

Offshore Industry Advisory Committee		OIAC/MIN/1/2013	
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Minutes of the Offshore Industry Advisory Committee Meeting held on 19th March 2013 at Lord Cullen House, Aberdeen

Present:-

Chairman Steve Walker HSE, Secretariat Mike Readitt HSE, Susan Mackenzie HSE, Jim Neilson HSE, Peter Mills HSE, James Munro HSE, Dave Walker HSE, Jennifer Higham HSE (observer), Nick Woollacott DECC, David Balston BROA, Nick Hough IMCA, Neaz Hyder MCA, Pete Thomson MCA, Jake Molloy RMT, Robert Paterson (Oil & Gas UK), Les Linklater Step Change, John Taylor Unite – TGWU, Gavin Sutherland IADC, John Fraser COTA, Phil Ley OCA, Ian Tasker STUC, Graham Duff DNV and Hocine Kennouche ABS

1. Introductions

1.1 The Chairman extended a warm welcome to everyone, particularly David Balston BROA, Nick Hough IMCA and John Fraser COTA who were deputising.

Apologies

1.2 These were received from Adrian Lester BROA, Allan Graveson (Nautilus International), Jane Bugler IMCA, Ian Russell COTA and Paul Wilkins MCA.

Outstanding Actions from previous meetings

1.3 The following Actions were recorded as cleared / still outstanding:-

Action 1 October 12, Ongoing:- Circulate the EU Directive 92/91 review findings report once publically available.

Action 2 October 12, Cleared:- Steve Walker to approach the Maitland Review Steering Group to seek Union views on Workforce engagement.

Action 3 October 12, Ongoing:- Neaz Hyder to outline the overlaps between existing offshore mandatory training and seafarer training certification and watch keeping standards and inform John Taylor (Unite – TGWU).

Actions 4 October 12, Ongoing:- John Taylor to consider the training overlaps identified by the MCA (Action 3 Oct. 12) and raise with OPITO to consider if additional training needs to be added to existing offshore mandatory training.

- Action 5 October 12, Cleared:- Update members on progress with developing the 'Just Culture' 'beliefs and duties' at the March 13 meeting.
- Action 6 October 12, Cleared:- HSE Occupational Health Team to work with Step Change in promoting the risks associated with noise and hand arm vibration.
- Action 7 October 12, Ongoing:- MCA to establish all the potential issues surrounding regulatory responsibility and legislative jurisdiction that will arise from the introduction of the Maritime Labour Convention and work with HSE's Operational Policy Team to address them and update the HSE / MCA Memorandum of Understanding (MoU).
- Action 8 October 12, Cleared:- Oil & Gas UK to update members on preparations with the Piper Alpha 25yr Anniversary event.
- Action 9 October 12, Cleared:- Circulate the OIAC publications for members to review.
- Action 10 October 12, Cleared:- OIAC members to review the OIAC publications and provide feedback at the March 2013 meeting.

Minutes from the meeting held on 11th October 2012

- 1.5 These had been cleared by correspondence and placed on the OIAC web site.

2. Policy Update

- 2.1 Jim Neilson provided members with an update on the current policy topics, these included:-

Application outside Great Britain Order (AOGBO) 2013

- 2.2 The Order is currently successfully navigating the Parliamentary process and will come into force on 6th April 2013.

EU Offshore Directive

- 2.3 The Directive has recently received political agreement from the Presidency and EU Council and will be put to the EU Parliament in May 2013 and is expected to be published during the summer 2013. The UK (Health and Safety Executive (HSE), Dept. of Energy & Climate Change (DECC) and Maritime and Coastguard Agency (MCA) will have until the summer 2015 to transpose the Directive. HSE has already held an implementation project meeting with DECC, and agreed which Articles DECC, HSE and MCA will 'lead' on and which will be jointly progressed. A joint implementation Project Plan is being developed.

- 2.4 The next step will be for Lawyers to review the Directive Articles and consider if they are addressed currently by UK legislation. This advice will allow implementation policy options to be developed, including which UK offshore regulations need to be changed to implement the Directive. A public consultation on implementation of the Directive is likely to take place during the summer 2014.

Maitland Review

- 2.5 It was reported the Government in Dec. 2012 had published its response to the review. Many of the recommendations have been accepted in full and others partially accepted. As a result there will be closer working between HSE, DECC and industry to ensure the UK's oil and gas industry is underpinned by a continuously improving and fit for purpose regulatory regime that rigorously upholds safety and environmental protection. It was noted that the recommendation on the Maitland Group concerning closer integration / coordination of DECC and HSE regulatory work would eventually be overtaken by the competent authority requirements in the European Directive on offshore oil and gas operations.

Shale gas

- 2.6 On 13th Dec. 2012 the DECC Secretary of State announced 'fracking' for shale gas could re-commence in 2013 subject to new controls to mitigate seismic risk. A new Office of Unconventional Gas and Oil (led by DECC) was also created. This Office will co-ordinate Government effort where necessary. HSE and the Environment Agency (EA) have recently published a Memorandum of Understanding (MoU) covering the regulation of unconventional oil and gas developments.
- 2.7 In addition, the United Kingdom Onshore Operators Group (UKOOG), the representative body for UK onshore oil and gas companies have produced and published industry guidance on best practice for shale well operations in the UK.
- 2.8 The European Commission had also initiated research and a survey into shale gas activities and operations. The results from this may have an impact on Directive 92/91 EEC concerning the minimum requirements for improving the safety and health protection of workers in the mineral extracting industries through drilling.

3. Piper Alpha 25yr Anniversary Event (18th – 20th June 13, Aberdeen Exhibition and Conference Centre)

- 3.1 Robert Paterson informed members planning arrangements for the event was progressing well. A number of prominent speakers including Judith Hackitt (HSE Chair) and Bob Fryar (BP Executive Vice President) had confirmed their attendance, with the keynote speaker being Lord Cullen. A workforce involvement day is being jointly organised by the OIAC Workforce Involvement Group (WIG) and Step Change Workforce Engagement Group (WEG) on 19th June and is expected to attract over 500 delegates. The conference aims for the oil and gas industry to consider the lessons learned from the Piper Alpha tragedy and review how far offshore safety has evolved and to strengthen industry commitment to continuous improvement.

4. Workforce Involvement Group (WIG) Update

- 4.1 The Chairman introduced Dave Walker who had recently become Chairman of WIG, taking over from Fraser Easton. Members recorded their appreciation and acknowledged Fraser's dedication and determination in driving forward greater workforce engagement over the last few years. The progress and key work themes being taken forward by WIG are summarised below:-

Further training for safety representatives

- 4.2 Three training modules covering major accident hazards, risk analysis and root cause analysis had recently been undertaken during February 2013. Initial evaluation completed by representatives from OPITO, HSE, BP, Step Change Total, Transocean, Nexen and Talisman had found the modules to be of a high standard and well received. The next step will be make any adjustments to the modules from the feedback and submit final versions to OPITO's global standards approvals authority. Fully approved versions of the modules are expected to be available in the summer 2013. WIG will take this forward as part of their work plan for 2013 / 14, including consideration of OIAC members views who thought comparable training modules may be of benefit to Safety Managers and OIMs.

'Just Culture'

- 4.3 WIG had been working closely with Step Change in developing industry wide 'best practice' guidance that would identify key principles in addressing intimidation and bullying, this was outlined in Annex 2 of the WIG paper. Discussion within the meeting showed the development and introduction of any new guidelines would prove challenging. It was agreed that WIG and Step Change would continue to progress the development of industry wide 'just culture' guidance by looking at processes adopted by those companies who had a positive approach to incident reporting and investigation and develop the lessons learned to inform the production of the generic guidance.

Action 1 March 2013:-

WIG and Step Change to continue developing the 'just culture; guidance and provide a progress report at the Oct. 2013 meeting.

- 4.4 OIAC members acknowledged the WIG activities and initiatives over the last 12 months and supported the continuing development of the Safety Representative further training and progression of developing the 'just culture' guidelines. In discussions about future WIG workforce involvement events, the Chair stressed that joint WIG and Step Change Workforce Engagement Group (WEG) events should become the norm, building on any lessons learned from the Piper 25 day, this was agreed. The paper's other recommendations were unopposed.

5. Creation of a new HSE Energy Division

- 5.1 The Chairman introduced Susan Mackenzie who will Head the new Energy Division with effect from 1st April 2013. The Chairman explained HSE had taken an important decision to create an Energy Division within its Hazardous Installations Directorate, to help it take account of the changing UK energy landscape. The creation of the new Division would make best use and focus expert resource to effectively regulate not only the offshore oil and gas industry, but also offshore renewable energies, carbon capture and storage and onshore unconventional gas operations which were becoming part of the UK's wider energy industry. The new Division would incorporate HSE's Offshore Division, Gas and Pipelines Unit and the Mines Inspectorate and bring together senior managers and staff with the expertise, knowledge and skills to effectively regulate these industries.
- 5.2 The Trade Unions raised their concerns on the re-organisation, believing the relocation of Offshore Division into the Energy Division would dilute the existing robust regulatory regime. Oil & Gas UK also had similar concerns. Coupled with this the Unions were disappointed HSE had just informed them of the change and not consulted, and believed the changes would not benefit or maintain the health and safety of the offshore workers they represented.
- 5.3 HSE recognised the communication of the change could have been better handled. Re-assurances were given that HSE would not allow safety offshore to be compromised by internal restructuring and that from an outside perspective it would be business as usual. It was stated that Offshore Division would continue to robustly focus its attention on offshore operations and that bringing in additional resources to the new Division will better equip HSE to regulate offshore oil and gas activities, as well as renewables and unconventional gas operations.

6. Future Challenges for the offshore industry and HSE

- 6.1 In October 2012 Offshore Division published its 'Offshore oil and gas strategy for 2012 – 2015' following consultation with industry. This agenda item was to seek member's views on the challenges and priorities they saw for the industry and HSE over the coming 5 years and consider if the strategy had the correct focus.
- 6.2 James Munro provided members with a summary of the sector strategy. This was followed by presentations from the International Marine Contractors Association (IMCA), Oil & Gas UK, International Association of Drilling Contractors (IADC) and Unite.
- 6.3 The main themes arising from the presentations were issues surrounding an ageing workforce and installations and maintaining competency. Other challenges were seen as making the North Sea an attractive place to work, addressing regulatory uncertainty (forthcoming EU Offshore Directive and Shipping Regs.), continuing with workforce involvement and having a resourced and competent regulator.
- 6.4 In summary the Chairman considered that the strategy was correctly focused and the key areas for OSD would centre around effectively managing new duty holders operating on the UKCS, decommissioning, ageing assets, competency, setting and maintaining high standards and greater consideration to international practices.

7. Operational Issues

7.1 Peter Mills provided a comprehensive overview that covered the following topics:-

Interim Accident statistics report

7.2 The statistics provided a summary of the fatal and major injuries, over three-day / over 7 day injuries, dangerous occurrences and hydrocarbon release figures over the last year. Peter reminded OIAC that as of 6th April 2012 the RIDDOR over 3 day reporting requirement had changed to being over 7 days (not counting the day of the accident). He also highlighted that the preliminary number of Hydrocarbon releases at the end of February was 72, which was within the industry target for a 50% reduction over the 3 year period ending March 2013.

Enforcement Activity

7.3 Statistics showed there had been a noticeable reduction in the number of offshore Improvement Notices issued in 2012/13 (a total of 12 notices), compared to the 30 notices issued during 2011/12. There was no obvious explanation for this, apart from the significant diversion of inspector resources into the 'Total Elgin' hydrocarbon release response during the early part of the year and the subsequent continuing investigation.

Total Elgin Update

7.4 The HSE investigation of this major incident remains ongoing. On 6th March 2013 HSE accepted Total's revised safety case, and production re-commenced three days later.

Eurocopter (Ditching of G-REDW & G-CHCN)

7.5 An overview of the two incidents in May and October 2012 respectively was provided. Both helicopters were found to have a crack around the main rotor shaft around the shaft weld connection. The root cause of the incidents is still to be determined although contributing factors are known. All EC225 helicopters still remain grounded which continues to cause disruption in getting the workforce to and from their place of work.

8. Review of OIAC Publications

8.1 Prior to the meeting members were given the opportunity to review three existing publications 'Multi-skilling in the Petroleum Industry', 'The Safe Isolation of Plant and Equipment' and the 'Report and conclusions of a survey of safety training for technicians working in hazardous areas'. The objective of this exercise was to consider if the documents are fit for purpose or in need of review.

8.2 A brief summary of the comments provided by members had been collated and circulated prior to the meeting. The Chairman informed members that in relation to 'Multi-skilling in the Petroleum Industry' there was no evidence of any push to have the document reviewed. In respect of 'The Safe Isolation of Plant and Equipment' this document now applies to both the upstream and down stream sectors, and

11. Any other business

Date of the next OIAC Meeting

- 11.1 Members were informed the next meeting will be held on 8th October 2013 at Lord Cullen House, Aberdeen.

KP 4 – Aging and Life Extension Inspection Programme

- 11.2 It was proposed an update covering KP4 progress would be scheduled for the October 2013 meeting.

Matters arising from the ‘Marine transfer of personnel group’

- 11.3 The Trade Unions highlighted that, arising from the Step Change ‘Marine transfer of personnel group’ held on 7th March 13, there had been two issues raised for the regulator to address. Firstly, HSE had been asked to clarify the wording ‘exceptional circumstances’ in relation to personnel transfer by sea and MCA to clarify the position of having a Doctor on board during certain voyages.
- 11.4 HSE confirmed that it was already in discussion with the Step Change group on this issue, and had now provided advice about when non-man riding cranes could be used for marine transfer in ‘exceptional circumstances’. This term is much narrower than the Step Change group had originally understood. There was however a feeling that cranes used for marine transfer should be certified for ‘man-riding’ activity.
- 11.5 The MCA also confirmed that they had previously provided advice relating to on board medical care in relation to the need for carrying a doctor on board. Summarising the medical care requirements for UK ships where there is no requirement to have a medical doctor on board; guidance on training and certificates of competency is contained in MCA Marine Guidance Note MGN 96 with the certificate of "Proficiency in Medical Care". This covers more than First Aid training. It includes training for obtaining medical advice by radio. All candidates for master and chief mate certification under STCW Reg II/2, and any person designated to take charge of medical care on board ship, must in addition to the above medical first aid training, have successfully completed an MCA approved medical care training programme meeting the standards laid down in STCW Code A-VI/4-2 within the preceding 5 years. These requirements cover the Maritime Labour Convention (MLC) 2006 Regulation 4.1 and standard A4.1.4(c) as regards medical care without a medical doctor on board.

Retirement

- 11.6 The Chairman announced that Phil Ley who had continually represented the Offshore Contractors Association at OIAC for 17 years will retire later this year. The Chairman thanked Phil for his commitment, dedication, resolve and contributions in taking forward OIAC initiatives to improve health and safety in the offshore sector.