

CONFUSION OVER HEALTH AND SAFETY WASTES MILLIONS

Today the **Risk and Regulation Advisory Council** publishes its report '**Health and safety in small organisations**: reducing uncertainty, building confidence, improving outcomes'.

It has found that many **small organisations are uncertain and confused** about health and safety.

The Risk and Regulation Advisory Council has identified three **key causes** of this uncertainty and confusion:

- The multiplicity of **different messages** that small organisations receive from diverse sources including legal and commercial partners, insurers and the media, as well as the government.
- **'Risk-mongers'** - who inflate small organisations' perception of risks, often for their own benefit. For example, when health and safety consultants exaggerate the severity or difficulty of risks, they get more business advising on those risks.
- Small organisations' own lack of **confidence** in understanding and managing risks.

Uncertainty and confusion are a result of the complex interactions between the many groups who influence how small organisations react to health and safety risks. This means that a **coordinated approach** is needed, tackling the influences of all the different groups.

Sarah Veale of the Risk and Regulation Advisory Council said:

"Small organisations can get confused – they get too many mixed messages about health and safety. These come from insurers, from consultants, from the media, from lawyers and from the government. If small organisations don't understand what they need to do, they may do too much – wasting money – or too little – failing to protect their employees and the public."

The Risk and Regulation Advisory Council welcomes the commitment in the **Health and Safety Executive's new strategy** to work with partners across the health and safety system. **The HSE's strong leadership in working with the many organisations that affect health and safety will be crucial** to achieving improved levels of confidence and competence in small organisations.

Improving the confidence of small organisations in their health and safety practices could potentially lead to:

- savings of around **£70-140m to businesses** per year from **unnecessary consultancy fees**.
- reductions in **small organisations' management costs of around £50m per year**.

Improvements to health and safety practices will also have a positive impact on health and safety at work; **avoiding workplace accidents** and work-related ill health, and **reducing costs to society**. Even a small contribution offers a significant benefit to individuals, employers, the economy, and society.

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Judith Hackitt, Chair of the Health and Safety Executive, said:

"Small businesses are the backbone of the British economy and HSE wants to play its part in helping to reduce the confusion that the Risk and Regulation Advisory Council has identified.

"We already have a huge amount of work underway to improve advice available to employers – making our official publications free to download, debunking misleading myths, and exploring ways of ensuring that advice is available from accredited, competent sources. We have also begun dialogue with insurers.

"We welcome this valuable insight from the RRAC and pledge our commitment to taking the work forward."

Lord Jamie Lindsay of the Risk and Regulation Advisory Council said:

"I welcome the HSE's positive response to our report, and look forward to a similarly positive response from the Government. With their new strategy in place HSE are well-placed to take responsibility for working with all the diverse influences on health and safety, reducing the confusion and uncertainty that small organisations suffer, and leading to more consistent and confident, sensible health and safety performance."

Notes to editors:

1. The Risk and Regulation Advisory Council report on Health and Safety in Small Organisations is available at: <http://www.berr.gov.uk/files/file52340.pdf> Hard copies may be obtained on request from rrac@bis.gsi.gov.uk.
2. Over the past year, the Risk and Regulation Advisory Council has been leading an experimental offensive against the mishandling of risk in society. It looked at how distorted perceptions of risks can encourage poor policy-making and unnecessary laws, leading people to feel that Government is interfering too much in their lives.
3. The Risk and Regulation Advisory Council is an independent advisory group, set up by the Prime Minister, which aims to improve the understanding of public risk, and how best to respond to it, in making and implementing policy. It aims to find the appropriate balance between government and others in taking responsibility for risks, and to promote community resilience. It was asked to work with government and all relevant stakeholders throughout British society in doing this.
4. The seven unpaid members of the Council, drawn from the Better Regulation Commission's pool of strategic regulatory experience, are: the Chair Rick Haythornthwaite, Lord Jamie Lindsay, Lynne Berry OBE, Philip Cullum, Tim Heymann, Donald Macrae and Sarah Veale CBE. Their backgrounds are varied – they are experts in business, in Parliament, in charities, consumer affairs, medicine, the civil service and the trade unions. Jamie Lindsay and Sarah Veale led the Council's work on Health and Safety. The Council is supported by a team, reporting to Vicky Pryce, Joint Head of the Government Economic Service and Director-General for Economics at the Department for Business, Innovation and Skills. More information on the Council members is available at: <http://www.berr.gov.uk/deliverypartners/list/rrac/RRAC%20members/index.html>
5. On 20 May 2009 the Council published its report 'Response with responsibility: Policy-making for public risk in the 21st century'. The report summarises the Council's findings, introduces the Council's approach and tools for dealing with public risk, offers advice for Ministers in charge of responding to a risk and sets out the Council's recommendations. The report, along with a number of guides and tools to help policy-makers and the public tackle public risk, is available at: <http://www.berr.gov.uk/deliverypartners/list/rrac/index.html>

6. Estimates of savings that improving the confidence of small organisations in their health and safety practices could potentially deliver:
 - savings of c. £70-140m to businesses per year from unnecessary consultancy fees derive from Better Regulation Executive estimates that the market for health and safety consultancy is circa £700 million, and that 10-20% of businesses are low risk and could adequately use free sources of health and safety advice without impacting on the quality of their practices. (Improving Outcomes from Health and Safety, BRE, August 2008)
 - reductions in the management costs of c. £50m by narrowing the gap with larger organisations to comply with the legislation assume a 5% reduction in the cost per employee for small and medium-sized organisations through improved confidence and competence in their practices and applying across the SME population. (Lancaster et al, Cost of compliance with health and safety regulations in SMEs - HSERR 174, 2003, and Small and Medium-sized Enterprise (SME) Statistics for the UK and Regions 2007, 30 July 2008, BERR)
7. HM Treasury's Economic Appraisal Unit estimate that in 2004 that the costs to Britain of workplace accidents and ill-health were: £10-14 billion to individuals; £4-8 billion to employers; £20-32 billion to society; and £13-22 billion to economy.
8. An improved H&S culture may deliver significant reductions in absence rates. The average cost of absence per employee is estimated by CBI to be £476 (Source: CBI Annual Survey of absence and labour turnover 2002). Using absence rates for SMEs estimated by HSE (Source: HSE Statistics) and assuming moderate improvement in absence rates of 5% across SME population improved practices could deliver benefits equivalent to c £300m from reduced absences alone.
9. The Health and Safety Executive (HSE) is the national regulator for workplace health and safety. It aims to prevent death, injury and ill health in Great Britain's workplaces.
10. HSE published a new strategy for health and safety in Great Britain in June. The strategy sets out a series of priorities for HSE and other partners in the health and safety system to pursue as part of efforts to reduce the number of work-related fatalities, injuries and cases of ill health. It was launched alongside a pledge to focus on the real health and safety agenda and tackle the myths that trivialise the suffering caused by failures to protect employees, which has been signed by nearly 1,000 organisations. HSE campaigns for a proportionate and common sense response to dealing with safety and health risks in the workplace.

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