

MH Conference storyboard

(including extracts from the speakers' presentations and workshop feedback)



JUDITH HACKITT – CONFERENCE CHAIR and Chair of HSE

A warm welcome to everyone to a unique event convened by HSE as the regulator of most of the industries present here today, and involving all major hazards and key stakeholders with the purpose of sharing good practice and learning across the whole major hazard sector.

Jim Ratcliffe is unavailable to speak this morning, but I am delighted to say that we have in our contingency plan been able to secure Jeremy Bending from National Grid. Likewise for very similar reasons Secretary of State John Hutton is in Scotland today and will therefore be replaced by Malcolm Wicks, the Energy Minister. So those are the two changes to the programme.

As many of you in the room will know, I come to this position having spent many years myself working in industry and have now for the past six months had the privilege of being able to see industry through a different lens, and it is clear to me that there are a number of key lessons that can be learned from an important event like today, and that really is what today is all about – learning lessons.

First of all I think safety, and especially process safety, is something that we must all remember can never be fixed completely and is never something that we can walk away from thinking that the job is done, and fixed, and we can move on to other things.

Secondly, process automation and management systems have, over the years, brought significant benefits to industry, but they can also perhaps create a false sense of security.

Higher up the management tree, measures of performance can also create a false sense of security. An absence of incidents and injuries is of course good news. It is a useful measure, but as a measure it is limited in what it tells you. Is it really enough to give you the assurance you need at board level of what may or may not be about to happen?

Thirdly, the challenges that you all face in managing major hazard facilities are neither new nor are they unique. Many of the failures which have led to serious incidents in all of your sectors are repeats of similar failures of other incidents in the past.

I am also struck by the similarity of the challenges faced by you in all of your different sectors. There are increasingly ageing facilities in all sectors, some well beyond their originally expected operating life. Skills shortages is also a problem that is shared in many of your sectors. You all face cost and production pressures, the pressures of balancing varied and often conflicting priorities, and there has been a huge change in ownership and change in people throughout the sectors.

It is common for leaders to think that they need to have all the answers, or at least that they have to find the solutions for themselves, but what we are here for today is to explore a very different type of leadership, one where we share knowledge not only of solutions, but also of problems and the challenges that are being faced.

I have a great deal of confidence, having met many of you, that two things are possible here today. One is that someone else in this room may well be struggling with a similar challenge and you can compare notes. Even better, someone else in this room may already have struggled with the same problem that you are struggling with and may already have found a solution that they are willing to share with you.



So my plea is that we all make the most of this truly unique opportunity ahead of us, we need open and honest dialogue and we need to take this forward as real and lasting cross-sector networking and a willingness to share, to learn and to embed those improvements for the long term.

GEOFFREY PODGER – Chief Executive, HSE



We very much hope this will be a day for everyone to make new contacts, to exchange experiences with others, to have renewed energy to actually make a difference to process safety management and leadership issues within your own companies, and to very much want to learn from other people's mistakes, and not to wait for them to happen to you. There have been too many serious incidents in recent years. Thankfully very few of them have actually had a direct effect on human life in this country, but I think we do have to challenge whether that is not more a matter of good fortune than good management.

This conference is aimed at trying to restate the need for directors and chief executives of major hazard companies to strengthen their process safety leadership and strategic direction, and to make it part and parcel of key decisions.

We quite deliberately open the conference by setting out what we regard as the seven key elements for a high performing business, and start very appropriately, with leadership. I think the only sensible model of leadership for us all to adopt, and I include myself in that, is one where one constantly tries to monitor one's own progress, to learn from others and to actually improve and develop.

In the Major Hazard sector that really leads into the issues of process safety management taking place at all business levels, because it isn't something which can simply be left to individual sites to do. It actually requires clear accountability at all levels, is a company board issue, and it needs effective measurement systems, including indicators of process safety performance.

So it is necessary, as part of the management of the operation, to actually pose questions such as what are your key business risks?, and do your board members take the same view as your frontline managers and your plant operators? A key business risk is clearly that of having a serious accident or incident. It is bad enough if it affects purely people on site: it is quite catastrophic if it goes beyond that.

And there is a key role for those of us who have been appointed leaders: we have to be seen to walk the talk, and we actually have to be the one to convey that it really matters. If you want to know what is going on in your own organisation then you have to do exactly what I have to do, as we all have to do, which is we actually have to get out on the ground, and talk to people. Most importantly we actually have to listen. We actually have to create an atmosphere in which people will actually tell us the truth, feel able to do so, and to tell us their concerns. We then have a basis for doing what is one of our responsibilities, which is to challenge within the organisation whether actually we are doing enough in particular areas, and I think that is very true for health and safety as it is for other things.

Specifically in major hazards terms we very much stress, as our second point, the need to develop and concentrate on key process safety performance indicators, and we have provided you with a high level explanation of these in the pre-conference material. That refers to what is an excellent publication, the joint HSE-CIA document – HSG 254 – which we very much recommend, because where companies have used it they have found it very useful in focusing their management activities.

Thirdly, we have the need for real and dynamic risk assessment in order to be sure that the staff understand the link between hazards and the risks they create, and the control measures that are in place to control them.

Fourthly, we come to robust management of change approaches that capture real time plant and operational issues, so that today's plant and procedures are properly understood by those who need to know it.

The fifth point is sustainability. There has to be an emphasis on long term performance so that investment and maintenance decisions, in particular, are focused on the longer term, whilst obviously also maintaining a responsible customer approach to any activities that are contracted out.

We find a loss of intelligent customer inside the business, an over-reliance on others outside of your business for assurance work on safety critical functions and knowledge. So there is a need, as our sixth point, for well trained and competent staff at all levels in the organisation and in sufficient numbers to address steady state operations, periods of change and emergency situations. There also has to be an infrastructure to ensure sustained competency.

And finally you, like us, need to be a learning organisation that not only values and encourages learning from its own experiences but looks beyond its sector for lessons, and avoids complacency.

So those are the seven indicators we have put forward for a high performing business, and the key to much of it is leadership and people issues. What we want to do at HSE, as the regulator, is to work with you to enable you to be successful and to build your business with safety and sustainability in mind as a high performing business. If we can do that then we should all help to improve your health and safety outcomes and to build a sustainable future for you, for the staff and for future generations.



It seems to me very clear that learning from each other, as well as learning from incidents, is the way that we can best protect people for the future.



STEVE FLYNN – Vice President for Health, Safety, Security and Environment, BP Group

My role in BP includes support to our executive management on matters of health, safety, security and environment, and since 2005 I have been involved in the strategic response to the process safety events that occurred during that year.

Process safety is right at the heart of that agenda and it is certainly at the heart of the agenda of our senior executive management.

In any discussion on process safety it is impossible not to talk about the Texas City incident: the fire and explosion of March 2005 which certainly had a pivotal role in BP. Beyond the human impact has been the business impact from regulatory and legal action, equipment damage, business interruption and reputation. We have been as open as we can about this and as open about our learning as we can. Our interim report was issued and made public within two months, the final report before the end of that year. In December 2005 BP appointed an independent panel of safety experts, headed by former US Secretary of State, James Baker, to assess safety management systems at BP's five US refineries and the company's corporate safety culture. Their report, issued in January 2007, challenged BP to become industry leaders in process safety, and advised that our changes should be led from the top. It was a very hard hitting report, but BP is committed to implementing the learning from it, and our CEO, Tony Hayward, summed it up best when he described the Baker Panel report as a gift.

Tony Hayward chairs what we call our Operations Risk Committee and its remit includes oversight of process safety. They review performance, risks, delivery of safety-related programmes, management systems, and also the response to the independent panel's recommendations.

Leading and lagging indicators for process safety are included in reports that reach executive management, and we have also worked with the industry to try to develop consensus measures that can be used by industry. At the end of the day you can only have so many core indicators for what are very diverse operations and activities, and it is so much better if the site is measuring leading indicators that are important for their operation. We strongly embrace that approach.

But of course the role of leadership has to be backed up by actions that set the tone at the top. For example our CEO, shortly after he was announced and appointed, visited all of our North American refineries.

If you have a hazard then you need barriers (layers of protection). The first one is the plant, the hardware, and it is a very reliable barrier so long as you look after it. The next layer is around management processes that make sure the first barrier is in good shape. The final barrier is people, the capabilities, and the culture that makes sure the other two work. So the first two are perhaps more reliable than the final one, so you have to remember that it all depends on people.



Beyond the immediate actions addressing Texas City, the risk-based focus has been on risk reduction action. So for example the removal of temporary accommodation and blow down stacks of the type at Texas City, were an urgent action for us. Standards for integrity management, things like permits and risk assessment, are the next big area for effort. Since 2005 we have built a significant audit team that reports in and has visibility at the executive level. Our executives recognise that it is not just about systems and procedures, so at the end of the day that needs to be underpinned by real capability and the supportive culture that is needed. And again there has been leadership from the top there, and we set up an Operations Academy to train our leaders and our plant managers in process safety and operations management.

Process safety management takes place at all business levels and if it is an issue that is significant enough to threaten sustainability of a business then it needs visibility at the top, and it has that in BP.

JEREMY BENDING – Director, Network Strategy, National Grid



I have spent more than 30 years in the gas industry, responsible for major accident hazard sites, and trying to avoid major incidents, so it is a subject that I am very passionate about.

The board have been very exercised about the issue of process safety, and really wanted to understand better what were our risks, because the Baker Report pitches responsibility correctly at the board.

So what have we done? We have spent on the leadership front a lot of time working with the company's leadership to help directors and senior managers demonstrate their interest and commitment to this important subject of process safety. We have reviewed our risks, and making sure that we have similar asset management approaches in managing those risks. We have also done some work with KPIs and aggregation to give a line of sight to the board, which is something we didn't have in the past.

One of the things that we found important is the outputs from a safety culture survey which we copied from the Baker Report to actually understand employee views. People on the ground are a huge source of input, and the board were absolutely specific that we must get out there and find out what is happening on the ground and what people think. The survey of 2000 staff has itself actually raised huge awareness of the subject of process safety.

We have developed a process safety commitment based statement to put process safety up there with the same priority as occupational safety and the environment.

We have put our directors and senior managers through a process safety awareness session. We found that there was a lot of misconception about what process safety meant.

The board were particularly keen to see some traffic light system, some high level measure coming to them on a regular basis whereby they could get some confidence that process safety was being managed satisfactorily across the business. In terms of developing measures, we have used the HSG 254 document as the basis for developing our KPIs.



So our role in terms of measuring and preventing incidents is to ensure that the key controls are in place and as many of them are working as effectively as possible.

One thing that we would advise is don't jump into action. This is a long journey, an ongoing journey, it never ends, so step back and think about things, assess things, and get the feedback from your frontline. You have to be big enough to actually listen. If you are not actually getting any issues coming to your board or to your exec meeting, start to worry, because running these types of installations there is always some bad news.

People who work in the major hazard sector, where you have got low frequency but high consequence failure mechanisms, get immune to the risk. And we have to help our staff to step back from that, to think about the broader risks and to try and understand and keep focused on managing those key risks.

What we are not good at is ensuring that we actually deliver the actions we have set out, and we are having to put in place rigour around making sure that when we say we are going to fix something it does get fixed.

In National Grid we have management processes in place, but they focus perhaps too much on occupational safety. We have managed to engage directors, senior managers and the board to get involved. We are actually now engaging the rest of the business and the input from the people on the ground is absolutely key. We have had some issues around trying to get the KPIs understood at board level.

Finally I would say that this should be an ongoing journey, it needs to maintain continual focus and avoid complacency.

BILL COLEY – Chief Executive, British Energy Group plc

I am delighted to be here with you today, and pleased to have the opportunity to speak with you about how executives and board members can affect safety and performance. You can lead a company along a path towards excellence, but it is something that requires constant focus and attention.

You may think that my business is very different from yours, and that it requires a different focus on health and safety culture and in operational excellence. But I will tell you that it does not, and not doing so puts your business at risk.



Reality really struck home in the nuclear business in the US with the event at the Three Mile Island nuclear station. In that event there was no loss of life, there was no over-exposure in radiation to the public, but there was real and substantial economic risk to the owner of that facility. It was devastating, and that accident was fully avoidable.

Following the TMI accident there was a realisation in the nuclear industry that we were all captive of each other, and if one of us had an accident everyone experienced the effects. We agreed that we needed to take action, that we needed to learn from each other and that CEOs must be intimately involved in supporting, and most importantly leading, a culture of operational excellence in safety in their companies.

That caused us to create an institution in the US – the Institute of Nuclear Power Operations (INPO). The purpose of that organisation is to foster excellence and safety of nuclear facilities within the US. We do that by sharing information on operating experience. We carry out peer reviews of each other. We accredit training programmes for our people to make sure that we have suitably qualified and experienced staff, and there is a considerable amount of CEO peer pressure. I can tell you that if the CEO of an INPO member in the US fails to show up for the CEO annual meeting, or is not sharing information, or is not personally involved in safety in their utility, they will receive a call, but more often than not a visit from fellow CEOs to remind them of their obligation and to remind them that they are putting us all at risk if they are not fully engaged in their company.

The impact of INPO on the industry in the US has been monumental, and their record of operational excellence in nuclear units and safety across the US is at best ever levels today.

There was a second event that really reshaped the rest of the world in the nuclear business, and that was the event at Chernobyl. If there had existed the proper safety and operating culture in that utility, and the same focus on safety and operational excellence as we have in our plants today, Chernobyl might well be operating today and that accident never happened.

If you take a look at British Energy today, the focus on safety permeates our entire organisation. Every meeting from board meetings to meetings of staff across the company, begins with a focus on one aspect: safety. Our staff are keenly aware of keeping safety uppermost in all of their work.

It is the people who will ultimately take the company on a path of a continuing quest for excellence, and they can and will do that if management creates the right environment in which that can be accomplished.

We all want employees to be able to feel free to raise a concern about safety or to present any idea on how we can improve safety and operational excellence. We want them to be comfortable in communicating that directly through any levels of management.

Ultimately your companies' success and their quest for excellence in safety and health will be governed by your leadership: what you in this room do, how you do it, and what you say and how you say it. I know that I am responsible for safety in my company and I am responsible for how well we manage risks. I am responsible for striving towards ever increasing targets in our performance, and that is in addition to all the other expectations that I have of my board and my shareholders.

Good safety performance and good business performance go hand in hand.

Leadership truly deals less with words and more with actions to encourage excellence in our operations. So let me speak on some things that within our company I do, and some things that I do not do:

- I never call a nuclear station and ask the station manager when a unit will be returned to service.
- I don't stress financial objectives without balancing against safety objectives.
- I do not question the conservative decision making of my staff.

So those are some things that I personally do not do, because I think if I would communicate the wrong messages about expectations.

Now here are some things that I do in quest of excellence in operations:

- I try to personally recognise outstanding performance and excellence.
- I expect all of my people to be accountable for their actions.
- I give managers freedom of action to do the job the best way they see fit.
- I seek to advance the proven performers and perhaps the silent leaders, because those are the role models we need to encourage.
- I try to promote staff involvement in industry organisations in which we share information together, and I think it is really important to have a meeting like this today, because we get to share on a much broader basis and to learn from each other.
- I try to provide the investment my staff need to put assets in good order.
- I stress teamwork and cooperation and I relish and encourage a very healthy attitude of challenge and debate.
- Finally I seek to foster a relationship with all of my regulators that is open, that is timely, and that will maximise that collective responsibility that both we and our regulators have towards health and safety, and environmental excellence.

You are responsible for the health and safety of your staff and the public. You must be engaged in leading and creating a culture that is constantly raising the bar towards operational excellence.

In the lobby of the INPO offices in Atlanta Georgia there is a marble sculpture, it is rather large and is the unfinished word 'excellence'. That communicates what I think is a very important message for all of us: the journey to excellence in health and safety is never complete. That has been accepted



by our industry and I question, should it be any different from your vision?

MALCOLM WICKS – Minister for Energy, BERR



I would like to start by thanking HSE not just for organising this conference, which has clearly attracted so many of the key players, but also for your work with high hazard industries to maintain some of the most effective and proportionate regulatory regimes in the world.

Together your businesses contribute billions of pounds to our economy in generating investment and innovation that helps our economy prosper, and providing, of course, hundreds of thousands of jobs.

Businesses like yours can help our society prosper in the decades ahead. But, as you know, your ability to do so, in effect your licence to operate, depends on public trust: the belief that you and your company will work safely.

We know the effect that just one major incident can have. It may be ruinous in productivity, disastrous in its effect on prosperity, and calamitous if it hits crucial national infrastructure. Worst of all it may cause many deaths, or serious injuries. One major incident can in minutes destroy a good safety record and damage a business's reputation.

So today I want to emphasise the essential role that you, as business leaders, must play in building a strong robust safety culture at every level of your organisation to protect the public, to protect your workers, to protect the environment, and, of course, to ensure continuing commercial success.

Together we have already developed some of the world's leading regulatory systems that demand the highest standards of operational behaviour possible. These systems are built on the premise that you – the people who deal with these risks every day – are best placed to manage them.

All of the incidents mentioned today, including Piper Alpha, Texas City and Buncefield, could have been prevented. The lessons to be learnt from them are not new. Neither are they solely lessons for industry.

Ultimately every organisation's culture is defined, as we have heard, by its leaders. The 7 key elements of leadership identified by HSE, and discussed here today, are essential to any high performing organisation that wants to succeed and win in today's fast-paced economy.

Nowhere is this more true than in your industry, where the need to maintain and strengthen a positive safety culture is essential to any business's continuing success. This is about far more, as we have heard, than filing in forms, ticking boxes, or recording statistics. Your employees look to you to set the tone, and to stand as an example for safety management in your organisation.

In everything you say and do, your employees want to see and hear the proof that safety is indeed a priority in an open no-blame culture where positive behaviours are recognised, and where managers are listened to and value input from workers when they question the effectiveness of existing procedures or equipment.

From KPIs to early warning systems, process safety management must be at the top of the Board's agenda. Every level and area of the organisation must be accountable and committed to understanding and managing risks and meeting the highest possible standards of design, construction, operation, and of course maintenance.



None of this of course is easy, it requires a skilled and capable workforce.

I know that much work is already taking place across the major hazards sector. The Oil and Gas UK's "Step Change in Safety" programme aims to make the UK the safest place to work in the oil and gas industry by 2010. Responsible Care represents the chemical industry's commitment to continuously improve its health, safety and environmental performance. And across both the UK and international nuclear industries, operators are sharing knowledge, experience and feedback to ensure safety.

The hard lessons of Piper Alpha, Texas City, Buncefield, and other incidents, show that more can and must always be done. Government, regulators, trades unions and trade bodies, stand ready to work with you to ensure compliance and beyond with the highest standards of safety possible. And together I believe that we can help deliver a safe and indeed prosperous future for your companies and the British people.

PRESS BRIEFING - JUDITH HACKITT and BILL COLEY



JUDITH HACKITT

There aren't many regulators, or indeed other bodies, who have brought about such a gathering of a broad group of people from industry to share good practice and to learn from one another. And if we can initiate that process today and start that moving forward then that for us will be a major initiative launch in the right direction.

BILL COLEY

This is a great act of leadership on the part of HSE to foster this kind of dialogue to help others, and share ideas and experiences about how we can perform even better in health and safety. For those of us participating, it is a meaningful conference.

TIME FOR REFLECTIVE DISCUSSIONS AND CROSS-SECTOR LEARNING



JAMES PURNELL – Secretary of State for Work and Pensions



I am just a few months into this job but I was very, very keen to come and give this, my first major speech on health and safety, because I do believe that the subject is absolutely vital to the work of my department. There is nothing more important to work than people being safe, their health and indeed their wellbeing. The issue of health and safety is right at the core of what I am trying to do with the department and what Ministers have been doing over the last few years.

We meet of course the day after International Workers' Memorial Day, where people came together to commemorate those who have been killed, disabled or injured at work. I think the key thing we are doing today is committing ourselves to doing everything that we can, year after year, to make sure that there are fewer people to remember, fewer people who have been injured, fewer people who have been killed at work.

The key point of today's conference is leadership, and high standards depend on leadership.

I know that you have been reminded this morning of incidents such as Piper Alpha, the BP Texas Refinery explosion, and the tragedy of Bhopal. I am sure that you didn't need reminding of those events, but by considering the potentially disastrous consequences when things do go wrong in the major hazards industry, we remind ourselves of the importance of preventing that in the future.

We have today a unique opportunity to do that, and to do that by working in partnership – regulators and the regulated, employers and trade unions: all sides of the industry working together.

I know that what might be described as the traditional accident rates in your industries are well below the wider industry average, and I commend you heartily for that. However, I think you have also been discussing this morning how that in itself is not a reliable indicator of the management and control of major

hazards. So though it is important not to overlook the traditional or usual risks, process safety will always be a critical issue for you.

So today I wish to endorse entirely the way that the HSE is recommending that your organisations focus on process safety leadership to prevent major incidents. I was very impressed by the work that the HSE has done in this area, and in particular the 7 elements that they have produced about us working together to produce the desired end, which after all is a vibrant safety culture, not one where this is something people think they have to do, but one where it is something they feel is important and right at the heart of what they are doing every day.

I was very encouraged to read that the nuclear industry and regulators have signed a regulatory nuclear interface protocol, which is even more important at a time when nuclear energy is rising up the agenda. Clearly, maintaining the confidence that the public has in the way that you are ensuring its safety is absolutely vital and absolutely the right thing to do.

I am also pleased to hear that representatives of the key major hazards sector trade associations have signalled today their commitment to improving the means of learning from each other. This initiative between the nuclear, oil, gas and petrochemical industries is one example of the wider learning that should follow from today.

However I think that the effect of today won't be measured in the decisions that we take today. The real test will be how those decisions and those actions are embedded across the whole of your industries and deeply into all of your industries. I know that the HSE will be following up the discussion that takes place here so that lasting concrete improvements can be made to the way that you all work, and I look forward to seeing the difference that these improvements can make.

I think we all know that the means are attainable, and we all know the importance of the end point. A conference like today is absolutely key to bringing those two together, to making sure that we affirm to ourselves the importance of the work that we do, and that we recommit to making sure that we do everything we can to reduce the number of people who ever have to be commemorated in the future, because the work that we do together is vital to making sure that that number keeps on falling.



WORKSHOP SESSIONS



Workshop 1 – Process Safety Leadership – led by the Buncefield Process Safety Leadership Group.

Workshop 2 – Leading and learning, and building on experiences from peer review – led by Dave Mason – Director of Environment, Health, Safety and Quality for Sellafield Ltd.

Workshop 3 – Leadership and the ‘Stepchange’ initiative in the offshore industry – led by Bob Keiller, Chief Executive Officer, Production Services Network.

Workshop 4 – Equipping independent directors for their task in major hazards organisations – led by Ian Harley, Deputy Chairman, British Energy Group plc.

Report back from WORKSHOP 1 – Peter Baker (HSE Head of Chemical Industries Division)



Everyone recognised that process safety leadership is an issue. But there was a certain amount of discomfort and frustration about the need for there to be a lot more clarity as to what this really does mean as a frontline issue and also for leaders. A lot of misunderstandings about exactly what process safety means for example.

Key performance indicators were also seen as a key tool: one member of the group described it as providing the glue to bind industry's and indeed regulators' understanding of what performance looked like.

KPIs provide a vehicle for really crystallising out at the site specific or business level what the key issues are, and making them common currency across the way in which the business is managed and led.

Finally we need to find a way to share all the good practice. There is a real appetite among the groups for a follow-up event to follow-up and unpack in more detail the issues that came out today, and the Buncefield Process Safety Leadership Group would probably provide a vehicle to help to facilitate that. Maybe there is a need for a forum of CEOs and leaders within the process safety industry to share their experiences of leading in this particular environment.

Report back from WORKSHOP 2 – Kevin Myers (HSE Director of Hazardous Installations Directorate)

Strong support for a robust, real but practical peer review process, both within and across major hazard sectors. There are clearly some barriers to this in terms of commercial aspects, quality aspects and general nervousness. However, at the end of the day it has got to be practical, it has got to be real and it has got to be robust.



The second area was about leaders' commitment to learn from each other's experience and their organisations. If you don't have that commitment at the top of this sort of peer review process, it will go nowhere. Part of that commitment will also be for leaders to hold each other to account if they are not taking this forward in the way that others think they should be doing.

The third area was again an enabler to the first point: it was about a cross-major-hazards forum at a high level to provide that leadership, to provide that means of making this happen, because without that it won't occur.

Report back from WORKSHOP 3 – Mike Weightman (HSE Director of Nuclear Directorate)



There was a real sense that people thought that driving the agenda forward in their business would be assisted if they were able to do it co-joined with colleagues. There was a real appetite for an open exchange of information.

There was a view that across the sectors we could develop a common set of behaviours and expectations.

There was emphasis on developing the visibility of leadership, like senior leaders in the oil industry going offshore at the weekends. We had another example of someone saying that there had been a series of minor incidents and the CEO just stopped the business and said "hang on a minute, something is not going right here, I want to take time out to work out what is going on".

Report back from WORKSHOP 4 – Giles Denham (HSE Policy Programme Director)

Our first point was about helping senior people, whether they were executive or non-executive directors, develop knowledge and experience of major hazards safety, more broadly. We had a range of practical ideas for that, which included creating an academy, and sending people to work in and look at different industries.



The second point was to find opportunities for top management to visit sites, to engage with as many different stakeholders as possible – staff, playing into the wider agenda of work involvement - but also people living around sites, regulators and others. This tries to address the point from this morning that if everything sounds as though it is fine, that is when you should start to ask questions.

Finally, we agreed that, when we have learned from something, we need to follow through with actions – also making sure that we close-out and monitor how things are progressed. This also recognises that many of the issues we face are around human behaviour and the competence of workforces.

PANEL QUESTION AND ANSWER SESSION



Qu: How do the speakers think we can actually make sure we share not only good practice but also lessons from incidents, because it seems to me that there are some sectors that find it difficult to share information even within organisations?

Ans: Steve Flynn - We focus very much on the difference between sharing and learning, because there is a lot of information out there, and it is very difficult to actually convert that into real tangible



progress. Within BP we focus on trying to actually teach people about incidents and about safety using case studies.



Ans: Bill Coley - This conference has helped me realise that we are fortunate in the nuclear power industry in the sense that we already have a vehicle established whereby we share information worldwide. So I can certainly get access to operating events that happen at any nuclear station in the world, and I get reports of significant events immediately, on-line. The fundamental issue is that I do believe you can share the information without getting into commercial arenas: the two barriers are the way and manner you share it and having people

who are willing to say "we had a problem, we made a mistake, here's where it went wrong and here's how we have developed an approach to fix it".

Ans: Geoffrey Podger - I think it is a challenge for all of us: I think we have to keep challenging ourselves because the real issue is about protecting people on the basis of what we have learnt and that does have to take priority over commercial considerations.



Qu: I am associated with the railway industry, and the other experiment or arrangement is to have some form of confidential whistleblower phone line, which I have always felt is a sort of counsel of last resort. What views do you have on that type of experiment?

Ans: Steve Flynn - We have a well established system called 'open talk': the way we pitch it is if there is a problem, of course run it up through your line manager, that is a good place to start, but then consider phoning an open talk line to register the 'concern'. So we value it and we encourage it. This is industry best practice and we know we can get more from it.

Qu: Looking at point one in the leadership seven points, I ask the panel how they are going to carry this forward in relation to being seen to listen to staff in terms of worker involvement and dialogue with the workforce?

Ans: Jeremy Bending - What we have tried to do is to make sure that every communication has a feedback element to it, and we have got something called 'your Talk Time', where we get a group of diverse people together and ask them to set the agenda and then have a discussion around their issues.



Ans: Bill Coley - As part of our nuclear safety culture survey, we gauge how well our managers listen. Like other industries we try to use opportunities such as informal employee forums, a cross-section of employees from different levels of the company, and give them a forum in which they can say whatever they have on their mind, make any suggestion or discuss any issue of concern to them. You need to look for plenty of opportunities to do that. I

have found that if employees believe you are willing to listen and it is a non-threatening environment, you get all the information you can handle.

Qu: Can I ask the speakers whether one of the outcomes of the event might not be some forum where directors from all sectors of the industry, not only those that call themselves 'major hazards', can get together to share best practice on leadership, because that is a skill which is independent of the process?

Ans: Judith Hackitt - Certainly I don't know what the other speakers on the panel think, but the feedback from a number of those sessions that you were all involved in pointed to the need for that sort of forum and indeed a cross-sectoral forum that would then lend itself to being opened up to others.



Ans: Mike Weightman - That was a key point coming from Working Group 2: they were saying that we needed a way of getting people together at the highest level to exercise peer pressure and leadership through the industry. That was one of the enablers if you like to make effective peer review work: it must be led from the top, but it has got to be led through a cross-sectoral forum.

CLOSING REMARKS – Judith Hackitt (Conference Chair)



In bringing this conference to a close, I remind you that I said at the outset of today's event that I thought this conference was unique. I still believe that to be true, as I equally believe it is an opportunity. What I hope is that we are now about to make the most of that opportunity, but that really is about measuring what we do from now on and how that translates into action. I think the discussion we have just had about a forum is one of those actions that we need to look at and take forward, because today can only be the start of a process.

What I have been struck by today is the similarity of messages we have heard from all of the industry speakers, and it would be easy to dismiss that as repetition, but there is a reason for that repetition, and that is that the messages, the concerns, the challenges and the problems are common in the major hazards industry.

We have been able to meet here today and learn from past events, but now we need to move forward. Some of the key messages we have heard, and which we have to take with us on the journey, is that process safety cannot be managed or led from the comfort of the boardroom. Real leaders have to demonstrate their commitment by 'walking the talk', that means they have to go out and see for themselves. All too often senior managers and directors are too detached from the reality of what is actually taking place, and clearly that came through in the feedback that that is something you have to find ways of addressing.

I think one of the other important lessons I have heard today is that we cannot assume that anybody in any organisation knows what we mean by process safety. I think equally we should not assume that everyone in this room, or indeed everyone on all of your boards, understand.

What we have also heard today many times is that we are not talking about glossy volumes of procedures and management systems: we are about listening to people at the coalface who really know what is going on.

The system that you have in place has to be geared to ensuring safe operations for yourselves, not creating good impressions, whether that be for the senior management team or indeed for us as your regulators.

We have heard also that the board needs to consider what their real vulnerabilities are and how difficult that can be, and how they then find out whether things are OK or not, in a culture where perhaps people want to reassure you that things are in control.

And we have also heard about the importance of consistency and that leadership credibility takes a very, very long time to build up but can be lost in an instant with one inconsistent decision.

The workshops have quite clearly been valuable in that they have generated some good ideas. We have heard about the need for greater clarity about process safety, which reinforces my impression that it is not something that is well understood. We have heard about the idea of a CEO's forum, whether that be within sector or across sectors.

It is quite clear that the notion of peer review is something that is important and is worth developing, because that is part of a process that can build trust and provide the opportunity for learning to take place across organisations and sectors at the highest level.

Equally I think the notion of an academy that in some way helps that process of learning and providing and filling the gap in expertise, is really quite important for us to take forward.

But the real measure of today's success lies in the follow-up and delivery, and I think we now all very quickly need to reflect on how we do that: whether that is best led by industry, and what help, if any, you need from us as your regulator. There is no doubt that HSE will continue to give this area a high priority. We want to continue working with you in the major hazards industry, but we are also clear that it is for you to take the lead and for us to support you in whatever way you want us to.

I am quite convinced that today has been a good day, but what matters is that it has been of value to you. We know that it is difficult to make the time for a full day's meeting like this and we very much appreciate you taking the time and the commitment to be here today. I think that shows the importance that you all attach to this activity.

But my final sobering thought as you leave this room is that if we simply came here today to discuss, and nothing changes as a result of us having been here today, then it will be more than a pity, it could well be a tragedy.

So thank you very much for your attention and your time, and I look forward to the ongoing discussions that will now flow from this conference.

Thank you.



Key messages from the conference

- **Process safety cannot be managed from the boardroom: senior managers need to 'walk the talk' and listen to their frontline staff.**
- **We cannot assume that everyone understands what process safety is and why it is so important in managing the major hazards business.**

- **Industry needs to create a CEOs' forum to share good practice and knowledge transfer.**
- **A robust, real, but practicable peer review process is highly desirable, and**
- **Meaningful key performance indicators are really important in managing process safety.**