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HEALTH AND SAFETY COMMISSION

Proposals to replace the Offshore Installations (Safety Case) Regulations 1992

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Cleared by Jonathan Rees, Deputy Director General (Policy) on 11 July 2005

Issue

1. To approve submission to Ministers of the revised draft proposals to replace the Offshore Installations (Safety Case) Regulations 1992 (OSCR).

Timing

2. Routine.

Recommendation

3. That you:
 - Agree the draft proposals are sent to the Minister for signature at Annex A;
 - Agree the draft RIA is sent to the Minister for signature at Annex B;
 - Note the background to the development of the draft regulations at Annex C;
 - Agree the draft submission is sent to the Minister Annex D;
 - Agree the draft letter is sent to the Minister from the Chair of HSC Annex E;
 - Agree to amend the Offshore Installations (Safety Representatives and Safety Committees) Regulations 1989 as discussed in paragraph 7.

Background

4. The Commission agreed the way forward on revising the OSCR on 16 September 2003 (HSC/03/127) and approved the publication of the consultation document on 11 May 2004 (HSC/04/27). The consultation proposals retained the key requirements of the 1992 Regulations, that the duty holder must submit a safety case to HSE and have it accepted before operations can begin.
5. The OSCR have been reviewed, evaluated and amended several times during their lifespan. HSE has done much to streamline the submission and assessment processes, but further improvements required changes to the regulations. Therefore HSC agreed to replace the regulations to get rid of unnecessary bureaucracy, improve and revitalise the safety case process and to introduce a stimulus for continuous improvement. It also allows HSE to switch some resources from safety case assessment to safety case related inspection, which should have increased benefits for safety.

6. The consultation exercise finished on 10 September 2004 after 12 weeks. There were 39 responses representing all sectors of the offshore industry. Overall the responses were positive and supportive of the changes to the regulations. Details of the background to the development of the draft regulations can be found at Annex C.

Argument

7. The CD discussed proposals to increase worker involvement in the safety case process. This included a proposal to amend the Offshore Installations (Safety Representatives and Safety Committees) Regulations 1989 to extend the consultation requirements with workers to revising and reviewing a safety case. There was wide support for these ideas. Therefore we seek the Commission's agreement to propose to amend the Offshore Installations (Safety Representatives and Safety Committees) Regulations 1989 to extend consultation with safety representatives to revising and reviewing a safety case as well as preparing one.
8. These proposals help to take forward the commitment in the Commission's Strategy for 2010 and beyond to "review its safety case regimes to ensure that they remain relevant and proportionate to the changing nature of these industries". It meets with the principles of better regulation and HSC's policy statement on the approach to permissioning regimes.

Consultation

9. The proposals were developed in consultation with all stakeholders. There were many opportunities for stakeholders to offer their views and contribute to the development of the proposals prior and during consultation. Meetings were held with stakeholders after the consultation exercise to discuss the outcome. The Offshore Industry Advisory Committee (OIAC) agreed the proposals on 17 June 2005.

Presentation

10. The draft regulations are well known to the offshore industry. It is a relatively small industry with effective systems in place to communicate key messages to stakeholders. Guidance will be published to support the regulations in good time for stakeholders to adjust to the new arrangements. The new regulations will be launched with a press release. We have also discussed the possibility of holding joint workshops, to explain the new arrangements in more detail, with the UK Offshore Operators Association (UKOOA) and the International Association of Drilling Contractors (IADC), who represent the main duty holders.
11. These proposals are very much in line with HSE's developing Better Regulation Action Plan, both in simplifying regulatory processes and in redirecting resources to front line inspection activity. The worker involvement elements, which link to a wider offshore programme being developed by OIAC, are also in line with HSE's Worker Involvement Programme.

Costs and Benefits

12. The regulatory impact assessment is attached at annex B. It compares the effect over ten years of revoking the present regulations without replacement; leaving them unaltered and making the new proposals. The option to make the new proposals has the greatest net benefit. The benefits are unquantifiable though we know they are positive and in addition there are cost savings of between £9.2 - £55 million.

Financial/Resource Implications for HSE

13. The cost of taking the proposals forward will be met from existing resources. HSE will switch some resources from safety case assessment to safety case related inspection, which should have increased benefits for safety. There will be no increase in inspector numbers therefore no impact on overall resources. The main cost to HSE will be a one-off cost for training and familiarisation on the new requirements, estimated at around £57,000. The proposed change from a 3-year re-submission of the safety case to a 5-year review will be cost neutral. HSE recovers all of its costs associated with the OSCR through a system of charging and will continue to do so after the new regulations have been implemented.

Environmental Implications

14. There are no direct environmental implications. Reducing the risks of major incidents offshore, particularly involving the release of hydrocarbons, should have a positive effect on the environment.

Other Implications

15. None.

Action

16. Agree the recommendations in paragraph 3.