

# Loss Prevention Standards

## Managing Contractors

### Introduction

This document is intended to provide guidance for organisations in respect of the selection and management of contractors. A contractor is regarded as an individual or company who undertakes work on your behalf, but is not an employee; such as builders, joiners, electricians, caterers, etc. A lack of control regarding the selection and use of contractors can and does lead to property damage/losses as well as accidents and injuries, not only to contractors but also to your own employees. Whilst recognising that contractors can bring essential skills to a company; they can also introduce additional hazards given that they are generally less familiar with the workplace within which they are operating.



Accidents have resulted in both prosecutions and civil claims against the employing organisation, in addition to the contractor. The risks attaching to or arising from the activities of contractors will vary, and the approach to risk management should reflect this.

*Contracting out a task does not mean you contract out the risk or exposure to your assets or your business activities.*

Sites are most vulnerable to an incident/accident during change. The use of contractors in many cases constitutes a change to the normal.

### Legal Duties

The Health and Safety at Work Act etc. 1974 (section 3), requires employers and the self-employed, to ensure that:

- Their activities do not endanger persons not in their employ, and
- Information is provided concerning potential health and safety hazards

Additionally, section 4 of this Act places duties on occupiers and/or owners of premises to ensure that:

- The premises, plant and substances contained in them are safe and without risks to health, and
- Reasonable measures are taken to provide safe access

Organisations must ensure that a contractor is not at risk from their business. Whilst the contractor must ensure that employees, tenants, residents and visitors to a business are not at risk from their activities.

If you manage contractors you also need to be familiar with Occupiers Liability Acts of 1957 & 1984, Management of Health and Safety at Work Regulations 1999, Construction (Design and Management) Regulations 2015 and the Control of Substances Hazardous to Health (COSHH) Regulations 2002. Depending upon the type of work being undertaken by a contractor, examples of other safety legislation to be considered include the:

- Control of Asbestos Regulations 2012
- Control of Lead at Work Regulations 2002
- Control of Noise at Work Regulations 2005

## Selecting a Contractor

Prior to employing the services of a contractor, it is essential that appropriate checks are completed, especially in respect of those contractors who will be undertaking hot work. The selection must consider their competence to complete the work, including that of any sub-contractors, ensuring they fully understand the risks involved. Many organisations have a policy of only using contractors from an 'Approved List' of companies, whose capability and safety performance have been assessed to an agreed level. The contractors on the 'Approved List' should be reviewed annually for contractor performance for all work completed since the last review.

When selecting a suitable contractor wherever possible obtain:

- A copy of the contractor's Health and Safety Policy
- Copies of risk assessments and safe systems of work (RAMS) for the tasks that will be undertaken
- Details of safety/operational training and qualifications of employees
- Information regarding recent safety performance, e.g. accident statistics or enforcement visits
- Evidence of Employers' and Public Liability insurances with adequate limits of indemnity
  - a minimum of £5m but it could be more dependent on the types of work they are completing and the possible exposure
  - that they meet any conditions, such as hot work or heat work, if applicable
- Confirmation of skills and experience in the type of work to be undertaken
- If sub-contractors are to be used, what is the selection criteria used to confirm their competency
- References from other companies regarding work completed
- Membership of and accreditation by relevant trade or professional bodies
- Safe Contractor (<https://www.safecontractor.com>), CHAS (<https://www.chas.co.uk>) or another contractor safety scheme membership

## Planning the Work

Many losses involving contractors occur due to a failure to plan the work properly and are largely preventable.

Key considerations include:

- Define the job/activities to be undertaken by the contractors and the areas they will be working in
- Contracts should define your expectations around safety and operational standards
- Identify hazards and ensure a risk assessment is completed and is communicated
- Specify when the work can take place, e.g. as part of a shutdown or out of hours dependent on the risk
- For higher risk tasks such as hot work, permits to work, method statements and supervision levels should be agreed in advance

Appoint an individual to manage the project and liaise with the contractors, both before the commencement and throughout the duration of the contract. Your own employees should be advised of when contractors are working on site including any specific arrangements required.

## Permits to Work

Tasks where permits to work may be required include:

- Hot work
- Pressure systems
- Confined spaces
- Excavation works
- High voltage electrical work
- Work at height

Hot work is a major cause of losses within commercial premises, especially during construction schemes, maintenance or refurbishment projects. Strict supervision of hot work projects completed by contractors is critical, and it should be ensured that contractors use and follow the hot work permit authorising procedures and protocols outlined within the [Aviva Loss Prevention Standard: Hot Work Operations](#), especially in respect of the following:

- Ensuring that any contractors undertaking hot work are adequately monitored (i.e. regular checks to be carried out to ensure procedures are being followed), with appropriate permit authorisation and sign-off procedures throughout the duration of the contract
- Hot work permit to be managed and supervised by you (the host organisation employing the contractor), and not the contractor
- No hot work to be undertaken without your authorisation
- Continuous fire watch to be in place throughout the duration of the hot work operations and also for a minimum continuous period of at least 60-minutes plus further intermittent checks following cessation of the task (the exact length of the post-task fire watch should be determined by risk assessment), utilising individuals who have been trained to use fire-fighting equipment
- Emergency procedures

Other considerations include allocating a permit to work for a single shift only and then either closing-off the permit and opening a new one for the next shift or undertaking a formal handover procedure.

### Contractor Management on Site

Prior to contractors commencing work, ensure all contractor employees have undergone a formal recorded induction programme. The work to be completed, the areas in which the contractors can operate, together with what can and cannot be done, along with signing-in and signing-out procedures, should be clearly defined, e.g. in the form of a 'Site Rules for Contractors' leaflet which is issued to all contractors. Signatures to confirm that they have read and understood the induction training and site rules should be obtained prior to them starting work.

Establish regular dialogue with all contractors, including monitoring and supervision arrangements, to confirm compliance with the agreed standards outlined in the contract. Agree by whom and how often site safety inspections will be carried out. This is especially important for high hazard activities such as hot work, to ensure that procedures and controls detailed within the hot work permit are being followed. All monitoring and inspection activities should be documented. If contractors are seen to be not following procedures, this action should be formally recorded, and contractor employees warned of the consequences.

Contractors should be encouraged to report all accidents and near misses to the host manager. Investigation should be undertaken and documented where appropriate.

Establish formal disciplinary procedures, at least consistent with that for your own employees. This should include criteria for when individuals and organisations will be excluded from site. Some companies operate a "3 strikes and you are out" policy to enable them to remove persistent offenders from site.

### Contract Completion

Upon completion of the contract check that the work undertaken has been completed satisfactorily, and that all appropriate documentation and operational procedures have been fully explained, especially if the project involved the installation of equipment.

Where the work involves routine tasks, e.g. maintenance, ensure documentation is provided that supports and clearly describes the work completed, the results witnessed and recommendations made, and is not just an invoice or receipt. These should be reviewed and collated as appropriate.

Review the project to see what lessons could be learnt and improvements that can be made for future work that may be undertaken.

### Checklist

A generic Managing Contractors Checklist is presented in Appendix 1 which can be tailored to your own organisation.

### Additional Information

- [Managing Contractors: A guide for employers \(HSG159\) - Health and Safety Executive](#)



Further risk management information can be obtained from [Aviva Risk Management Solutions](#)

Please Note

This document contains general information and guidance and is not and should not be relied on as specific advice. The document may not cover every risk, exposure or hazard that may arise and Aviva recommend that you obtain specific advice relevant to the circumstances. AVIVA accepts no responsibility or liability towards any person who may rely upon this document.



## Appendix 1 – Managing Contractors Checklist

Location	
Date	
Completed by (name and signature)	

	Contractor Selection and Planning of Work	Y/N	Comments
1.	Is there a formal contract in place for the works, stating the obligations of each party, including health and safety?		
2.	Have all appropriate insurances been reviewed?  If hot work is to be completed, is the limit of public liability insurance adequate for the area they are working on and the possible exposure? Are there any restrictions in their insurance policy on completing hot works?		
3.	Have reasonable checks been completed to ensure that the contractor is competent to undertake the proposed works?		
4.	Have the company's policies and procedures relevant to the works been passed to the contractor, including details of the hot work permit system?		
5.	Have copies of relevant risk assessments and method statements been requested and received from the contractor?		
6.	Has all relevant documentation been reviewed by a competent person?		
7.	Are the contractors' employees suitably trained?		
8.	Has the contractor identified where any sub-contractors will be used?		
9.	Is the contractor undertaking similar checks of any sub-contractors?		
10.	Has the area of the proposed work been inspected, and any hazards considered?		



	Contractor Management on Site	Y/N	Comments
11.	Is a full-time member of staff formally identified as being responsible for the contractor(s) on site?		
12.	Has an induction and site rules leaflet been provided for all those working on site?		
13.	Have all site rules including hazardous work management and permit systems been formally explained?		
14.	Have smoking rules been adequately explained?		
15.	Is the contractors' equipment in a safe condition and fitted with any necessary safety devices?		
16.	Is the contractor able to provide certificates of statutory inspections relating to their equipment?		
17.	Are all power tools and electrical equipment subject to portable appliance testing?		
18.	Have the risks of fire and explosion been properly considered in the risk assessment?		
19.	Where high hazard activities are being undertaken, are the necessary risk assessments and method statements in place, and the appropriate permits to work in use?		
20.	<p>If hot work is to be undertaken, will it be completed in compliance with the <i>Aviva Loss Prevention Standard: Hot Work Operations</i>, to ensure adequate procedures and controls in respect of the hot work tasks, including fire watch arrangements and period of fire watch, clearance from combustible materials, monitoring and supervision of contractors, use of trained fire watch personnel, etc.?</p> <p>Has appropriate training been provided to those individuals responsible for issuing and signing-off hot work permits?</p>		
21.	Has a property/business impact fire risk assessment been undertaken, both for the works and how the works may affect the rest of the site?		
22.	Are contractors aware of the procedures for reporting any near misses, injuries sustained, or damage caused?		

	Contractor Management on Site Contd.	Y/N	Comments
23.	Is the contractor aware of the Joint Code of Practice for the Prevention of Fires on Construction Sites?		
24.	Is the contractor able to contact an appropriate person in the case of emergency?		
25.	Is there a procedure for signing contractors in and out of the premises each day?		
26.	Do those responsible for the contractors monitor what work is being undertaken and where, on a daily/hourly basis (depending on the level of risk)?		
27.	Are those responsible for monitoring the contractors competent to do so?		
28.	Are the contractors maintaining good housekeeping standards and clearing all debris and waste materials as work progresses?		
29.	Are inspections and stop audits undertaken to ensure the contractors are working in a safe and competent manner?		
30.	Is there a planned programme of meetings between the company and the contractor before and during the contract, to ensure that any problems are identified and resolved?		
31.	Where necessary, have security arrangements been modified to accommodate the contractors and their activities/equipment?		
32.	Additional comments:		

