

People say you can't truly understand the costs of doing health and safety versus not doing it. This may be true, it may not be. There are many intangible effects that are hard to quantify, but some things such as less sickness absence, less accidents resulting in time lost through injuries etc. can be measured. Doing so, can help offer benefits to businesses and help them understand the long term costs saved by not causing injury or ill-health to the workforce.

One thing we do know is that we can find definitive evidence of the costs of not getting health and safety right, if it is brought to the attention of the UK regulator, the Health and Safety Executive. Thanks to information published on their website on enforcement (<http://www.hse.gov.uk/enforce/prosecutions.htm>) we can find how many foundries have been prosecuted in the past 10 years and how many have received enforcement notices (10 year rolling registers). SHIFT has been tracking these registers for some time and as a result, taking the information from the HSE, it tells us:

Enforcement Actions

867 improvement and 124 prohibition notices were served against 305 foundries in the period from April 2001 to April 2019 (18 full operational years).

2425 individual breaches of 23 regulations/acts took place. Almost half are covered by the HSWA (*Health and Safety at Work Act*) s2(1).

Beyond this COSHH (*Control of Substances Hazardous to Health*), PUWER (*Provision and Use of Work Equipment Regulations*) and MHSWR (*Management of Health and Safety at Work Regulations*) are the three most significant in terms of breaches.

In the last 3 operational years alone, 183 notices were served to 87 foundries. Of these, 174 were improvement notices and 9 were prohibition.

63.93% of the notices were for health related issues (117)

The generalised categories for these notices are

- Failure to prevent/control exposure to hazardous substances – 47%
- No risk assessments in place – 28.21%
- No required health surveillance in place – 13.68%
- Not maintaining plant of LEV systems – 8.55%
- Failure to train employees about hazards they are working with – 2.56%

34.43% (63) notices relate to safety problems with the top offences being

- No or insufficient guarding in place – 42.86%
- Failure to manage the competence of employees and safety actions – 19.05%
- Risk of falling from height – 11.11%
- Failing to undertake or have performed examinations and/or testing as required by law – 9.52%

The remaining 1.9% of the 183 notices was for lack of welfare facilities such as no hot water, soap and towels for washing and poorly maintained toilets, which in the UK in the 21st century is truly not acceptable.

In October 2012 based on the polluter pays principle the HSE introduced the Fee for Intervention, which places a financial cost on inspectors dealing with enforcement where in the opinion of the inspector a material breach has occurred.

Initially it cost £124 per hour of HSE time, which rose to £129 per hour as of April 2016 and in April 2019 rose by 20% to £154 per hour.

The average manufacturing FFI bill in 2016 was circa £650 - in 2018 circa £700

If we take the 441 notices issued to 170 foundries since FFI was introduced – using the £700 average bill the cost to foundries is:

£308,700.00 which is pure HSE billing to resolve the notices. There are still the operational costs of:

Replacing, repairing or upgrading of equipment
Training time & costs
Revised risk assessments and cost of follow-up actions
Inspections, monitoring and measuring surveys etc.
Purchasing new equipment

Additionally, notices of contraventions (NoC's) also draw the FFI costs. However as these do not appear on the HSE website, truthfully on-one can tell exactly what the cost has been to industry to correct every breach found and subjected to enforcement actions.

Prosecutions

For accidents that occurred between December 1998 and January 2018, 91 foundries have been prosecuted for a total of 107 times. 9 of these were for workplace fatalities.

The fines to the businesses total £4.798m, with the HSE being awarded costs of £892K. In total this comes to almost £5.691m

The largest fine to date is £1 million pounds.

The average fine is £44,844.25 and when costs are included is £53,183.48

The biggest change to the level of fines to foundries is the sentencing guidelines which changed in April 2016. This has had a massive effect on the size of fines levied against any business of all sizes.

The figures below show the differences in the size of fines handed down to foundries. These have increased circa 12.5 times the pre-change level. If HSE awarded costs are included, the increase is still circa 9.5 times that of pre-April 2016

Pre-2016 Sentencing Guidelines Change (91) – 77 foundries

- Total fines (fine only, no costs) = £1,552,035.00
- Total HSE recovered costs = £677,593.90
- Average fine (fine only, no costs) = £17,055.33
(with costs) = £24,501.42

Post 2016 Changes (15) – 14 foundries

- Total fines (fine only, no costs) = £3,246,000.000
- Total HSE recovered costs = £214,703.66
- Average fine (fine only, no costs) = £216,400.00 – (max £1 million, min £14K)
(with costs) = £230,713.58

Many of the offences that have resulted in enforcement actions or prosecutions were for very basic failures or management activities that should have taken place but did not, despite the risks from the relevant hazards being widely known for many years.