

Risk management tips brought to you by the insurance professionals at **Crendon Insurance Brokers Ltd**

DID YOU KNOW?

On 29 January the UK Commission for Employment and Skills launched a competition inviting manufacturing firms to bid for a share of £1 million to devise new ways of boosting UK innovation. The contest seeks employer-led proposals from manufacturers of all sizes to run initiatives lasting 12 months. The deadline for proposal submissions is 11 March 2015. For more information visit GOV.UK and search 'innovation in manufacturing'.

1st Quarter 2015

Customer-centric View Is Needed to Continue Sector's Momentum

Industry experts are urging manufacturers to adopt a more customer-centric view in order to help the sector boost its period of slow growth.

Fostering positive customer relationships involves much more than simply offering promotions to those who renew contracts. Below are two themes to keep in mind when seeking to create the best customer experience possible.

1. **Streamlined Communication** – Consistent communication is crucial to creating a cohesive customer experience. Large corporations and fast-growing businesses are especially vulnerable to providing a segmented customer experience because research and development, customer support, sales, and management often work separately from one another.

2. **Transparency** – From product recalls to poor labour conditions, there is constant negative media attention focused on the manufacturing industry, which has led to a lack of consumer trust. Transparency about manufacturing processes, materials and corporate goals allows clients to identify with the mission of your company and provides assurance that your company is the kind of business they want to work with.



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Sector Growing But Still Cautious

In light of a sluggish end to the year, the UK manufacturing industry continues its slow, steady climb out of economic recession, according to a recent Markit poll. The poll stresses that exports, which are heavily impacted by the province of the Eurozone, likely played a role in dampening December industry growth.

Industry experts remain optimistic, buoyed by steady growth for the last 22 consecutive months.

2014 growth is partially attributed to the recent fall in oil prices, which has allowed input costs to fall at the fastest pace in the last two years, according to the Markit poll.

However, other industry insiders remain cautious about celebrating the growth too soon, with the Markit poll estimating that the manufacturing industry's continued recovery will be marked by fluctuating, but ultimately positive, performance.

Complying With The New Explosives and Acetylene Regulations

In October 2014, two new sets of consolidated regulations that govern working safely with explosives and compressed acetylene gas went into effect. The regulations—the Explosives Regulations 2014 (ER) and the Acetylene Safety (England and Wales and Scotland) Regulations (ASR)—apply to all organisations that manufacture, import or store explosives and all organisations that manufacture, import, store and use compressed acetylene gas. In Northern Ireland, acetylene use is governed by the Dangerous Substances and Explosive Atmospheres Regulations 2002.

The government revised and consolidated the regulations in order to ease the burden on businesses and regulators by clarifying, simplifying and modernising the requirements—until October 2014, there was significant overlap between the two regulations, leading to confusion and miscommunication between stakeholders. But now, manufacturers who use, store or manufacture acetylene (it is commonly used for welding, cutting metals, and as raw material for synthesising chemicals and plastics) or rely on explosives can expect streamlined guidelines. Some of the important changes ushered in by the two new regulations include:

Acetylene Safety (England and Wales and Scotland) Regulations 2014

- The ASR now requires stakeholders, under certain circumstances, to use flame arrestors in order to stop the progression of a flame resulting from the decomposition or uncontrolled combustion of acetylene gas.
- Organisations that manufacture, compress and/or fill cylinders with acetylene gas greater than 0.62 barg will now need a licence to do so.
- Stakeholders will no longer need to sustain the delay and cost of seeking formal HSE approval for acetylene cylinders or flame arrestors—if the equipment complies with current standards, stakeholders may use it without HSE approval.

Explosive Regulations 2014

- The ESR extends the licensing periods for the most common licences issued to small businesses from 1 to 2 years to a maximum of 5 years, potentially saving businesses £1.5 million in the next 10 years.
- The government updated and expanded the list of explosives that organisations can acquire and keep without an explosives certificate.
- The government restructured its table of separation distances to better allow for sites with more than one explosives store.

Depending on your organisation's specific type of manufacturing work, your employees may work with acetylene or other explosives every day. As the stakeholder, you must ensure you fully understand and implement the reforms outlined in both the ER and ASR in order to protect your employees and guarantee your compliance. For more information on the regulations, click here: www.hse.gov.uk/fireandexplosion/acetylene.htm.

Recent Fines and Prosecutions

Company Oversight Costs an Employee His Life

A West Yorkshire company has been prosecuted and fined £66,000 and ordered to pay costs of £50,000 after a 39-year-old employee died after being crushed. The employee was decanting varnish from a 1-tonne silo positioned on the tines of a forklift when it slid off and fell on top of him. The HSE found that the company had failed to properly assess the risks associated with decanting, and their oversight caused an unsafe work environment. Had they assessed and implemented proper procedures, this accident would not have occurred.

Jaguar Land Rover Ltd Negligence Leads to Severe Worker Injuries

Jaguar Land Rover Ltd has been fined £40,000 and ordered to pay £13,474 in costs after a 57-year-old maintenance electrician was struck and dragged by a machine on the line. The worker was inspecting equipment when an empty vehicle body carrier struck and dragged him, puncturing both his lungs and crushing numerous bones. The accident left him in an induced coma for 12 days, but he was able to return to work after 17 weeks. The HSE found that the incident was entirely preventable had the company adequately equipped their machinery with protective guards.