

OFFSHORE OIL & GAS SECTOR STRATEGY

2014 TO 2017

DELIVERING THE STRATEGY - What HSE's regulatory activity will look like

- 1 To deliver its strategy, HSE will:
 - Undertake a range of regulatory interventions, including key programme and project inspections, which are informed by regulatory intelligence, industry performance, trends and other information to target its resources to managing major accident hazard risks using the approach detailed in HSE's [HID Regulatory Model](#)
 - Maintain a dialogue with duty holders to ensure that, where appropriate, our interventions add impetus to making improvements already recognised as necessary by individual duty holders
 - Engage and collaborate with industry stakeholders to pursue initiatives and provide guidance for managing major accident hazard risks, conventional safety and occupational health risks
 - Engage with DECC, other offshore major hazard regulators within Europe and elsewhere to share learning arising from major accident management, intelligence, significant investigations, regulatory practices and approaches
 - Engage with employees and worker representatives
 - Secure compliance and prosecute duty holders in line with its [Enforcement Policy Statement](#). This means using all the enforcement tools we have – advice, letters, notices and ultimately prosecution

2 The strategy directs that regulatory activities offshore focus on ensuring that risks that could give rise to catastrophic loss of life are properly managed. In general, the industry has a good record regarding managing personal health and safety issues (e.g. slips and trips, manual handling etc.) so inspectors will only deal with personal health and safety issues by exception.

3 The [HID Regulatory Model](#) underpins all offshore regulatory approaches. It emphasises that inspectors will make judgements about the health and safety performance of an organisation by sampling and the primary aim of inspection and investigation is to establish any underlying deficiencies in managing risk and ensure that these are addressed.

Key regulatory activities are:

Assessment of safety cases

4 This work will ensure that operators have identified key risks associated with their installations and have identified suitable measures to

control those risks. As the safety case regime is directed towards the control of major accident hazards and ensuring that relevant statutory provisions are taken into account, the revised strategy will have little impact on the conduct of safety case assessment. The forthcoming changes associated with the implementation of the revised [Offshore Safety Directive 2013/30/EU](#) will require detailed modifications to safety cases to align with environmental requirements, but the fundamental principles applied will not change.

Planned interventions

5 **Targetting** - HSE targets its inspection of installations and duty holders on the basis of the inherent hazard of the installation, the operator's ability to manage risks and the impact of any combined operations. This means that year on year some installations/operators may be subject to no planned interventions. However, in recognition of the high inherent hazards associated with the industry, every operator will be subject to a planned visit at least once every three years.

6 **Focussing on major hazard risk** - Inspectors will not address personal safety issues as part of a planned inspection other than for crane operations (particularly where a failure could constitute a major hazard precursor) and mechanical handling on the drill floor. Matters associated with noise, vibration, and personal environmental health issues, including water quality and food hygiene, will also be targeted. Inspectors will not conduct general inspections of conditions on the installation. Personal safety issues will be addressed only if matters of evident concern are noted in the course of other work, or a safety representative or worker raises personal safety matters during the inspection.

7 **Addressing underlying causes** - The aim of every intervention is to ensure that major hazard risk is being managed. Where deficiencies are identified, action is taken to remedy failures. Failures in safety management will be identified in two key ways. First, management systems will be examined to ensure they are appropriate, applied, understood by those who have key roles to play and subject to regular review. Second, where technical failures are found, their causes will be identified. Inspectors will drill down into the causes of failure to ensure that not only is the actual failure remedied, but the underlying causes and failures in management systems are identified and remedied.

8 **Dialogue with duty holders** - Inspectors will engage duty holders in dialogue regarding our proposals for intervention as soon as our initial analysis of priorities is complete. Inspectors will explain the reasoning behind our proposals, likely timings and the information we will need in advance of the intervention. They will also listen to views of duty holders. Inspectors will wish to hear the reaction of duty holders to the proposals. In particular, they will wish to hear if they are already taking action to improve on specific topics or systems. They will consider how our interventions could help accelerate or embed changes. Inspectors will be responsive to positive proactive suggestions and change proposed interventions where this would generate

greater impact or benefit. If duty holders believe inspectors do not respond appropriately to their proposals for developing different intervention priorities or approaches, they may raise the issue with the inspector's managers.

9 **Preparation** - Planned inspection includes the preparation for the inspection, the post inspection analysis and recording of conclusions. Inspectors will prepare for inspections by considering documents, processes and procedures. Where they request material or information from an operator in advance of a visit, this is a key part of the inspection. The aim of the offshore visit is to test and verify that the procedures and processes set out in the safety case and other operational procedures are understood, consistently applied in practice and deliver appropriate control of risk.

10 **Involving the workforce** – Inspectors will invite safety representatives to contribute to the offshore element of every inspection.

Investigations

11 **Priorities for investigation** - Accidents and dangerous occurrences will be selected for investigation based on published criteria. Concerns raised by workers relating to health and safety standards will also be investigated.

12 Failures leading to major accident hazard precursors (e.g. HCRs) as well as personal injuries will be investigated. Investigation of personal injuries is important to ensure that the industry does not become complacent about its otherwise good standard of management of these issues.

13 **Involving the workforce** - Inspectors will invite safety representatives to contribute to investigations offshore. Relevant witnesses will be interviewed. Witnesses may be asked to make a formal statement. Inspectors have powers to require cooperation with any investigation.

Closing out

14 Inspectors will summarise for the senior duty holder representatives and any workforce representatives, their key findings at the close of every visit. Inspectors may give advice and comment on issues at this point. They may also need to take further expert advice, or await the results of testing etc. before making a final decision on some issues. Inspectors will confirm all significant findings to relevant duty holders. These may include the installation operator, contractors and other employers. Significant findings are limited to issues that constitute a failure to meet a defined standard.

15 **Recording performance** – Following all significant interventions, inspectors will score (rank) and record the performance of the dutyholder against a set of key topics. These rankings will be used to track the progress of the dutyholder in moving towards full legal compliance, will guide the priority for further HSE interventions on that topic, installation or duty holder and recognise good standards.

16 **Letters** - Following an inspection or investigation, inspectors will confirm in writing to the relevant duty holder any significant failures of safety management. Where issues are raised, they will be followed up. Where duty holders do not take sufficient remedial action, inspectors will take formal action to secure compliance.

17 Whilst it is important to involve installation managers in the inspection and in securing any necessary improvement, at the close of an inspection, all requirements will be addressed to the head office of the dutyholder. This is important to ensure that the responsible legal entity is aware of any significant failures. All letters will be copied to safety representatives for information.

18 Where any requirements appear unreasonable, or how compliance is to be achieved or measured is unclear, dutyholders should seek clarification from the inspector or the inspector's line manager.

Enforcement action

19 Formal enforcement action is taken to protect against injury. Action may be taken to prohibit defined activities when circumstances are such that the inspector believes there is risk of serious personal injury. Improvement notices may be served where there is a contravention of a legal requirement or where there has been a contravention in circumstances that make it likely that the contravention will continue or be repeated.

20 Inspectors will follow the provisions of [HSE's Enforcement Policy Statement](#) and [Enforcement Management Model](#) to ensure that their actions are proportional to the risks they are designed to control. Duty holders may appeal to an Employment Tribunal regarding the service of a notice.

21 The service of a notice is not a punishment. A notice provides an opportunity for duty holders to comply with legal requirements. Failures to comply with a notice will be referred to the courts.

22 Where standards fall unacceptably short of the legal standard, or where a failure to comply has led to death or injury, matters may be referred direct to the courts for consideration.

23 **Fatal accidents** - In the event of a fatal accident in England & Wales, the Police will also investigate under the terms of the [Work-related Deaths Protocol](#). The Police will consider if the death(s) were due to manslaughter and they may initiate action against individuals or corporations. In Scotland, inspectors will liaise with the Procurator Fiscal and Police in accordance with the [Scotland Work Related Deaths Protocol](#).

Stakeholders

24 In the main, technical solutions to the issues that affect the industry are available. Failures of risk controls and associated failures in legal compliance frequently arise because either insufficient attention is given to identifying and

controlling risks, or solutions once applied are not maintained. These issues can only be addressed by focussing on health and safety leadership throughout the industry and ensuring adequate competence at every level. In particular the workforce needs to be not only competent to understand what is necessary and what should be in place to protect them, but they also need to be actively engaged in major hazard control and identifying ingrained failures.

25 Equally, innovative solutions to some issues emerge and lessons are learned from incidents etc. about how better to implement and maintain established processes and procedures. This learning is a valuable resource and should be available to and exploited by the whole industry. Stakeholders must encourage and facilitate the identification and sharing of important learning across the industry and support duty holders in applying that learning.

26 The economic and strategic importance of the sector means there is a wide range of influential stakeholders. Key stakeholders must drive improvements in leadership and competence. The key representatives and the roles they can play are set out below.

27 **Department of Energy and Climate Change (DECC)** DECC license oil and gas exploration and extraction, taxation and decommissioning. DECC's activities in these areas influence the structure of the industry but not directly HSE's approach. By securing the continued safe operation of the sector, HSE supports DECC's aim of securing a long-term, resilient supply of oil and gas to the UK.

28 DECC inspectors are also responsible for the regulation of marine pollution and environmental protection. In general, HSE's objective of ensuring asset integrity and hence the containment of oil and gas within pipelines and the processing plant on the installations, supports the objectives of DECC. HSE and DECC undertake coordinated activities in line with a Memorandum of Understanding. With the implementation of the new Offshore Directive, this joint working will become further focused by the creation of a joint safety and environment Competent Authority. DECC and HSE are working together to develop working arrangements in advance of implementation of the Directive.

29 **Step Change in Safety** Step Change is the industry's primary safety organisation. Its Leadership team consists of senior industry leaders, including trades unions, workforce representatives and the Head of HSE's Energy Division. It provides essential direction to improve health and safety performance across the whole of industry. It does particularly valuable work in emphasising the importance of leadership at all levels and the involvement of the workforce in improving safety standards. Step Change will continue to be an essential partner for HSE in taking forward this strategy. In particular, Step Change will emphasise the importance of health and safety leadership. The Leadership team will work to ensure implementation of existing Step Change advice on competence, worker engagement and its hydrocarbon release reduction programme. Individual members will act as leadership exemplars.

30 **Oil and Gas UK (OGUK)** OGUK is a key trade association which draws its membership from across operators, contractors and other Trades Associations representing them. OGUK recognises the importance of good health and safety standards in the sector and works to encourage all their membership to adopt high standards. OGUK supports Step Change in Safety.

31 **RMT and Unison** Both unions are effective representatives of their membership. They participate in Step Change and senior officials are valuable members of the Leadership Team. HSE will continue to work with both RMT and Unison to engage the workforce in improving health and safety conditions.

32 **Elected Safety Representatives** Safety representatives, whether union members or not, are an essential and effective link between management and workforce. They have done much valuable work in raising standards of personal safety offshore. They will also be a valuable link in raising the awareness of major hazard risk amongst the workforce. In particular, HSE inspectors will ensure they engage with safety representatives whenever they conduct inspections or investigations offshore.

33 **Offshore Industry Advisory Committee (OIAC)** OIAC is a tripartite committee chaired by HSE's Head of Energy Division. It is an important forum for the discussion of health & safety matters in the offshore industry.

34 **Worker Engagement Support Team (WEST)** WEST is a newly formed body merging the Worker Involvement Group of OIAC and the Worker Engagement Group of Step Change. It will work to engage workers in understanding and driving improvements in awareness of major hazard risks and individual competence.

35 **International Association of Drilling Contractors (IADC)** The IADC represents the major drilling contractors and its mission includes improving the industry's healthy, safety and environmental practices.

36 **Offshore Contractors Association (OCA)** Contractors employ approximately 80% of those actually working offshore. Many of their members also belong to OGUK. However, until recently, OCA as a body has not been closely engaged in carrying forward health and safety issues. Recent contacts with OCA indicate they may be able to add value to the health and safety system by being more engaged in discussion and consultation. For example, as employers of so many members of the workforce, they can do much to ensure basic competence and awareness of major hazard risks. HSE will aim to strengthen links with the OCA.

37 **British Rig Owners' Association (BROA)** BROA represents owners and managers of offshore units, including Mobile Offshore Drilling Units (MODU's). BROA provides a forum for discussion of common interests and cooperation with UK Government, the International Maritime Organisation

(IMO) and the EU. There is an opportunity to catalyse development of sharing of good practice with their membership.

38 **Verification and Well Examination** Dutyholders are required to appoint an independent competent person (ICP) for their offshore Verification and Well Examination Schemes. ICPs therefore play an important role in providing assurance that major hazard risks are controlled.

39 **OPITO** OPITO is the focal point for skills, learning and workforce development. It defines basic safety training for all offshore workers. The training provided to workers supports the good performance on personal safety issues. For the future, raising awareness of major hazard risk should be incorporated within basic training arrangements.

40 **Maritime and Coastguard Agency (MCA)** MCA has primary responsibility for maritime safety. HSE will work with MCA on issues where operations associated with offshore activities on floating installations such as MODUs and FPSOs impinge on their sea-going integrity/safety or where vessels approaching an installation can threaten the structure or stability of an offshore installation through collision or other impact.

41 **Civil Aviation Authority (CAA)** CAA has responsibility for aircraft flight safety. Whilst the safety of helicopter transport to and from installations is a major concern for both workers and HSE inspectors, HSE has neither the vires, nor expertise to play a major role in this area. HSE will support any requests for participation received from CAA and follow advice on helicopter transport, but otherwise the lead for safety of aircraft in flight falls to CAA. HSE will continue to ensure that heli-decks on offshore installations are safe and appropriately constructed.