

**HAZARDOUS INSTALLATIONS DIRECTORATE  
OFFSHORE DIVISION  
BUSINESS PLAN FOR 2008/09**

# CONTENTS

<b>Introduction</b>	<b>Page 3</b>
<b>Priorities</b>	<b>Page 3</b>
<b>Operating Environment</b>	<b>Page 5</b>
<b>Targets</b>	<b>Page 5</b>
<b>Delivering Major Hazard Outcomes</b>	<b>Page 7</b>
<b>Delivering Health and Safety Outcomes</b>	<b>Page 10</b>
<b>Enabling Justice</b>	<b>Page 11</b>
<b>Providing Support to Government</b>	<b>Page 12</b>
<b>Demonstrating Public Accountability</b>	<b>Page 13</b>
<b>Corporate Support Activities (Staffing, Science, Communications, Efficiency, Health and Safety, Business Risk Management)</b>	<b>Page 14</b>
<b>Looking Forward</b>	<b>Page 19</b>
<b>Resource Deployment</b>	<b>Page 20</b>
<b>Key Operational Outputs</b>	<b>Page 22</b>
<b>Annex 1</b>	<b>Page 23</b>

## Introduction

1. This is the HID/Offshore Division (OSD) plan for 2008/09. It sets out the contribution OSD makes towards achieving HID's objectives which in turn supports the higher-level strategic overview set out in the Health and Safety Executive's plan.
2. The Offshore Programme activities will help to ensure the adequate control of risks in the upstream petroleum industry. This is done by testing compliance with legislation and standards aimed at the industry's major hazards, and where appropriate promoting improvements. These hazards are fire and explosion from unintended hydrocarbon release, loss of structural or maritime integrity, and marine and aviation collisions. Also the remote and demanding working environment increases the challenge to provide adequate emergency escape, evacuation and rescue arrangements.
3. The Diving Group within OSD covers at-work diving throughout the UK, not just that associated with the oil/gas industry. It has a separate Operational Plan, which targets intervention activity towards safety management systems, supervisor competence, slips, trips and falls, and health issues.
4. OSD's mission reflects the HID mission:

*Our mission is to assure safe management and control of major accident hazard risks and prevent catastrophic incidents in the Offshore Oil and Gas Industry*

In delivering our mission we will:

- work as an integrated and professional organisation;
- work with stakeholders to encourage the identification, development and transfer of good practice;
- ensure that all our staff are competent and able to maximise their contribution to the work of the Division and Directorate, using all their skills and knowledge.

## Priorities

5. The Offshore Division is responsible for the regulation of the risks to health and safety arising from work activity in the Offshore Industry on the UK Continental Shelf (UKCS). Our priority work is the major hazard work for which OSD operates a permissioning regime. Its core activities are safety case assessment, verification and inspection, together with investigation and enforcement. In addition to this we produce guidance, participate in research and assist in the production of standards.
6. In 2008/09 significant priority will be placed in addressing 4 critical areas of performance where the offshore industry needs to improve and a number of key projects have been commissioned by way of tackling these areas.

## 7. Priority areas

- **Leadership.** This is a key issue for all UK's major hazard industries (post Texas City etc), and will be given a particular emphasis by OSD as the role of senior management was highlighted for the offshore industry by the recent report on the three year installation integrity programme Key Programme 3 (KP3).
- **Asset integrity.** This topic builds on issues that have been a continuing priority for OSD over the last few years under KP3. The findings of KP3 were published in November 2007, and raised significant concerns as well as setting clear challenges to the industry. OSD's emphasis on the major hazard potential risks associated with poor asset integrity will continue for the foreseeable future, with the added issues of the increasing ageing of the UKCS offshore infrastructure. A significant proportion of OSD's science needs for 2008/09 concern asset integrity.
- **Competence.** The very high level of activity worldwide of the oil/gas industry is placing considerable strains on companies who already have to cope with an ageing offshore industry population on the UKCS. Competition for scarce trained resource, the introduction of a new, younger generation to the offshore industry, and the greater use of non-UK nationals offshore on the UKCS are all causing great challenges for offshore companies with regard to competence. The recent use of Influencing Network techniques on the offshore industry has identified the pivotal importance of competency issues for safety offshore. OSD will therefore be paying increasing attention to competency issues.
- **Safety culture.** The active involvement of the offshore workforce as a driving force for improvement offshore has been identified as an area where more attention and activity is needed together with building a culture where safety is effectively managed by such involvement. This has been strongly emphasised by the relevant Trade Unions.

## 8. Projects

In support of OSDs core operational programme of assessment, inspection, investigation and enforcement the following projects have been developed to target elements of the priority areas above. These will be delivered by inspectors as part of intervention plans.

- **Effectiveness of audit arrangements to target risk control barriers:** Aims to assess the effectiveness of duty holder internal monitoring/audit/review systems with particular emphasis on use of audit outputs for cross organisational learning.
- **Corrosion Inspection :** Aims to reduce the risks from corrosion on offshore installations by securing of improvements to duty holder management systems and the physical condition of offshore installations
- **Management of Change Inspection:** Aims to deliver a package of interventions to assess the effectiveness of duty holder systems for management of change in particular combinations of small or incremental changes.
- **Contractor competence and duty holder relationships:** Aims to deliver a package of intervention and enforcement to ensure the existence of adequate offshore duty holder/contractor interface management systems for the provision of competent contractor staff and appropriate contracted services.
- **Verification Inspection:** Aims to review duty holder compliance with regulatory requirements for verification schemes on offshore installations and the use of verification outputs to improve the effectiveness of Duty Holder management and control arrangements; and cross organisational learning.

- **Quality of supervision:** An international project with colleagues from international regulatory bodies forming membership of the North Sea Offshore Authorities Forum (NSOAF) designed to raise supervision standards and develop an effective inspection and intervention tool for inspectors to test offshore supervisory performance.

## Our Operating Environment

9. The offshore oil and gas industry comprises around 300 installations ranging from unmanned gas platforms to large oil and gas production platforms including floating production installations and drilling rigs. This industry is a major contributor to the UK economy. The North Sea is one of the most challenging and hostile working environments for oil and gas extraction in the world. It currently employs around 30,000 offshore workers which is a significant increase (50%) in recent years. It is characterised by innovation and rapid technical change, at the same time operating on processes which have changed little since the early days in the development of offshore oil and gas. The maturing nature of the UKCS presents particular and increasing challenges to the delivery of high standards of health and safety. These include:

- maintaining infrastructure to maximise the exploitation of reserves for the benefit of the UK,
- infrastructures operating far beyond their intended design life in response to the increase in oil prices,
- pressures to reduce operating costs and maximise output/recovery
- shortages of skilled and competent staff exacerbated by increases in exploration, increased maintenance demands, plant upgrades to improve efficiency and increased world wide activity,
- an increase in smaller independent oil companies who tend to be more dependent on specialist contractors,
- technical challenges in exploiting new small fields safely and economically, getting more from existing fields and exploiting reserves previously regarded as technically too challenging.

## Targets

10. From April 2008, HID will contribute to a Department of Work and Pensions (DWP) Departmental Strategic Objective (DSO) to:

### **Improve health and safety outcomes**

Indicators:

- Incidence of fatal and major injuries in workplaces.
- Incidence of work-related ill-health.
- Number of dangerous events in the nuclear industry, and in the offshore and onshore oil and gas sector.

11. OSD's primary contributions to the DSO will be<sup>1</sup>, by the end of 2010/11 (from a 2001/02 baseline), to reduce the number of:

- Major and significant hydrocarbon releases in the offshore oil and gas sector by 45% (Annex 1).

<sup>1</sup> Formal confirmation expected from DWP June/July 2008-05-15

## **Delivering major hazard outcomes**

### Objectives

*To assure safety management and control of, and to prevent catastrophic events in, major hazard industries; and,*

*To influence people and organisations – duty holders and stakeholders – to embrace and promote high standards of risk management and control;*

*Promoting continuous improvement in major accident prevention through regulatory activities, in particular, to raise the performance of the poorest performers.*

### **Key Deliverables**

Interventions will target installations where there have been a number of hydrocarbon releases (offshore).
<p>To work with industry to secure leadership and the effective management and control of risk in order to deliver improvement in overall industry performance.</p> <ul style="list-style-type: none"> <li>a. Continuing to work with industry to extend, refine and further develop key performance indicators to assist in providing assurance that major hazard risks are being adequately monitored and controlled.</li> <li>b. Work with the industry trade associations to secure leadership and improvement in overall industry performance and raise the performance of the poorest performers.</li> <li>c. Promoting the importance of leadership at CEO level in creating strong positive safety cultures which are crucial if major incidents are to be avoided.</li> <li>d. Promoting continuous improvement in major accident prevention through regulatory activities, in particular to raise the performance of the poorest performers.</li> </ul>
Through effective intervention plans drawn up on the basis of risk priorities, carry out effective monitoring of company performance and secure continuous improvement.
Carry out effective monitoring of company performance by undertaking a focussed programme of interventions to review the effectiveness of the use of audit to secure control of major accident risks and cross business and cross industry learning and improvement
Carry out timely and effective assessment of Safety Cases submitted to HSE by offshore dutyholders in accordance with the Divisional procedures
Investigation of significant dangerous occurrences and incidents to ensure lessons are learnt and shared and that where appropriate enforcement in accordance with HSEs policies is effectively taken.
Jointly with international regulators in the North Sea Offshore Regulators Forum (NSOAF) develop an international approach to securing effective supervision standards in the offshore industry.
Improve the effective use of statutory verification arrangements to secure effective control of major accident risks and improved cross business sharing.
Improve awareness of hazard and risk in the major hazard environment and in particular fully embed the concept of multiple barriers to control major accident risks in the offshore workforce and the industry in general.
Secure more effective key performance indicators to measure major hazard management performance through the leadership of the industry trade association and the acceptance of their use as comparative performance measures.
Through work to review the effectiveness of the management of contractor skills and

competencies offshore secure improved competency standards and delivery of key skills in the offshore workforce.
Secure improvements in safety culture and workforce involvement through a major workshop.
Secure continuous improvement in the management of installation integrity and the overall condition of plant issues through a priority project.
Through work with Step Change in Safety and the industry trade associations secure consistency in the use of permit to work arrangements across the offshore industry sector.
By raising awareness of the impact of incremental change on the maintenance of major hazard key risk controls secure more effective management of risk control barriers.
Secure development of good and best practice by identifying such practices and as appropriate sharing the information with the industry.
By focusing on increasing skills and equipment shortages in the offshore diving industry secure improved performance and reduction of risks.
To ensure that OSD enhances its current skill, competence & knowledge management base to enable it to respond to future challenges.

## Performance Measures

Fifty percent of all duty holders will have their audit arrangements reviewed and a minimum of 4 in depth audit system reviews will be undertaken in 2008/09. A progress report will be fed back to industry during the first quarter of 2009.
Joint venture with NSOAF: toolkit for assessing the quality of supervision on offshore installations will be produced by 1 <sup>st</sup> quarter 2009.
In liaison with industry developed guidance on external corrosion management to be available by 2 <sup>nd</sup> quarter 2008.
System for identification of good and best practice in operation and examples provided on the OSD website by 3 <sup>rd</sup> quarter 2008.
Progress on completion of Safety Case and Safety report assessment to time and quality standards will be measured and reported via HSE's Balanced Scorecard (Output Performance Measure A).
Quarterly statistics will be provided on PSA target : Hydrocarbon releases Offshore with the first year target of major and significant releases 70 or less.
Verification : this project is in the second phase of intervention and results from the project will be fed back to Independent Competent Persons (ICP's) by way of a workshop in 3 <sup>rd</sup> quarter 2008.
Corrosion : 12 Inspections to be undertaken during 2008/09.
Management of Change: Production of Inspector Packs to be issued 1st quarter 2008/09, pilot use of inspector pack during 2 <sup>nd</sup> quarter 2008/09, findings with recommendations to be issued by 4 <sup>th</sup> quarter.
Competence: pilot exercise to commence in the 2 <sup>nd</sup> quarter of 2008.

## Delivering health and safety outcomes

### Objectives

*To protect people from health and safety risks*

*To influence people and organisations – duty holders and stakeholders – to embrace and promote high standards of risk management and control*

### Key Deliverables

As part of an ongoing programme of inspection of the effectiveness of management arrangements for the control of occupational health risks offshore, deliver planned interventions and stakeholder work to improve the control of exposure to hazardous substances, particularly :

- Exposure to chemicals which includes carcinogens and skin sensitizers
- Asbestos

Develop and deliver a formalised approach for the regulation (inspection, investigation, enforcement and reporting) of food and water hygiene offshore. This

includes the control of legionella in water systems.
Agree and set up liaison arrangements with onshore authorities to ensure coordinated and consistent application of new food safety legislation.
Provide tools and training to ensure that OSD staff have the skills and competence to fulfil HSE's role.
Improve awareness of occupational health risks by establishing and sharing good practice with the offshore workforce/industry
By the timely and thorough investigation of accidents and incidents ensure that where appropriate effective enforcement action is taken in accordance with HSE's policies

## Performance Measures

Completion of 4 inspection reports on which action plans will be developed with Duty Holders to improve their occupational health risk management arrangements.
Completion of responses from Dutyholders on HSE surveys on 'Duty to Manage Asbestos' and 'Accommodation Standards'
Production of inspector topic packs on Noise and LEV by 4 <sup>th</sup> Quarter 2008/09.
In collaboration with industry, develop COSHH Essentials good practice guidance for the offshore industry, 4 <sup>th</sup> Quarter 2008/09
Organise LEV Roadshow for the offshore industry in liaison with the Energy Institute.
Investigation of RIDDOR incidents meeting the selection criteria will be monitored via a defined output performance measure (OPMD) and reported via HSE's Balanced Scorecard.
Complaints will be followed up and performance will be monitored via an output performance measure (OPMC) and reported via HSE's Balanced Scorecard
Develop a Memorandum of Understanding (MoU) with the Health Protection Agency Scotland and the Scottish Executive regarding Food Poisoning Outbreaks and Infectious Diseases. Discussions during 2008/09 with completion of the MoU during 2009/10.
Set up liaison arrangements on offshore food safety, with the Catering Industry Trade Association (COTA). Arrangements made for structured meetings by 4 <sup>th</sup> quarter 2008/09.

## Enabling justice

### Objectives

*To improve standards of health and safety and prevent harm to workers and members of the public.*

*To help promote a just and fair society in our area of responsibility, through actions in line with the HSE Enforcement Policy Statement and other relevant Codes (e.g. the Code for Crown Prosecutors).*

*To ensure those who do comply with the law are motivated to continue doing so.*

### Key Deliverables

By the timely and thorough investigation of accidents and incidents and ensure that where appropriate enforcement is in accordance with HSE's policies.
Improved consistency in formal enforcement by ensuring that the enforcement management model is applied for all investigations.
By effective liaison with the Crown Office and Procurator Fiscal secure good working

relations and co-operative working.

Raise overall industry performance by ensuring the poorest performers are targeted and appropriate enforcement action taken.

### **Performance Measures**

Enforcement decisions for all investigations will be recorded in accordance with the Enforcement Management Model (i.e. EMM1s). A sample of enforcement decisions will be subjected to peer review. In addition, a sample of decisions will be reviewed at operational manager level.

Operations Manager to ensure four tripartite meetings (4) 2008/09 are held between HSE the Procurator Fiscal and Grampian Police during 2008/9.

A further regulatory decision making audit is planned during 08/09 by Internal Audit and Assurance.

## **Providing Support to Government**

### **Objectives**

*To provide specialist advice and relevant evidence to assist the Government in major policy decisions affecting society and the economy, including decisions on health and safety policy and how these take account of broader policy issues.*

*To help shape the health and safety debate in the light of HSE's experience and potential for influencing.*

*To provide Ministers with timely, accurate and succinct advice on health and safety in their day-to-day relations with Parliament, with industry and interest groups, and with the public.*

### **Key Deliverables**

By working jointly with policy group ensure that support is provided as required to Other Government Departments (OGDs) in particular the Department of Business

Enterprise and Regulatory Reform (BERR).
Ensure suitable and sufficient briefings for Ministers by prompt, accurate and comprehensive responses to requests and to proactively provide briefings on matters of Ministerial interest.
Ensure effective liaison & provision of advice on security issues.

### Performance Measures

Satisfying Ministers and the HSE with the quality of analysis and advice, to be measured by levels of agreement with HSE recommendations and other feedback.
Responding to parliamentary questions and requests for briefings to the timescales set by Ministers, HSE and senior officials.
Liaison between HSE and BERR to identify regulatory gaps and establish a programme of work that establishes measures to be taken to close these regulatory gaps. Programme in place by 4 <sup>th</sup> quarter 2008/09.

## Demonstrating Public Accountability

### Objectives

*To demonstrate high standards of accuracy, openness and timeliness in providing information and in accounting to Government, Parliament, and the public for OD/HID's actions, decisions and use of resources.*

*OSD's advice and decisions to be underpinned by the best available knowledge and science.*

### Key deliverables

Respond to Freedom of Information (FOI) and other requests from the public and workforce in a timely and appropriate manner.
Work with HID Headquarters to develop HID's cost recovery framework to provide improved predictability of charges and a transparent basis for the cost recovery.
Improve public access to OSD plans and programmes and information by updating and improving OSD's website.

Provide access to press and trade journals by demonstrating a willingness to respond as appropriate on matters of public concern relating to offshore health and safety.
Disseminate as appropriate findings and information arising from OSD projects and other work via OSD website, Tea shack News, workshops and conferences.

### **Performance Measures**

Compliance with Freedom of Information (FOI) performance measures and process
Website improvements to be implemented by 4 <sup>th</sup> quarter 2008/09
Publish 3 issues of Tea Shack News within 2008/09
An improved cost recovery framework based on fixed fee arrangements to be developed and, in consultation with industry, introduced across the offshore sector by April 2009.

## **Corporate Support Activities**

*To support OSD's priorities by engaging with stakeholders and undertaking generic research and analysis.*

*To ensure OSD functions effectively and efficiently by managing our people and financial resources and by ensuring it performs functions in accordance with the law.*

### **Staffing**

In looking to resource in line with business needs and priorities, OSD will be concentrating this year on:

- Ensuring OSD staff have the skills and expertise to do their job effectively, are provided with developmental opportunities and that their individual contributions are valued.
- Recruitment and retention to maintain the appropriate level of front line inspectors and inspectors with specialist skills as appropriate.
- A workforce strategy to be developed to manage succession planning and potential loss of skills and experience due to retirements
- Managing the impact of How and Where We Work (HWWW) and the impact this has on staff and delivery of OSD deliverables.

- Looking to work with staff to identify process efficiencies and work that might be better done differently or centrally or can be dropped or deferred.

### Key Deliverables

Contribute to and deliver HID's contribution to HSE's Corporate Health and Safety Plan as appropriate.
Health & Safety : OSD staff are provided with suitable and sufficient risk assessments, training and supervision to ensure their health and safety
Workforce Strategy : To ensure that OSD enhances its current skill, competence and knowledge management base to ensure the adequate regulatory supervision of the Offshore industry and the delivery of OSD's mission

### Performance Measures

Frontline activity maintained and meet planning assumptions for levels of intervention
Health and Safety of staff is well managed and no incidence of injury or ill health occurs
Contribute to development of a leadership programme to take forward issues arising from the Staff Attitude Survey, incorporating a stress management action plan
100% of drivers who do more than 5,000 miles a year are up to date with their safe driver training
90% of staff to be up to date with their DSE assessment
Workforce strategy developed and a 3 year plan in place by the end of May 2008. In addition competence frameworks, training programmes and a technical guidance/information strategy will be developed & monitored by HMB.

### Science

Commissioned science is an important resource for supporting HID's business delivery. The Making Best Use of Science (MBUS) project delivered a number of new processes to improve Major Hazard (MH) Science Planning, Governance and Financial Management which were used to prepare and agree with HMB, HID's Science Plan for 2008/09. In due course, Chief Scientist's Advisory Group (CSAG) will publish an integrated HSE Science Plan.

The Science Plan for 2008/09 provides business cases, for all science proposals, required to meet Divisional strategic priorities. This includes short term and long term work. Work has also started to prepare the Science Plan for 2009 to 2011, taking HSE's new Science Strategy into account, and which will eventually form part of the integrated HSE Science Plan.

### Key Deliverables

Deliver offshore work in the MH Science Plan for 2008/09:
Continue to provide expertise and technical support for the development of CO2

sequestration technology in particular with respect to supercritical CO2.
Provide support to HID in the preparation of the MH Science Plan for 2009 to 2011 – incorporating stakeholder consultation, peer review and validation.
Ensure consistency in the development of key health and safety technical standards by providing suitable technical support for working groups and international standards committees.
Provide as required specialist expertise in areas unique to OSD in particular Wells and Diving
Work with industry and stakeholders to develop research proposals which demonstrate value for money and effective prioritisation and ensure that research reports are disseminated effectively and secure improvement in offshore and diving safety.

### Performance Measures

Meet the Chief Scientific Advisor's performance targets and hence provide assurance that we deliver commissioned science in a way that achieves the expected improvements set by the MBUS Project Board.
OSD funded research report on Metocean best practice guidance /Part 2 on website by 2 <sup>nd</sup> quarter 2008/09
OSD funded research report on the management of structural ageing issues, and foundations to be on OSD website by 4 <sup>th</sup> quarter 2008/09

### Communications

OSD will be carrying out several strands of work over the coming year to raise awareness of the effectiveness of the health and safety regulatory regime for major hazards, in order to build and maintain public and wider stakeholder confidence in it.

The communication strategy sets key messages and communication objectives for HSE, both internally and externally, so that we can work as an enabler and motivator across the health and safety system.

### Key Deliverables

Provide clear, consistent, targeted and frequently reinforced advice and information that focuses on the key topic areas that HID has set to have a positive impact on safety performance
<p>Persuade industry by using appropriate communications channels to deliver the cultural and behavioural changes required to produce improvements. This will principally mean: raising the importance of leadership at senior management level; encouraging better partnership working across industry and nurturing a greater degree of ownership for improving safety performance.</p> <ul style="list-style-type: none"> <li>• <b>Offshore Industry Advisory Committee (OIAC):</b> OIAC brings together a range of stakeholders from the offshore industry, including unions, employers, trade associations, Maritime and Coastguard Agency (MCA), BERR and verification bodies. It provides a forum in which topical issues can be discussed and taken forward. OIAC aims to encourage participation of the representative organisations in protecting people offshore and is taking forward initiatives to raise standards of health and safety.</li> <li>• <b>Step Change in Safety:</b> Step Change in Safety was launched in 1997. It</li> </ul>

aims to deliver a major improvement in the whole industry's safety performance. Through cross-industry partnerships it is endeavoring to improve health and safety performance in the industry with the target of a 50% reduction in the fatal and major injury rate by 2010. The major trade associations, industry and the trade unions have signed up to working together and with HSE to achieve the Step Change targets.

- **PILOT: A** Government/Industry high-level forum chaired by BERR's Energy Minister. PILOT is made up of senior government officials, including the Scottish Office and Scottish Executive Ministers, with HSE and leaders from the offshore oil and gas industry. PILOT aims to preserve the competitiveness of the UKCS and maximise jobs, investment and commercial opportunities. In 2002 health and safety became one of PILOT'S three priorities for the year and an additional target was added to its 2010 vision - to make the UKCS, the safest place to work in the worldwide oil and gas industry.
- **Liaison at senior level with industry trade associations:** Direct influence on industry leadership via contacts with key trade associations

Enhance further OSD's reputation as being willing to work in partnership, keen to learn and quick to adapt to new challenges with the purpose of enabling the sustained success of the sector but robust in upholding the law and ensuring industry manages the risks it creates properly. Examples :

- **International Regulators Forum:** IRF comprises eight states that produce offshore oil and gas; USA, Canada, Brazil, Netherlands, Norway, Australia, New Zealand and the UK. IRF shares knowledge and information of safety issues and global company performance. The group meets annually and corresponds by e-mail at other times.
- **Bilaterals:** We have regular bilaterals with major producing neighbours. We have effective links with the Norwegian Petroleum Safety Authority through the UK/Norwegian Special Working Group. The meetings allow an exchange of information and the development of common positions on cross-border issues. A new UK/Norway Treaty is planned to encourage closer links. Annual meetings are also held with the Danish Energy Authority and the Dutch State Supervision of Mines, to facilitate agreement on cross-border issues.
- **BERR:** Work with BERR on the impact of the new Energy Bill and forthcoming changes in the licensing arrangements that may impact decommissioning and emerging new technologies.
- **North Sea Offshore Authorities Forum (NSOAF):** NSOAF is comprised of representatives from Denmark, the Faroe Islands, France, Germany, Ireland, the Netherlands, Norway, Sweden and the UK. It meets annually to exchange information and develop common positions and joint initiatives. NSOAF is working to reduce the difficulties due to differences in regulatory regimes and requirements, for example to make it easier to move rigs between North Sea countries, and to harmonise safety training standards.
- **European Union:** In recent years most health and safety legislation has been introduced to implement European directives, mainly to promote minimum standards for health and safety of workers, but also to maintain the single market or protect the environment. There is now a body of EU health and safety law, the basis of which is the Framework Directive that established broad obligations for employers to avoid and reduce risks in the workplace. We will work with other member states to ensure standards are appropriate for the UK and offshore.

## Performance Measures

Maintain our familiarity and confidence ratings among employers and employees – feedback from Trade Unions, Safety Representatives and other workforce contacts
Individual deliverables are required to have in-built plans for evaluation that will trace progress and required impact. Success criteria relate to such issues as the degree of engagement, the effective of communications in raising awareness and the extent to which action to improve risk management has been motivated.
Improve media coverage of HSE activity and Offshore Divisions priority issues e.g. provide publication to International Association of Drilling Companies (IADC) on KP3 for the IADC magazine 1 <sup>st</sup> quarter 2008. This is an IRF initiative. Actively seek opportunities to promote the work we undertake.
Organise in liaison with PSA a Safety Leadership Conference which is to promote comparison between then (Piper Alpha) and now

## Efficiency

### Key deliverables

OSD to support the review of administrative functions in HID
Support HID in the consideration of alternative cost recovery delivery mechanisms for Offshore
Increase front line activity to improve HSE operational productivity

### Performance Measures

Meet targets set by HID in compliance with milestones set out in the Project Information Document/Admin Review Project Plan
Plan and achieve a 2% increase in HSE operational productivity
Output performance measures to contribute to achieve Green Traffic Light status on HSE's balanced Scorecard.

## Business Risk Management

OSD will seek to ensure that the risks to its business are properly and proportionately managed, and will make its contribution to ensuring a similar level of effective risk management in the broader HID/HSE business context.

HSE is committed to effective Business Risk Management, and maintains a Corporate Risk Management Plan (CRMP) which is regularly reviewed and updated, and discussed at HSE's Senior Management Team meetings.

HID (and other Directorates) mirror the HSE approach to Business Risk Management with local Business Risk Management Plans which are periodically reviewed and discussed at HID Management Board (HMB). OSD's risk management process feeds into this planning process and a number of the risks within the HID plan will impact on OSD. OSD also has risks specific to the offshore industry and will maintain a risk management process which addresses the HID and OSD risk issues.

### Key Deliverables

Continuing review of OSD's Business Risk Management Plans to ensure they remain fit for purpose
Continue to review our most pressing risks and ensure that appropriate counter measures are in place. The main risks are : <ul style="list-style-type: none"> <li>• A reduced ability to recruit and retain new staff with specialist expertise, thereby reducing experience profiles.</li> <li>• Loss of corporate knowledge</li> <li>• Failure to take appropriate enforcement action</li> <li>• Increase in risks offshore due to ineffective regulatory supervision</li> </ul>
Continuing assurance to HID on the status of the risks as identified within the HID Plan

### Performance Measures

That the Director HID and the OSD Division Head are assured on the management of risks
Notable improvements to the quality (timeliness, consistency and accuracy) of data
Improved COIN business procedures and better use of them

### Looking Forward ...

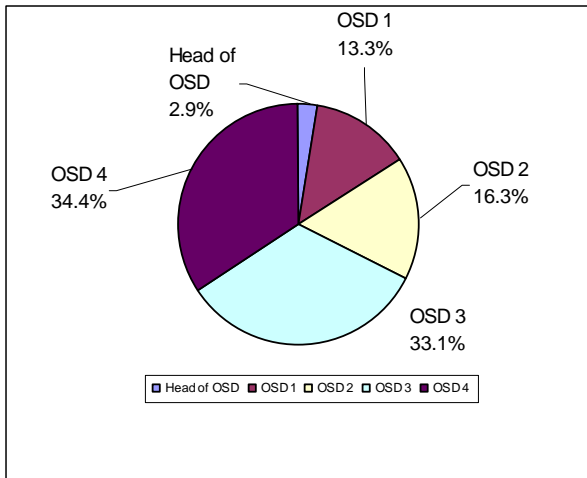
The detail within this plan describes our in year activities. There are a number of challenges some of which we have detailed within the operating environment section of this plan. OSD will need to respond and adapt to the challenges and changes that this industry faces and our regulatory responses and resource deployment will need to change as necessary to meet these challenges.

Our strategy in handling these ever evolving challenges will need to include discussion with stakeholders such as BERR. Issues to take account of are e.g. possible rate of decline, potential for new developments, licensing and decommissioning.

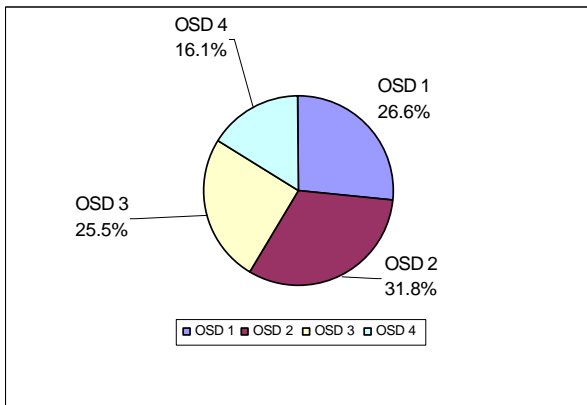
## Resource Deployment

<b>HID OSD's Budget 2008/09</b>	
<b>Staff years</b>	<b>162</b>
<b>Payroll</b>	<b>£10,230,254<sup>1</sup></b>
<b>T&amp;S</b>	<b>£989,211<sup>2</sup></b>
<b>Other GAE</b>	<b>£500,440<sup>1</sup></b>
<b>Total Admin</b>	<b>£11,719,905</b>
<b>Programme</b>	<b>£1,130,692</b>
<b>Total Expenditure</b>	<b>£12,850,597</b>
<b>Total Income</b>	<b>-£11,384,893<sup>3</sup></b>
<b>Net Resources</b>	<b>£1,465,704</b>
<b>Notes</b>	
1. based on staff in post	
2. divisional allocation	

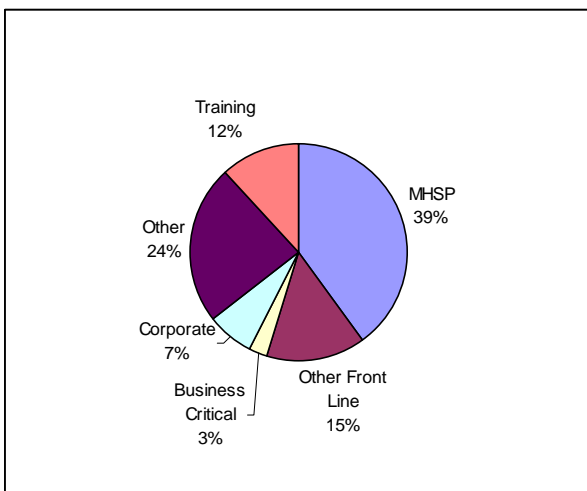
3. based on submitted plans



T&S	
Head of OSD	£28,379
OSD 1	£131,611
OSD 2	£161,297
OSD 3	£327,915
OSD 4	£340,009
<b>Total</b>	<b>£989,211</b>

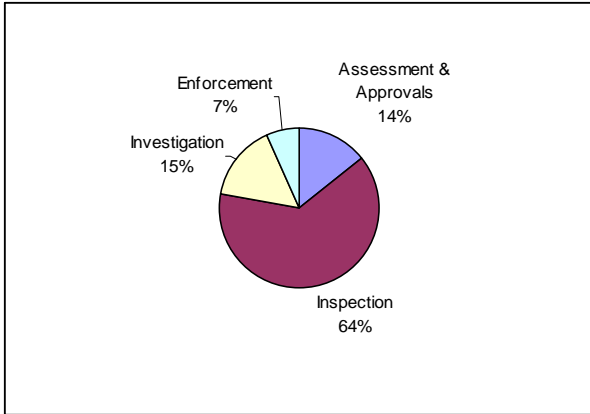


Cost Recovery	2008/09
OSD 1	£3,029,456
OSD 2	£3,620,531
OSD 3	£2,900,208
OSD 4	£1,834,697
<b>Total</b>	<b>£11,384,893</b>



HID Workstreams	2008/09* (staff years)
MHSP	54.7
Other Front Line	20.2
Business Critical	3.9
Corporate	9.4
Other	32.5
Training	16.2
Leave	25.2
<b>total</b>	<b>162.0</b>

\* Based on submitted Plans



MHSP	2008/09* (staff years)
Assessment & Approvals	7.7
Inspection	34.8
Investigation	8.5
Enforcement	3.7
total	54.7

\* Based on submitted Plans

		2008/09 Plan (staff years)
Major Hazard Strategic Programme	Assessment & Approvals	7.7
	Inspection	34.8
	Investigation	8.5
	Enforcement	3.7
	Other Front Line	20.2
	Business Critical	3.9
	Corporate	9.4
	Other	32.5
	Training	16.2
	Leave	25.2
	total	162.0

## Key Operational Outputs

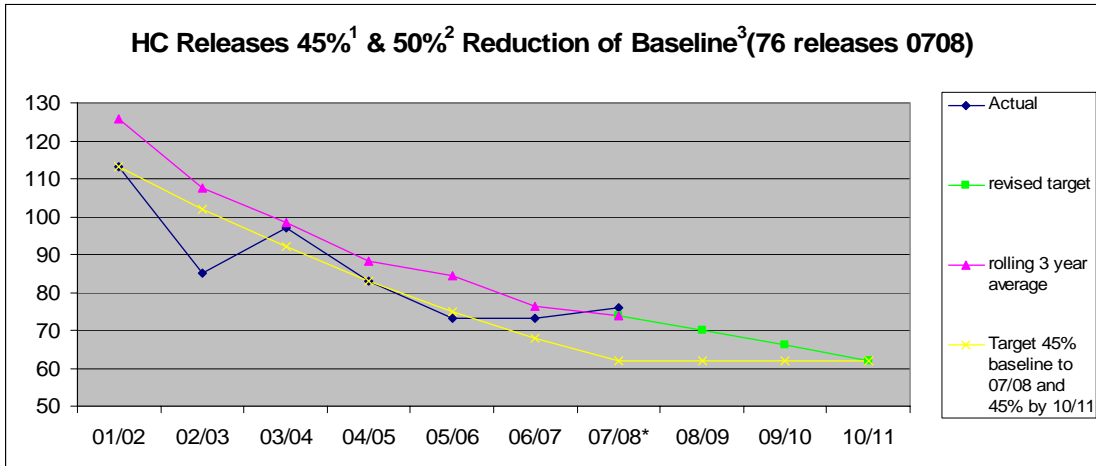
These are indicative volume/outputs numbers. Within the programme we will be focussing our attention on key risk controls and indicators of effective process safety management.

Number of safety cases processed to time and quality standards	176
Total number of incidents investigated that meet HSE criteria	72
Total number of complaints followed up	102

Operational productivity is an HSE performance measure which is included in the balanced scorecard prepared for HSE/Ministers. It measures the proportion of total resource spent on front line activity. HID HMB have set a provisional operational productivity target of 54.5% for 08/09.

**Annex 1: Proposal for the reduction of hydrocarbon releases by 2010/11**

	01/02	02/03	03/04	04/05	05/06	06/07	07/08	08/09	09/10	10/11
Actual	113	85	97	83	73	73	75			
revised target							74	70	66	62
rolling 3 year average	126	108	98	88	84	76	74			
Target 45% baseline to 07/08 and 45% by 10/11	113	102	92	83	75	68	62	62	62	62



- 1 07/08 Target to reduce baseline by 45% - 62 HC releases.
- 2 10/11 Target to reduce baseline by 45% - 62 HC releases.
- 3 01/02 baseline 113 HC releases