HID Targeting & Prioritisation

Arrangements for Prioritising Major Hazard Inspections Offshore

Purpose

This document sets out the arrangements for prioritising major hazard inspections offshore in support of the HID Regulatory Model and the HID Principles.

Background

Properly prioritising inspections is a high priority for HID in ensuring it delivers its major hazard strategy whilst supporting businesses to grow.

Therefore HID’s Energy Division Offshore aims to ensure its regulatory activity is proportionate to the risks to people, taking into account the operator’s performance in controlling risks. This means that ED Offshore will inspect higher hazard installations & operators with poorer performance more frequently and in greater depth than installations & operators where risks are perceived to be better managed.

HSE’s policy is to conduct inspections in accordance with the Enforcement Policy Statement, applying the principles of the Enforcement Management Model to regulatory decision making.

ED Offshore will develop its major hazard inspection programme to deliver the priorities set out in its sector strategy to secure compliance with the accepted safety case, which describes how duty holders’ meet the requirements of relevant legislation. The programme will ensure ED Offshore meets its core principles of:

- Going to the right places.
- Doing the right things.
- Finishing what we start.
- Leaving a clean record of what we have done.

ED Offshore will prioritise which installations & operators it inspects based on inherent hazards, operator performance, and other intelligence.
**Scope**

These arrangements cover operators of offshore installations [as defined by regulation 3(1) of the Offshore Installations and Pipeline Works (Management and Administration) Regulations 1995]. The arrangements come into force on the 1st April 2015.

**Inherent Hazard**

ED Offshore will assign an inherent hazard score to all installations. The score is a numerical representation of the hazards inherent to that installation, and comprises a number of elements. It is evidence based, objective and derived from certain ‘unchanging’ features about the installation and population at risk.

Inherent Hazard scores for offshore installations are based on the Potential Loss of Life [PLL] figure, which is derived by operators, and is recoded in Safety Cases. ED Offshore will strip out any “occupational” or “travel” elements of the PLL score, in order to reflect the focus on major accident hazards at or near the installation. PLL for helicopter crashes on the installation, however, will be included where possible.

Using the inherent hazard score installations are assigned to one of three hazard bands (see table below). ED Offshore uses hazard banding as the basis for prioritising its major hazard inspections.

<table>
<thead>
<tr>
<th>PLL Score [minus any occupational or travel elements]</th>
<th>Inherent Hazard Score [modified PLL x 600]</th>
<th>Inherent Hazard Band</th>
</tr>
</thead>
<tbody>
<tr>
<td>H</td>
<td>&lt;40</td>
<td>A</td>
</tr>
<tr>
<td>M</td>
<td>10-40</td>
<td>B</td>
</tr>
<tr>
<td>L</td>
<td>&gt;10</td>
<td>C</td>
</tr>
</tbody>
</table>

It is expected that intrinsic hazard scores remain fairly static, changing only when there are significant changes at the installation level.

**Performance**

ED Offshore will assess operator performance on a range of factors. These include:

- Performance against strategic inspection topics.
- The number and extent of non-compliance issues raised by ED Offshore at inspection, assessment or investigation.
- Enforcement history, including enforcement notices and prosecutions.
- The nature and extent of incidents, such as hydrocarbon releases, and other RIDDOR notifications.
- The operator’s own performance information, such as major hazard safety performance indicators.
- The effectiveness of an operator’s verification schemes.

**Performance against strategic inspection topics**

The table below provides the generic performance standards, description and score. Installation operators will be scored on their performance following inspection of strategic topics. The performance score reflects the operator’s degree of compliance on that issue, is based on the EMM risk gap and expressed as a numerical value as described below.
ED Offshore will publish a suite of strategic topic inspection guides which will describe assessment criteria against which operator performance will be judged.

Performance scores of 30, 40, 50 or 60 against individual inspection topics represent a risk gap in the operator’s preventative or mitigation barriers, which depending on the circumstances may mean a complete loss or a degradation of a barrier(s). ED Offshore will consider the nature and extent of the risk gap, including the underlying causes, in judging the operator’s performance score for each topic.

The Inspection Management Team [IMT] Inspector with responsibility for managing the Intervention Plan will determine the performance score, having applied the principles outlined in HSE’s Enforcement Policy Statement and Enforcement Management Model, and, where relevant, will do so in consultation with relevant topic specialists.

**Other Intelligence**

ED Offshore will use other intelligence in addition to inherent hazard and operator performance:

- Elapsed years since the last inspection
- New entrant to UKCS
- New technology
- Strategic nature of the installation
- Professional Judgement
- Nature and extent of any planned combined operations

Wider considerations include:

- Issues of national importance, for example in support of Government policy.
- Emerging industry issues, for example following lessons from major incidents.
Annual Intervention Planning

The offshore prioritisation methodology model will be used as part of the annual intervention planning round in deciding where ED Offshore plans to commit inspection resources.

ED Offshore will use the methodology to categorise installations into indicative inspection categories. The indicative inspection category will determine the extent and depth of proactive inspection resource allocated to the installation. Each installation will be assigned a category of either A, B or C.

Some installations may not be prioritised for inspection within the annual planning round and will only be visited in response to an incident or complaint.

Multi site operator prioritisation

Where relevant, ED Offshore will target & prioritise multi site operators using the methodology described above, for example where the same duty holder operates a number of similar installations with the same safety management systems.

The time since the last inspection will be a factor in prioritising which operators are inspected. Every operator will be inspected at least once every 3 years.

Intervention Plans

ED Offshore will develop an annual operator intervention plan, covering those installations prioritised for inspection. However if no installations for a particular operator have been prioritised for inspection in the current year then an annual operator intervention plan will not be developed in that year.

ED Offshore will share annual intervention plans with operators and employee representatives at the start of the year [1st April].