



Specialist Construction Risk Management

Facing a unique set of challenges
when it comes to health and safety,
and counting the cost



Trusted Health and Safety Software

Because a safer and healthier workplace matters

What Directors need to know

Across the UK between 2018 / 2019, there were more than 69,000 non fatal injuries reported, resulting in an annual cost of £5.2 Billion, and a loss in productivity of 4.7 Million working days. Construction accounted for 4,872 of those reported injuries - one of the highest compared with other industry averages.

Of the 147 Fatal injuries reported in the same period, 30 were within the Construction Sector. Whilst the lowest since 1974, one fatality is always one too many.

During the same period, 364 cases prosecuted by HSE or referred to COPFS (in Scotland) resulted in a conviction. 146 of these cases were within Construction - that's 40%. With the resulting average fine per conviction over £107,000, there's never been a better time to make sure your health and safety processes and procedures don't leave you and your company open to risk.

Source:
HSE Summary statistics for Great Britain 2019;
RIDHIST - Reported fatal and non-fatal injuries in Great Britain from 1974;
Prosecution activity by HSE and, in Scotland, the Crown Office
and Procurator Fiscal Service (COPFS) 2014/15 to latest year

Breaches, fines and sentencing

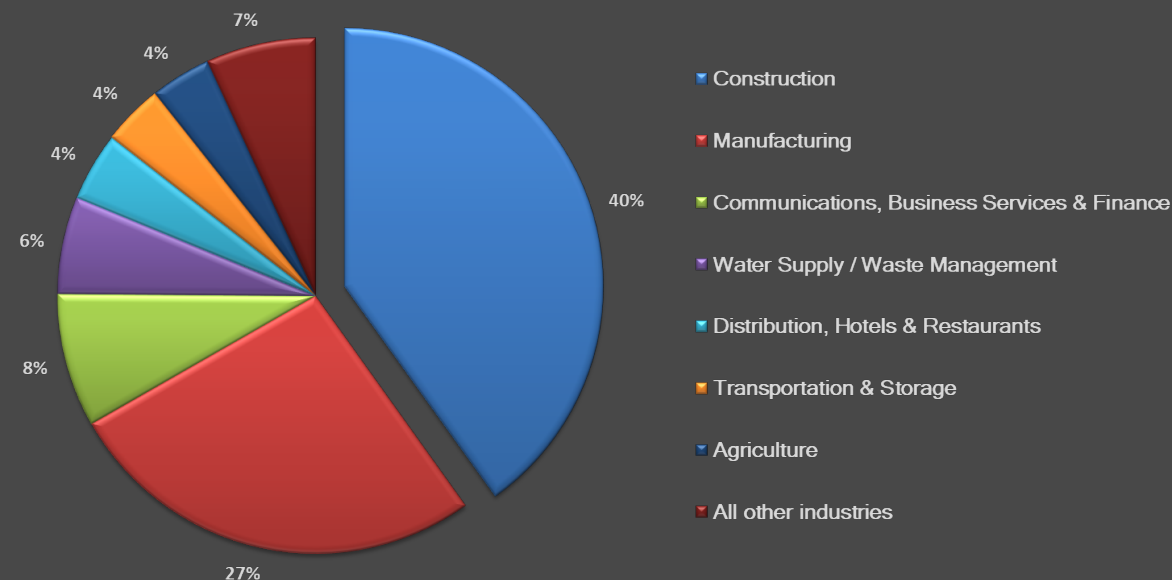
You could be fined £60,000

FOR SOMETHING THAT HASN'T HAPPENED

Under guidelines given to magistrates and courts, a small company (turnover between £2m and £10 million) can be fined up to £1.6m. According to these guidelines which came into force in January 2016, the fine decided on must be;

"Sufficiently substantial to have a real economic impact"

Cases for which a verdict has been reached 2018 / 2019



Source: Prosecution tables 2014/15-2018/19p: Table 1: Count and conviction rates of cases prosecuted by HSE or the Crown Office and Procurator Fiscal Service by result, industrial sector and region 2018/19p

Breaches, fines and sentencing

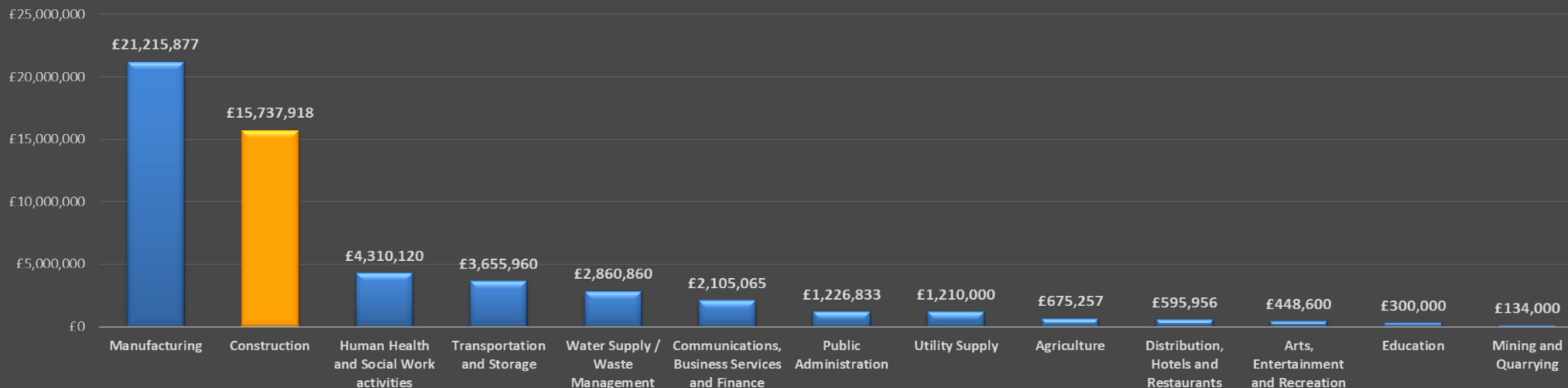
Many companies may still assume that unless they were “unlucky” enough to have an injury they would escape prosecution. However with the 2016 guidelines in place, no proof that the incident caused actual harm is required.

The offence is in creating a risk of harm

If we took an example of how this might work. Let us say that you had only some responsibility for not taking an action which might have led to someone suffering a serious injury. You could receive a fine of between £25K and £230K. The responsible Director could also additionally face 26 weeks jail Time

Even though nothing actually happened

Total fines for cases where a verdict has been achieved 2018 / 2019



Source: Prosecution tables 2014/15-2018/19p

Table 1: Count and conviction rates of cases prosecuted by HSE or the Crown Office and Procurator Fiscal Service by result, industrial sector and region 2018/1

For companies within the Specialist Construction Industry, lack of health and safety compliance can have a significant impact.

This impact can often be felt long term, with damage to reputation affecting recruitment and retention, ability to attract new business, as well as consumer confidence.

Along with the cost of fines and potential prosecution come consequences such as increases in future insurance premiums. For small and medium size companies, who make up a significant number of businesses in this sector, this can be catastrophic.

Source: Health and Safety Offences, Corporate Manslaughter and Food Safety and Hygiene Offences Definitive Guideline

How much incidents could cost your organisation each year

When Nottingham University carried out research into the cost of incidents involving 750 companies they found that where people kept these records it ranged between £30K and £2M over a 12mth period. However, more surprising, was that few companies actually tracked these figures.

The main area of concern for the companies in this major study was lost time, the cost of the injury itself and significant accidental damage. To this you could add the increasing price of employer liability insurance premiums and, less easy to measure, the reputational damage which can impact future business.

Of the 25% of the participants who attempted to calculate the cost of incidents few looked at the long term impact of ill health on the organisation. This suggests the actual cost could be much higher.

Even today, HSE statistics show that the total costs of workplace self-reported injuries and ill health in 2017/18 was £15.0 billion. Ill health causes the biggest proportion of total costs at around 65% (£9.8 billion), with injury resulting in around 35% of total costs (£5.2 billion).

But it's not just about the short term impact

An estimated 16,300 workers withdraw permanently from the labour market annually as a result of a workplace injury or work-related ill health

Source: Labour Force Survey
Annual average 2008/09 to 2011/12, 2014/15 to 2017/18

The HSE recognises that the real costs could be a great deal more. That's because reportable accidents under RIDDOR are those that result in an absence of more than 7 days and doesn't include the much greater number of unreported ones.

But one of the key issues for business is that incidents and accidents represent risk that has a cost implication. You may not know whether the next incident will cost your company £3 or a significant proportion of your net profits for the year.

Do you know how much incidents are costing your organisation each year?

Sources: Haefeli K and Haslam R, Perceptions of the cost implications of health and safety failures, HSE, Research Report 403

So what's so special about Construction?

The Construction Industry, Specialist Construction in particular, have very unique challenges. Often dealing with the complexity and diversity associated with modern construction across multiple locations and projects, with broad levels of skill, experience and know-how, working as part of a larger team or programme of works, means the construction sector are exposed to a unique set of challenges.

Health and Safety has never been more important in terms of making sure your people have a safe workplace, understand how to use their tools for the job, and embrace a culture of reporting and compliance. Attention to health and safety undoubtedly creates a happier and safer workforce.



Source: ONS Stats EMP13: Employment by industry

Unique challenges demand unique responses

PEOPLE

- 2.3 Million employees
- Hundreds of roles often with specialist skills
- Across a variety of locations
- Often on different Projects
- Broad levels of experience
- Contractor population

ENVIRONMENT

- Physically demanding
- Outdoor working
- Exposure to General Public
- Plant and Machinery
- Hazardous Materials
- Noise and Vibration

Safe and Healthy Workplace

BUSINESS

- High % SME's
- Specialist Firms
- Specialist Plant and Machinery
- Availability of Investment funds
- Technology training and skills
- Acceptance of Technology

REGULATIONS

Highly regulated industry including:

- Working at Height (2005)
- PUWER (1998)
- COSHH (2002)
- Control of Lead (2002)
- Control of Noise & Vibration (2005)

Factors affecting culpability

- ❌ Cost cutting at the expense of safety
- ❌ Poor health and safety records
- ❌ Failing to put in place recognised industry standards
- ❌ Ignoring concerns raised by employees or others
- ❌ Failing to make appropriate changes following prior incident
- ❌ Allowing breaches to subsist over a long period
- ❌ Inappropriate degree of trust (mitigates the individual but not the company)

Reducing your exposure

- ✅ Strong and effective Health and Safety Policy
- ✅ Evidence of steps taken voluntarily to remedy the problem
- ✅ Effective health and safety procedures in place
- ✅ All health and safety records in one place, easy to access and current
- ✅ No previous relevant convictions
- ✅ Develop a risk register of what could go wrong and how you would fix it
- ✅ High level of cooperation with the investigating body

5 reasons why our customers came to Mirashare

- ▶ Incident Reporting using spreadsheets or paper in different locations, making management reporting difficult to extract and trends even harder to identify
- ▶ Paper documents used to record Audits and Inspections - with no way of efficiently recording associated observations or actions
- ▶ No tools to help drive a culture of Near Miss Reporting and Incident Reporting remotely meaning remedial action not taken quickly enough and lost opportunities
- ▶ Lack of appropriately stored Risk Assessments, resulting in a loss of version control and often confusion
- ▶ Health and Safety reporting not all under one umbrella - different systems for different purposes, none of them integrated

Reducing your exposure day to day

Capturing the Near Misses with Mirashare

Capture the "near misses" and you can take action which is much cheaper than the potential consequences. But there is a problem. It relies on employees reporting the near misses that could have happened, which can be difficult when they are on a site or project with no PC access, or just don't feel they have the time. It might also impact on their performance. Lastly it can be seen as whistle blowing on their colleagues. It's no wonder that many businesses within the construction industry are beginning to focus on near miss reporting and are often unsuccessful.

You also need the processes in place which makes it clear to employees what they should report and also what action has been taken. You also need the technology in place that will make it simple and efficient for them to report. That's where Mirashare can help.

Mirasnap, our mobile reporting App, helps people report near misses as well as incidents, within seconds. Mobile GPS identifies their location automatically and the person reporting the incident can upload photos and voice files - it's perfect for your teams on site or away from the office.

Mirashare Audit and Inspection Module with Scoring

How do you manage your Inspections and Audits? When your team are on site, at different locations, working across a variety of projects, it can often be difficult. They may have forgotten to print off the site inspection, or printed the wrong one. You need a straight forward solution, where the auditor can access the right audit type, at the right time. Recording observations, taking photos as evidence, raising actions to remedy issues, are all important elements of driving a positive health and safety culture.

Adding scoring to those Audits provides a layer of management awareness that exceeds what's expected - allowing you to focus in on areas of concern, identify trends quickly, and manage by exception.

Risk Assessments are a vital part of H&S in Specialist Construction

Risk Assessments are part of the risk management process and are included in the Management of Health and Safety at Work Regulations. They are vital to ensuring you have weighed up whether you have enough precautions and have minimised risk of harm around certain tasks.

In your business, Risk Assessments may include working at height, confined spaces, COSHH and hand-arm vibration. Having all your Risk Assessments electronically stored in one place, easy to access, and version controlled shows a high degree of compliance. If they show an audit trail of which employees have read them, even better. With Mirashare, they can.

Action Tracking at the heart of your process

Employee engagement is key to creating and sustaining a healthier and safer workplace for your people. Having all your actions in one place, electronically tracked, means you demonstrate an element of control and compliance which supports the delivery of a better workplace. Raising and tracking actions from Audits and Inspections, Incident and Near Misses and Risk Assessments all in one area, gives you the control that you want, and the ability to manage by exception that you need.

Mirashare offers you enhanced control.

On the importance of near misses ...

Wise words from *Lee Stampton. CMIOSH. Health and Safety South East;*

“HSE studies show that for every £1 a business spends on insurance, it can be losing between £8 and £36 in uninsured costs. The investigation and analysis of work-related accidents and incidents forms an essential part of managing health and safety. Identify what is wrong and take positive steps to put it right.

Near miss: an event that, while not causing harm, has the potential to cause injury or ill health. These are "Free Lessons" which we can learn from before another person gets hurt. A ratio showing a relationship between the number of near-miss incidents and injury incidents reported by researchers shows that for every 15 near-miss incidents, there will be one injury. Unreported near misses are a lost lesson in injury prevention.

The few minutes spent reporting and investigating near-miss incidents can help prevent similar incidents, and even severe injuries. The difference between a near miss and an injury is typically a fraction of an inch or a split second.

Encourage your staff to report and conduct thorough investigations into these "near misses" and you will reap dividends in improving your safety culture”

A technical solution could help you meet your unique challenges

If you're not sure whether a technical solution is right for you, how many of the questions below would you like to respond to positively, but just can't;

1. Do you record Near Misses across your business?
2. Do you know where all your Risk Assessments are?
3. Are your Risk Assessments up to date and version controlled?
4. Do you know many incidents you've had over the last 6 months?
5. Are all your records in the same place & can they be interrogated quickly?
6. Can your team report incidents as soon as they happen?
7. Do you store all your site inspection audits in one place?
8. How do you know people have completed their actions?
9. Are you getting the right information, in real time, to help you make decisions?

[Click here to start a conversation with our Mirashare Team to find out how we can help](#)

A flexible, scalable solution that fits your budget

Mirashare is a cloud based solution, which has big enterprise functionality, without the big enterprise price tag. With over 14 modules to choose from, you only pay for the ones you really want, and not functionality that you don't need or use. A technical solution may sound expensive, but when weighed against the potential cost savings, it can be a real game changer. The form below is intended as a prompt for you to look at both the transparent and hidden costs you may currently be incurring:

1. The average hourly cost of your EHS admin / manager / other staff, including overheads _____ £

2. How many hours could be saved a month managing an Incident if you have an integrated system _____ Hrs

3. How much time do you lose a month managing incidents that may not have happened with good Near Miss reporting / actioning _____ Hrs

4. How much time / money is lost on projects delayed as consequence of avoidable accident above each month _____ £

5. How much time each month is lost due to incidents caused by actions never being completed _____ Hrs

6. How many hours spent each month on administration / chasing of CAPAs _____ Hrs

7. Time lost due to out of date / wrong version / not reviewed Risk Assessments each month _____ Hrs

8. Additional time spent controlling & reviewing Risk Assessments by your organisation _____ Hrs

9. Additional time spent producing metrics, charts, trending and other Management Information _____ Hrs

10. Travel costs to progress issues and distribute information (miles per month) _____ Miles

11. Time lost by staff travelling to progress issues from their current base location _____ Hrs

12. How much do you spend in legal costs each year in relation to EHS events? Fines? Higher Insurance costs? _____ £

Give our Team a call to discuss how cost effective Mirashare can be for your company.

About Elmstone

Elmstone Systems was established in 1999 and since that time has been a market leader in developing innovative solutions for Health and Safety professionals.

Our flagship product, Mirashare, encapsulates over 18 years of experience working in some of the most highly regulated Health and Safety environments such as Pharmaceutical, Construction and Medical Device Manufacture.

We now bring this knowledge and expertise to other sectors such as Food, Specialist Construction and Transport.

Find out more

For more information about Mirashare and our products and services:

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About Mirashare

Mirashare is an easy to use, robust and secure Health and Safety system which is hosted in the Cloud. We offer a configurable, scalable solution for customers with small businesses right up to larger, multi-site organisations.

With 14 modules, Mirashare covers;

- Incident Reporting
- Risk Assessment
- Audits and Inspections
- Action Tracking
- Root Cause Analysis
- Document Manager
- Change Control
- Facilities Management
- Reports and Analysis

