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HEALTH AND SAFETY COMMISSION

Construction Programme's existing SME work and development of future Strategy A Paper by Stephen Williams Advisor(s): Louise Brearey, Peter Hornsby and Stephen Wright Cleared by Jonathan Rees on 12 December 2006

Issue

1. Small and medium Enterprises (SMEs) form one of the largest section of the construction industry, for both contactors and construction professionals (eg architects). There is clear evidence that fatalities and other injuries are more likely on small sites. The construction industry has seen a significant fall in fatal accidents, major injuries, and probably ill health. If this is to continue the Construction programme increasingly needs to target the behaviour of SMEs.
2. This paper describes what is currently being done as part of our mainstream work with SMEs and the new areas of work being developed, trialed and piloted to address this challenge.

Timing

3. Routine

Recommendation

4. That the HSC:
 - notes the nature and scale of the challenge and the work currently being done (Annex 1) to address it;
 - supports the work with the Department for Communities and Local Government (DCLG) – particularly in their review of the Building Regulations and planned web portal
 - supports the further work being done (Annex 2) to refresh our strategy for construction SMEs.

Background

5. There were an estimated 4.3 million business enterprises in the UK at the start of 2005 and, of these, 99.3% were small (0 to 49 employees). Construction has around 200,000 firms of both contractors and professionals, eg architects, and, by this definition, 99% are SMEs. Indeed 90% of contractors and 81% of professionals employ 10 or less.

Proportion of self-employed and contractors employing:	Construction Work (by value)	Workforce	Fatalities	Injuries ¹	Ill-health ¹
<15	17%	26%	67%	57%	61%
>15	83%	74%	33%	43%	39%

6. The proportion of self-employed and contractors employing more or less than 15 employees, the proportion of construction work, the workforce, fatalities, injuries and ill-health are shown in the table above. It is clear that those working for the smaller companies face a disproportionately high-risk (roughly double) of injury and ill health than those who work for larger employers.
7. This demonstrates the need to address health and safety performance in this sector of construction effectively if we are to continue the significant progress that we have seen in reducing construction fatalities and reportable injuries over the past 5 years.
8. In total, there are about 500,000 construction sites each year, and there are about 130 HSE construction Inspectors; so it is clear that traditional inspection will only ever reach a small proportion of them. Targeted publicity is also difficult since research shows that few of these micro-businesses read the trade press and advertising through the national press is expensive. The well received 'White Van' campaign included such adverts as well as some on regional radio and diesel pumps.

Argument

9. This paper sets out the nature of the challenge, what is being done and achieved (Annex 1) and the additional elements (Annex 2) which will contribute to a future, refreshed, multithreaded strategy. It takes account of the SME section of the construction industry and its:
 - negligible threshold of entry;
 - size;
 - scatter (no of sites and offices for the professionals);
 - disproportionate contribution to injuries and ill health;
 - diversity (eg in attitude, trade/profession, type of work/client);
 - progressivity (interest in improving conditions, methods, quality, etc. and how/whether they learn about opportunities to do so); and of
 - the need for improvements in the standards of SMEs if construction to continue to deliver significant improvements in health and safety overall.
10. Motivating SMEs to improve their standards is undoubtedly the single greatest challenge facing HSE in relation to construction and, indeed, others who seek improvements in industry practice. To deliver this we must consider further how SMEs can be targeted. No single approach can succeed, given the diversity of this section of the industry. A sustained programme will also be required over many years to bring about long lasting improvements.
11. Inevitably, CD needs to focus on CDM implementation in 2007/08. It is intended to change the focus in 2008/09 to concentrate on SMEs, building a coherent strategy from the elements above. We believe, at this stage, that a repeat of some of the

¹ As reported in a survey of 5000 construction workers carried out in 2005/6

concentrated inspection and enforcement campaigns, that formed part of the Construction Programme in the early years, specifically targeted at the poorly performing *rogue-trader* SMEs will also be necessary, coupled with high profile publicity about the enforcement campaigns. (This will build on the interest shown by local and trade press in similar previous initiatives.)

12. Working closely (sharing intelligence, approaches and, possibly, joint campaigns) with other regulators (eg DCLG, the Scottish Executive and the Environment Agency) who face similar challenges and organisations (eg the Strategic Forum for Construction, Constructing Excellence and CITB – Construction Skills) that are seeking to stimulate improvements in the same target audience will also continue to form an important part of our strategy. In addition, following the discussion of the changes to the CDM Regulations, the Commission will be aware of the potential benefits from closer liaison with DCLG in ensuring effective implementation. CONIAC will be closely involved with the ongoing development of the strategy, particularly through their SME (recently refreshed) and WWT Working Groups.

Consultation

13. We have consulted with relevant teams within HSE, in particular the team leading on the *SME information, advice and guidance* project, as well as DTI and DCMG in the preparation of this paper.

Presentation

14. Different strategies need to be adopted for the various SME segments identified in this paper, in particular, addressing the divergent attitudes identified in Annex 2. (*The Can Do, Could Do, Don't Do, Won't Do.*) Our principal focus, in relation to influencing, will be on the ignorant and those who don't care who could be motivated to act responsibly.

Costs and Benefits

15. Failure to make substantial progress in this area could jeopardise achievement of HSE's targets and could also alienate sections of the industry that have achieved substantial progress. The potential benefits include significant ongoing reductions in the numbers of injuries and ill health as well as improved efficiency and effectiveness through working with other regulators.

Financial/Resource Implications for HSE

16. The cost of preparing this paper have been small and has been met from within Construction Division's existing resources. It is hard to quantify the proportion of Construction Division's resources that are devoted to work with SMEs, since we do not record the time devoted to SMEs. However, anecdotal evidence suggests that it is over 50% (around £4.6 million pa) and is likely to increase over the next few years. (Development costs for the strategy are expected to be around £80k. Additional costs involved in the implementation of the strategy are difficult to predict at this stage, but are unlikely to exceed £1 million pa.)

17. To stimulate new WWT initiatives we contributed about £310k in 2005/6 and expect to contribute £150k this year and next from the construction communications budget. In addition we expect to spend another £168k on CDM events and awareness days for contractors and clients. We expect these to be heavily weighted towards SMEs.
18. The costs of significantly increased engagement with SME's, particularly through national publicity campaigns, could be considerable and the scope for such activities will depend on available resources, guided by evaluation of previous campaigns. These will be reflected in the 2008/09 communications plan, which will be developed in discussion with the Communications team.
19. The top priorities will be to target injuries resulting from trips and manual handling which have both risen steadily over several years, contrary to the overall downward trend.² These are ubiquitous problems and progress will be hard won and even harder to sustain.

Environmental Implications

20. There are no direct environmental implications as the result of this work, but there are opportunities to harmonise our approach with DTI's to the benefit of both our agenda and that of sustainability.

Other Implications

21. None, other than those addressed in this paper.

Action

22. The Commission is invited to note the importance and scale of the challenge and the work being done to improve the standards of health and safety among construction SMEs and, in particular the work:
 - with the Department for Communities and Local Government (DCLG) and the Scottish Executive
 - to further develop our strategy.

² See *Construction statistics 2005/06(p) - Falls down, Trips up* (www.hse.gov.uk/construction/statistics.htm)

Existing Work with Construction SMEs

Working with others

1. A key strategy within the Construction Programme is working with stakeholders who mostly represent larger construction companies and clients. We have adopted a cascade model where companies, including SMEs, throughout the construction supply chain are influenced through those at the top. We believe that our work to date with the industry and unions to improve standards on these sites has a *trickle down* effect and has been effective in contributing to the sustained downward trend in incidents rates. Cascade approaches work well for those who work for larger clients and contractors and learn health and safety lessons from them.
2. Research indicates that there is a significant group of SMEs, contractors and professionals, who are not reached by this cascade approach. They work only for domestic or small business clients, with no special knowledge of, or interest in health and safety, and work exclusively within a similar, relatively small circle. Business is largely won on a word-of-mouth basis. It is extremely difficult to communicate with this group and harder to influence them to improve their health and safety standards. Yet it is evident that we can only drive up standards if we do so.
3. Our principal, non-inspection, approach to engaging with SMEs has been through the CONIAC the Working Well Together (WWT) Campaign which was launched in 1999. This provides an opportunity for all within the industry to work together to improve the performance of its smallest businesses. WWT is managed through a CONIAC Working Group, which agrees priorities and helps co-ordinate the activities of the 14 regional groups. These regional groups are funded through industry (£1.2million in 2005/6) and HSE (£310k).
4. WWT Partners advertise the activities including the web site, newsletters, mock trials, training events and a white van and trailer roadshow touring large construction sites to their supply chain. Last year 10,000 (about 1% of the potential audience) people attended WWT events. Construction Division also organises awareness days and workshops, under the auspices of WWT, for SME designers and clients.

Communication Initiatives

5. There are a number of communication initiatives aimed at SMEs. A significant recent success has been the development of a e-bulletin building on a successful local initiative. This has 12,000 subscribers and receives positive feedback from users. One attraction appears to be the relatively anonymous nature of the subscription process. A pilot is currently underway to deliver similar, but more targeted information to particular segments of the industry.
6. All contractors need to use materials suppliers so Construction Division has also worked directly with suppliers, such as the Dulux Decorator Centre (DDC). An initiative, in 2005, targeted painters and decorators (a high-risk group) at the point of supply to show the benefits of *the right equipment, properly used* to reduce falls from height. Initial equipment sales figures quoted by DDC are very encouraging with:
 - ladder sales down over 6%, year on year;
 - scaffolding tower sales up 47% year on year, and up to 85% on the equivalent month in the previous the year.



The construction industry is making real efforts to improve its health and safety record. Injury and fatality rates are on a downward trend. However, every week one of us still dies.

One lost life, one injury and one case of ill health is still one too many.

Further improvements in health and safety can be made if people take ownership of the management of risk, demonstrate leadership and work in partnership with others.

Together we can make a difference.

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HEALTH AND
SAFETY
INFORMATION
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hse.gov.uk
www.itk.com

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HSE INFOLINE
0845 345 0055**



Inspection campaigns

7. Our resources inevitably mean that most of our inspection work with this group is limited to reactive responses. However, as well as seeking to influence them by communication, as described above we have also arranged a number of proactive inspection campaigns, targeting the highest risk issues.
8. The *Fit out* campaign targeted the final stages of projects when the number of companies on site increases dramatically and many SME's work together. Over 1000 sites were visited in October 2005 and Inspectors focussed on falls and trips issues. On over 450 occasions Inspectors stopped dangerous work at height and work was stopped because of the risk of tripping on over 100. The campaign period saw 15,000 more visitors to the HSE Website's construction pages rising from 7,000 to over 22,000 for September and October with nearly 4,000 visitors viewing or downloading the campaign poster or the information sheet.
9. Over many years we have carried out short-term, intensive inspections in particular geographical areas. The aim is to raise awareness about selected risks and the standards of control needed on smaller commercial and domestic construction projects. Topics have included falls from height, electrical safety, temporary structural instability, manual handling and slips and trips. These activities involve close liaison with other regulators, particularly Building Control, and Environmental Health Officers.
10. Targeted information is often provided, on request, at the visits as part of the advice given at around 75% of visits. Prohibition Notices are issued at about 20% of visits and typically about 5% result in prosecutions. These initiatives have a useful multiplier effect through press reports, mainly in the trade press.

Enforcement

11. Imaginative, proactive enforcement also forms a key part of SME engagement. The non-injury prosecution pilot, which is now being rolled out across Construction Division, targeted companies who were found to be disregarding health and safety legislation. Of the ten companies prosecuted in the pilot, nine employed 15 or less, the other employed less than 50 and so is, technically, also an SME.

Future strategy

Introduction

1. Four key types of SME have been identified and each requires different engagement processes with different emphases:

Type	Characteristics	Approach
Those who want to know (Can Do)	Keen to adopt best practice to enable them to improve their performance (customer service, quality and working conditions). Actively seek information through publications, internet and intermediaries.	Inform/encourage through: <ul style="list-style-type: none"> well targeted guidance (printed or via internet) intermediaries (not just trade associations) larger, more knowledgeable clients or principal contractors (cascade model) WWT
Those who are ignorant, but would be interested (Could Do)	Busy coping with demands of business, good reputation with customers, well intentioned towards workforce, but lacking up to date knowledge	Stimulate interest and change through inspection and investigation, advisory visits, WWT, cascade model, transfer of knowledge, work with intermediaries
Those who don't care (Don't Do)	Don't perceive a significant risk of injury, ill health or being punished for breaking the law.	Raise awareness by demonstrating the reality and consequences of ignoring the risks: <ul style="list-style-type: none"> inspection, investigation and enforcement, cascade model ("<i>Raise your standards or don't work on my site!</i>") work with other regulators hard hitting campaigns.
Those who abuse – rogue traders (Won't Do)	Not concerned about quality of service. Too careful to be injured themselves. Uninterested in the safety of others who may be affected by their work. Unconcerned about legal requirements.	Investigation and enforcement. Work with other regulators to provide an effective deterrent.

2. The Construction Programme strategy for SMEs, needs to address each of these groups, and a number of ideas are under development. It will also take account of the outcomes from the *Improving HSE's advice, support and guidance to SMEs project*. In particular, we need to ensure that that construction SMEs have access to advice provided generally to the SME sector. Currently, for example, Workplace Health Connect visits are restricted to companies employing over 5, which, given the nature

of employment in construction, dramatically limits availability of this advice to a key target audience.

3. The WWT work is being reviewed, to ensure best value for money, and to improve the targeting of SMEs outside the supply chain of the WWT Partners.

Working with others

4. Construction Division is meeting with the Environment Agency to explore ways of working together to promote a shared agenda. Changes in behaviours that will produce health and safety improvements are the same as those sought by the Environment Agency under its sustainability agenda. Some pilot work involving *Safe and Sustainable* awareness days has been undertaken. The Environment Agency has undertaken research and developed a web-based tool for targeting SMEs. It is hoped that there will be significant opportunities through joint working.

Work with Building Control

5. Construction work on most new buildings, extensions and alterations is subject to Building Regulations which cover building standards. Compliance with these standards is monitored by building control surveyors employed by Local Authorities and by independent, commercial organisations known as Approved Inspectors. Enforcement action is carried out by Local Authorities. Most of the smaller construction work still tends to fall to Local Authority and their building control officers. Many small builders and contractors are, therefore, in regular contact with these building control officers, who visit their sites and clients pay fees to cover these inspections. (There are also ongoing discussions with the Scottish Executive and LAs to identify opportunities for improved efficiency and effectiveness on both sides.)
6. Consequently, Construction Division has explored ways of working with building control officers, a key conduit group, to influence SMEs. Examples include:
 - displaying posters at Local Authority building control offices;
 - sending letters and information to clients with building control correspondence; and
 - HSAOs visiting rural sites with the local authority building control officers.
7. DCLG are currently reviewing Building Regulations and this may present opportunities for new of achieving building standards and new ways of targeting building control bodies' intervention. In any event, as highlighted in the HSC discussion on the CDM regulations, closer working with building and planning teams will be crucial if we are to reduce the perceived burden on SMEs engaging with the various authorities in relation to building development.
8. In this vein, DCLG continues to develop the web portal for Planning and Building Regulations. This presents a number of opportunities, both in terms of communications, as one of our key audiences will regularly access the site, and there may also be an option for using the portal or links from it for CDM notification, simplifying the requirements for the construction industry. This and other e-enablement initiatives may also deliver opportunities to improve the available information for targeting our work. In the process there are also opportunities to improve the available information for targeting our work.

DTI – 'Health and Safety as a component of Sustainable Construction'.

9. HSE will continue to work closely with DTI, which is developing a sustainable construction strategy. This follows publication of its review of Sustainable Construction in October 2006. That review highlighted the significant contribution that good health and safety practice makes to a successful construction industry and the wider sustainable construction agenda. It is anticipated that the main features of the proposed HSE SME strategy would be covered, along with other People aspects, in the DTI sustainable construction strategy proposals being drawn up in early 2007.

Government as exemplar client

10. This is an important part of the Construction Programme, and focuses on improving procurement by national government. Extending this approach to Local Government procurement – typically including extensive repair and maintenance programmes involving small local contractors – is being explored. This will promote the work done by some Local Authorities, who have both cut costs and significantly improved health and safety by adopting a partnership approach to procurement.

Other activities

CDM

11. SMEs are also important for the delivery of the improvements under CDM Regulations. As part of improving competence in the industry, and enabling clients to identify competent contractors, (particularly useful for one off clients), Construction Division has been working with accreditation bodies such as CHAS and National Britannia. Awareness days that provide SMEs with training, sufficient for scheme registration, have been piloted and are likely to form part of the strategy. Membership of these schemes can be, particularly useful for small contractors wishing to prove competence in health and safety, and to gain access to local and central government and to leading client contractor lists. Encouragingly some clients and major contractors have taken initiatives to improve competence standards within their own supply chains.

Inspection and Enforcement

12. In 2007/08 the focus of Construction Division's inspection activity will be the rollout of the new CDM regulations. This will continue our focus on poorly performing segments such as refurbishment, where the work is often carried out by SMEs for small clients.

Worker involvement

13. The Workers' Safety Advisor Challenge Fund (WSA) has stirred the interest of many SMEs, with the Federation of Master Builders (FMB), which represents many SMEs, taking an early lead. Many of those involved have come to recognise the real benefits, health and safety and other, of involving their workforce constructively. FMB and others are keen to build on the partnerships that have been developed with the Trades Union involved in the WSA. HSE sees improved worker involvement as central to improving health and safety standards and will monitor these developments as well as promoting more effective involvement through the enhanced requirements in the new CDM Regulations.