

**HAZARDOUS INSTALLATIONS DIRECTORATE
OFFSHORE DIVISION
BUSINESS PLAN FOR 2009/10**

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Introduction

1. This is the HID/Offshore Division (OSD) plan for 2009/10. 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, both in the upstream petroleum industry and onshore/inshore diving. It has a separate Operational Plan, which focuses intervention activity on dive equipment integrity safety management systems, supervisor competence, slips, trips and falls, and health issues.
4. OSD's mission reflects the HID mission:

OSD's mission is to assure safe management and effective control of major accident hazard risks and prevent catastrophic incidents in the Offshore Oil and Gas Industry

Our mission will be delivered by:

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

Our Operating Environment

5. The offshore oil and gas industry comprises around 300 installations ranging from unattended gas platforms to large oil and gas production platforms, and includes 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 28,000 offshore workers. 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:

- the economic downturn and the decline in the oil price may result in a high risk of jeopardising investment and maintenance of integrity
- abandonment of installations and infrastructure will become increasingly dominant

- 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 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.

6. 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 all relevant stakeholders.

Priorities

7. 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, assist in the production of standards and actively engage with Stakeholder groups. The full range of our resource deployment is shown in Annex 1.

8. OSD's priority areas in 2009/10 remain unchanged from these in 2008/9 and we will continue to address 4 critical areas of performance where the offshore industry needs to make further improvements. Supporting projects have been developed to facilitate delivery of objectives in these areas. The priority areas are:

- **Leadership.** This is a key issue for all UK's major hazard industries and will be given a particular emphasis by OSD as the role of senior management was highlighted for the offshore industry by the report on the three year installation integrity programme Key Programme 3 (KP3).

Our objective is to see Industry leaders demonstrate commitment to health and safety and ensure the effective management and understanding of major accidents risks and their control.

- **Asset integrity.** 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 and the economic downturn which is also affecting decision making in the offshore industry. Improvements are needed to address the installation integrity problems and this must remain high on industry's agenda.

This topic remains a critical concern and builds on issues of continuing priority for OSD. The findings of KP3 were published in November 2007, and a review, at the request of the Minister, is currently underway to establish industry progress in addressing the issues identified within the KP3 report. The report with the results of the review is due for publication in July 2009.

Our objective is to see that Assets (which include structure, process plant and connected wells and pipelines) have integrity through meeting design performance standards for effective control of risks and are subject to management systems which effectively support those standards.

- **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. OSD will therefore be paying increasing attention to competency issues.

Our objective is to see effective competency assurance and, importantly, the real time management of competent work force.

- **Safety culture.** Safety culture remains at the heart of effective management of all risks offshore including major accident hazard risks. A culture which encourages 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.

Our objective is to see individual and corporate culture that ensures the right things are done, at the right time, all the time. The company and individuals all try to do the right thing and are actively involved in improving health and safety.

Targets

9. From April 2009, HID will contribute to DWP Departmental Strategic Objective (DSO) 3 which aims to improve health and safety outcomes. Indicators are:

- 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.

OSD's primary contribution to this DSO is, 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% (see Annex 2)

OSD Key Deliverables 2009/2010

10. To support HSE's wider strategic objectives and OSD's priorities a number of key deliverables together with means of determining their delivery have been identified as follows:

(a) Avoiding Catastrophe

OSD will use its resources in order to ensure that intervention strategies at major hazard installations target risk control and raise the performance of the poorest performers	
Key deliverable	OSD Performance Measures
A programme of	a) All offshore installations will have targeted intervention plans and

<p>interventions targeted at major hazard installations according to hazard and risk based criteria. Poor performers will be targeted.</p>	<p>progress will be monitored.</p> <p>b) The approach to developing these plans takes into account the outcome of thorough reviews, topic strategies, the hydrocarbon release database, prior performance and the installation inspection overview record. Poor performers will be discussed at the monthly Divisional Management Meetings and strategies developed for dealing with them.</p> <p>c) Delivery of 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 industry learning and improvement</p>
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<p>OSD will contribute to The Department of Work and Pensions' Departmental Strategic Objective to reduce the number of dangerous events in the offshore and onshore major hazards sectors.</p>	
<p>Key Deliverable</p>	<p>OSD Performance Measures</p>
<p>OSD will deliver proactive and reactive risk based interventions to ensure that duty holders maintain effective control of risks.</p> <p>OSD will work to ensure that by the end of 2010/11, the number of major and significant hydrocarbon releases offshore have reduced by 45%.(from a 2001/02 baseline)</p>	<p>Investigation of all major and significant hydrocarbon releases.</p> <p>Hydrocarbon release statistics will be produced quarterly.</p> <p>Analysis of all hydrocarbon releases to identify emerging trends and underlying causes.</p> <p>Work with the offshore industry and the Step Change initiative in order to help deliver their plan aimed at reducing hydrocarbon releases.</p> <p>Effective use of data and intelligence in order to focus resources on poor performers</p>

<p>OSD will continue 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.</p>	
<p>Key Deliverable</p>	<p>OSD Performance Measures</p>
<p>Increased adoption of key performance indicators in selected major hazard industries</p>	<p>We will drive the reporting on three cross industry KPIs: Hydrocarbon releases, Close out of statutory verification findings, and Maintenance backlog.</p> <p>Secure industry agreement to benchmark performance criteria by the end of 2009/2010 against these three indicators.</p> <p>OSD involvement in Step Change Asset Integrity Steering Group activities, including development of further major hazards KPIs to be used across industry.</p> <p>At annual reviews assurance will be sought that senior managers understand and use key KPIs and use them to improve major hazard risk control.</p>

<p>Ageing infrastructure is a feature of the offshore oil and onshore major hazards industries presenting challenges for safe operation</p>	
<p>Key Deliverable</p>	<p>OSD Performance Measures</p>

<p>Promote awareness and management of the risks associated with Ageing Plant in the offshore oil and onshore major hazard industries</p>	<p>Project to review progress on KP3 (Installation integrity) to report by July 2009 and be subsequently launched publicly.</p> <p>Completion of the planned programme of inspection of production installations to ensure duty holder compliance with verification requirements in the Regulations and to encourage effective integration of the verification scheme within the duty holder Safety Management System. Report back on the findings of this project.</p> <p>Completion of the planned program of inspection of production installations with an aim of reducing risks from external corrosion through a combination of improvements to duty holder management systems and the physical condition of offshore installations. Report back on the findings of this project.</p> <p>Continuation of the rolling structural integrity topic inspection programme focussing on integrity management (SIMIP). This programme includes themes of ageing installations and the management of structural integrity (topsides; underwater) ; floating installation structural integrity ; mobile jackup installation structural integrity; and foundation integrity.</p> <p>New offshore guidance on management of ageing plant and life extension available June 2009.</p> <p>OSD involvement in Step Change Asset Integrity Steering Group to influence industry performance in the management of installation integrity.</p>
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<p>The shortage of skilled workers is considered to be a particular issue in relation to the management and control of risks at major hazard installations. OSD recognises the need for industry to ensure they have a competent workforce.</p>	
<p>Key Deliverable</p>	<p>OSD Performance Measures</p>
<p>Have in place work streams to ensure that industry is adequately addressing the competence of its workforce</p>	<p>Competence will continue to be a key theme on all offshore interventions.</p> <p>The competence of contractors, and its validation by clients (offshore oil companies), will be investigated in a pilot project targeting three dutyholders.</p> <p>OSD involvement in NSOAF European supervision project and use of the tool kit developed by the project for monitoring supervisory competence at interventions.</p> <p>Continuing work with both Step Change and OPITO (Industry training body) to raise competence in all sectors of the industry and to raise awareness of major accident hazard risks.</p>

<p>Assessment of safety cases and safety reports submitted to HSE by duty holders to time and quality standards</p>	
<p>Key Deliverable</p>	<p>OSD Performance Measures</p>
<p>Assessments of safety cases and reports submitted to HSE by duty holders to time and quality performance standards</p>	<p>Carry out timely and effective assessment of safety cases submitted to HSE by offshore dutyholders in accordance with the Divisional procedures (reported via OPM A).</p> <p>Review summaries of the thorough review process in timely fashion and in accordance with the Divisional procedures (reported via OPM A)</p>

(b) Avoiding Catastrophe: Enabling Functions

OSD will use the most appropriate and targeted communication approaches to promulgate key messages in support of its business priorities. We will effectively engage with stakeholders to secure high-levels of commitment from strategic partners that delivers action in achieving OSD's goals and enhance OSD's reputation as an organisation willing to work in partnership but robust in enforcing the law and using sanctions when necessary.	
Key Deliverable	OSD Performance Measures
A communications plan which is fully integrated with OSD's business activities and supports achievement of its key deliverables.	<p>OSD will use the opportunity provided by Offshore Europe 2009 to raise awareness of its key priorities.</p> <p>OSD's website will be redesigned in order to improve its impact and accessibility.</p> <p>OSD will continue to published Tea Shack News for the industry workforce</p> <p>OSD will enhance further its reputation by working effectively in partnership with the International Regulators Forum (IRF), the North Sea Offshore Authorities' Forum (NSOAF) and directly with fellow North Sea member states to share knowledge and information of safety issues, company performance, and . to ensure standards are appropriate for the UK and offshore.</p>

(c) Science

Commissioned science is an important resource for supporting HID's business delivery. The Major Hazard Science Plan for 2009/10 provides business cases for all science proposals required to support our strategic priorities – both near term and for work which will not be completed for several years. A significant proportion of OSD's science needs for 2009/10 involve asset integrity.	
Key Deliverable	OSD Performance Standards
OSD will deliver the appropriate sector work identified in the MH Science Plan.	<p>OSD's science and research strategy is developed and published and plans clearly supporting the strategy implemented.</p> <p>Ensure consistency in the development of key health and safety technical standards by providing suitable technical support for working groups and international standards committees.</p> <p>Provide as required specialist expertise in areas unique to OSD in particular Wells and Diving</p>

(d) Leadership

We recognise the importance of leadership in the Major Hazard industries in creating a strong positive safety culture. We will work with industry to secure effective leadership and the management and control of risk	
Key Deliverable	OSD Performance Standards
A programme of work to achieve demonstrable strong leadership in the offshore industry	<p>Continued work with Step Change and industry bodies at senior level to raise awareness of leadership issues and improve management competence.</p> <p>At annual dutyholder review meetings assess senior management and Board level leadership involvement and use of KPI's</p>

(e) Worker Involvement

Worker involvement in the offshore sector has been identified as a priority theme in developing positive safety cultures	
Key Deliverable	OSD Performance Standards
Improved the effectiveness of worker involvement in contributing to major accident risk control in the offshore sector	<p>OSD will continue to participate in the Workforce Involvement Group which is a sub-group of OIAC.</p> <p>Two further Workforce Involvement Group seminars will be hosted in 2009 with continued focus on major accident hazard risks.</p> <p>The OIAC Workforce Involvement Group will produce a report for the KP3 review, identifying options for improvements in safety culture and workforce involvement.</p>

(f) Creating healthier, safer workplaces

Key deliverable	OSD contribution
To improve the control of occupational health risks and ensure adequate welfare provision offshore, particularly in relation to: * Chemicals , Asbestos Noise and Vibration, food and water safety and accommodation standards	<p>Continue the inspection initiative to ensure effective management of occupational health by offshore companies by Initiating inspections of 3 new duty holders on their management of Occ. Health and reviewing progress of inspections currently underway.</p> <p>Develop COSHH Essentials guidance in collaboration with relevant industry stakeholders (2009/10). Complete 1st draft of COSHH Essential Guidance by June 2009.</p> <p>Undertake a programme of inspections aimed at the effective management of food and water hygiene on offshore installations. Complete 10 food and water hygiene inspections during 2009/10</p> <p>Undertake an inspection project aimed at improving compliance with the DCR requirements for accommodation standards offshore.</p>

(g) Investigation and Securing Justice

Key deliverable	Performance Measure(s)
The timely and thorough investigation of accidents and incidents ensure that where appropriate effective enforcement action is taken in accordance with the enforcement management model.	<p>Enforcement decisions for all investigations will be recorded in accordance with the Enforcement Management Model (i.e. EMM1s).</p> <p>Investigate at least 97% of incidents which meet the HSE criteria for mandatory investigation (OPM D).</p> <p>Investigate at least 90% of complaints (OPM C).</p> <p>A sample of enforcement decisions will be subjected to peer review. In addition, a sample of decisions will be reviewed at operational manager level.</p> <p>IMT Unit Managers to ensure four tripartite meetings are held between HSE, the Procurator Fiscal and Grampian Police during 2009/10</p>

Corporate deliverables

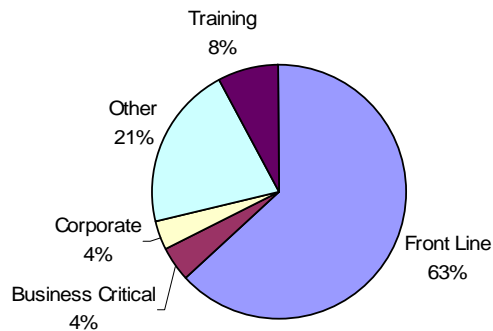
There are a number of corporate deliverables which HID have identified relating to the effective and efficient management of people and financial resources to ensure HID performs its functions in accordance with the law. These corporate deliverables are contained in the HID Business Plan.

ANNEX 1

OSD's Resource Deployment 2009/10

		Activity Title	
			0910
Front Line Work		Assessment & Approvals	2105.18
		Inspection	9691.33
		Investigation	2218.16
		Enforcement	967.61
		Development of UK & International standards	6033.15
		Advice, Education & Promotion - External	
		Stakeholder Engagement	
		Travel Front Line	
Business Critical		Developing Policy	1412.97
		Managing Science and Research	
		Analysing evidence	
		Horizon Scanning	
		Evidence Base Development	
Corporate		Advice Education & promotion - Internal	1280.88
		Managing Business Performance	
		Managing Finance & Planning	
Other		Travel Non Assignable	1468.65
		Managing People	1988.41
		Keeping HSE Running	3536.60
Training		Training	2313.19
		Training Delivery	266.46

OSD 09/10 Plan by Operational Productivity Category



■ Front Line
 ■ Business Critical
 ■ Corporate
 ■ Other
 ■ Training

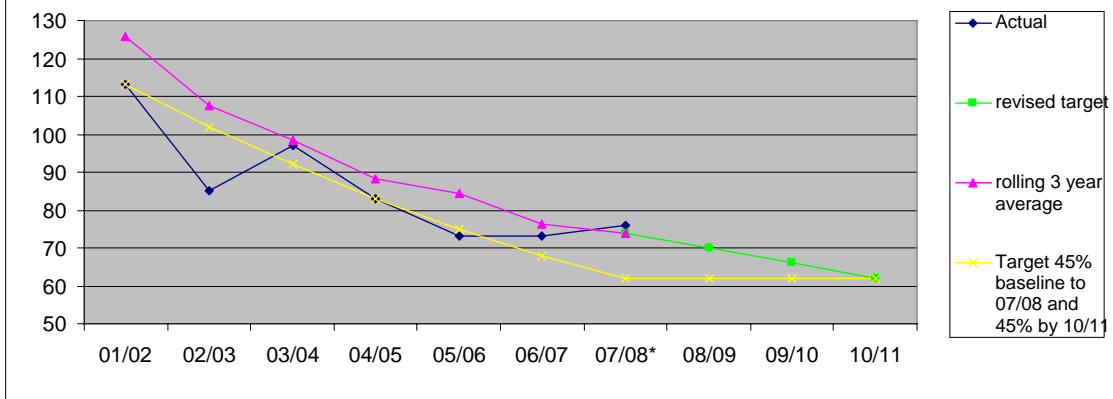
ANNEX 2

Proposal for the reduction of hydrocarbon releases by 2010/11 (provisional - until the final outturn for 08/09 is known circa end May 2009)

	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	74	74	60		
revised target							74	70	66	62
rolling 3 year average	126	108	98	88	84	76	74	69		
Target 45% baseline to 07/08 and 45% by 10/11	113	102	92	83	75	68	62	62	62	62

* Predicted total based on April to March, but not all OIR/12 data yet received.

HC Releases 45% & 50%² Reduction of Baseline³ (76 releases 0708)



- 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