

FMB NATIONAL CONFERENCE ON 13 SEPTEMBER 2003
ROYAL BATH HOTEL, BOURNEMOUTH

Thank you for inviting me to open today's conference and debate on what more can be done to improve working conditions in the construction industry.

I have been Health and Safety Minister since mid June and I welcome the opportunity early on in my stewardship of the health and safety portfolio to affirm continuing ministerial commitment to that industry and the need to address the poor cultural issues underlying its health and safety performance.

I would also like to take this opportunity to set out my agenda for health and safety improvements in construction.

My aim as Health and Safety Minister is to make health and safety a cornerstone of a civilised society. That concept has a particular resonance for the construction industry. You are essential in providing the building blocks (forgive the pun) of a civilised society and in maintaining and enhancing our quality of life in the UK. Without your industry, we cannot achieve the improvements in infrastructure - transport, schools, hospitals, housing stock - that we all desire.

But your health and safety record is not one that reflects a civilised society. In fact it has the worst health and safety record of any major industry. The toll of death and injury it creates is unacceptable - and I know it is unacceptable to you.

Lets reflect for a few moments on construction:

- Workers in the construction industry represent just over 6% of the working population, but account for almost a third of the fatal accidents and 16% of reported major accidents.
- They are five times more likely to be killed than the average for all industries.
- They run nearly twice the risk of suffering ill health than the average for all other occupations.
- About 1 in 20 of them are likely to have suffered a work-related musculoskeletal disorder - that represents about 100,000 people currently or recently working in the industry and is the highest prevalence rate for any industry.
- They are more likely to die from asbestos-related disease - each year about 600 die. This represents a terrible legacy from past practices - but there are still risks to construction workers from asbestos today.

When statistics like these are quoted it is easy to forget that behind them are real people, children having to bury their parents, families whose sole breadwinner is so damaged that he is prevented from earning his livelihood. But family life has to go on. For their sake the health and safety performance of the construction industry must improve.

But as if these humanitarian considerations were not enough, there are also sound business reasons to address this terrible toll of injury. It is one of the significant contributions to the 'waste' in the construction. Studies have shown that the overall '

cost' of accidents and near misses on a typical building site can amount to some 8.5% of the contract price. If you apply that to the £84bn annual output of the industry you could see just how much more we could get for the same level of spend - to say nothing of your profit margins!

There is also plenty of evidence from studies carried out by the industry and government that health and safety is an integral part of an efficient and sustainable construction industry. That pre-planned, well designed projects carried out by competent companies with a trained workforce leads to improved client satisfaction, with work delivered better to time, cost and quality - but with also increased profitability and improved health and safety performance.

Having set out the challenge I also acknowledge the effort and improvements that have been made. The Health and Safety Summit in 2001 was a watershed. Leading figures from all parts of the industry came together with Ministers to accept responsibility for the industry's health and safety performance, and committed-the industry to a set of very challenging targets for improvement over 10 years and to plans to start delivery of those targets.

This approach of partnership rightly places the onus on the industry to work together to improve standards and change its culture. Today's conference - I understand your first ever dedicated specifically to health and safety - is part of that process of cultural change.

Today you will be discussing and developing ideas for driving the agenda through your membership. I would like to set out some of the key challenges as I see them.

Firstly we are talking about change which is often very difficult - and cultural change which is more difficult still. Since the Summit in 2001 Kevin Myers has presented two progress reports to my predecessors. I look forward to receiving the third report later this year. I congratulate the efforts made by the best in the industry, which helped achieve the second lowest ever number of fatal injuries last year. But I am concerned that the statistical evidence for the opening months of this year shows a worrying increase.

This is a stark reminder that we must all guard against complacency and recognise the long haul involved in delivering sustained improvements over the longer term.

The construction industry has a reputation for being confrontational, risk tolerant, corner cutting and reluctant to change. It needs to become an industry which is collaborative, that eliminates or manages risks, that properly plans its work and that embraces change.

I have some personal experience - limited I grant you - of the construction industry from the seventies when I was one of McAlpine's Fusiliers - and so I know what conditions on site can be like. But I have visited construction sites in the last few months that demonstrate clearly that step changes in attitudes and approaches can lead

to better sites with exemplary standards. Why are such sites the exception not the norm?

But the challenge of change is not exclusively for the industry in respect of its culture and work practices. There is also a challenge for the Government, the Executive and the industry concerning what you might call "terms of engagement".

There will always be a need and a place for the traditional command and control relationship between the Regulator and the Regulated. But that is an expensive option and can sometimes imply a transfer of responsibility for performance from the Regulated to the Regulator.

We also need to explore new and imaginative ways of delivering the cultural change. An example of such an approach is the Working Well Together Campaign. I was pleased to launch the latest phase of its roadshow providing outreach to workers on site last week in Edinburgh.

The WWT awards scheme provides an excellent example of recognising and rewarding success - and I am looking forward to attending the Awards dinner in November to reinforce the approach we support in government.

I was also interested to hear about the WWT Safety and Health Awareness Days which have, in collaboration with the Federation, amongst others, brought together thousands of small construction firms to hear about good health and safety practice delivered by colleagues within the industry talking from practical experience.

We need to build on these successes and we need to identify other partnership approaches and ways of achieving cultural change.

Secondly workers need to be at the centre of our focus. They are the ones who are damaged by the health and safety failures. By and large it is true to say that nobody understands their own job as well as the person doing it. What we have to do is to make sure that that understanding has a voice in every workplace either through safety representatives or other innovative means.

I know the Commission has been exploring different ways of delivering a better engagement of workers - and I understand that the Federation has been actively involved in a particular pilot involving peripatetic Worker Safety Advisors. I welcome and congratulate you on your open approach to exploring new, imaginative approaches to engaging the workforce.

Whilst talking about workers I should also mention recruitment and retention. I understand that the industry is suffering from skills shortages. Given the public's perception of the industry and its health and safety record that is hardly surprising. Changing the industry's culture and reputation is an important driver in making it more attractive to young people.

Government can and is helping with initiatives such as Jobcentre Plus's innovative pilot programme, Ambition: Construction, which involves some of the UK's leading

construction companies and provides unemployed jobseekers with sought-after trade skills such as carpentry, bricklaying and roofing. Ambition: Construction is a win-win, enabling Jobcentre Plus' priority customers to get well-paid jobs and helping construction employers to address skill shortages.

But there is no point investing in recruitment if the industry cannot retain its workers. It must change its reputation to one that respects its workforce and invests in their training and competence.

This links well with my third challenge - addressing health issues. Another of life's ironies is that the industry is compounding its retention problems by damaging the health of the workers it employs in a way that forces many of them to leave the industry every year. Health is still very much a Cinderella area for the industry. But you are not alone in this - my Department has one of the worst records and I also accept the challenge myself.

I want the industry to improve its management of health issues for the future. But I also recognise that there are many in the construction workforce whose health has already been damaged, but the damage is not yet apparent. We need to identify such workers at an early stage to enable us to invest in their rehabilitation. I say invest because I believe the investment will yield a good return. Currently such workers are often forced out of work onto the scrap heap. The industry cannot afford that, UK plc cannot afford that and neither can the workers or their dependants.

I understand the Federation is working with HSE in exploring ways of establishing an Occupational Health Support Pilot Scheme. Once again I commend you for your positive engagement and I wish the initiative every success. But, the industry cannot just wait for this initiative to develop. Meanwhile the challenge for the Federation to provide the focus and the drive so that your members know the simple steps they can take today to make the industry not only a safer place but also a healthier place in which to work.

Finally, I would like to briefly touch upon the issue of the Employers' Liability insurance market.

Over the past year many businesses have been hit hard by big price increases in the Employers' Liability insurance. The construction industry was particularly affected, The impact was made worse by the speed of transition to the new premium levels and a lack of forewarning from the insurance industry.

There has not been a general failure of the liability market but insurers' previous pricing policies have not done their customers any favours. Insurers chased market share at premium levels that were not sustainable. Customers did enjoy some low premiums. But when the world changed - falls in the stock market and, as importantly, rises in re-insurance - these pricing policies were found wanting and businesses have

born the brunt.

It is not for Government to intervene and shift responsibility from where it properly belongs. But we do want to work with insurers and Business to ensure that there is action to improve the outlook in a difficult insurance climate. We also want to secure the stability of Employers' Liability and improve health and safety outcomes.

Insurers are now starting to respond positively to the concerns of their customers. The recent announcement of a new Code of Practice on Renewal periods was a welcome initiative. I hope and expect the industry will now deliver on the minimum 21 days renewal period promised in that guidance.

Another area in which positive progress has been made is in relation to risk-based underwriting. Recently the Association of British Insurers announced 'Making the Market Work'. This initiative allows trade associations to submit details of their health and safety schemes for assessment against best practice features. A number-of construction associations are pursuing such schemes.

The DWP Report produced by my Department identified a number of other issues, critical to the longer-term agenda for Employers Liability. These included: legal costs; industrial diseases; and rehabilitation.

I cannot promise, as Minister with this responsibility, that such issues will be cracked overnight. Nobody has an instant solution - except those who write leaders in the tabloids. In part because the uncomfortable truth is that today's higher premiums do more honestly reflect the real economic costs of the deaths, injuries and ill health and continue to dog British industry.

But the Government has injected a real momentum into a collective search for improvements - both immediate and longer-term. This is reflected in the welcome moves by insurers to better recognise some of the difficulties faced by their customers. And it will be further reflected in the Second Stage report to be published by my Department later this year.

So I have set you some challenges. They involve high hurdles because that is what we seek for the UK economic growth and also for the benefit of the workers within that economy. But I can say that you are not alone in striving to tackle those hurdles. I as a Minister, and this government collectively, believe strongly in the importance of addressing the problems of the industry and are ready to work with you in tackling them.

Des Browne

Minister of State for Work, Department for Work and Pensions 13 September 2003