



Health and Safety  
Executive

# MAKING HEALTH & SAFETY PAY

Health and Safety Information

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MISC 669

# Save thousands with better health & safety

Every business can benefit financially from more efficient safety practices. Simple, cost-effective steps, which you can implement yourself, can achieve substantial savings. Besides the possible legal costs, it's the hidden ones, such as covering absences, recruitment, training and production losses, which can really eat into profits.

## How better health and safety can improve your business

Below, we've highlighted key areas causing the greatest financial losses. Using case studies, we've demonstrated how companies tackled some of the problems you're likely to encounter and how they achieved a successful financial return.

### Reducing minor accidents

ST REGIS PAPER COMPANY had a 64% reduction.

After hiring a consultant to improve management systems, they worked closely with the trade union. This improved staff relations and introduced a feeling of responsibility for health and safety. It reduced employee insurance claims by 73%, greatly reducing Employers Liability Insurance premiums and saving over £500,000 in days lost due to injury.

### Reducing downtime

WILSON JAMES saved £145,000 in just 10 months.

Providing security and logistical support services to the construction industry, Wilson James introduced an on-site medical centre. A full-time nurse provided first aid and an on-site 'call out' service, greatly reduced hospital visits. 'MOT' checks and medical advice significantly reduced time off too. Treating workers on-site minimises down time, improves worker trust and promotes a healthier workforce, as well as delivering impressive financial rewards.

### Reducing long-term illness

PORT OF LONDON AUTHORITY saw an 80% fall over five years.

Long-term illness has many effects on a business. It increases pressure on staff coping with the increased workload, creates low morale and safety can often suffer. By introducing an occupational health doctor, PLA focused on the cause of long-term absence and how to assist a speedy return to work. Managers received training and became more involved and accountable for their staff's absence. It was so successful that absences dropped from eighteen employees at any one time, to just three to four.

### Reducing absenteeism

ST REGIS PAPER COMPANY has saved £100,000 a year for the last five.

Two fatalities and an increasing accident rate required fast action.

Investing in safety guards, working closely with the HSE and the trade union had a dramatic effect. Employees at every level received health and safety training and safety representatives were appointed. These actions reduced days lost due to absenteeism, accident investigation and downtime. Civil claims were also reduced.

### Reducing reported injuries

LEGOLAND WINDSOR found an 80% reduction.

A company whose reputation and business relies on safety needed to build trust and teamwork

throughout its workforce. Introducing a 'no blame' approach made health and safety an integral part of the day-to-day running of the park. As a result, customer satisfaction grew and accidents fell by 48%. Staff loyalty also increased, reducing recruitment costs substantially.

**Reducing insurance claims and premiums**  
ASSOCIATED OCTEL's new accident claims dropped to zero.

Identifying lack of accountability as a key focus for improvement was the catalyst to creating a more open safety culture. Quickly establishing trust with the unions and employee representatives improved communication and led to clearly defined ownership of health and safety at all levels. The company benefited from fewer accidents, a fall in civil claims, reduced production costs and an enhanced reputation within the industry.

## Section 2

## Calculate the savings to your business

### How better health and safety can save you thousands of pounds

Companies reassessing their health and safety procedures might expect a small initial outlay. Hiring a consultant, installing new, up-to-date equipment or even training staff requires investment. However, a reduction in insurance claims, lower premiums and increased productivity ensure significant long-term financial benefits.

### What your insurance doesn't cover

It's often assumed that insurance will cover any financial losses. But policies generally fall short when it comes to costs involved in the general day-to-day running of a business.

The shortfall can be startling:

- Uninsured losses are ten times the cost of insurance premiums paid.  
(Source: HSE studies)
- Uninsured losses from accidents in smaller firms add up to £315 per employee, per year.  
(Source: Norwich Union Risk Services)

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### Estimate the potential cost to your own business

Here's the quick way to determine how much money accidents and ill health can be costing your company. This table helps to work out your potential uninsured losses each year.

| Type of Accident                         | Average uninsured costs per accident | Number of accidents | Total cost (average cost x number of accidents) |
|------------------------------------------|--------------------------------------|---------------------|-------------------------------------------------|
| Causing absence from work                | £2,097                               |                     |                                                 |
| Only requiring first aid                 | £33                                  |                     |                                                 |
| Damage to plant equipment etc. no injury | £141                                 |                     |                                                 |

We are all aware of the potential legal costs of an incident at work, like fees, penalties and compensation but there are other cost implications which are often overlooked.

# Cost implications often overlooked

## Dealing with the incident

Immediate action means downtime for the injured person and anyone assisting. Time spent administering first aid treatment, a hospital referral or home rest all result in downtime. Making the area safe and making machinery serviceable are further costs for which the business is accountable.

## Business costs

Absentee costs are deceptive. Besides the salary of the injured worker, a combination of replacement staff salaries, lost time, reduced productivity and quality, add to escalating costs. Training new or temporary staff, overtime and contract penalties can all be devastating to a business.

## Getting back to business

Rescheduling work, recovering production, repairing damage and cleaning the site are inconveniences which slow production and reduce efficiency. Hiring replacement tools, people and equipment might also be required.

## Investigation of the incident

Time spent reporting the incident, holding meetings to discuss it and investigating it internally are the first steps. Then time spent with an HSE, or Local Authority inspector plus external consultants' fees to assist with the investigation can rapidly accumulate into substantial hidden costs.

## More information at [www.hse.gov.uk/costs](http://www.hse.gov.uk/costs)

Estimate an accurate cost in relation to your own business on our website. There's an interactive page with a step-by-step guide which will calculate the sum for you. It even considers compensation claims, legal fees, penalties and more. Visit [www.hse.gov.uk/costs](http://www.hse.gov.uk/costs)

## Section 3

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## Five steps to risk assessment

We've created five easy steps designed to break down the task of risk assessment into simple procedures. Each one helps you identify and assess the risk in all areas of the workplace. Checkpoints highlight areas to consider and ensure sufficient precautions are in place. Most of it is a matter of common sense.

**Step 1:**  
Look for the hazards

**Step 2:**  
Decide who might be harmed

**Step 3:**  
Evaluate the risks and whether existing precautions are adequate, or whether more can be done

**Step 4:**  
Record your findings

**Step 5:**  
Review and revise your assessment

## Assessing the risks in your workplace

### Step 1 Hazards

Identify the hazards which potentially cause harm to your workforce or visiting public.

The following are key areas to consider:

- slipping/tripping hazards e.g. poorly maintained floors or stairs
- fire, flammable materials
- chemicals
- moving parts of machinery

- working at height
- ejection of material, e.g. from plastic moulding
- pressure systems, like steam boilers
- vehicles
- electricity, look for poor wiring
- dust from grinding or wood
- fumes, from welding or chemicals
- manual handling
- noise, damaging workers' hearing
- poor lighting
- low temperature

### Step 2

**Who might be harmed?**

Consider groups of people doing similar work, or who might be affected.

- office staff
- maintenance personnel
- contractors
- people sharing your workplace
- operators
- cleaners
- members of the public

Don't forget:

- staff with disabilities
- visitors
- inexperienced staff
- lone workers – they're potentially more vulnerable.

### Step 3

**Is there more you can do to control the risk?**

For the hazards listed, do your precautions:

- meet the standards set by a legal requirement?
- comply with a recognised industry standard?
- represent good practice?
- reduce risk as far as reasonably practicable?

Have you provided:

- adequate information?
- sufficient training?
- adequate systems or procedures?

If you have taken care of all the above then you need to indicate the precautions in place and consistently keep them up-to-date. If your risk control falls short, create an 'action list' of points to improve upon.

### Step 4

**Record your findings.**

Keep a book handy for all relevant staff and add to it as and when you need to.

### Step 5

**Review and revise.**

Minimise complacency and ensure your risk control remains at its optimum level by constantly reviewing and updating your hazard precautions. Identify problems and take the relevant steps to reduce the risks. This is especially important when making changes to your workplace, like introducing new machinery, substances and practices. All may require significant changes to your health and safety procedures.

Here we've demonstrated just a few ways how better health and safety makes real business sense. Applying these simple, cost-effective measures can make a significant difference to your own business. For more ideas or in-depth information on how to create a safer, more profitable environment, visit [www.hse.gov.uk](http://www.hse.gov.uk) or call Infoline on **0845 345 0055\*** and make health and safety pay.

\*Open 8am-6pm Monday-Friday

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## Notes

