

## Business case for e-permits

The principle benefits of e-permits are: Risk reduction, Management Control and Process efficiency. While they have a social, legal or business impact, the notes below focus specifically on their financial impact.

These notes are intended to assist in the preparation of a financial business case for the purchase of e-permits. They detail how the system can directly reduce costs that are being incurred using a paper-based system and indirectly prevent avoidable expenses from being incurred.

The value of potential savings will vary, should be evaluated by the client and are not guaranteed.

1. Risk reduction		
e-permits reduces the probability of injury to people, damage to property, disruption to business and compromised security. The associated costs can be avoided and your insurance premia can probably be reduced.		
Source of cost	Probability	Saving
<b>Injury to people</b> – Registering RIDDOR incidents, liaising with the HSE and settling claims. Raised Employers and Public liability insurance premia.		
<b>Damage to property</b> – Repairs to damaged building services and building fabric caused by poorly controlled works. Raised Buildings insurance premia.		
<b>Disruption to business</b> – Loss of business attributable to an avoidable event. Damage to your company's reputation.		
<b>Compromised security</b> – Financial impact of a security breach.		
<b>Insurance premia</b> - 5-10% discount on your Employers and Public Liability insurance if you use e-permits.		

2. Management control		
e-permits makes it simpler to prevent:		
Source of cost		Saving
<b>Vendor appraisal</b> – Engaging unapproved contractors.		
<b>Insurance</b> – Engaging contractors without current insurance.		
<b>Compliance</b> – Contractors circumventing the permit system.		
<b>CDM</b> – Selecting contractors with a poor permit record. Project work conflicting with operational systems.		

### 3. Process efficiency

In-house staff and supply chain become more cost effective by reducing time spent:

Source of cost	Frequency	Saving
<b>Making requests</b> – Submitting Risk assessments, Method statements and Permit requests.		
<b>Aborted tasks</b> – Contractors turned away due to unforeseen hazards, conflicting works or lacking competences.		
<b>Checking</b> – Approved contractor, valid insurance, competencies, site H&S inductions, compliance with H&S policy and site rules.		
<b>Progress chasing</b> – Contacting Authorised Persons, informing business users, circulating paperwork, co-ordinating responses, updating contractors.		
<b>Collecting</b> – Waiting for the permit to be written out on the day.		
<b>Reporting</b> – Preparing Desk audits and other management reports.		

<b>Total saving per annum</b>	
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<b>Cost of e-permits per annum</b>	
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<b>Payback period</b>	
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