

Reducing Accidents and Cutting Costs

Charles Yates, Senior Safety Adviser, Carillion plc

Charles added a little more to his career background by saying that he started his working life in the Coin Industry, then spent time with Tarmac Roadstone and Construction. His present work was on Private Financing Initiatives and he was a Chartered Fellow of the Institution of Occupational Safety and Health, with 25 years of experience in the profession.



Right at the start of his talk, Charles admitted that his company had experienced a tragic run of accidents in recent years and it was this that had galvanised their management into developing new systems of risk management. This initiative also took place against a pattern of rising compensation payments in the courts and consequential sharp rise in Insurance Premiums and Excess Charges.

Essentially, he said, Carillion's **Target Zero** Initiative was based on a 'Windscreen' approach, looking forward to meet risk with a rigorous, proactive, in-house tool. He described some statistical parameters in common use in the industry to measure accident trends and discussed their relative merits and shortcomings. He then went on to identify the true costs, which had been quantified in recent research by the HSE, particularly the proportion of indirect costs that were so often missed out of the equation. This research into five different industries showed that the ratio of **direct:indirect** costs could vary **from 8:1 to 36:1!** Although these figures are an important element in motivating managers to act, they are strictly **reactive** whereas the best risk management techniques are **proactive measures**, which are more likely to produce the longer-lasting results.

Charles added that the HSE had developed an on-line **Annual Accident Calculator** to be found on www.hse.gov.uk/costs. He warned us, however, that this was only a guide and that, as **every incident and every business is different** the only way to be sure about your situation is to develop your own system of measurement!

Study of the available alternative approaches led Carillion down the path of **Reduce risks to Reduce Costs!** They called it "**Target Zero**" and it comprised the following stages: -

1. Find out what could cause harm
2. Who might be harmed

3. What should be done to prevent harm
4. Take action to prevent harm
5. Check that action is working.

Based on OSHAS 18001, Occ.H&S Specification and OSHAS 18002, Occ. H&S, Guidelines, Carillion further codified their new strategy into the following strategic categories of achievement: -

- *Awareness*
- *Competence*
- *Compliance*
- *Excellence*

To give it even more impact, they used the initial letters to compile the title –

“AC²E Model” performance matrix

These four categories in this strategic model are sub-divided into 14 target areas, as shown in the table on the next page, to identify how the improvements will be achieved and assessed in practical terms. For each of the 14 Areas, there is an Indicative Statement to give a benchmark for establishing when a standard has been achieved. To illustrate this process, Charles used Target Area 5, Health and Safety Training, where the **Baseline Standard** reads: -

“H&S training provided to employees is mainly ‘on the job’ or generic to meet legal requirements.”

Passing on to the higher **Visible Standard**, the statement now reads: -

“An integrated H&S training needs analysis [TNA] has been conducted for key jobs. Recorded training plans are in place to address deficiencies, and closure is monitored. Employees are aware of the H&S requirements for their jobs.”



Health and Safety

"AC²E Model" performance matrix

Through the way we work and behave, all our people and stakeholders will be protected from risks of occupational injury or ill-health.

| 2010 Strategic Objectives | Ref | Target Area | Baseline = 1 | Developing = 3 | Visible = 5 | Demonstrated = 8 | Integrated = 12 |
|---------------------------|-----|--|---|--|---|---|---|
| Awareness | 1 | Health and safety policy statement | The HSE policy meets the requirements. It includes an overview of HSE. It is a clear statement of intent and commitment. It is approved by the Board and is available to all employees. | The HSE policy provides greater detail on how HSE is managed and organized. It is a clear statement of intent and commitment. It is approved by the Board and is available to all employees. | The HSE policy clearly articulates the organization's commitment to HSE. It is approved by the Board and is available to all employees. | The HSE policy and HSE management systems are well integrated. The HSE policy is clearly communicated to all stakeholders. | The HSE policy and HSE management systems are well integrated. The HSE policy is clearly communicated to all stakeholders. |
| | 2 | Communication and consultation | There is a good awareness of the HSE policy among all employees on HSE to HSE. | Active communication of the HSE policy is in place. It is clear and concise. It is available to all employees. | There is a good awareness of the HSE policy among all employees on HSE to HSE. | HSE performance is actively reported at senior management level. HSE is clearly communicated to all stakeholders. | HSE performance is actively reported at senior management level. HSE is clearly communicated to all stakeholders. |
| | 3 | Management roles and responsibilities | Senior managers of HSE management. There is a clear understanding of the HSE policy and its implications for the business. | Senior managers of HSE management. There is a clear understanding of the HSE policy and its implications for the business. | Senior managers of HSE management. There is a clear understanding of the HSE policy and its implications for the business. | Senior managers of HSE management. There is a clear understanding of the HSE policy and its implications for the business. | Senior managers of HSE management. There is a clear understanding of the HSE policy and its implications for the business. |
| | 4 | Hazard identification | HSE is a key part of the business. There is a clear understanding of the HSE policy and its implications for the business. | HSE is a key part of the business. There is a clear understanding of the HSE policy and its implications for the business. | HSE is a key part of the business. There is a clear understanding of the HSE policy and its implications for the business. | HSE is a key part of the business. There is a clear understanding of the HSE policy and its implications for the business. | HSE is a key part of the business. There is a clear understanding of the HSE policy and its implications for the business. |
| Competence | 5 | Health and safety training, e.g. managerial, technical, etc | HSE training is provided to all employees. It is a clear and concise. It is available to all employees. | HSE training is provided to all employees. It is a clear and concise. It is available to all employees. | HSE training is provided to all employees. It is a clear and concise. It is available to all employees. | HSE training is provided to all employees. It is a clear and concise. It is available to all employees. | HSE training is provided to all employees. It is a clear and concise. It is available to all employees. |
| | 6 | Behaviour and culture | HSE is a key part of the business. There is a clear understanding of the HSE policy and its implications for the business. | HSE is a key part of the business. There is a clear understanding of the HSE policy and its implications for the business. | HSE is a key part of the business. There is a clear understanding of the HSE policy and its implications for the business. | HSE is a key part of the business. There is a clear understanding of the HSE policy and its implications for the business. | HSE is a key part of the business. There is a clear understanding of the HSE policy and its implications for the business. |
| | 7 | Risk assessment and management | HSE is a key part of the business. There is a clear understanding of the HSE policy and its implications for the business. | HSE is a key part of the business. There is a clear understanding of the HSE policy and its implications for the business. | HSE is a key part of the business. There is a clear understanding of the HSE policy and its implications for the business. | HSE is a key part of the business. There is a clear understanding of the HSE policy and its implications for the business. | HSE is a key part of the business. There is a clear understanding of the HSE policy and its implications for the business. |
| Compliance | 8 | Incident investigation | Incidents that result in significant injuries are investigated. The investigation is thorough and identifies the root cause. The investigation is available to all employees. | Incidents that result in significant injuries are investigated. The investigation is thorough and identifies the root cause. The investigation is available to all employees. | Incidents that result in significant injuries are investigated. The investigation is thorough and identifies the root cause. The investigation is available to all employees. | Incidents that result in significant injuries are investigated. The investigation is thorough and identifies the root cause. The investigation is available to all employees. | Incidents that result in significant injuries are investigated. The investigation is thorough and identifies the root cause. The investigation is available to all employees. |
| | 9 | Measuring performance, e.g. AFRs, auditing, compliance monitoring, etc | Measuring performance is a key part of the business. There is a clear understanding of the HSE policy and its implications for the business. | Measuring performance is a key part of the business. There is a clear understanding of the HSE policy and its implications for the business. | Measuring performance is a key part of the business. There is a clear understanding of the HSE policy and its implications for the business. | Measuring performance is a key part of the business. There is a clear understanding of the HSE policy and its implications for the business. | Measuring performance is a key part of the business. There is a clear understanding of the HSE policy and its implications for the business. |
| | 10 | Health and safety management system | Health and safety management system is a key part of the business. There is a clear understanding of the HSE policy and its implications for the business. | Health and safety management system is a key part of the business. There is a clear understanding of the HSE policy and its implications for the business. | Health and safety management system is a key part of the business. There is a clear understanding of the HSE policy and its implications for the business. | Health and safety management system is a key part of the business. There is a clear understanding of the HSE policy and its implications for the business. | Health and safety management system is a key part of the business. There is a clear understanding of the HSE policy and its implications for the business. |
| | 11 | Supply chain improvement | Supply chain improvement is a key part of the business. There is a clear understanding of the HSE policy and its implications for the business. | Supply chain improvement is a key part of the business. There is a clear understanding of the HSE policy and its implications for the business. | Supply chain improvement is a key part of the business. There is a clear understanding of the HSE policy and its implications for the business. | Supply chain improvement is a key part of the business. There is a clear understanding of the HSE policy and its implications for the business. | Supply chain improvement is a key part of the business. There is a clear understanding of the HSE policy and its implications for the business. |
| Excellence | 12 | Developing innovative practices | Developing innovative practices is a key part of the business. There is a clear understanding of the HSE policy and its implications for the business. | Developing innovative practices is a key part of the business. There is a clear understanding of the HSE policy and its implications for the business. | Developing innovative practices is a key part of the business. There is a clear understanding of the HSE policy and its implications for the business. | Developing innovative practices is a key part of the business. There is a clear understanding of the HSE policy and its implications for the business. | Developing innovative practices is a key part of the business. There is a clear understanding of the HSE policy and its implications for the business. |
| | 13 | Influencing stakeholders | Influencing stakeholders is a key part of the business. There is a clear understanding of the HSE policy and its implications for the business. | Influencing stakeholders is a key part of the business. There is a clear understanding of the HSE policy and its implications for the business. | Influencing stakeholders is a key part of the business. There is a clear understanding of the HSE policy and its implications for the business. | Influencing stakeholders is a key part of the business. There is a clear understanding of the HSE policy and its implications for the business. | Influencing stakeholders is a key part of the business. There is a clear understanding of the HSE policy and its implications for the business. |
| | 14 | Work-related health | Work-related health is a key part of the business. There is a clear understanding of the HSE policy and its implications for the business. | Work-related health is a key part of the business. There is a clear understanding of the HSE policy and its implications for the business. | Work-related health is a key part of the business. There is a clear understanding of the HSE policy and its implications for the business. | Work-related health is a key part of the business. There is a clear understanding of the HSE policy and its implications for the business. | Work-related health is a key part of the business. There is a clear understanding of the HSE policy and its implications for the business. |

Finally, the **Integrated Standard** reads: -

“H&S competency forms an integral part of the overall business competency. The management system ensures competency levels are met, and training or re-training requirements are implemented.”

This performance model is applied by Operational Managers, NOT Health and Safety Advisors, in a flexible manner, according to the individual conditions in each Managed Unit. Thus timescales for each Target Area may well be different, as well as for the attainment of the ultimate **“Integrated Standard”** at the highest level of achievement. Each level is allocated a “score” from 1 to 5.

Behind each of these statements lies a series of **“Indicative Questions”**, which perform the dual role of assessing when a standard has been achieved and also what has to be done to achieve the target!

| Target Area 5: | | Health and Safety training. | Baseline |
|---|--|------------------------------------|-----------------|
| H&S training provided to employees is mainly 'on the job' or generic to satisfy basic legal requirements. | | | |
| Ref | Indicative questions: | | Answer |
| 1 | Do employees and sub-contract workers receive an induction? | | Yes |
| 2 | Is Health and Safety included in employee, etc inductions? | | Yes |
| 3 | Does “on the job” training cover the basic requirements of Health and Safety? | | Yes |
| 4 | Are employees informed of the potential Health and Safety hazards and required training? | | Yes |
| 5 | Are employees aware of the available sources of Health and Safety information? | | Yes |
| 6 | Are employees assessed for competence in Health and Safety “on the job”? | | Yes |

Overall control of the improvement programme is achieved by monitoring progress scores against each target area and a “Year-on-Year” comparison can be made for each target area, as well as the overall performance.

In conclusion, Charles said that common sense must be used to get acceptable results and he gave us these guidelines: -

- **One size does not need to fit all.**
- **“Direction”** is not the same as **“dictation”**, i.e. the model provides the structure and focus.
- **Different parts of the business are at different stages, and require different time frames to develop.**
- **Delivery of Health and Safety must be owned by the business, and with clear management commitment!**
- **Basis of an OHSAS18001 “Occupational Health and Safety Management System”.**

Members' Questions

Gerry Mulholland started the question session with some comments about the different ways of monitoring accident trends and costs and that it needed to be related to the conditions in each business and what is 'right for you'!

John Wood if Carillion compared itself to other firms across the Construction Industry. Charles said that benchmarking was carried out against some competitors, but the figures for rates were very far apart and it was difficult to make any meaningful comparisons.

Dennis Walley of Homeserve asked how Carillion dealt with the disparate Site Work and Office work performances. Charles admitted that if the two types of work were aggregated then that could lead to "Hours Grabbing", whereby the low risk office performance subsidised to performance of the high-risk activities!

Mark Hoare of Birmingham University asked if it was sensible to include accidents, like a fall on a good surface, in the statistics when the victim was merely walking and not carrying a load. Charles basic competencies could be called into question on all types of accident and even this sort of accident could have serious consequences. The basic causes still needed to be identified and remedied if necessary. Then it could be decided if the cause was just a simple failure of 'life skills'.

Alex White of the Pel Group asked the Target Zero campaign addressed the question of Near Misses. Charles said it certainly did, under the name of the "Don't Walk by – take action now" title. All employees were urged to report incidents as 'Near Misses' and anything which they considered could/should be improved. A register of these reports was kept and all follow-up actions were displayed on a Notice Board at each site.

Mark Hoare asked if Safety Representatives were included in the Target Zero model. Charles said that their role was included distinctly in Target Area 2, Communication and Consultation.

Charles gave out limited copies of the Carillion Target Zero DVD and said if anyone else wanted a copy, they could contact him on cyates@carillionplc.com

As there were no more questions, the chairman closed the meeting with thanks to Charles and asked the meeting to show their appreciation in the normal manner.