons for developing or having Board level direction

<i>For which of the following reasons did you increase Board level health and safety direction?</i>	<i>Strongly agree</i>	<i>Agree</i>	<i>Unsure</i>	<i>Disagree</i>	<i>Strongly disagree</i>	<i>Why did this become a factor?</i>
The perception that health and safety is a significant corporate risk, e.g. risk posed by a major incident, prosecution, etc.		✓				Not a primary reason There was an awareness of prosecutions elsewhere
A perception that productivity could be improved by better health and safety, e.g. reduction in absence and better staff morale		✓				Specifically by reducing sickness absence
The need to respond to one or more specific health and safety regulations / the growing body of health and safety regulation		✓				Not a primary driver but this helped the process.
The need to respond to growing demands for corporate governance, e.g. Turnbull		✓				Not a primary driver but this helped the process
A wish to be socially responsible	✓					Looking after staff at work is important.
Demands from a new owner / change in management / new CEO or MD	✓					Richard brought a desire to integrate health and safety and change the culture
The possibility of a new law on Directors' health and safety responsibilities			✓			
The possibility of corporate manslaughter prosecutions		✓				
Response to requirements of investors, business clients or insurers		✓				Insurers were involved in discussions
Any other reasons:	✓					
It is the right thing to do - moral duty						

<i>To what extent do you agree that?</i>	<i>Strongly agree</i>	<i>Agree</i>	<i>Unsure</i>	<i>Disagree</i>	<i>Strongly disagree</i>	<i>Comments</i>
You developed your arrangements because of the prospect of legal mandation of Directors' health and safety responsibilities		✓				It is not a main driver but awareness of responsibilities is part of the reason.
You developed your arrangements because of the increased risk of Directors being prosecuted for manslaughter / negligence etc.		✓				It is not a main driver but awareness of responsibilities is part of the reason.
You developed your Board arrangements despite advice from solicitors/consultants/advisors that this may increase the risk of individual Directors being held liable for health and safety failures			✓			A solicitor was not consulted but legal opinion would not have made a difference.

Table 2

<i>When making the arrangements for health and safety, did you...</i>	<i>Yes</i>	<i>No</i>	<i>Unsure</i>
...seek consultancy advice?		✓	
...benchmark yourself against other organisations?		✓	
...read HSC/E guidance?	✓		
...go through a process of “iteration” in the development of your arrangements?	✓		
...consult with safety representatives?	✓		
...consult a solicitor?		✓	
...read guidance on corporate governance?	✓		
...take guidance from previous experience of CEO / MD and / or other Board members?	✓		
...consult with the workforce? <i>Proposals are all in the public domain</i>			✓
....consult with any recognised trade unions (please say which ones)? <i>Communication is via committees but unions were not consulted on Richards’s role. Unions are FBU, RFU, GMB and UNISON</i>		✓	
...receive any health and safety training? <i>Richard already experienced in health and safety</i>		✓	

Table 3

Did you create a new seat on the Board to fulfil the role of Health and Safety Director?	Yes	<i>No</i>
Did you merge the responsibility with another Directorial role, e.g. HR, Risk, Operations?	<i>Yes</i>	No

Table 4

<i>To what extent do you agree that?</i>	<i>Strongly agree</i>	<i>Agree</i>	<i>Unsure</i>	<i>Disagree</i>	<i>Strongly disagree</i>
It was straightforward to decide how to develop an effective set of Board arrangements	✓				
It was relatively undemanding in deciding how best to provide Board level health and safety direction	✓				
We have had to improve our Board level arrangements due to initial problems with our arrangements				✓	

Table 5 Directorial arrangements

Approximately what proportion of the named Director’s time is devoted to health and safety?	10 %
Approximately what proportion of the Board’s time is devoted to health and safety?	5 %

This is difficult to quantify as health and safety is mainstreamed as part of the job. There is a lot informal involvement and attendance at meetings where health and safety is discussed.

Table 6 Perceived values and benefits of Board level direction

<i>To what extent do you agree that your Board level health and safety direction and leadership has:</i>	<i>Strongly agree</i>	<i>Agree</i>	<i>Unsure</i>	<i>Disagree</i>	<i>Strongly disagree</i>	<i>In what way?</i>
(a) Helped to reduce your corporate risk	✓					Managing our risk better.
(b) Reduced the disruption to your organisation created by health and safety problems	✓					Accidents and days lost due to accidents have been reduced
(c) Helped to improve business performance, e.g. less absence, more sales	✓					Less sickness absence reduces the strain on resources and there are fewer problems.
(d) Helped to fulfil corporate social responsibility aspirations	✓					This is one of the corporate objectives
(e) Helped to improve corporate communications and public relations		✓				The structure improves internal communication – everything is also on the intranet.
(f) Improved relations with the HSE and other external regulators	✓					Building relationships with local inspectors
(g) Improved relations with investors, insurers and other external financial stakeholders	✓					Reduced insurance premiums by £140,000
(h) Improved relations with trade unions and the workforce (give names of unions)		✓				Unions are involved via committees and can see that health and safety is taken seriously
(i) Helped in the response to HSE improvement / prohibition notices and/or prosecutions						N/A
(j) Led to health and safety improvements, e.g. fewer injuries	✓					

Table 7

<i>To what extent do you agree that?</i>	<i>Strongly agree</i>	<i>Agree</i>	<i>Unsure</i>	<i>Disagree</i>	<i>Strongly disagree</i>
The time and effort required of the Board to direct health and safety is justified by the business benefits	✓				
The time and effort required of the Board to direct health and safety is reasonable	✓				
There is a wish to reduce the amount of time devoted by the Board to health and safety					✓

NEALES WASTE

1. Director Details

(a) What is the name of the Director(s) responsible for health and safety?

Richard Matthewman

(b) What is their position/title(s)?

Managing Director and Director responsible for health and safety.

(c) What is was the Director's previous role/position/company?

Richard has been MD since he set up the in 1991.

(d) What is the Director's background experience?

Richard worked for a long time in the commercial (buying and selling) side of a family business processing steel. At the time that business was sold there was a recession in the UK. Richard noticed that the waste sector was becoming highly regulated at that time and there was a lot of activity in that sector. Richard bought some assets in the waste sector and created the company.

(e) What has given the Director their personal motivation to champion health and safety?

Richard wants to ensure that the workforce are well looked after and not put them in situations where somebody might suffer an injury. He is also motivated by doing things properly.

When he started the business he set out to get accreditation on the BSI Standard for quality. He wanted a culture of providing a quality service and health and safety was part of that culture. With only a handful of employees he was speaking to everybody on a day to day basis so it was easy to get that ethos going. The company attained the quality accreditation but as they took on more employees there were more issues arising over things like health and safety and Richard realised that was the next stage he wanted to take the business to. They achieved accreditation for the environmental standard and Debbie Salmon joined as Health and Safety Manager about six years ago to help achieve the same standards for health and safety. The company now has over 100 employees.

He sees health and safety as part of running a good and efficient business. It also has benefits for the business, for example, with reduced premiums for insurance coverage.

(f) What were the key tasks/challenges for the Director when they were appointed?

Since starting the business Richard has been committed to providing a quality service.

(g) Have you, or any other members of the Board, received any health and safety training?

The two Directors have attended internal health and safety training.

2. History and reasons for the development of Board arrangements

- (a) What is the organisational context of this case study? Who is the Director being considered, what is the structure of the organisation and the structure of the Board? What are the current arrangements and responsibilities for health and safety at Board level? Do any Non-Executive Directors have a health and safety role?

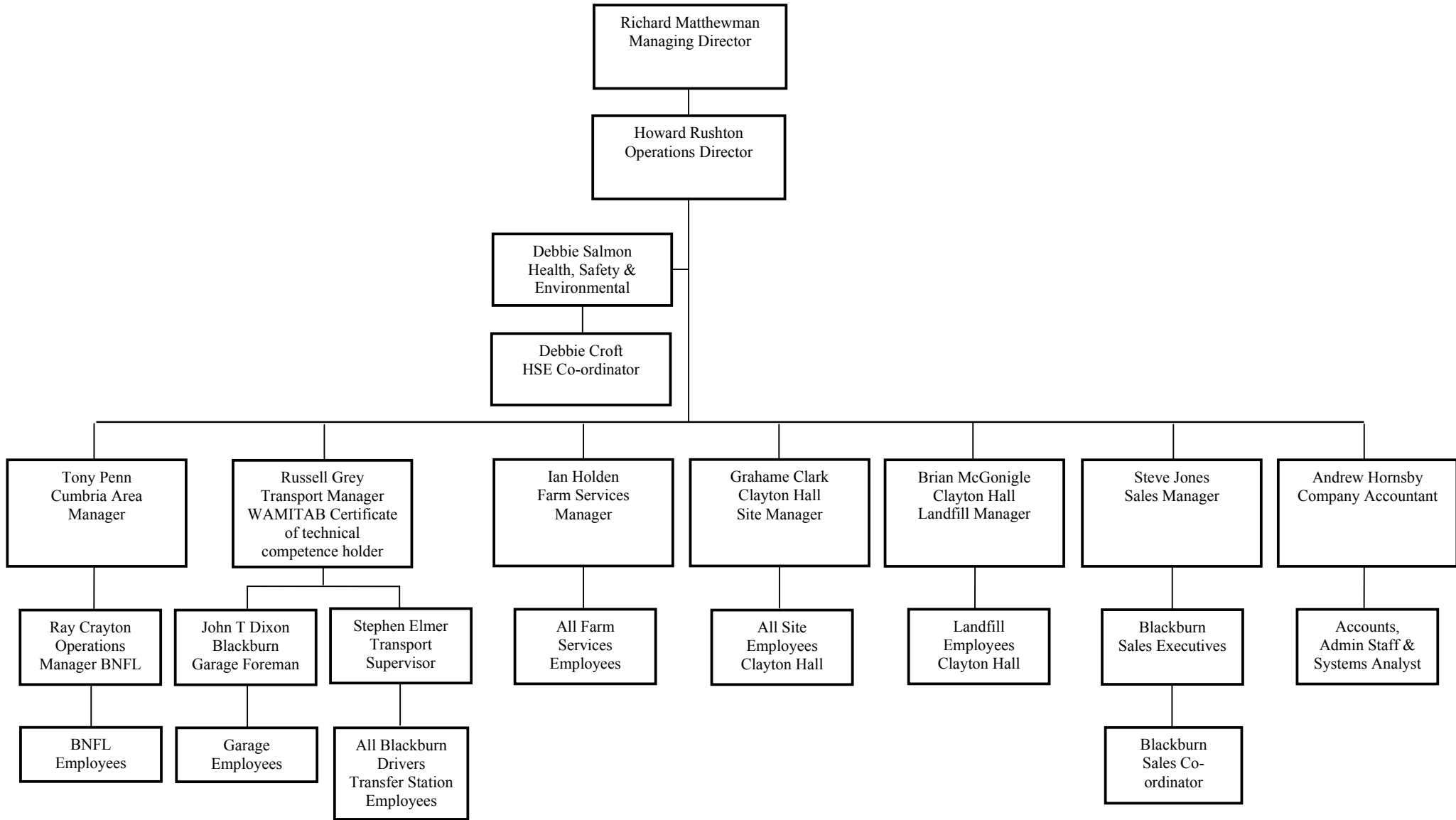
Neales Waste Management is owned by NWM Holdings Ltd which is part of Matlyn Investments Ltd.

Richard Matthewman is the Managing Director of Neales Waste Management and is the Director responsible for health and safety, Howard Rushton is the Operations Director. The Board consists of the two Directors and Senior Managers; Andrew Hornsby the Company Accountant, Debbie Salmon the Health, Safety and Environment Manager and Steve Jones the Sales Manager. Andrew reports directly to Richard and the other Senior Managers report to Howard.

Other members of the senior management team include:

- Tony Penn - Cumbria Operations Manager based at British Nuclear Fields in Sellafield with 13 other employees.
- Russell Grey - Operations Manager/Transport Co-operation's Manager responsible for all the fleet vehicles.

All the managers are involved in operations meetings.



In the early days of the company, when there was only a handful of staff, Richard and the other Director would sort out health and safety issues as well as looking after all the other aspects of the business. Now the company has grown, this is no longer possible and they decided that they needed a dedicated person.

See Table 1 & Table 2

- (b) How have the current Board level arrangements for health and safety developed over time, in particular the last 3-5 years?

Neales Waste Management was started by Richard and Howard and began operating in 1991. They are still the Directors of the company. Initially, they were responsible for all the day to day health and safety, but as the company started growing they realised that they could not do everything and couldn't take on that role. They found they were being reactive rather than proactive. They also wanted to target blue chip customers who would not entertain a small company that wasn't seen to have a good health and safety and environmental performance. Obtaining insurance and keeping premiums down was another driver for health and safety.

Debbie Salmon was employed as Health, Safety and Environment Manager in 2000 and her first job was to implement ISO 14001 which was a requirement for larger tenders and the British Nuclear Group. Whilst reviewing the company and the sites, she identified that a more structured approach to health and safety was also required.

A health and safety structure was developed and agreed with managers and the Health and Safety Committee was set up. All the sites have their own Health and Safety Committee meetings and send a representative to the main Health and Safety Committee. The health and safety policy was sent out to all employees and they were fully consulted on the health and safety structure. It is reviewed annually and any changes go out to all our employees again. They are constantly reviewing procedures and being proactive to make sure they have systems and controls in place, before the legislation even happens. Richard, as MD is ultimately responsible for health and safety.

- (c) Why was health and safety considered important enough to deserve and require Board level direction?

People are the company's most important asset so health and safety is about looking after our assets and maintaining a good service and productivity. In a large company, personnel or human resources functions manage people but at Neales Waste that role is embraced by the Board and it is looked at from a health and safety angle.

See Table 3

- (d) Why has responsibility for health and safety been given to this post rather than, say, the Operations Director or Finance Director?

There are two Directors, the Operations Director and the MD and the MD has ultimate responsibility for health and safety.

- (e) Do you have any other comments about how you decided on the current Board arrangements for health and safety?

See Table 4

- (f) Can you please describe any lessons learnt during the development or operation of your Board level health and safety arrangements?

The company found that it took a while to get the whole ethos throughout. They knew what they wanted to achieve but, further down the line, some people just saw it as an encroachment or a hindrance on their day to day job. In certain areas of the business they experienced some negativity and reluctance to embrace the culture they were trying to evolve. Debbie's enthusiasm and perseverance helped them get there in the end. The challenge they see now that they have good health and safety is to prevent complacency.

3. Description of current arrangements

3.1 Health and safety responsibilities

- (a) What is the organisational structure for the implementation and monitoring of health and safety?
- Reporting lines within organisation (committees, managers, reps etc), how does information on health and safety get to the Board?
 - Is there documentation of the formal structure – roles and responsibilities of Director and others, safety policy documents etc?

Richard is Managing Director and is responsible for health and safety. Debbie Salmon is Health, Safety and Environment Manager (HSE); she sits on the senior management team and reports directly to the Directors. Day-to-day health and safety on sites is managed by the Site and Line Managers. The health and safety policy manual outlines Managers' and Directors' responsibilities.

Management meetings are attended by the Senior Management Team: Richard, Howard, Andrew, Debbie, Russell and Steve. Health and safety is discussed at these meetings.

The Health and Safety Committee meets quarterly and is attended by the managers and the health and safety representatives from each site. The representatives will hold monthly health and safety meetings at their own site and bring any issues raised to the main committee. The representatives and managers who come to the Health and Safety Committee meetings will disseminate information back to the other employees on their site.

Sites also have regular tool box talks

90% of health and safety issues now, are with customer sites. Neales Waste have put systems in place on their own sites so they are safe. When issues arise with customer sites, most customers will work with them to solve the problems. Those that don't are discussed at Board level and, if necessary, the Directors will decide to terminate their contracts. Customers make the company money but, if the customer is causing health and safety problems and is unwilling to resolve it, they are not worth the risk.

When drivers visit a new site for the first time they fill in a form that identifies any hazards or problems and it's all fed back to the sales department.

The Health and Safety Policy Manual is available on all site notice Boards and is given out to all employees when they join the company. When employees have their induction they sign off a sheet for each induction to say they have had a copy and they've read and understood the documents.

There are also formal systems in place for ISO14001, which is the environmental standard and the quality standard ISO9001. There is the policy manual and all the other things that go with the systems, the procedures, risk assessments, records of inspections, monitoring records and all the manual management review and audit records as well.

There is a programme of auditing, some daily and weekly audits, with a total of 100 or more audits a year. Every site is audited at least once a year. All procedures are audited a minimum of once a year and anything that revolves around legislation is audited twice a year. Any non-conformance is audited twice the following year.

All employees can report health and safety issues via the internal communication system. They can fill in a form on site, the form goes via the internal mail to the HSE department and they type it into the internal computer based system. Once logged, Debbie will determine which department it needs to go to and email it on. It is a way of logging things so people know that some action is going to be taken. Anyone can log on to the system and see what progress has been made on their complaint or request.

Urgent issues are sent directly to Richard if necessary and recurring issues will be discussed at Health and Safety Committee meetings. All the issues that have come up are summarised in an annual report which goes to the Board.

(b) Which of your employees would know who has the ultimate responsibility for health and safety? How would they know this?

It is stated in our health and safety policy that Richard has the ultimate responsibility that's on all notice Boards. The health and safety policy is issued to all employees in induction and annually if it has changed in any way. So they should know.

All staff also have a training need analysis when they first join the company to identify the health and safety training they need for their role.

3.2 Summary of Board level leadership and direction

See Table 5

(a) Can you please describe the way in which the Board and the Director for Health and Safety provide leadership and direction on health and safety? What do they actually do (on a day to day, weekly, monthly, annual or regular basis) to champion health and safety?

- Talking to Debbie about health and safety on a day to day basis
- Scrutinising industry journals and documents to identify anything of interest relating to health and safety. For example, case stories or accidents in the waste management industry. He may ask Debbie to do a briefing on important new issues or stories.

- Richard chairs the Health and Safety Committee meetings once a quarter
 - Richard chairs the quarterly management meetings where health and safety is an agenda item
 - Decision making about dropping clients who are not meeting Neales Waste's health and safety standards and putting staff at risk. This shows his commitment to championing health and safety even when there is an impact on the business. He is taking a stand. The Directors will both get involved and talk to the clients to try and resolve the issues wherever possible.
- (b) What are the advantages and/or benefits of having a named Director leading health and safety rather than having health and safety as a shared responsibility of the Board as a whole?

Richard chairs the Health and Safety Committee meetings so things can be resolved and he can make important decisions on the spot. He can make those decisions that managers cannot make without Director input.

- (c) Why do you think it is important that Boards manage health and safety rather than delegating it to (say) Health and Safety Managers?

Richard and Howard have a wider picture than the HSE Manager; they can make decisions based on a business and company perspective. So many things are related to health and safety.

3.3 Specific arrangements regarding HSC action points

Can you please summarise your Board level arrangements for each of the following specific points:

- (a) Publicising the Board's role in health and safety

The Health and Safety policy manual is given to everybody and it gives the roles and responsibilities of the Directors and everybody else underneath that and the arrangements for health and safety. Everyone gets a copy at their induction, if any changes are made it is reissued and the changes displayed on the notice Boards.

- (b) Each member of the Board recognising their personal responsibilities for health and safety

Director responsibilities are documented in the health and safety policy manual, which has been agreed by the Board.

- (c) Ensuring Board decisions on procurement and contracting reinforce health and safety intentions

The Directors make business decisions on a case by case basis about stopping business when clients will not comply with company health and safety requirements. There are also requirements for new vehicles to meet health and safety (e.g. they must have automatic netters) and environmental standards (e.g. for fuel economy).

There are procedures for subcontractors and suppliers. Subcontractors are working under the company name and must work to the same standards and follow subcontractor control procedures. Their risk assessments and method statements are checked prior to allowing them to do any work. When subcontractors are doing work under the Neales Waste name it is crucial that they do not recruit or use anybody that has poor practices.

There are also supplier assessment procedures where suppliers are assessed and graded based on health and safety, quality and environmental standards. There is an approved supplier list and staff will try to select the ones with the best grading when purchasing supplies.

(d) Board engaging with the workforce on health and safety

The Health and Safety Committee provides an opportunity for workforce representatives to engage with the Directors on health and safety issues. Other managers and senior management team do tool box talks. On urgent or crucial issues, Richard may send a personal memo directly to the workforce.

(e) Board level arrangements for reviewing health and safety performance, keeping health and safety policy aligned with Board priorities, being informed of health and safety failures, ensuring health and safety management systems are in place and remain effective and are monitored / reviewed

Health and safety is reviewed at the annual management review meeting. The Health and Safety Policy document is reviewed to make sure it is still relevant. Statistics from all the monitoring are reviewed including, accidents, absenteeism rates, and audit non-conformances. The meeting also looks at positive developments such as awards won, lessons learnt, most significant improvements etc.

4. Impact of Board level direction

See Table 6

4.1 Specific example(s) of benefits and data to demonstrate

- (a) Can you please describe specific example(s) of how your Board level direction of health and safety has benefited health and safety within the organisation?
- HSE Manager - One of the key steps that Richard took to improve health and safety was the appointment of Debbie Salmon as Health, Safety and Environment Manager. As the company grew, he and Howard did not have time to do everything that was needed. They are clear that they would not have got to where they are with health and safety without having her driving it.
 - Monitoring - In 2001-2002 audit and monitoring systems and procedures were put in place to make sure they had all the basic information needed to identify issues, make the right decisions and measure improvements. This has helped them set targets and monitor progress. The initiative was championed by the Directors and put in place by Debbie.
 - Safety of customer sites – health and safety issues at customer sites (for example, drivers being asked to perform unsafe practices like climbing up on skips,

carrying overloaded or overweight skips, unsafe entrances or exits etc) are recorded by drivers and customers are asked to improve standards. Requests are made by the Health and Safety Manager but Richard and Howard will get involved in discussions if necessary. If customers fail to comply Richard will cancel the contract with the customer. They don't like losing business but always look at safety as paramount. They do not want work that is putting people at risk.

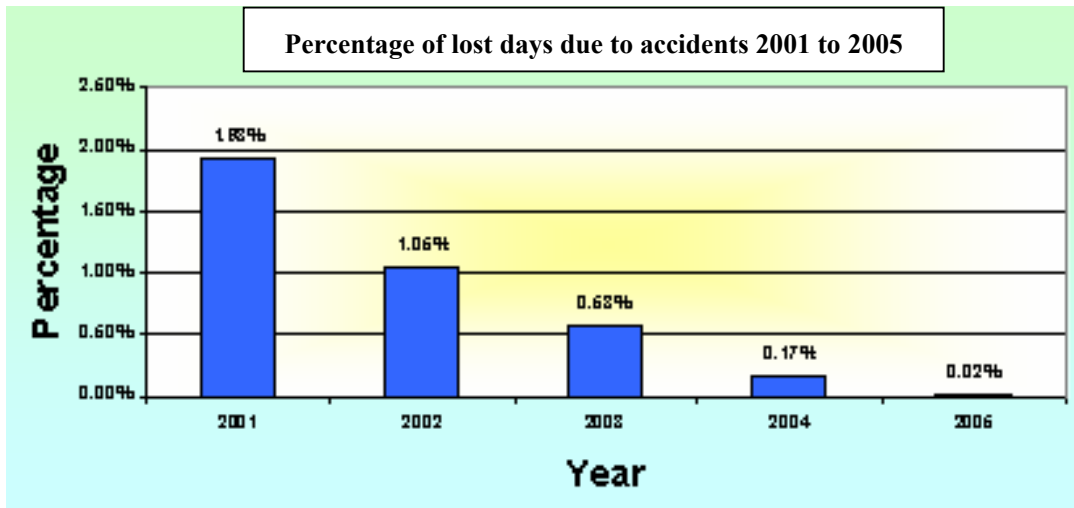
- Automatic netting devices - Waste escaping from lorries and people having to climb onto lorries were being raised by employees as issues. Nets are required to cover the contents of skips and lorries to stop waste falling out during transportation. Putting the nets on manually requires staff to climb onto the vehicle and presents quite a high hazard of falling from heights. Richard made the decision that Neales Waste would install automatic netting devices on all 33 of the existing vehicles and change the purchasing policy to require these on any new vehicles purchased in the future. A high proportion of Neales Waste staff are drivers so their safety is important. Although Neales Waste had not had any accidents as a result of these issues, historic information from the industry in general pointed to falling off lorries as one of the main causes of major injuries. Richard was being pro-active putting the systems on. There had been issues of escaping waste, things blowing off lorries, and the statistics show these problems have reduced because of that. There have been no incidents since the automatic netters.
- Driver training program - Richard initiated this following discussions with the insurance brokers. Neales Waste had not made any major claims the previous year (1999) but their premiums were being put up by 27%. After some discussions the insurers agreed to a reduction if Richard could show them that Neales Waste had reduced the risks to the business. The premiums for the motor policy for example, could be reduced if they instigated defensive driving training for all drivers. When they looked at the issues internally they found they had quite high turnover of younger LGV drivers who felt they could get easier driving jobs elsewhere. The waste industry work requires them to have more expertise, not only to drive a vehicle but also to operate the lifting equipment, manoeuvre in tight spaces etc. Because they were replacing a lot of drivers, they had more inexperienced drivers and found an increase in minor claims (e.g. bumping into walls, damaging containers, banging wing mirrors) which were adding up.
- Richard was concerned about the costs adding up but also concerned that next time it could be somebody hitting a person or damaging something or someone quite seriously. They undertook a programme of driver training and started to see improvements straight away. In order to maintain standards and enable continuous training they found one of their drivers who was willing to train as a driver assessor and trainer. He then learnt how to run the defensive driving course. He now provides in house training for drivers and, with his industry experience and knowledge of customer sites he can train drivers about specific waste industry issues.

- Since they started the driver training in 2000, insurance claims have reduced by 30%. Insurance premiums have been reduced. The defensive driving has also contributed to a 14% reduction in fuel consumption.
- Satellite tracking - Richard has introduced satellite navigation and tracking systems in all the vehicles. This has taken him some time to introduce as there was some reluctance and concern that drivers may feel they are being spied on but they are now seeing the benefits. This was for a multitude of reasons, not just health and safety. It helps with the route planning, especially for customer contracts where they ring up and say "our container is full can you please come and collect it". Previously, they would be adding more and more bins onto vehicle routes as the day went on. This made them speed and rush around and there are more chances of accidents and injuries. The satellite tracking system pin points where all the vehicles are so they can see which is the best vehicle to do the pick up, it does it automatically and takes the error out of it. This has increased productivity and efficiency and they have been able to balance the workload between rounds. Vehicles doing too much are a hazard. They can make better judgements and decisions on route planning and service customers efficiently and safely. The satellite tracking will also monitor speed, so they can identify when drivers are speeding. It all helps with driver safety.
- Monitoring absenteeism - Part of the monitoring now includes monitoring sickness and absenteeism. Identifying and logging reasons for sickness absence.
- Internal communication system - The system allows employees to log issues suggestions, problems, near misses etc and feeds information back to the relevant people. All comments are responded to and answered so information is coming up from the workforce. Communication is important. When they kicked off with the scheme, in 2000 there were not many comments logged but when employees started to realise that it worked, the numbers increased. Use has increased by 300% since 2000.

Other initiatives have also been implemented with the support and backing of the Directors.

- (b) Can you please provide quantitative data that demonstrates the measurable health and safety benefits of your Board level direction?
- Neales waste accident/incident rate in 2004 was 63% less than the industry average
 - Clean record – no fines or prosecutions
 - Reduced insurance costs through fewer claims – 30% reduction in claims from 2000 and a further 7% from 2003-2004
 - Reduction in absenteeism and improved efficiency – from 1.93% lost time due to accidents in 2001 to 0.02% in 2005

- Increased profitability – reduction in sick pay, overtime pay, business loss and uninsured losses



Accidents

All Sites	2000	2001	2002	2003	2004	2005
Total No. Accidents	43	40	38	47	53	47
% Increase/Decrease	-	-7%	-5%	+24%	+13%	-11%
Incidence Rate	632	571	551	602	576	495
% Increase/Decrease		-9.6%	-3.5%	+9.3%	-4.3%	-14.1%

4.2 Risks posed by Board arrangements

- (a) To what extent do you believe that your Board level arrangements have affected the possibility of individual Directors being sued or prosecuted for a health and safety problem? Please explain your answer.

Richard believes it has greatly reduced the risk of Neales waste being prosecuted because risk is being managed better. He feels that if they were to be prosecuted, for what ever reason, that they would be able to demonstrate that they have done everything practically possible, identifying and attending to issues before they even become a problem.

- (b) To what extent do you believe that your Board level direction of health and safety has affected the risk posed to your organisation by health and safety failures? Please explain your answer.

Richard feels that they have reduced the risks of failures happening. The fact that health and safety is seen as coming from the top has enabled the HSE Manager (Debbie) to get on with doing what needs to be done. With the full authorisation of the Board, everybody is aware that health and safety is taken seriously in the company.

- (c) Has the Board's and/or your involvement in health and safety stopped you or the Board from properly managing other important aspects of the business, if so what and how?

No, not really.

See Table 7

4.3 Your message to other Directors

What would you say to Directors and Boards that do not provide leadership and direction on occupational health and safety? What would you suggest to them and **why**?

“My message to Directors and Boards that do not direct health and safety is two fold; they are not going to get the best out of their employees and therefore the business if they don't instil good health and safety working practices. There are financial benefits as well. We have seen a reduction in incidents, with the driver training, so we've got wagons on the road longer and no repair bills or fewer repair bills, fewer claims on the insurance policy which enabled us to keep the insurance policy down and with the driver training we've done, we negotiated discounted rates as well and they have seen the benefits on their claims history because of the training we do.”

4.4 Three most important things

Of all the things that your Board/Director has done to direct health and safety, please cite the 3 most important:

- 1) Setting up a specific health and safety function - employing a full time Health and Safety Manager enabled them to get a lot further, a lot more quickly. Richard had a vision of where he wanted the company to go with health and safety and Debbie has implemented that.
- 2) Implementing systems and procedures to achieve accreditation and building health and safety into that. The auditing and monitoring is all part of that. A lot of the systems and procedures for health and safety overlapped with what we put in place to achieve accreditation for quality and environmental management systems.
- 3) Internal communication system – Everyone, including drivers and labourers can help improve the company. Not just health and safety but all aspects of the business. We get new ideas as well as keeping track of how people are feeling.

4.5 Recommendations to other organisations

Would you recommend your Board level health and safety arrangements to other organisations?

Yes.

4.6 Further improvements and future plans

- (a) If you could improve further your Board level arrangements, what would you change and why?

Nothing at present.

- (b) What are your plans for the future development of your Board level direction of health and safety?

Richard feels that the obvious thing would be, as they grow the business and the management team became Directors, to have a Director of Health and Safety on an enlarged Board. This is not imminent at the moment but if the business doubles again in the next five years.

Neales Waste are implementing Investors in People.

5. Other notes

5.1 Quotes

- 1) “The constant backing and support from the Directors has helped the health and safety department change the culture of the whole company. Now instead of being frightened of change, staff are happy to embrace new ideas and initiatives”

Debbie Croft – HSE Co-ordinator

- 2) “Neales Waste Management operates a comprehensive Health and Safety Policy which is wholly supported by our Directors and Senior Management team. There is a health and safety manual supported by risk assessments and safe systems of work and regular health and safety meetings are held which are attended by Directors, Managers and Safety Representatives. I am personally affected by the use of VDU terminals. This activity is risk assessed and the process is monitored by optical testing which is conducted by local opticians and also by our occupational health Doctor during routine health surveillance sessions. The eye test and any spectacles required for VDU use are funded by the company.”

Harold Pickering – Blackburn Transport Weighbridge Clerk

- 3) “We have regular health and safety meetings which are attended by Directors, Managers and Safety Representatives from all departments. Any outstanding or ongoing health and safety issues are discussed at these meetings and solutions identified and the problems addressed as necessary”

Terry Dixon – Garage Mechanic & Safety Representative

- 4) “We are a close working team and our Directors are very supportive of any health and safety initiatives and provide all the necessary resources in terms of time, people and money that are required to make continuous improvements in our health and safety. An example of this is where we were concerned with drivers netting containers and sometimes climbing onto loads. This was discussed with our Directors and the solution was to install automatic netting devices on our fleet of refuse collection vehicles which we did. It is now company policy to purchase all new vehicles with these already fitted”.

Russell Grey – Blackburn Transport Operations Manager

- 5) “We are committed to continual improvement in our health and safety performance. To ensure that health and safety is always ranked equally with all other operational aspects you need total support from your leaders. We are fortunate enough to be able to say this. Our Managing Director Richard Matthewman and Director Howard Rushton are always there to support not only me as HSE Manager but all the other Senior Managers in their roles and with any decisions relating to health and safety. I believe the successful management of health and safety like this ensures the overall success of the business.”

Debbie Salmon – Health, Safety & Environmental Manager

5.2 Potential issues

Are there any possible ‘embarrassments’ which could affect the impact of the case study? – e.g. incidents, sentencing from prosecution, current bad publicity in health and safety in part of the company...

None

Table 1 Reasons for developing or having Board level direction

<i>For which of the following reasons did you increase Board level health and safety direction?</i>	<i>Strongly agree</i>	<i>Agree</i>	<i>Unsure</i>	<i>Disagree</i>	<i>Strongly disagree</i>	<i>Why did this become a factor?</i>
The perception that health and safety is a significant corporate risk, e.g. risk posed by a major incident, prosecution, etc.	✓					This is a key driver; the waste industry has a high accident rate.
A perception that productivity could be improved by better health and safety, e.g. reduction in absence and better staff morale	✓					Lost days due to accidents was up to 1.93% and service was beginning to suffer, it is now down to 0.22%
The need to respond to one or more specific health and safety regulations / the growing body of health and safety regulation		✓				Need to keep up with legislation to maintain a licence to operate
The need to respond to growing demands for corporate governance, e.g. Turnbull				✓		Aware of this and working to IOSH 18001 standards
A wish to be socially responsible	✓					Desire to do the right thing and don't want bad publicity. Have ISO 14001 for environment.
Demands from a new owner / change in management / new CEO or MD					✓	Same owner since 1991
The possibility of a new law on Directors' health and safety responsibilities				✓		Already doing health and safety well – law will not make a difference
The possibility of corporate manslaughter prosecutions				✓		As above
Response to requirements of investors, business clients or insurers	✓					Clients and insurers want good health and safety systems in place. Gives a competitive advantage in the waste industry
Any other reasons: Incidental costs to the business caused by minor accidents	✓					Incidental costs to the business caused by minor accidents were adding up as vehicle numbers increased – wanted to reduce these

<i>To what extent do you agree that?</i>	<i>Strongly agree</i>	<i>Agree</i>	<i>Unsure</i>	<i>Disagree</i>	<i>Strongly disagree</i>	<i>Comments</i>
You developed your arrangements because of the prospect of legal mandation of Directors' health and safety responsibilities				✓		Not main driver but aware of it
You developed your arrangements because of the increased risk of Directors being prosecuted for manslaughter / negligence etc.				✓		Aware of it
You developed your Board arrangements despite advice from solicitors/consultants/advisors that this may increase the risk of individual Directors being held liable for health and safety failures				✓		No legal advice sought on this.

Table 2

<i>When making the arrangements for health and safety, did you...</i>	<i>Yes</i>	<i>No</i>	<i>Unsure</i>
...seek consultancy advice? <i>Have in house capability</i>		✓	
...benchmark yourself against other organisations? <i>Against the rest of the waste industry</i>	✓		
...read HSC/E guidance?	✓		
...go through a process of “iteration” in the development of your arrangements? <i>But not for the Board arrangements.</i>	✓		
...consult with safety representatives?	✓		
...consult a solicitor?		✓	
...read guidance on corporate governance?		✓	
...take guidance from previous experience of CEO / MD and / or other Board members? <i>Same Board since 1991</i>		✓	
...consult with the workforce? <i>Consulted on Health and Safety Policy</i>	✓		
....consult with any recognised trade unions (please say which ones)? <i>No unions</i>		✓	
...receive any health and safety training? <i>Internal health and safety training</i>	✓		

Table 3

Did you create a new seat on the Board to fulfil the role of Health and Safety Director?	Yes	<i>No</i>
Did you merge the responsibility with another Directorial role, e.g. HR, Risk, Operations?	<i>Yes</i>	No

Table 4

<i>To what extent do you agree that?</i>	<i>Strongly agree</i>	<i>Agree</i>	<i>Unsure</i>	<i>Disagree</i>	<i>Strongly disagree</i>
It was straightforward to decide how to develop an effective set of Board arrangements		✓			
It was relatively undemanding in deciding how best to provide Board level health and safety direction		✓			
We have had to improve our Board level arrangements due to initial problems with our arrangements		✓			

Table 5 Directorial arrangements

Approximately what proportion of the named Director's time is devoted to health and safety?	20%
Approximately what proportion of the Board's time is devoted to health and safety?	30%

These are difficult to say, health and safety is always being discussed, it is an ever present issue.

Table 6 Perceived values and benefits of Board level direction

<i>To what extent do you agree that your Board level health and safety direction and leadership has:</i>	<i>Strongly agree</i>	<i>Agree</i>	<i>Unsure</i>	<i>Disagree</i>	<i>Strongly disagree</i>	<i>In what way?</i>
(a) Helped to reduce your corporate risk	✓					Systems reduce accidents and incidents Better clients also have their own good health and safety
(b) Reduced the disruption to your organisation created by health and safety problems		✓				Less accidents and related absence reduces the impact on service
(c) Helped to improve business performance, e.g. less absence, more sales	✓					Increased efficiency, reduced accidents and incidents and absenteeism. New business with bigger contracts and larger, blue-chip clients. More facilities management business on client sites.
(d) Helped to fulfil corporate social responsibility aspirations		✓				Better conditions for staff.
(e) Helped to improve corporate communications and public relations	✓					Winning lots of awards provides good publicity in trade press and newspapers. Improved internal and external communications systems – more participation.
(f) Improved relations with the HSE and other external regulators		✓				Never had a problem. Won award from the HSE. Good relations with the EA.
(g) Improved relations with investors, insurers and other external financial stakeholders		✓				Reduced claims on insurance. Discount on motor insurance due to driver training program. Liability insurance premiums not increased as much as in the rest of the industry.
(h) Improved relations with trade unions and the workforce (give names of unions)	✓					More positive attitude and openness to change. Better staff retention. Able to recruit better calibre workers
(i) Helped in the response to HSE improvement / prohibition notices and/or prosecutions						N/A
(j) Led to health and safety improvements, e.g. fewer injuries	✓					Reduced accident and incident rates, reduced sickness absence.

Table 7

<i>To what extent do you agree that?</i>	<i>Strongly agree</i>	<i>Agree</i>	<i>Unsure</i>	<i>Disagree</i>	<i>Strongly disagree</i>
The time and effort required of the Board to direct health and safety is justified by the business benefits	✓				
The time and effort required of the Board to direct health and safety is reasonable	✓				
There is a wish to reduce the amount of time devoted by the Board to health and safety				✓	

SAINSBURY'S

1. Director Details

- (a) What is the name of the Director(s) responsible for health and safety?

Imelda Walsh

- (b) What is their position/title(s)?

Group HR Director

- (c) What is was the Director's previous role/position/company?

Imelda joined Sainsbury's in October 2001 as HR Director for, what was then, Sainsbury's Supermarkets and became Group HR Director in early 2004 when previous HR Director left. Prior to joining Sainsbury's she worked for Barclays Financial Service.

- (d) What is the Director's background experience?

Imelda's background is in HR, she started as an HR graduate at Grand Met (now Deaggio) in 1986. This was in manufacturing and distribution as a site HR Manager in an environment with very strong unions and where health and safety was a critical issue. She then moved to Coca-cola spending part of her time in manufacturing and distribution and part of her time in the commercial side doing marketing. In 1995 she moved to Barclays and did HR and health and safety in financial services.

- (e) What has given the Director their personal motivation to champion health and safety?

Imelda had early exposure to a serious accident in her first job and this is a strong motivator in her drive to improve health and safety. She believes that providing a safe working environment for staff is a basic starting point and should be at the core of the worker/employee relationship.

She is also motivated by colleague (the term used in Sainsbury's for all employees) wellbeing. There is a desire to create an organisation where everyone can prosper and thrive, from the colleagues on the checkout right the way through the business and Health and Safety is part of that.

- (f) What were the key tasks/challenges for the Director when they were appointed?

Health and safety was part of the Group HR Director portfolio and Imelda took on these responsibilities. The major challenge was changing the culture of the organisation with regard to health and safety. Health and safety used to be very formal and more of a 'tick box' exercise but it is now being embedded into the business as part of the culture.

A key part of Imelda's role has been restructuring to get the right quality and structure of Senior Management team in place and bring resources from different divisions together and moving in the same direction.

- (g) Have you, or any other members of the Board, received any health and safety training?

Imelda and all members of the operating Board do a ½ day course based on the IOSH Training for Senior Executives and have a refresher course every 3 years. Imelda has also had personal coaching from external consultants in health and safety responsibilities of Directors. It is a key part of the management of business risks.

2. History and reasons for the development of Board arrangements

- (a) What is the organisational context of this case study? Who is the Director being considered, what is the structure of the organisation and the structure of the Board?

What are the current arrangements and responsibilities for health and safety at Board level? Do any Non-Executive Directors have a health and safety role?

The Group HR Director (Imelda) sits on the Operating Board which has 11 members and deals with the day to day running of the company. The Operating Board reports to the J Sainsbury's Plc Board which consists of 2 Executive Directors and 4 Non-Executive Directors. The Executive Directors, Justin King Chief Executive and Darren Shapland Finance Director, also sit on the Operating Board. Imelda is the Director responsible for health and safety on the Operating Board with the Chief Executive, Justin King, having ultimate responsibility for health and safety.

The Non-Executive Directors do not have any health and safety responsibilities.

See Table 1 & Table 2

- (b) How have the current Board level arrangements for health and safety developed over time, in particular the last 3-5 years?

1997 - Sainsbury's suffered a fatality involving the driver of a forklift truck at its Basingstoke Supply Depot. The Health and Safety Advisor for the site at the time was an occupational nurse. Sainsbury's was criticised for its arrangements and the HSE was of the opinion that the company was not taking health and safety seriously enough. The company was prosecuted by the HSE and fined £500,000. This event personally affected the senior management and rocked the organisation. It was a wake-up call to the Operating Board and they immediately started to take action.

- An advisor from the Sainsbury's Group Health & Safety Team moved to the supply chain part of the business
- A consultancy company (Human Applications) was appointed to do a lot of work with supply chain about health and safety organisation and arrangements. The work initially focused on the Supply Chain Division as there was a perception that was a high risk part of the business.

2000 – Following the work in the Supply Chain Division, other divisional health and safety teams were set up which reported to a central health and safety team which, in turn reported to the HR Director. Unfortunately, the central health and safety team did not have line

management accountability over the Divisional Health and Safety Teams and they started to develop in different directions. There was no overarching governance.

2002 – There was a second serious incident in Basingstoke that was investigated by the HSE but they were entirely happy with the company’s arrangements and processes. This reinforced the work that had been done in the Supply Chain Division.

It was recognised that the supply chain had gone a long way but retail had stayed static, the risks are higher in the supply chain (e.g. machinery and mechanical handling) but there is also the benefit of lots of controls and strong unions. The retail part of the business has less obvious risks but it is more difficult to control the environment as it has less skilled staff, a high turnover of staff and also deals with customers.

Sainsbury’s position as the top supermarket retailer had also been slipping since 1997

Sainsbury’s commissioned an external audit to look at the health and safety arrangements and processes of the supply chain and retail divisions.

2003 – As a result of the 2002 audit a report was put to the Operating Board which suggested the appointment of a Head of Health, Safety and Fire, and a pulling together of health and safety resource in to one place. Around this time Imelda joined the Operating Board as Group HR Director and took on responsibility for health and safety. With the full backing of the Board she took on organising health and safety resources and implementing the findings of the audit report. She refocused what health and safety meant to the Board and brought an active management approach.

2004 – Major changes to the Operating Board took place in 2004 after the appointment of Justin King. As part of Justin King’s initial review of the business in October 2004 he outlined the key elements of a recovery plan entitled “Making Sainsbury’s Great Again”. This is a plan running into 2008/9 that is looking to put Sainsbury’s back competing with other major food retailers, generating good returns for investors and securing colleagues positions. The plan covers a number of key business areas and, although health and safety is not a stream in it’s own right it contributes to all areas. The plan was launched to the city in October 2004 and the objectives of all of the top 1000 are fully aligned to delivering the key elements of the turnaround.

Imelda employed Neil to help her develop and implement a vision for where Sainsbury’s wanted to be and create a coherent health and safety function throughout the company. The online incident reporting system was introduced to provide instantaneous data on what was happening throughout the company and this allowed the Board to respond rapidly to any potential issues. The streamlined nature of the restructured Board also facilitates a quicker response to emerging issues.

Sainsbury’s has been through some tough times in recent years but we have a loyal customer base who strongly identify with the brand. They want to protect the brand and give their customers an enjoyable shopping experience, this includes keeping them safe. They want colleagues to enjoy coming to work and be safe at work. It is part of looking after the brand.

The CEO Justin King (who joined in March 2004) also has previous experience of ‘picking up the pieces’ following a health and safety incident and does not want himself or other Directors

to be put in that position. Justin has been a driving force in implementing changes at Board level.

Good health and safety also makes good business sense in terms of:

- Saving on the cost of insurance claims
- Reducing colleague absence
- Well trained staff that are looked after will also have good morale and provide good customer service.

It is part of running the business better. Health and safety fits with Sainsbury's core values. These are part of our turnaround plan developed in November 2004.

Overall, key drivers for improving health and safety were:

- Brand protection
- Making Sainsbury's a great place to work and
- Protecting profitability through increased productivity

(c) Why was health and safety considered important enough to deserve and require Board level direction?

Two main reasons:

- Brand - Potential impact on the brand of health and safety failures. We need to protect the brand and therefore protect our customers and colleagues.
- People are a major asset of the company so they must be looked after and there must be responsibility for this at Board level.

See Table 3

(d) Why has responsibility for health and safety been given to this post rather than, say, the Operations Director or Finance Director?

As mentioned above, the colleagues are essential to the business so it makes sense that health and safety responsibility is with the HR Director. Operational Directors are also closely involved.

(e) Do you have any other comments about how you decided on the current Board arrangements for health and safety?

It was important that the right person was put in place and would be someone who would take on health and safety and have the passion and desire to champion the cause.

See Table 4

- (f) Can you please describe any lessons learnt during the development or operation of your Board level health and safety arrangements?

Board level health and safety must be grounded in business reality. Health and safety is part of business risk and is therefore a priority, the Board must take collective responsibility for this aspect of the business. The arrangements needed to create accountability and allow rapid response to any emerging issues.

3. Description of current arrangements

3.1 Health and safety responsibilities

- (a) What is the organisational structure for the implementation and monitoring of health and safety?

Sainsbury's has a UK Health and Safety Committee (UKHSC) that meets three times a year and is chaired by Imelda Walsh. The UKHSC deals with all aspects of health and safety across the business including legal, audit, insurance, monitoring and reporting. The chairmen of each of the three main health and safety committees (the Holborn Business Centre Health and Safety Committee, the Supply Chain Action Group and the Retail Health and Safety Co-ordinating Committee) sit on the UKHSC. The committee structure cascades through the organisation with representatives from every store, depot and department feeding into the process.

On the retail side there are 520 store committees feeding into 31 regional committees, then 5 zone committees and finally into the Retail Health and Safety Co-ordinating Committee.

On the supply chain side there are committees at each of the 15 depots (8 owned and 7 contracted) that feed into regional distribution centre committees and then into the Supply Chain Safety Action Group.

The business side has location or departmental committees that feed into 8 divisional safety committees and then into the Holborn Business Centre Health and Safety Committee.

All committees report on their key risks and what they are doing about them, their performance against the objects and targets that are set, e.g.: they are doing on accidents and incidents. They are asked to look forward to the next six months to say what they are expecting to achieve and what they are planning to do and raise any issues or concerns they have.

The UKHSC monitors company performance and also takes a longer term view and formulates policy. It will identify the key risks coming out across the different business and start to address them. Issues might include corporate manslaughter regulations, new Lloyd's regulations coming out next year, workplace, smoking issues, Investors in People and wellbeing issues in 2007. This committee also has legal support (e.g. on EHO activity) and insurance advice (e.g. in terms of claims).

Imelda chairs the UKHSC and presents the minutes to the Operating Board three times a year. Neil Lennox also makes two formal presentations to the Board each year. These review performance and lessons learnt, and look forward to what's going on in the months ahead. There is also an annual presentation to the PLC Board, including all Non-Executive Directors.

Sainsbury's have an electronic online incident reporting system capturing any incidents that go on in the daily business. The system is linked to all the stores and everything is recorded including near misses, cuts, accidents or fatalities, of customers or staff, however caused. When reportable events occur the system generates an automatic email that is sent to key health and safety staff and to members of the operating Board. A weekly summary of information from the system is provided to the Board.

Sainsbury's has an internal auditing team and the health and safety questions have been put into the main audit system (along with, financial, food safety, fire safety etc). Stores and depot are audited once a year and are given a 'score'. Green means everything is ok, a red score indicates that there are weaknesses that need to be addressed, a blue score indicates deficiencies. Stores or depots that get a blue score get an action plan and are re-audited within 12 months. The Operational Director will be involved in generating the action plan. The Group Audit Director reports to the UKHSC with a summary of health and safety issues. He also reports to the Board.

A more detailed audit process takes place to test specific health and safety issues. Members of the health and safety team will be given a set of questions to investigate a specific issue at a number of stores or depots on a sample basis. The action taken will depend on the outcome of the audit.

The supply chain also has BSI audits and this will soon be rolled out across the rest of the company.

Neil Lennox provides a formal report to Imelda on a 4-weekly basis and she takes this to the Board.

The health and safety structure and responsibilities are documented on the company intranet. There are also copies on all company notice Boards and hard copies are given to all new staff.

(b) Which of your employees would know who has the ultimate responsibility for health and safety? How would they know this?

Colleagues on the shop floor or in the depots would probably say their Line Manager. Copies of the health and safety policy are signed by the CEO Justin King and state all Director responsibilities. Operational Managers would know Imelda's role.

(c) Who would employees consider to be responsible for implementing health and safety in the organisation?

Most would say their Line Manager was responsible for implementing health and safety or even themselves but some may say Neil Lennox.

3.2 Summary of Board level leadership and direction

See Table 5

(a) Can you please describe the way in which the Board and the Director for Health and Safety provide leadership and direction on health and safety? What do they actually do (on a day to day, weekly, monthly, annual or regular basis) to champion health and safety?

All members of the Operating Board undergo a half-day training based on the IOSH (safety for Senior Executives) course and have a refresher course every 3 years.

Health and safety is an agenda item at Board meetings and all Directors fully understand their personal responsibilities and accountabilities with regard to health and safety.

The Board Directors make regular store visits and will raise health and safety issues and ensure they wear the correct health and safety clothing e.g. high visibility jackets. The Directors will make a point of talking to the colleagues and store safety representative to find out if there are any health and safety concerns or issues and bring them back to Neil or Imelda to make sure they are resolved.

All Directors and Senior Managers are involved in the 'adopt a store' scheme where they create a personal relationship with their local store and spend time visiting and working with colleagues on the shop floor. It also gives the stores a conduit to the head office.

Imelda is also involved in the following activities:

- Meeting with Neil Lennox on a 4 weekly (period) basis for an update on health and safety performance and issues. Progress is reviewed against a three year action plan;
 - Reporting any significant incidents or health and safety issues to the Operating Board at the weekly Board meetings;
 - Presenting to the Board 3 times a year on health and safety;
 - Chairing the UK Health and Safety Committee three times a year;
 - Providing an annual summary of health and safety to the PLC Board;
 - Raising health and safety issues at HR meetings;
 - Checking the incident log first thing Monday morning and making sure that any issues have been dealt with or if there are any issues to take to the afternoon Board meeting;
 - Reviewing health and safety policy;
 - Being a role model for health and safety
- (b) What are the advantages and/or benefits of having a named Director leading health and safety rather than having health and safety as a shared responsibility of the Board as a whole?

Having a named Director leading health and safety provides focus and clarity and someone who is accountable and continually championing the cause.

- (c) Why do you think it is important that Boards manage health and safety rather than delegating it to (say) Health and Safety Managers?

Only the Board can really change things and make the necessary business decisions. Having the Board involved also provides role models and sends out the message that the company takes health and safety seriously, right from Board level. The Board must have the ethos of 'not accepting the unacceptable' if that is what they want from staff.

3.3 Specific arrangements regarding HSC action points

Can you please summarise your Board level arrangements for each of the following specific points:

- (a) Publicising the Board's role in health and safety

The Board's role is set out in the health and safety policy document which is provided to staff as part of their induction and is available on the company intranet. The policy and policy summary statement is also on all company notice Boards.

- (b) Each member of the Board recognising their personal responsibilities for health and safety

The Board Directors all undergo a half-day training based on the IOSH (safety for Senior Executives) course that informs them of their personal responsibilities. They have refresher course every 3 years.

- (c) Ensuring Board decisions on procurement and contracting reinforce health and safety intentions

Sainsbury's has a 'Specs and Standards Forum' which makes sure that all aspects of company policy, including health and safety are captured in our processes such as procurement and contracting.

- (d) Board engaging with the workforce on health and safety

Apart from the health and safety committee structure there is a process for consultation with colleagues via the staff councils. The Directors attend meetings of the Group Staff Council that are held every quarter. This consists of elected colleagues from across the business and covers issues such as colleague welfare, colleague engagement, business performance and health and safety issues.

The Board Directors also make regular store visits and will make a point of talking to the colleagues and store safety representative to find if there are any health and safety concerns or issues.

There are also colleague focus groups, 'Listening Groups', on specific issues which may include health and safety.

- (e) Board level arrangements for reviewing health and safety performance, keeping health and safety policy aligned with Board priorities, being informed of health and safety failures, ensuring health and safety management systems are in place and remain effective and are monitored / reviewed

Imelda provides a formal report to the Board three times a year and weekly and monthly updates on any significant issues. There is also review via the UKHSC who meet 3 times a year and report to the Board. They also analyse the health and safety policy document once a year to see if things were being adhered to and give each statement a score via a rating system. Any issues for review are presented to the Board. A review of the document is due in 2006.

4. Impact of Board level direction

See Table 6

4.1 Specific example(s) of benefits and data to demonstrate

- (a) Can you please describe specific example(s) of how your Board level direction of health and safety has benefited health and safety within the organisation?

Getting more people interested in health and safety issues. And raising issues through talk back, counselling groups through integrated health and safety. More engagement, more follow up.

Reorganisation – Imelda instigated a full review of the health and safety and fire safety teams (October 2004) and initiated the organisation of resources into one team. Imelda found and appointed Neil Lennox as Health and Safety Manager and has unified the health and safety resources under Neil. He was appointed to assist in developing and implementing a vision for the team and for health and safety within the company. He has the full trust, support and backing of the Board. The leaner structure means that the company is better able to respond to health and safety issues.

Invigorating the Health and Safety Committee – The committee had become a place where people presented reports and talked about what they were planning to do. Nothing really changed as a result. Imelda took on ensuring that there was actually some follow up to performance and progress reports. It is now more strategic and is a place for action where things get done and questions are asked if points are not followed up. Action lists and dates for actions are rigorously followed up. Things are getting done more quickly.

Refocusing – As part of the review process Imelda wanted to look at occupational health and occupational related sickness absence within Sainsbury's. She was personally involved in consultation with the supply chain teams and occupational health teams to get everyone on board to do things a different way. She set about training and equipping the front line HR teams within departments to manage basic sickness absence and to focus the specialist occupational health staff on the longer term and more serious occupational health issues. Benefits have shown up in the sickness absence rates both in retail and supply chain divisions. A post implementation review indicated this has made a difference and is working well. OH advisors said they valued having Imelda personally involved and answering their questions about the process.

Online reporting system – Imelda pushed for the development of a new online accident reporting system to record all accidents, near misses, injuries and incidents to customers and colleagues. She presented the business case to the Board and won approval for the change. The new system is simpler and easier to understand than the old paper based system and is therefore more likely to be used properly. This allows for accurate measurement of performance and progress. The Operating Board now see the data on a weekly basis. Having access to instantaneous data on what is happening throughout the business means the health and safety team and the Board are better able to respond.

Creating a vision and 3 year plan – Imelda challenged the company performance and involved her team in developing a vision for where the organisation wanted to be and how they would get there. The vision is linked to the company values and sets targets for health and safety for the next 3 years. Imelda presented this to the Board to gain acceptance for reorganisation of resources. Progress towards the targets is reviewed by the UKHSC.

Training – Imelda initiated a program of IOSH health and safety training for Directors, Senior Managers and Store Managers. She personally checked that senior staff had attended the training. Directors and Managers now fully understand their responsibilities with regard to health and safety and see it as an essential part of managing business risks.

Colleague engagement – Imelda has also boosted colleague engagement to ensure everyone is on board with the direction that the business is going. This includes invigorating Colleague Councils, Listening Groups and the Talkback staff survey which is done for 30,000 colleagues

every six weeks. These are used to gauge colleague opinions and monitor trends on issues across the business, including health and safety. Health and safety questions have been integrated into the Talkback survey to provide health and safety indices to gauge the culture and attitudes to health and safety in the business. The six week schedule provides an ongoing gauge of this.

- (b) Can you please provide quantitative data that demonstrates the measurable health and safety benefits of your Board level direction?

Selected data (non-commercially sensitive) to be provided in electronic format.

The Talkback survey indicates increases in colleague morale and that people are proud to work for Sainsbury's.

4.2 Risks posed by Board arrangements

- (a) To what extent do you believe that your Board level arrangements have affected the possibility of individual Directors being sued or prosecuted for a health and safety problem? Please explain your answer.

By taking on the HSE code and guidance and improving the management and accountability for health and safety we are doing everything that is reasonably practicable and reducing the risk of any Board Director being sued or prosecuted.

- (b) To what extent do you believe that your Board level direction of health and safety has affected the risk posed to your organisation by health and safety failures? Please explain your answer.

Our risks of health and safety failure have decreased, the operating Board and Imelda are now quickly aware of any potential issues through the reporting system.

- (c) Has the Board's and/or your involvement in health and safety stopped you or the Board from properly managing other important aspects of the business, if so what and how?

No, but has given Imelda other things to think about.

See Table 7

4.3 Your message to other Directors

What would you say to Directors and Boards that do not provide leadership and direction on occupational health and safety? What would you suggest to them and **why**?

My message to Directors and Boards that do not direct health and safety is.....

“Getting this wrong will undermine every other message to your employee – it’s about respect for the individual, health and safety is at the heart of respect.”

4.4 Three most important things

Of all the things that your Board/Director has done to direct health and safety, please cite the 3 most important:

- 1) Having a Director that is a Board champion and conscience for health and safety
- 2) Re-invigoration of the UKHS committee
- 3) Creating a vision and forward looking agenda and making it happen

4.5 Recommendations to other organisations

Would you recommend your Board level health and safety arrangements to other organisations?

Yes

4.6 Further improvements and future plans

- (a) If you could improve further your Board level arrangements, what would you change and why?

Getting everybody up to the same level of understanding of health and safety.

- (b) What are your plans for the future development of your Board level direction of health and safety?

No change envisaged at Board level.

5. Other notes

5.1 Quotes

We would like quotes from some employees (e.g. staff, union representatives, Health and Safety Managers) giving their views on, e.g. what the Director does/has done to champion health and safety, health and safety improvements/changes they have seen/been part of etc.

- 1) “In any business, no matter how large or small, health and safety has to be integrated into your everyday business activities if you want to succeed. It has to become part of the culture and Imelda’s presence on the Board helps to ensure that vision is becoming reality.”

Neil Lennox, Group Head of Health and Safety.

- 2) “Imelda has established a real focus on health and safety with her Board colleagues successfully ensuring that issues continue to be treated seriously throughout the organisation”

Carole Oldham, Head of Retail Processes.

- 3) “Over the past 2 years the focus on health and safety has really increased with training, auditing and reviewing of processes. We can see that the Board is serious about health and safety and that is feeding through into improvements at all levels.”

Joanne McGuinness, USDAW National Officer.

5.2 Potential issues

Are there any possible ‘embarrassments’ which could affect the impact of the case study? – e.g. incidents, sentencing from prosecution, current bad publicity in health and safety in part of the company...

An accident in a bakery in Sale, Trafford in 2004 went to court in 2005, Sainsbury’s were found guilty and fined £10,000 plus costs.

Table 1 Reasons for developing or having Board level direction

<i>For which of the following reasons did you increase Board level health and safety direction?</i>	<i>Strongly agree</i>	<i>Agree</i>	<i>Unsure</i>	<i>Disagree</i>	<i>Strongly disagree</i>	<i>Why did this become a factor?</i>
The perception that health and safety is a significant corporate risk, e.g. risk posed by a major incident, prosecution, etc.	✓					This is fundamental to the business and to brand protection. However, food safety and customer safety are the most important risks we need to manage.
A perception that productivity could be improved by better health and safety, e.g. reduction in absence and better staff morale	✓					Absence rates affect customer service
The need to respond to one or more specific health and safety regulations / the growing body of health and safety regulation		✓				Health and safety is one of many business risks
The need to respond to growing demands for corporate governance, e.g. Turnbull		✓				We want to show good corporate governance
A wish to be socially responsible		✓				This fits with our corporate responsibility agenda.
Demands from a new owner / change in management / new CEO or MD				✓		
The possibility of a new law on Directors' health and safety responsibilities				✓		
The possibility of corporate manslaughter prosecutions				✓		
Response to requirements of investors, business clients or insurers		✓				Investors are asking more questions about health and safety and there is more interest in indices such as FTSE4good. Sainsbury's is self insured so this is not an issue.
Any other reasons:						The incident in 1998 marked a turnaround and a recognition of the need for professional support and the accountability of management in health and safety

<i>To what extent do you agree that?</i>	<i>Strongly agree</i>	<i>Agree</i>	<i>Unsure</i>	<i>Disagree</i>	<i>Strongly disagree</i>	<i>Comments</i>
You developed your arrangements because of the prospect of legal mandation of Directors' health and safety responsibilities				✓		
You developed your arrangements because of the increased risk of Directors being prosecuted for manslaughter / negligence etc.				✓		
You developed your Board arrangements despite advice from solicitors/consultants/advisors that this may increase the risk of individual Directors being held liable for health and safety failures				✓		

Table 2

<i>When making the arrangements for health and safety, did you...</i>	<i>Yes</i>	<i>No</i>	<i>Unsure</i>
...seek consultancy advice? <i>Company used was Human Applications</i>	✓		
...benchmark yourself against other organisations?	✓		
...read HSC/E guidance?	✓		
...go through a process of “iteration” in the development of your arrangements?	✓		
...consult with safety representatives?			✓
...consult a solicitor? <i>Sainsbury’s have an internal legal department</i>	✓		
...read guidance on corporate governance?	✓		
...take guidance from previous experience of CEO / MD and / or other Board members?	✓		
....consult with the workforce? <i>The workforce was not involved in making Board arrangements but they are fully engaged in health and safety</i>		✓	
.....consult with any recognised trade unions (please say which ones)? <i>The unions were not involved in making Board arrangements but they are fully engaged in health and safety (e.g. TGWU, USDAW)</i>		✓	
...receive any health and safety training?	✓		

Table 3

Did you create a new seat on the Board to fulfil the role of Health and Safety Director?	Yes	<i>No</i>
Did you merge the responsibility with another Directorial role, e.g. HR, Risk, Operations?	<i>Yes</i>	No

Table 4

<i>To what extent do you agree that?</i>	<i>Strongly agree</i>	<i>Agree</i>	<i>Unsure</i>	<i>Disagree</i>	<i>Strongly disagree</i>
It was straightforward to decide how to develop an effective set of Board arrangements	✓				
It was relatively undemanding in deciding how best to provide Board level health and safety direction	✓ (discussions were demanding)				
We have had to improve our Board level arrangements due to initial problems with our arrangements					✓

Table 5 Directorial arrangements

Approximately what proportion of the named Director's time is devoted to health and safety?	5-10 %
Approximately what proportion of the Board's time is devoted to health and safety?	5%

Table 6 Perceived values and benefits of Board level direction

<i>To what extent do you agree that your Board level health and safety direction and leadership has:</i>	<i>Strongly agree</i>	<i>Agree</i>	<i>Unsure</i>	<i>Disagree</i>	<i>Strongly disagree</i>	<i>In what way?</i>
(a) Helped to reduce your corporate risk		✓				An organisation is only as good as its weakest link. This keeps our focus on our risks.
(b) Reduced the disruption to your organisation created by health and safety problems		✓				With a named Director there is a focus for health and safety issues and ownership of problems, without this there is a danger that too many people get involved but no-one takes the action required.
(c) Helped to improve business performance, e.g. less absence, more sales		✓				We have reduced absence and lost time costs thereby improving productivity and business efficiency.
(d) Helped to fulfil corporate social responsibility aspirations		✓				
(e) Helped to improve corporate communications and public relations			✓			We prevent damage to our reputation
(f) Improved relations with the HSE and other external regulators		✓				We have improved links with the HSE but LA contact is more fragmented and difficult to quantify.
(g) Improved relations with investors, insurers and other external financial stakeholders		✓				More investors are asking questions about health and safety
(h) Improved relations with trade unions and the workforce (give names of unions)		✓				Unions (e.g. TGWU, USDAW) are reassured by Directors being involved, it shows company commitment.
(i) Helped in the response to HSE improvement / prohibition notices and/or prosecutions		✓				Our actions show that we are doing all we can and Director involvement shows company commitment.
(j) Led to health and safety improvements, e.g. fewer injuries	✓					We have improved our reporting process and have seen improved results

Table 7

<i>To what extent do you agree that?</i>	<i>Strongly agree</i>	<i>Agree</i>	<i>Unsure</i>	<i>Disagree</i>	<i>Strongly disagree</i>
The time and effort required of the Board to direct health and safety is justified by the business benefits	✓				
The time and effort required of the Board to direct health and safety is reasonable	✓				
There is a wish to reduce the amount of time devoted by the Board to health and safety				✓	



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