

Background to the development of the draft Offshore Installations (Safety Case) Regulations 2005

1. This annex gives a brief overview of the proposed draft regulations; provides a summary of the key responses made during the consultation exercise and explains what key changes were made to the draft regulations in response to the comments received.

The Offshore Installations (Safety Case) Regulations 1992 have successfully reduced the risks from major accident hazards to the health and safety of the workforce employed on offshore installations or in connected activities. The new draft regulations preserve what has been achieved, but update the requirements in light of experience and changes in the offshore oil and gas industry. They remove excessive bureaucracy and excessive regulatory complexity; introduce a greater stimulus for on-going improvement in safety and speed up the assessment process by shortening the submission times.

Brief summary of the draft regulations

The draft regulations require duty holders to send a design notification to HSE as early as possible when a new offshore production installation is to be established. This notification would replace the present regulation for a design safety case, which has proved to be of limited safety value. Thereafter a safety case must be submitted and accepted by HSE before the installation can be operated. Safety cases are also required for non-production installations.

Safety cases are intended to be living documents, kept up to date and revised during the operational life of the installation. Duty holders must carry out a thorough review of the safety case at least every 5 years or as directed by HSE. The 5-year review would replace the present requirement for resubmission of safety cases every 3 years, which has proved to be costly and of diminishing safety value.

The draft regulations require duty holders to notify HSE of relocations, combined operations and well operations. Notifications do not require HSE acceptance. The requirement to notify combined operations would replace the present requirements for a combined operations safety case, which has proved to be of limited safety value.

The draft regulations introduce a statutory right of appeal to the Secretary of State against an HSE decision not to accept a safety case (and some related matters).

The draft regulations amend the Offshore Installations (Prevention of Fire and Explosion and Emergency Response) Regulations 1995 to ensure recovery and rescue arrangements must always involve persons beyond the installation, as was originally intended.

There are new duties on licensees to ensure that anyone they appoint as an operator is capable and competent to carry out and discharge the relevant legal responsibilities.

The 1992 Regulations require safety cases to include a demonstration that risks of major accidents would be reduced to as low as is reasonably practicable (ALARP). It has been difficult to define how such a demonstration can be made in a document and how it can be tested. The new regulations require instead that the safety case should demonstrate risks are identified and evaluated and, in respect of these risks, the relevant statutory provisions will be complied with. In practice the ALARP standard remains for acceptance except where the law requires a stronger standard.

Consultation

The draft regulations have been developed in close consultation with all offshore stakeholders. The consultation document was published on 18 June 2004 with a deadline of 10 September 2004. There were 39 responses to the consultation document representing all sectors of the offshore industry. The responses were generally positive. Virtually all respondents agreed with the need to retain a safety case by HSE, though in a simpler form. Replacing the 3-yearly resubmission of the safety case with a 5-yearly review was very popular, as was the proposed new right of appeal. There was a strong call for the supporting guidance and assessment procedures to be consistent with the regulations' aim for a more streamlined, risk based approach.

Key changes following consultation

The following lists the key changes made to the draft regulations following the consultation exercise in response to comments received.

- The definition of an “operator” in relation to fixed installations under the 1992 Regulations is potentially inadequate and could allow some duty holders to avoid their responsibilities by delegating them to a contractor. When consulting we provided two revised options for the definition of “operator” in relation to a production installation. There was strong support for the first option. It targets the person with the actual capability either to execute the main functions of a production installation or to manage and control their carrying out by another person. The draft regulations reflect this preference.
- Timescales for submission of safety case revisions for conversion and for dismantling have been reduced.
- The regulation on appeals has been amended to make it clear that only the person directly affected (eg the operator, owner or licensee) can appeal against a decision.
- The regulations 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.
- Requirements for keeping documents have been simplified.

- Further consideration of the transitional provisions revealed difficulties concerning combined operations. Therefore the regulation has been changed to allow duty holders to choose either to continue with the 1992 Regulations in respect of combined operations for 18 months; or to comply with the new regulations within the 18-month period in respect of combined operations.
- A number of definitions such as “production installation” and “well operations” have been clarified. Requirements for notifying well operations have been simplified.
- Further points raised by consultees will be addressed in the supporting guidance.