

Health and Safety Executive (HSE)

**Evaluation of the impact of charging on Gas
Transportation**

9 July 2002

Final Report

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1. EXECUTIVE SUMMARY

Introduction

1.1 The 1997 Quinquennial Review of the Health and Safety Executive (HSE) recommended that HSE should investigate introducing charging for its safety case regimes. Following a feasibility study charging schemes were introduced for the Control of Major Accident Hazards from April 1999 and for Rail, Gas Transportation and Offshore from October 1999. Because of concerns about the introduction of charging Ministers agreed that a review of each charging scheme should be conducted after two years of operation. In June 2001 Deloitte & Touche were commissioned to carry out this review programme. This report relates to our review of the impact of the Gas Transportation scheme. The review programme will include separate reports on COMAH, Offshore, and Rail as well as cross-cutting reports on:

- the reasonableness of charge-out rates;
- the efficiency of administrative processes;
- a review of the effectiveness of the queries and disputes procedure.

Overview of approach

1.2 Our work on the Gas Transportation charging scheme was carried out primarily through a structured, and agreed, process of tripartite consultation with dutyholders, staff from HSE and unions. Data analysis was not carried out for this regime because of the reasons given in paragraphs 3.2 and 3.3. Also, it was decided in the Gas Charging Review Group (September 2001) to adopt an approach to this review in proportion to the size and complexity of the regime. The Gas Transportation charging scheme only accounts for approximately 0.2% of income from charging.

1.3 Similarly, the consultation element of the Gas Transportation review is significantly smaller (in terms of depth, not scope) than that for the other regimes. The consultation methods employed during this review included a survey, telephone interviews and face to face interviews. Using these methods across the three groups of stakeholders provided us with opportunities to explore the impact of charging from a number of different viewpoints and dimensions.

Findings

1.4 Summarised below are the findings of the Gas Transportation study. The findings are arranged into a set of specific areas derived from our terms of reference. Each of these areas was explored in detail during the study, making use of the methods described above.

Effect of charging on industry's health and safety policies, practices and compliance performance

- 1.5 No dutyholders consulted indicated that they had changed their policies, practices or compliance in any way as a result of charging. One respondent said that the company now took more time to get things right first time.
- 1.6 One inspector thought industry may now tend to 'stock-pile' amendments to safety cases, preferring to submit one large amendment than many small ones, in the belief that this is more cost effective.

Effect of charging on relationship between HSE and industry

- 1.7 None of the dutyholders felt that charging had had any effect on the relationship to date. Despite this, some dutyholders raised concerns that the relationship may become less open in the future in terms of communication between HSE and dutyholders because of dutyholder perception that openness may ultimately result in higher inspection costs.
- 1.8 Inspectors believe that charging has the potential to interrupt the free flow of information between HSE and dutyholders, and mentioned that meetings seem to be kept as short as possible since the introduction of charging.
- 1.9 A number of dutyholders noted positive pressures as well, feeling that there was more of a client service provider relationship since the introduction of charging, and the expectation that HSE would be quicker and more efficient with safety case assessments in the future.

Effect of charging on operational behaviour and morale of inspectors

- 1.10 The majority of dutyholders felt there had been no change in operational behaviour of inspectors. Inspectors concurred with this view.
- 1.11 In terms of morale, both inspectors consulted thought that, to an extent, it had been negatively affected. They believed this was due to two main reasons: a disagreement in principle with charging, and the information system (CIS) in use.

Cost to industry and HSE of complying with and administering the new charging arrangements

- 1.12 Only one dutyholder indicated that additional cost had been incurred, and that this was less than £3,000 (start-up and annual running cost).
- 1.13 The main additional cost from an inspector point of view is the time spent entering time into the information system. This amounts to approximately 5% (two hours per week) of inspector time.

Effect of charging on HSE's strategic goals and policy approach

- 1.14 No-one consulted thought that it had in any way affected HSE's strategic goals and policy approach.

Effect of charging on HSE's regulatory performance

1.15 No-one consulted believed that there had been any effect on regulatory performance.

Effect of charging on the efficiency of way in which HSE carries out its functions and whether greater transparency has resulted in benefits to industry and regulator

1.16 Half of dutyholders consulted felt that efficiency had remained the same, and three survey respondents (out of eight) felt it had decreased. One respondent felt it had improved. None of the interviewed dutyholders felt service delivery had been compromised, but all questioned whether the small amount involved justified the operation of an administrative section¹. They also felt that the amount of dutyholder and inspector time consumed as a result of administration far outweighed the income generated. HSE staff were of the opinion that inspector time required to administer charging for Gas Transportation was minimal.

Suggested improvements to the charging scheme

It should be noted that the suggestions listed in this Section are those arising from the Consultation Stage and are not the recommendations of Deloitte & Touche.

1.17 In terms of charging mechanism, the majority of dutyholders were not content with the actuals system of charging, preferring a banded, flat rate, or levy based system.

1.18 In terms of improvements for the current mechanism, suggestions included more effort from HSE to assist in budgeting, and a service level agreement between HSE and dutyholders in terms of turn-around times on safety case assessments and requests for advice.

¹ The administrative functions of the Gas Transportation Charging Team (a much smaller part of the joint Gas Transportation/COMAH Charging Team) were merged with those for COMAH and Offshore to form one HID Charging Team in January 2002.

2. BACKGROUND TO THE REVIEW & SCOPE AND STATUS OF THIS REPORT

Background to the review and terms of reference

- 2.1 The Government's 1997 Quinquennial Review of the Health and Safety Executive (HSE) and Health and Safety Commission (HSC) recommended that HSE should investigate introducing charging for its permissioning, safety case, regimes. A feasibility study was completed and charging regimes were introduced for the Control of Major Accident Hazards (COMAH) from April 1999 and for Railways, Gas Transportation and Offshore from October 1999.
- 2.2 Because of concerns about the introduction of charging raised by HSC, Ministers agreed with HSC's recommendation that a review of each charging scheme should be conducted after two years of operation. In June 2001 Deloitte & Touche were commissioned to carry out this review programme.
- 2.3 The purpose of the review is to establish the:
- effects of the introduction of charging on HSE's relationship with industry;
 - impact of charging, in each industry, on HSE's effectiveness and, in the case of COMAH, on the effectiveness of the Environment Agency (EA) and the Scottish Environment Protection Agency (SEPA);
 - effectiveness of the financial and administrative arrangements for the charging schemes.
- 2.4 The terms of reference of the review are to examine the efficiency and effectiveness of the COMAH, Gas Transportation, Offshore and Railways charging schemes and, in particular, to explore:
- the practical effect of charging on industry's health and safety policies, practices and compliance performance (and environment for COMAH);
 - the effect that charging has had on the shaping of HSE's strategic goals and policy approach to developing health and safety regulations;
 - the costs to industry, and HSE, incurred in complying with and administering the new charging arrangements;
 - any health and safety benefits that have resulted from the additional resources that charging has generated;
 - the effect of charging on the relationship between HSE and industry;
 - the effect of charging on HSE's regulatory performance;
 - the effect of charging on the operational behaviour and morale of inspectors;
 - whether charging has resulted in efficiency improvements in the way in which HSE carries out its function and whether the operation of charging in

an open and transparent way has resulted in benefits to industry and the regulator;

- what further business improvements could be made to the charging systems.

Scope, status and structure of this report

2.5 This is the final version of the Gas Transportation report. This report covers only our findings from consultation.

2.6 This report is structured as follows:

Pre-Section	Executive Summary	➤	A free-standing summary of the report that summarises our terms of reference, approach, and findings.
Section 2	Background	➤	An outline of the background to this study and the scope and status of this report
Section 3	Methodology	➤	An outline of the methodology which informed our findings
Section 4	Findings	➤	Findings from the Consultation Stage of our work in relation to the key points in the terms of reference
Appendices		➤	A series of supporting appendices detailing the responses to the questionnaire, key issues that emerged from telephone interviews and workshops, details of interviewees and workshop participants and the original product description for this report. A glossary of acronyms is also included.

2.7 Following the clearance of this report, we will produce a consolidated report bringing together the findings from the four industry reviews. This report will not include our findings on the cross-cutting reports on the efficiency and effectiveness of the administrative processes or the reasonableness of charge-out rates.

3. METHODOLOGY FOR THE REVIEW OF GAS TRANSPORTATION

Introduction

- 3.1 Our work on the Gas Transportation charging scheme was carried out primarily through a structured, and agreed, process of consultation with dutyholders, dutyholder representative groups, and staff from HSE and unions.
- 3.2 The Gas Safety (Management) Regulations 1996 (GSMR) govern the transmission and distribution of gas (including composition and quality) up to the consumers' meters. Unlike the other "permissioning" regimes being reviewed, GSMR are concerned solely with matters of public safety; they are not provisions ensuring the health and safety of employees.
- 3.3 Consequently, although significant numbers of the public are potentially at risk, the number of reportable health and safety incidents are so small they would not contribute to any meaningful trends from which conclusions could be drawn about the effects of charging on health and safety enforcement. Therefore, no data analysis was carried out for this regime.
- 3.4 This Section provides details of our methodology followed by an overview of the limitations of the approach taken.

Consultation with dutyholders

- 3.5 The process of seeking the views of dutyholders was structured and sequential. It took place as follows:
 - the development and distribution of a survey sent to all dutyholders that had been invoiced for Gas Transportation work on more than two occasions before September 2001. A list of dutyholders (and contact details) satisfying these criteria was provided to us by HSE. This sample was chosen so as to ensure that dutyholders being asked to express their views had sufficient experience on which to base their responses. The survey was completed by 8 (16%) dutyholders. Results were analysed and used as a foundation for subsequent consultation phases (see Appendix 4 for details of the questionnaire and a summary of results);
 - one face to face and one telephone interview with senior managers from Transco;
 - follow-up telephone interviews with 2 dutyholders to explore emerging key issues and to allow interviewees the opportunity to discuss other issues (see Appendix 2 for list of dutyholders consulted);
 - interviews with a key industry representative group (AIPGT);
 - discussions with an industry safety forum (PGT Safety Forum);

Consultation with staff from HSE

3.6 The process of seeking the views of HSE staff included the following:

- face-to-face interviews with 2 HSE inspectors with more than 3 years of experience;
- a face-to-face interview with the head of Land Division 2.

3.7 Details of attendees are listed in Appendix 2.

Consultation with unions

3.8 The process of union consultation included the following:

- A meeting with GMB.

Limitations of Approach

3.9 The following table sets out our view of the key limitations and the impact of these:

Aspect of work	Limitation	Impact
Consultation – survey and telephone interviews of dutyholders	The response rate from industry was not as high as expected - 16% compared to the expected 50%. Attempts to improve the response rate included HSE contacting individual dutyholders to encourage completion of the survey questionnaire.	- Relatively small sample size from which to draw general conclusions from the survey.

4. FINDINGS FROM CONSULTATION

Introduction

4.1 This Section provides consolidated, summarised and interpreted findings from the Consultation Stage. The methodology we followed, and the limitations of it, are explained in more detail in Section 3. The key parties that have provided these findings are dutyholders, unions and HSE inspectors and staff. A complete set of results from the questionnaire is provided in Appendix 4.

4.2 We have structured this Section to summarise dutyholders and HSE's answers to the following questions specified in our terms of reference:

- what has been the practical effect of charging on industry's health and safety policies, practices and compliance performance?
- what has been the effect of charging on the relationship between HSE as the regulator and industry?
- what has been the effect of charging on the operational behaviour and morale of inspectors?
- what has been the cost to industry and HSE in complying with and administering the new charging arrangements?
- have there been any health and safety benefits resulting from the additional resources charging has generated?
- what has been the effect of charging on the shaping of HSE's strategic goals and policy approach to developing health and safety regulations?
- what has been the effect of charging on HSE's regulatory performance?
- has charging resulted in efficiency improvements in the way HSE carries out its function and has the operation of charging in an open and transparent way resulted in benefits to industry and the regulator?
- what further business improvements could be made to the charging systems?

What has been the practical effect of charging on industry's health and safety policies, practices and compliance performance?

Industry

4.3 100% of survey respondents indicated that they had made no changes to health and safety policies or practices as a result of charging. This was borne out in discussions with dutyholders and industry associations.

4.4 One surveyed dutyholder indicated that they had changed other business practices as a result of charging, feeling that the business now took more time to get things right first time. Interestingly, this dutyholder felt that charging would increase the

frequency and number of visits, but felt that this increased scrutiny would improve the company's focus on health and safety.

HSE

- 4.5 One inspector thought that an effect on industry policy and practice has been that some companies tend to 'stock-pile' changes to their safety case, and submit one large annual amendment, rather than multiple smaller amendments, to keep assessment costs lower. If such an accumulation amounts to a material revision, then this would place the duty holder in breach of the regulations, as the final change would need to be assessed and accepted before it could be made.

Union

- 4.6 No specific issues or concerns raised.

What has been the effect of charging on the relationship between HSE and industry?

Industry

- 4.7 All survey respondents felt that their relationship with HSE had been good before, and in no way affected by, the introduction of charging.
- 4.8 A number did point out negative effects of charging though, indicating that it has introduced pressure into the relationship. Three comments dealt with feelings that the relationship between dutyholders and inspectors would become less open, and that dutyholders may become reluctant to make changes to safety cases because of cost implications. Two other comments made related to concerns that inspection in the future may be driven by financial, and not compliance, motives.
- 4.9 Several surveyed dutyholders felt there had been positive effects of charging as well. One felt that it had introduced more of a client-service provider relationship between inspectors and dutyholders, and that dutyholders now expected safety case assessments to be provided quickly and efficiently to give value for the charge made. Along similar lines, another felt that charging increased the expectation of dutyholders in terms of structure for audit visits by inspectors. One dutyholder also made the observation that consistency across all gas transporters should improve through a more standard audit approach, which could be an indirect result of charging.
- 4.10 Subsequent discussions brought some confirmation, with one dutyholder again mentioning that a less open relationship was sure to result. An example of this change in attitude is that a dutyholder no longer takes inspectors around on a general visit, and demands justification if the inspector asks to revisit a particular area.
- 4.11 Despite this, all dutyholders surveyed indicated that they ask the same amount of advice from HSE, and place the same value on that advice. Dutyholders spoken to agreed with this, and generally agreed that, on the whole, the relationship has not been affected by the introduction of charging.

HSE

- 4.12 Inspectors agree that charging has the potential to interrupt free flow of information between them and dutyholders, and have noticed a tendency for meetings to be kept as short as possible. They also noted that some inspectors have tried to compensate for this by generally not charging for advice relating to a safety case. One inspector noted that getting safety cases and amendments accepted tends to be an iterative process, and that information flow is critical. There was a feeling that industry may be making more use of external, transient consultants in getting the safety case accepted, particularly new entrants to the market. Inspectors thought that this was not necessarily in the interests of health and safety, as this tended to result in less ownership by the company of their accepted safety case, which should be treated as a 'live' document, not something to be completed and filed.

Union

- 4.13 No specific issues or concerns raised.

Effect of charging on operational behaviour and morale of inspectors

Industry

- 4.14 87% of survey respondents felt there had been no change in the operational behaviour of inspectors, and 13% (one dutyholder) felt there had been. This dutyholder felt the operational behaviour was worse under charging, and commented that inspectors are less likely to discuss subjects that may ultimately result in charges to the dutyholder.
- 4.15 One industry association echoed this feeling, by raising the concern that HSE inspectors may be encouraged to take less time on important health and safety issues than they should, to the detriment of overall health and safety.

HSE

- 4.16 Inspectors did not believe that operational behaviour had been affected in any way. They did think, however, that morale had been negatively affected by two main factors; a disagreement in principle with charging, and the information system (CIS) in use. Staff believed that the former is, to some extent, leading inspectors to undercharge. The latter, staff felt, was not user-friendly and frustrating to use. They commented that it had started off simply for charging, and over time had been added to, leading to duplication in both data and effort. They point out that the system does not allow any accumulation of time across multiple days or weeks, and that it is necessary to go through an elaborate search routine for a dutyholder name, even when the inspector knows the name.

Union

- 4.17 No specific issues or concerns raised.

Cost to industry and HSE incurred in complying with and administering the new charging arrangements

Industry

4.18 Only one of the eight survey responses indicated that additional arrangements had to be made to allow the company to make payments under the charging regime. This company estimated the initial start-up costs to be less than £3,000, and felt that the annual ongoing cost was negligible.

HSE

4.19 The main cost, from inspector's point of view is the time required to keep CIS up to date. One inspector estimated that this took approximately two hours per week. This equates to approximately 5% of inspector time.

Union

4.20 No specific issues or concerns raised.

Health and safety benefits resulting from the additional resources charging has generated

4.21 HSE has provided us with a statement about the health and safety benefits that it believes have resulted from the additional resources that charging has generated. This is shown in Italics below.

HSE statement

4.22 The extension of charging was an issue in the 1998 Comprehensive Spending Review (CSR). In December 1998, the Government announced that the Health and Safety Commission/Executive's budget was to be increased over the three years 1999/2000 - 2001/02 by £63m. Of this, £43m was to be raised from the extension of charging to cover HSE's activities on COMAH, and in the railways, offshore and gas transportation sector. The extra resources were built on a budget which had been declining in real terms in previous years.

Income from Charging

4.23 The position on income for the two full financial years since the introduction of the charging schemes is as follows:

CHARGING SCHEME	FORECAST RECEIPTS (CSR SETTLEMENT) £000s	ACTUAL INCOME £000s
1999/2000		
Railways		3,345
COMAH, Gas Transportation and Offshore		5,039
Total	8,570	8,384
2000/01		

Railways		5,024
COMAH, Gas Transportation and Offshore		9,019
Total	15,700	14,043

Benefits from increased funding

- 4.24 The extra resources granted to HSC/E were focused on the following areas:
- to deal with the implementation of the COMAH regime. The COMAH regime came into effect in April 1999. HSE was expecting to deal with 130 safety cases in 1999/2000 with the introduction of COMAH, rising to 255 in 2001/02;
 - to strengthen HSE's Railway Inspectorate to deal with new projects (for example London Underground), and the immediate follow up to the recent Ladbroke Grove crash;
 - to strengthen HSE's operational capacity generally, to increase the number of regulatory contacts and, in particular, the number of investigations.
- 4.25 The individual reports comment on health and safety performance in the relevant sectors. The short timescales since the introduction of charging make it very difficult to draw any clear conclusions on whether there has been a direct impact. A similar cautious view needs to be taken on the resource injection, particularly given the fact that health and safety performance is influenced by many variables, of which regulator's activity is only one.
- 4.26 Overall, the CSR resource settlement enabled HSC/E to start to rebuild its operational capacity. Although it is impossible to say what would have happened if the extra resources had not been granted:
- the demands on COMAH and railways were non-discretionary. The work would have had to be done, and can only have been funded otherwise by transfer from, thereby leading to greater reductions in, HSE's general operational capacity;
 - significant political and public momentum had developed behind HSE undertaking more investigations and enforcement. HSE would not have been in a position to respond to this without extra resources.

Effect of charging on HSE's strategic goals and policy approach

HSE

- 4.27 No-one consulted thought that it had in any way affected HSE's strategic goals and policy approach.

Effect of charging on HSE's regulatory performance

- 4.28 No-one consulted thought that there had been any effect on regulatory performance.

Has charging led to efficiency improvements for HSE and has greater transparency resulted in benefits to industry and the regulator?

Industry

- 4.29 In terms of overall efficiency, 38% (three respondents) of survey respondents felt that the efficiency of HSE has improved since the introduction of charging. 50% felt it had remained the same and 13% (one respondent) felt it had decreased.
- 4.30 All dutyholders we interviewed indicated that there had been no perceived change in efficiency from a service delivery point of view (inspection), but did question whether the small amount collected every year justified the operation of an administrative section². There was a strong feeling among interviewees that, if the total cost of charging (in terms of company and HSE time) were taken into account, the Gas Transportation charging regime would be operating at a loss. These dutyholders also felt that it would be unreasonable to expect charging to drive any efficiency, given the small amounts involved.
- 4.31 In terms of specific elements of efficiency, all respondents felt that there had been no change in the amount or quality of information and advice given by HSE since the introduction of charging. Furthermore, all respondents felt that the quality of invoices issued by HSE was good.
- 4.32 One dutyholder felt that charging had raised awareness of what HSE do, but made no comment on whether or not this had been beneficial to them.

HSE

- 4.33 Inspectors thought that there had been no changes in efficiency as a result of charging. One inspector thought that the cost-benefit of charging would be negative, and that the amount collected did not justify the effort involved from all parties.

Union

- 4.34 No specific issues or concerns raised.

Suggested improvements to the charging system

It should be noted that the suggestions listed in this Section are those arising from the Consultation Stage and are not the recommendations of Deloitte & Touche.

Industry

- 4.35 In total, 71% of survey respondents (five) were not content with the existing actuals system of charging, while 29% (two) were. When asked for possible alternatives, 60% of those not content indicated they would prefer a system based on banded charges, while 20% indicated flat rate charges, and 20% a levy system.

² The administrative functions of the Gas Transportation Charging Team (a much smaller part of the joint Gas Transportation/COMAH Charging Team) were merged with those for COMAH and Offshore to form one HID Charging Team in January 2002.

- 4.36 Dutyholders we interviewed were overwhelmingly in favour of ending the charging regime because of the small amounts of money involved. When pressed for an alternative, a levy based on number of customers was suggested by two separate dutyholders.
- 4.37 In terms of improvements not related to the mechanism of charging, suggestions from surveyed dutyholders included:
- More effort from HSE to provide estimates of the costs to assist in planning, and;
 - Service level agreements between HSE and dutyholders for turn-around times on safety case assessments and requests for advice.

HSE

- 4.38 Inspectors' suggestions for improvements related almost entirely to the information system in use. They believed quite strongly that improvements should be made to allow for faster and more efficient use of the system, which they thought would benefit both HSE and industry alike.

Union

- 4.39 No specific issues or concerns raised.

APPENDIX 1: GLOSSARY OF TERMS

AIPGT	Association of Independent Gas Transporters
CIS	Common Information System
GSMR	Gas Safety (Management) Regulations 1996
PGT	Public Gas Transporter

APPENDIX 2: INTERVIEWEES AND WORKSHOP ATTENDEES

Interviews with dutyholders	Bob Cowdroff - Transco Clive Musgrave - Transco Mick Carr - ES Pipelines Brian Ramsey - Edinburgh Oil and Gas
Interviews with dutyholder representative groups	David Childerhouse - PGT Safety Forum Paul Clark - AIPGT
Union Consultation	Paul Barnsley - GMB
HSE inspector interviews	Peter Runagall Tim Small
Interview with OFGEM	Allan Curran - Director
HSE senior staff interviews	Neil Johnson - Head of Land Division Unit Two

APPENDIX 3: PRODUCT DESCRIPTION FROM THE PROGRAMME PROJECT INITIATION DOCUMENT

The agreed description of this product – as set out in the Programme Project Initiation Document of 20 July, 2001 - is included below:

Product	Final Report on Gas
Purpose	To bring together our evidenced findings on the efficiency and effectiveness of the Gas charging scheme and recommendations for improving this.
Composition	Concise, Paragraph numbered, MS Word document including: <ul style="list-style-type: none"> • detailed executive summary that can stand alone as a document and includes a brief introduction and description of approach plus key findings and key recommendations; • Section on findings from the work on data analysis, and including recommendations to achieve greater efficiency and transparency; • Section on the findings of the consultation work, and a summary of the views and issues raised by each group of key stakeholders; • Section on our findings from our review of the efficiency of the charging process; • Section on our findings from our benchmarking review of the reasonableness of charges; • Section on our findings from our the review of the Queries and Disputes Procedure; • Appendices containing all detailed recommendations (and indications of their level of priority and timescale), suggestions of further work, details of interviewees and participants at workshops and other events.
Derivation	Stage 1 & 2 work.
Allocated to:	Core Team and Chris Sullivan
Quality Criteria	<ul style="list-style-type: none"> • comprehensive capture of work from the whole review; • adequate presentation of findings.
Quality Review Responsibility	HSE Project Manager
Sign off	HSE Project Board Chairman

As explained in Section 2 we have reduced the scope of this Final Report on Rail and are providing findings of other strands of work separately.

APPENDIX 4: DETAILED SURVEY RESULTS

A. Background Information

	Total No.	Total %				
4 Number of employees in organisation (please classify each part-time worker as one employee)						
a 0-49	5	63%				
b 50-249	2	25%				
c over 250	1	12%				
<i>Total responses</i>	8	100%				

5 Please classify your organisation

a Public Gas Transporter	6	75%				
b Non Public Gas Conveyor	1	12.5%				
c Both/Other please explain	1	12.5%				
<i>Total responses</i>	8	100%				

6 How many separate visits from inspectors relating to enforcement of Gas Safety (Management) Regulations have you had over the last two years?

a 0-5	3	75%				
b 6-10	1	25%				
c 11-20	0	-				
d More than 20	0	-				
<i>Total responses</i>	4	100%				

B. This Section explores the effect of the introduction of charging on your relationship with the Gas Regulator

7 Before the introduction of charging, would you describe your relationship with HSE as:

a Good	8	100%				
b Satisfactory	-	-				
c Poor	-	-				
<i>Total responses</i>	8	100%				

8 On balance, has your relationship with HSE changed since the introduction of charging?

a Yes	-	-				
b No	8	100%				
<i>Total responses</i>	8	100%				

9 If yes, how has the relationship changed?

a Got much better	-					
b Got better	-					
c Got worse	-					
d Got much worse	-					
<i>Total responses</i>	0					

10 If you have answered that it has **got worse** can you say how this has been shown and what have been the causes?

Responses:						

11 Please list up to **three negative effects** of charging on your relationship with HSE?

Responses:						
<ul style="list-style-type: none"> Perception/worry that the driver for audits becomes financially and not compliance driven, potentially reducing trust. Less Discussion of subjects that incur costs. Reluctance to make Safety Case changes or ask advice due to charges. Would focus interest on why HSE are taking so long over some aspects of investigations. Suspicion that the level of audit visits and other chargeable elements will increase over and above what would otherwise have been undertaken, prior to charging. Possible doubt of hours spent on Safety Case assessment. Could lead to disputes. Could lead to less open relationship. Greater expectation that Safety Case assessments will be provided quickly and efficiently to give value for charge made. 						

12 Please list up to **three positive effects** of charging on your relationship with HSE?

Responses:						
<ul style="list-style-type: none"> Perception that Audit visits will be better structured than may have otherwise been the case? Provides a breakdown of time and costs involved. Greater expectation that Safety Case assessments will be provided quickly and efficiently to give value for charge made. Likelihood that an improved standard approach to audit visits across all gas transporters is being implemented, thereby reducing possible suspicions (warranted or unwarranted) of uneven treatment. Introduction of a more client/service provider relationship. 						

13 Assuming that charging continues, are there any changes which would improve your relationship with HSE?

Responses, including:						
<ul style="list-style-type: none"> Planned visits? say two year plan, transparent to all Gas Transporters, not necessarily exact dates, but perhaps on a quarterly basis. Greater openness and understanding of HSE costs due to reviewing safety cases. Make the charge via a levy on all consumers. 						

14 Any other comments?

1 additional comment made:						
<ul style="list-style-type: none"> The amount collected should be viewed as de-minimus. It is not worth the effort and costs on all parties to collect this small amount. 						

C. This Section explores the effect of the introduction of charging on the operational behaviour of inspectors

15 Have you noticed changes in the operational behaviour of inspectors since charging was introduced?

a No	7	87%				
b Yes, there have been changes	1	13%				
c Yes, there have been extensive changes	-					
<i>Total responses</i>	8	100%				

16 Has the result of these changes on operational behaviour overall been:

a better operational behaviour?	-					
b no change on operational behaviour?	-					
c worse operational behaviour?	1	100%				

	<i>Total responses</i>	1	100%						
17 Please describe the main changes you have observed:									
1 response:									
<ul style="list-style-type: none"> Less likely to discuss subjects that incur costs to the companies. 									
18 Any other comments?									
1 response:									
<ul style="list-style-type: none"> As we are a small to medium business, subject to infrequent visits, the overall impact on our business has been small. 									
D. This Section explores the effect of the introduction of charging on your health & safety, and environmental policies and practices.									
19 Have you changed your health and safety policies / environmental policies as a result of the introduction of charging? (Charging was introduced from October 1999).									
a	No, there was no need	8	100%						
b	No, other reason	-	-						
c	Yes, they have changed	-	-						
d	Yes, they have changed substantially	-	-						
	<i>Total responses</i>	8	100%						
Scope of change									
a	Our health and safety policies now include additional areas that were previously excluded	-	-						
b	Our health and safety policies cover the same areas as before	-	-						
c	Our health and safety policies now exclude areas that were previously covered	-	-						
	<i>Total responses</i>	0	-						
Monitoring									
a	Our health and safety policies are reviewed more often	-	-						
b	Our health and safety policies are reviewed as much as before	-	-						
c	Our health and safety policies are reviewed less often	-	-						
	<i>Total responses</i>	0	-						
Expertise									
a	We require more technical skill/expert knowledge to draft and review our health and safety policies	-	-						
b	We require the same level of technical skill/expert knowledge to draft and review our health and safety policies	-	-						
c	We require less technical skill/expert knowledge to draft and review our health and safety policies	-	-						
	<i>Total responses</i>	0	-						
Quality									
a	This has resulted in an improvement of the quality of health and safety policies	-	-						
b	This has had no impact on the quality of health and safety policies	-	-						
c	This has resulted in a deterioration of the quality of health and safety policies	-	-						
	<i>Total responses</i>	0	-						
20 Any other comments?									
<ul style="list-style-type: none"> I cannot see where the introduction of charging on its own has had any impact on these particular elements, unless there is a link between the number/frequency/likelihood of an audit visit (inspection?) being done by HSE and this has changed as a direct result of charging. 									
21 Have you changed your health and safety practices / environmental practices as a result of the introduction of charging?									
a	No, there was no need	8	100%						
b	No, other reason	-	-						

c	Yes, they have changed	-	-	-	-	-	-	-
d	Yes, they have changed substantially	-	-	-	-	-	-	-
<i>Total responses</i>		8	100%					

Scope of change

a	Our health and safety practices include additional areas that were previously excluded	-	-	-	-	-	-	-
b	Our health and safety practices cover the same areas as before	-	-	-	-	-	-	-
c	Our health and safety practices exclude areas that were previously covered	-	-	-	-	-	-	-
<i>Total responses</i>		0						

Monitoring

a	We spend more time monitoring our health and safety practices	-	-	-	-	-	-	-
b	We spend the same amount of time monitoring our health and safety practices	-	-	-	-	-	-	-
c	We spend less time monitoring our health and safety practices	-	-	-	-	-	-	-
<i>Total responses</i>		0						

Expertise

a	We require more technical skills/ expert knowledge to ensure that our health and safety practices are adhered to	-	-	-	-	-	-	-
b	We require the same level of technical skills/ expert knowledge to ensure that our health and safety practices are adhered to	-	-	-	-	-	-	-
c	We require less technical skills/expert knowledge to ensure that our health and safety practices are adhered to	-	-	-	-	-	-	-
<i>Total responses</i>		0						

Training

a	We require more training to ensure that our health and safety practices are adhered to	-	-	-	-	-	-	-
b	We require the same level of training to ensure that our health and safety practices are adhered to	-	-	-	-	-	-	-
c	We require less training to ensure that our health and safety practices are adhered to	-	-	-	-	-	-	-
<i>Total responses</i>		0						

Quality

a	This has resulted in an improvement in the quality of health and safety practices	-	-	-	-	-	-	-
b	This has had no impact on the quality of health and safety practices	-	-	-	-	-	-	-
c	This has resulted in a deterioration in the quality of health and safety practices	-	-	-	-	-	-	-
<i>Total responses</i>		0						

22 Any other comments?

None								
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E. Change in Advice Seeking and Business Practices

23 Frequency of advice seeking

a	We now seek more advice from HSE	-	-	-	-	-	-	-
b	We seek the same amount of advice from HSE	8	100%					
c	We are more reluctant to seek advice from HSE	-	-	-	-	-	-	-
<i>Total responses</i>		8	100%					

24 Value placed on advice received

a	We place greater value on the advice we receive from HSE	-	-	-	-	-	-	-
b	We place the same value on the advice we receive from HSE	8	100%					

c We place less value on the advice we receive from HSE	-	-					
<i>Total responses</i>	8	100%					

25 Has your use of Contractors changed due to the introduction of charging?

a No, we do not use contractors	1	13%					
b No, there is no need	7	87%					
c Yes	-	-					
<i>Total responses</i>	8	100%					

Examples of Change

We use contractors more for the same services

Yes	-						
No	1						

We use contractors for a greater range of activities

Yes	-						
No	1						

We use contractors less for the same activities

Yes	-						
No	1						

We use contractors for a smaller range of activities

Yes	-						
No	1						

If your use of contractors has changed, please explain why:

N/A.							
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26 Has the way you interact with contractors changed since the introduction of charging?

a Yes	1						
b No	1						
<i>Total responses</i>	2						

If your manner of interaction has changed, please explain how and why

No responses							
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27 Have you changed any **other business practices** as a result of the introduction of charging?

a No, there was no need	7	87%					
b No, other reason	-						
c Yes, they have changed	1	13%					
b Yes they have changed substantially	-						
<i>Total responses</i>	8	100%					

Our business now discourages innovative practice which might incur additional time and therefore cost

Yes	-						
No	2						

Our business now does the minimum necessary

Yes	-						
No	2						

Our business now takes more care to ensure we get things right first time						
Yes	1					
No	1					

28 Any other comments?

<ul style="list-style-type: none"> We are continually working towards improving our Business and H&S practices. In this case we perceive that audit visits (inspections) by the HSE will increase in frequency and number as a result of the introduction of charging, and increase scrutiny by the HSE, thereby improving our focus on these elements. I would like to think our business takes care to ensure we get things right first time but the company is not taking more care specifically because of the introduction of charging from HSE. The time to assess material revisions is often quoted as 3 months. This needs to be formalised and in particular, efficiencies identified to allow more rapid assessment and conclusion. 						
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F. This Section explores whether there are any additional costs to industry of making payments under the charging provision of the Gas Safety (Management) Regulations

29 Have you needed to introduce additional administrative arrangements to allow you to make the payments under the charging provisions for the Gas Safety (Management) Regulations, specifically regulation 21? For example: new accounting/information management systems; additional staff. (Please do not include additional costs of complying with the substantive provisions for the regulations).

a No, there was no need	6	75%				
b No, other reason	1	12.5%				
c Yes, please provide a description of additional arrangements introduced	1	12.5%				
<i>Total responses</i>	8	100%				

Responses:	
<ul style="list-style-type: none"> There are so few charges submitted it has not been necessary. Primarily administration, both generally for handling invoices and payments, but also in management resource, although to date these have not been significant. 	

30 Please estimate the additional startup costs of these new arrangements (£)

£0-£2,999	1	100%				
£3,000-£10,000	-					
£10,000-£20,000	-					
<i>Total responses</i>	1	100%				

31 Please estimate the annual running costs of these new arrangements (£)

£0-£2,999	-					
£3,000-£10,000	-					
£10,000-£30000	-					
<i>Total responses</i>	0					

32 Are these arrangements effective in enabling you to make payment under the charging provisions in the Gas Safety (Management) Regulations?

a Yes	1	100%				
b Variable success	-					
c No	-					
<i>Total responses</i>	1	100%				

33 With the benefit of hindsight, would you do anything differently?

Yes	-					
No	1					
Please explain answer:						

No responses.							
	1						

34 Any other comments?

n/a							

G. This Section explores the effect that the introduction of charging has had on the efficiency of HSE in carrying out its functions and whether this has resulted in benefits to industry

35 Have you noticed any changes in the **amount of information and advice** which you have been given by HSE since charging was introduced?

a No, it has remained the same	8	100%					
b Yes, I have noticed a substantial increase in the amount of information we receive	-						
c Yes, I have noticed an increase in the amount of information we receive	-						
d Yes, I have noticed a decrease in the amount of information we receive	-						
e Yes, I have noticed a substantial decrease in the amount of information we receive	-						
<i>Total responses</i>	8	100%					

36 Have you seen any changes in the **quality of information** (not related to invoices) which you have been given by HSE since charging was introduced?

a No, it has remained the same	8	100%					
b Yes, I have noticed a substantial improvement in the quality of information we receive	-						
c Yes, I have noticed an improvement in the quality of information we receive	-						
d Yes, I have noticed a decline in the quality of information we receive	-						
e Yes, I have noticed a substantial decline in the quality of information we receive	-						
<i>Total responses</i>	8	100%					

37 What is your experience of the quality of the latest invoices issued by HSE?

a The right information at the right level of detail is provided	8	100%					
b The right information is provided by at the wrong level of detail	-						
c The wrong information is provided	-						
<i>Total responses</i>	8	100%					

38 Since the introduction of charging, do you think that HSE is more or less efficient?

a Substantially more efficient	-						
b More efficient	3	37.5%					
c No change	4	50%					
d Less efficient	1	12.5%					
e Substantially less efficient	-						
<i>Total responses</i>	8	100%					

Please explain your answer

Responses:							
<ul style="list-style-type: none"> Charging has focused HSEs understanding (of the fact that) iGTs need to obtain value for money. The charging arrangements have not affected the processing but introduced additional bureaucracy for the HSE and (company name) which requires effort to be expended. The overall costs recovered are not great, and do not justify the additional administrative efforts required. It must be (less efficient) since it now carries out the entire invoicing/ dispute / collection process. It must also chair and administer the various charging review groups. All of this is a cost burden. 							

39 Has charging raised your awareness of what HSE inspectors do?

Yes	1	12.5%					
No	7	87.5%					
<i>Total responses</i>	8	100%					

If yes, has this been beneficial for you?

Yes	-						
No	-						
<i>Total responses</i>	0						

40 Are there any ways in which inspectors could work more efficiently?

Yes	1	50%					
No	1	50%					
<i>Total responses</i>	2	100%					

If yes, please describe below.

No responses.							

H. This Section explores your experience of the Gas charging scheme and how you think it could be improved

41 Are you broadly content with the existing actuals system of charging?

Yes	2	29%					
No	5	71%					
<i>Total responses</i>	7	100%					

If no, what alternative scheme would you most wish to see?

a Flat rate charge	1	20%					
b Banded charges	3	60%					
c Levy	1	20%					
d Other (please describe)	-	-					
<i>Total responses</i>	5	100%					

Please describe up to **three improvements** you would make to the existing scheme?

Answers included:							
<ul style="list-style-type: none"> HSE should provide estimates of the costs incurred for the review of safety cases. 2 year forward planning of audits/inspections. 							

<ul style="list-style-type: none"> • A flat rate charge would reduce HSE overheads and thus the cost to the Gas Industry. • Greater predictability. • Banded charges to take into account the complexity of HSE involvement and size of business being assessed. • Introductions of service level agreement on turn around times for Safety Case assessments and advice. 						
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42 Are there any improvements which could be made to the **charging guides** for industry?

Yes	2	25%				
No	6	75%				
<i>Total responses</i>		8	100%			

If yes, please select as many of the following as you feel apply:

They could be made clearer, in terms of the interpretation of guidance

Yes	1					
No	-					

They could be made more user-friendly in terms of length of the guides

Yes	1					
No	-					

They could be made more user-friendly in terms of format/lay-out of the guides

Yes	2					
No	-					

43 Have you used the queries and disputes procedure?

Yes	-					
No	8					
<i>Total responses</i>		8	100%			

If yes, were you satisfied with the processing of your query or dispute?

a Yes, very satisfied	-					
b Yes, reasonably satisfied	-					
c No, not satisfied	-					
<i>Total responses</i>		0				

44 From your experience how should the query and dispute procedure be improved?

1 response:						
• By publishing the outcomes of query and dispute resolutions.						