

<b>Title:</b> The Offshore Installations (Safety Case) Regulations 2005 (SI 2005/3117) <b>PIR No:</b> PIR006  <b>Original IA/RPC No:</b> <a href="#">Click here to enter text.</a> <b>Lead department or agency:</b> HSE <b>Other departments or agencies:</b>  <b>Contact for enquiries:</b> <a href="mailto:Beverley.Boyce@hse.gov.uk">Beverley.Boyce@hse.gov.uk</a>	<b>Post Implementation Review</b>
	<b>Date:</b> 18/07/2020
	<b>Type of regulation:</b> Domestic
	<b>Type of review:</b> Statutory
	<b>Date measure came into force:</b> 06/04/2006
	<b>Recommendation:</b> Keep
<b>RPC Opinion:</b> Choose an item.	

**1. What were the policy objectives of the measure?** (Maximum 5 lines)

To 'relieve unnecessary burdens on duty holders and on HSE, to enhance the safety case's value to the duty holder and to provide a greater stimulus for continuous improvement. As a minimum, HSE wants to redeploy a significant proportion of resources currently devoted to safety case assessment to increasing related inspection and verification, with expected greater benefits for safety'<sup>1</sup>.

**2. What evidence has informed the PIR?** (Maximum 5 lines)

In line with Government guidance, a 'light touch' approach (in terms of scope and scale) was agreed to be most proportionate. HSE combined the research for SCR 2005<sup>2</sup> and SCR 2015<sup>3</sup> PIRs. A multi-method approach using both qualitative and quantitative methods was used and included: in-house management information and data; online surveys with duty-holders, safety representatives and regulators; workshops with key industry bodies and one with regulators.

**3. To what extent have the policy objectives been achieved?** (Maximum 5 lines)

Generally the safety case regime established under SCR 2005 is still considered to be the most effective way to regulate offshore installations. The regulatory objectives were also achieved: the introduction of the lifecycle safety case reduced the number of submissions, and associated burdens, allowing redeployment of HSE resources. It was also agreed that the lifecycle safety case encourages continuous improvement and is more meaningful than the previous regime.

Sign-off for Post Implementation Review: Chief economist/Head of Analysis and Minister

***I have read the PIR and I am satisfied that it represents a fair and proportionate assessment of the impact of the measure.***

Signed: 

Date: 01/07/2020

<sup>1</sup> Paragraph 4, page 4 - The Offshore Installations (Safety Case) Regulations 2005 / Revision Of The Offshore Installations (Safety Case) Regulations 1992 (OSCR) - Regulatory Impact Assessment ([http://www.legislation.gov.uk/ukxi/2005/3117/pdfs/ukxiem\\_20053117\\_en.pdf](http://www.legislation.gov.uk/ukxi/2005/3117/pdfs/ukxiem_20053117_en.pdf))

<sup>2</sup> The Offshore Installations (Safety Case) Regulations 2005 (SCR 2005) (<http://www.legislation.gov.uk/ukxi/2005/3117/contents/made>)

<sup>3</sup> The Offshore Installations (Offshore Safety Directive) (Safety Case etc.) Regulations 2015 (SCR 2015) (<http://www.legislation.gov.uk/ukxi/2015/398/contents/made>)

## Further information sheet

### 4. What were the original assumptions?(Maximum 5 lines)

As part of the original assumptions HSE assumed that the application of SCR 2005 to internal waters would *“prevent gold plating when implementing the Directive... [and]... maintain the existing requirements for internal waters... estimated to impose no cost on HSE or the CA”*. Furthermore, there was *“no cost on industry”*. Given that these pre-existing requirements were maintained, there is no evidence that this assumption has not proven correct.

### 5. Were there any unintended consequences? (Maximum 5 lines)

Due to the fact that there are currently no offshore oil and gas operations in ‘internal waters’ and no duty holders complying with SCR 2005, no unintended consequences were identified.

### 6. Has the evidence identified any opportunities for reducing the burden on business? (Maximum 5 lines)

There are no duty holders complying with SCR 2005 so currently there are no burdens on business.

### 7. For EU measures, how does the UK’s implementation compare with that in other EU member states in terms of costs to business? (Maximum 5 lines)

SCR 2005 was largely domestic but implemented some aspects of Directive 92/91/EEC (Mineral extracting industries through drilling). An independent study in 2013 reported most member states had gone beyond original requirements but also identified improvements. These recommendations were incorporated into Directive 2013/30/EU (‘offshore safety Directive’) requiring a consistent offshore regulatory approach across all member states<sup>4</sup>.

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<sup>4</sup> Implementation of Directive 2013/30/EU will be reviewed by the European Commission and is covered in the PIR for SCR15.

# The Offshore Installations (Safety Case) Regulations 2005

(SI 2005/3117)

## PIR Report

### Introduction

1. This report, published by the Health and Safety Executive (HSE), presents the conclusions of the Post Implementation Review (PIR) of the Offshore Installations (Safety Case) Regulations 2005 (SCR05).
2. There is a statutory requirement, under the [Small Business, Enterprise and Employment Act 2015](#) to review domestic regulations at least every five years and publish a report on the review findings. This is the first review of SCR05 and is due by 18 July 2020.
3. SCR05 Regulation 24A sets out the scope of the review and states that the report must in particular:
  - *set out the objectives intended to be achieved by the regulatory system established by these Regulations;*
  - *assess the extent to which those objectives are achieved;*
  - *assess whether those objectives remain appropriate and, if so, the extent to which they could be achieved with a system that imposes less regulation.*
4. Regulation 24A also includes a requirement to consider, as far as is reasonable, how the Directives have been implemented in other member states.
5. SCR05 implemented some aspects of [Directive 92/91/EEC concerning the minimum requirement for improving safety and health protection of workers in the mineral-extracting industries through drilling \(Directive 92/91\)](#)
6. SCR05 apply to offshore oil and gas installations operating in 'internal waters' (eg estuaries) and were replaced by SCR15 for oil and gas operations in 'external waters' (the territorial sea adjacent to Great Britain and any designated area within the United Kingdom Continental Shelf). There are currently no such operations in 'internal waters' and there are no duty holders with responsibilities under SCR05. HSE's Regulation Committee and the Regulatory Policy Committee secretariat therefore agreed that a very 'light touch' PIR was most sensible and proportionate.

## Background to SCR05

7. The primary aim of SCR05 is to reduce the risks from major accident hazards to the health and safety of the workforce employed on offshore installations or in connected activities.
8. The first 'Safety Case Regulations' were introduced in 1992. They implemented the central recommendation from Lord Cullen's Report on the Public Inquiry into the Piper Alpha disaster of 1988, in which 167 men died as a result of fire and explosion following a hydrocarbon release.
9. The key recommendation was that all owners and operators of offshore installations must prepare a safety case and submit it to the HSE for assessment and acceptance. It is an offence to operate an installation without an accepted safety case.
10. This is a goal setting regime that places responsibility on those who create the risks to demonstrate they have adequately assessed and put into place appropriate measures to control the risks associated with their work activities.
11. The 'Safety Case Regulations' are underpinned by other regulations that set standards for the control of specific major accident hazards. These include the Offshore Installations (Prevention of Fire and Explosion, and Emergency Response) Regulations 1995 (PFEER), the Offshore Installations and Wells (Design and Construction, etc.) Regulations 1996 (DCR) as well as the Health and Safety at Work etc. 1974 (the HSW Act) and relevant statutory provisions. The safety case is the core document that brings everything together and demonstrates that the owner or operator of the installation has the ability and means to manage and control major accident hazards effectively.
12. The 1992 Regulations were replaced by the Offshore Installations (Safety Case) Regulations 2005 (SCR05). Following a thorough evaluation of the safety case regime, the Regulations were streamlined, removing the requirement for a new safety case every 3 years and introducing the concept of the lifecycle safety case. There was now one safety case for the lifetime of the installation, from the start of operations through to decommissioning and dismantling. This was managed by submitting any significant changes, 'material changes', to HSE for acceptance before any such changes could be made and conducting a 'thorough review' of the safety case every 5 years. The safety case regime set up under SCR05 was globally recognised as an exemplary regime.
13. The explosion on the Deepwater Horizon drilling rig in the Gulf of Mexico in April 2010 resulted in the death of eleven workers and the loss of 4.9 million barrels of oil to the sea, the largest ever spill in US waters. The UK Government asked Professor Geoffrey Maitland to chair an Independent Review to ensure that findings from the official reports into the incident had been fully considered, and actioned where relevant, by the UK Industry and regulators. The review panel was reassured that the UK regime already incorporated key features that had not

been present in the US regime at the time of the incident. The panel concluded that on the whole, the UK's goal setting regime and safety case system was robust and effective at identifying risks and the appropriate control measures to mitigate them.

14. Directive 2013/30/EU 'the offshore safety Directive' was the Commission's response to the Deepwater Horizon incident. It was widely acknowledged that the Directive was based on the GB regime established under SCR05. In Great Britain (GB), The Offshore Installations (Offshore Safety Directive) (Safety Case etc) Regulations 2015 (SCR15) were introduced. SCR15 maintained all requirements from the 2005 regulations and added in new requirements as necessary to transpose the offshore safety Directive.
15. The Directive did not extend to '*internal waters*' (eg estuaries) leaving a potential regulatory gap should oil and gas operations start up in those waters. Rather than apply SCR15 to internal waters, which would have 'gold-plated' Directive requirements, it was agreed to leave SCR05 in place for '*internal waters*'. However, there have been no developments to date and currently there are no duty holders complying with SCR05. All offshore oil and gas operations currently taking place in GB waters are regulated under SCR15.

#### **What were the Policy Objectives for the measure?**

16. The original policy objectives set out in the Impact Assessment (January 2004) were:

*'..to relieve unnecessary burdens on duty holders and on HSE, to enhance the safety case's value to the duty holder and to provide a greater stimulus for continuous improvement. As a minimum, HSE wants to redeploy a significant proportion of resources currently devoted to safety case assessment to increasing related inspection and verification, with expected greater benefits for safety'*

17. The PIR acknowledged that: significant time has now lapsed since SCR05 were introduced; SCR05 has now been replaced by SCR15 for installations operating in '*external waters*' (covering all current offshore activity); there are no duty holders operating under SCR05. A key question for the PIR was therefore whether SCR05 was still considered appropriate for regulating installations in '*internal waters*' (should operations start up) or whether SCR15 was considered to be more appropriate.
18. The option of revoking SCR05 was not considered at this time; it is essential to maintain regulations to cover any potential developments in '*internal waters*'. The key purpose of 'Safety Case Regulations' is to ensure major hazards are appropriately managed by duty holders on offshore installations, where failures in safety management and risk control can lead to catastrophic harm and loss of life. The PIR therefore explored whether the safety case regime was still the most appropriate way to regulate in this sector.

## **What evidence has informed the PIR?**

19. The PIRs of SCR05 and SCR15 are due on the same date and HSE took a combined research approach to gather evidence for both reviews.
20. The Evidence Review for SCR05 is provided at Annex A.
21. A Research Action Plan was developed in order to identify research questions and suitable sources of evidence. These sources included HSE management information and data, HSE inspectors, Industry bodies and primary research with key stakeholder groups. Two questions relevant to SCR05 were identified and included in the stakeholder survey.
22. HSE engaged with duty holders through the key industry bodies: Oil and Gas UK (OGUK); International Association of Drilling Contractors (IADC); and the British Rig Owners Association (BROA). HSE also engaged with worker's representatives from Step Change in Safety (SCiS) and an 'expert panel' of HSE inspectors.
23. In order to gather evidence on the historical context and try to identify whether or not the original objectives of SCR05 were achieved, HSE commissioned an operational expert to conduct a desktop review.

## **To what extent have the policy objectives been achieved?**

### General overview

24. SCR05 established the regulatory framework for the safety case regime; SCR05 and SCR15 have this same framework. In response to a general survey question on the safety case regime, the vast majority of respondents across all groups considered the safety case regime to be the most effective way to manage and control major accident hazards on offshore installations.
25. There was also a general consensus that SCR15 had allowed the existing exemplary regime established under SCR05 to continue by maintaining the consistency of approach and maintaining the high levels of protection for workers safety. Moreover, it was considered that SCR15 had not necessarily improved the levels of protection for workers safety from those provided under SCR05.
26. When asked which regulations were most appropriate for operations in '*internal waters*', should operations develop in those waters, the majority of survey respondents preferred SCR15. Respondents stressed the need for consistency across all offshore oil and gas operations (whether '*internal or external waters*') with strong support for a single regime.

### Original SCR05 Objectives

27. The review concluded that the original objectives for SCR05 were met.

### ***Reducing unnecessary burdens on duty holders and the HSE***

28. The 1992 Regulations required the submission of 7 different types of safety cases. SCR05 streamlined the system, introducing the 'life-cycle' concept with one safety case for the lifetime of the installation managed through revisions and reviews. A comparison of the submissions required under both sets of regulations was completed. This demonstrated that over a typical 25 year lifetime of a production installation there could reasonably be 16 submissions required under the 1992 regulations and 6 submissions under SCR05. This is a significant reduction of the administrative burden created by safety case submissions for both HSE and duty holders.

### ***Enhancing Safety Cases' value to the duty holders***

29. The review identified several changes introduced by SCR05 that increased the value of the safety case process for duty holders. This included the introduction of Design Notifications at a much earlier stage in the process, allowing duty holders to involve HSE in design development, identify and rectify potential issues and increase the chances of safety cases being accepted first time. By making the safety case a 'living document' it became a more meaningful process rather than an academic exercise to satisfy the regulator. It strengthened the principle that duty holders must take responsibility for managing the risks they create through their work activities from inception and design right through to decommissioning and dismantling the installation.

### ***Providing greater stimulus for continuous improvement***

30. The 'life-cycle' safety case also encourages the principle of continuous improvement by ensuring that duty holders actively review risk control measures on an ongoing basis: as operations evolve over time there are new technologies and operational practices, changing conditions, ageing infrastructure and new risks arising. This allows duty holders to review and modify approaches or adopt newer and more effective control measures at each phase of operations on the installation.

### ***Improving safety through redeployment of HSE resources***

31. By streamlining safety cases under SCR05, significantly reducing the number of submissions and time spent on assessment, HSE could allocate more resources to inspection and verification activities. HSE uses the inspection process to verify that duty holders are putting into practice the arrangements they have set out in their safety cases.

### **What were the original assumptions?**

32. HSE assumed that the application of SCR 2005 to internal waters would "prevent gold plating when implementing the Directive... [and]... maintain the existing requirements for internal waters... estimated to impose no cost on HSE or the

CA”.<sup>5</sup> Given that those pre-existing requirements were maintained, there is no evidence that this assumption has not proven correct.

33. The effective costs of SCR05 to industry are currently nil as there are no dutyholders. However, we might ask whether the costs of SCR05 would be proportionate to the risks should a dutyholder begin operations.
34. The requirements under SCR05 essentially reflect those of SCR15, only without the additional requirements brought in by the Offshore Safety Directive. These requirements were reviewed by Aberdeen University in 1999 and were deemed to be fundamentally sound by the Health and Safety Commission in 2004.
35. The SCR15 PIR did not find any evidence that the costs of complying with the requirements were disproportionate to the risks presented by offshore oil and gas operations in ‘external waters’ and it is HSE’s view that this conclusion could be reasonably transferred to operations in ‘internal waters’.

### **Where there any unintended consequences?**

36. The PIR did not identify any unintended consequences.

### **Has the evidence identified any opportunities for reducing the burden on business?**

37. There are no duty holders complying with SCR05 so currently there are no burdens on business.
38. The PIR provided evidence that industry would prefer a single regime for all offshore operations in GB waters. If operations started in ‘*internal waters*’ it is possible that the dual regime would create confusion for duty holders who are now familiar with the new regime under SCR15.
39. SCR15 implements requirements of the offshore safety Directive in ‘*external waters*’ and one reason for keeping SCR05 in place for ‘*internal waters*’ was to avoid ‘gold plating’ EU requirements. It should be possible to review this position after the EU exit.
40. The Directive also required greater integration of safety and the environment: SCR15 covers the management and control of environmental major hazards and cross-refers to requirements under the Merchant Shipping (Oil Pollution Preparedness, Response and Co-operation Convention) Regulations 1998 (OPRC). OPRC does not apply to ‘*internal waters*’ where there is a different regulatory regime for environmental matters. It is therefore not a simple case of extending SCR15 to apply to ‘*internal waters*’. Acknowledging these complications, exploring the possibility of creating a single regime for all offshore oil and gas operations could be considered in future.

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<sup>5</sup> Paragraph 215, page 46 – SCR 2015 Impact Assessment ([http://www.legislation.gov.uk/ukia/2015/170/pdfs/ukia\\_20150170\\_en.pdf](http://www.legislation.gov.uk/ukia/2015/170/pdfs/ukia_20150170_en.pdf))



## **For EU measures, how does the UK's implementation compare with that in other EU member states in terms of costs to business?**

### Directive 92/91/EEC (Mineral extracting industries through drilling) (92/91)

41. [An independent study of Directive 92/91/EEC](#) was completed in February 2013. The Commission wanted to analyse how 92/91 had been transposed and implemented by member states and evaluate the effectiveness of national legislation. At this time there was heightened awareness of the risks associated with oil and gas exploration following the Deepwater Horizon incident in the Gulf of Mexico in 2010.
42. The review found that the legislation in various member states had evolved and industry had improved practices. In most cases member states' regulatory systems now went beyond the original 92/91 requirements. 92/91 had adopted a goal-setting approach and included a requirement for advances in technology to be taken into account so it was designed to ensure minimum standards evolved. Nevertheless, the review found the requirements for the control of hazards during drilling activities and well control to be limited.
43. At the time of the study in 2013, the Commission was already proposing new legislation to specifically address the risks associated with 'major accidents' in the offshore oil and gas industry, which also aimed to address the limitations identified in 92/91. The Commission ultimately introduced the offshore safety Directive rather than direct acting legislation and all member states were required to adopt the new requirements to strengthen the regulatory regime.

### **PIR Recommendations**

44. The PIR concluded that the safety case regime continues to be the most appropriate way to manage and control the major accident hazards arising from work activities on offshore oil and gas installations.
45. SCR05 should remain in place to prevent a potential regulatory gap and provide reassurance that robust measures are in place for regulating major hazard activities in '*internal waters*'.
46. Exploring the possibility of creating a single regime for all offshore oil and gas operations in GB waters could be considered in future.

Annex A

**Post Implementation Review (PIR)  
of  
The Offshore Installations (Safety  
Case) Regulations 2005  
(SI 2005/3117)**

**Evidence Review**

Author(s): Miles Burger

Date: 09/04/2020

## Introduction

1. This Post-Implementation Review (PIR) has been undertaken by the Health and Safety Executive (HSE) on The Offshore Installations (Safety Case) Regulations 2005 (SI 2005/3117) ('SCR 2005') as an adjunct to the Offshore Installations (Offshore Safety Directive) (Safety Case etc.) Regulations 2015 ('SCR 2015') PIR.
2. The safety case regime, and its related regulations, implements the recommendations from Lord Cullen's report of the Public Inquiry into the Piper Alpha disaster. The disaster claimed the lives of 167 men following explosions and fire because of a hydrocarbon release in 1988.
3. Furthermore, in response to the Macondo disaster in the Gulf of Mexico in 2010 when 11 people died, the European Commission implemented the European Directive 2013/30/EU requiring all Member States to have safety cases for offshore oil and gas installations operating in their waters. This Directive was primarily based on Great Britain's (GB) 2005 Safety Case Regulations and incorporated other aspects of GB's offshore safety and environmental legislation. The Directive led to implementation of the Offshore Installations (Offshore Safety Directive Safety Case etc.) Regulations 2015 ('SCR 2015').
4. On 28 June 2013, the European Commission published the aforementioned Directive 2013/30/EU on the safety of offshore oil and gas operations (OSD). Many of the OSD's requirements were already implemented by requirements of SCR 2005. However, while SCR 2005 applied to both internal waters (essentially tidal waters within Great Britain) and external waters (as defined by the Continental Shelf Act 1964<sup>6</sup>), OSD does not apply to internal waters. Rather than create a *"complex single set of implementing regulations that apply to internal and external waters"*<sup>7</sup> it was considered appropriate to limit the application of the SCR 2005 to internal waters and create a new set of regulations – SCR 2015 – to fully implement the OSD requirements for oil and gas operations in external waters. SCR 2015 merged the new EU requirements into the existing requirements under SCR 2005. At the time of implementation there was a possibility of oil and gas operations developing in the Firth of Forth but to date there are no such developments in internal waters. This is likely to be true for the foreseeable future. Please note that there are *no* operators or owners who currently have duties under SCR 2005 due to the lack of any oil and gas activity in internal waters.
5. SCR 2005 was intended to *"reduce the risks from major accident hazards to the health and safety of the workforce employed on offshore installations, and in*

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<sup>6</sup> <http://www.legislation.gov.uk/ukpga/1964/29/contents>

<sup>7</sup> Para 4.2, page 2 – SCR 2015 Explanatory Memorandum ([http://www.legislation.gov.uk/uksi/2015/398/pdfs/uksiem\\_20150398\\_en.pdf](http://www.legislation.gov.uk/uksi/2015/398/pdfs/uksiem_20150398_en.pdf))

*connected activities*<sup>8</sup>. The Regulations required that all operator and owners (duty holders) of offshore installations prepare a safety case and submit it to HSE for assessment. Before a duty-holder could operate or continue to operate an installation their safety cases must be accepted by HSE following assessment. Failure to have a case accepted means that the installation could not operate.

## **The Offshore Installations (Safety Case) Regulations 2005 (SCR 2005) Post Implementation Review (PIR)**

6. As part of the PIR planning process, HSE's Regulation Committee assessed the SCR 2015 PIR – and the need to assess SCR 2005 in terms of regulated activity within 'internal waters' - in respect of scope and scale. 'Scope' refers to whether the PIR needs to look at the impact of the specific legislative changes or, alternatively, whether it should consider the appropriateness of the overarching legislative framework in which the changes sit. Alongside this, 'scale' considers the wider importance of the PIR in terms of its political visibility, predicted economic impact, number of duty-holders it affects, etc. and therefore the level of resource which is required (high, medium or low). In the case of 'internal waters' covered by SCR 2005, the scope was considered suitably narrow and the scale low as there were, and are, no duty-holders (i.e. there's not been any gas operations within internal waters). (The 'light-touch' nature of the PIR was confirmed by HSE's Evaluation Governance Group [EGG]).
7. The PIR must meet the requirements set out in regulation 24A of SCR 2005 to "*carry out a review of Regulations 1 to 24, set out the conclusions of the review in a report, and publish the report*"<sup>9</sup>. The first report under this regulation must be published by 18 July 2020. It must also have regard to how Council Directive 92/91/EEC (minimum requirements for improving the safety and health protection of workers in the mineral-extracting industries through drilling) is implemented in other member states<sup>10</sup>.
8. As for report itself, it needs to:
  - (a) set out the objectives intended to be achieved by the regulatory system established by the Regulations;
  - (b) assess the extent to which those objectives are achieved (*e.g. has SCR 2005 achieved what it originally set out to?*); and
  - (c) assess whether those objectives remain appropriate and, if so, the extent to which they could be achieved with a system that imposes less regulation (*e.g. is the safety case approach still the most appropriate approach for health and safety within the offshore industry?*).

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<sup>8</sup> <https://www.hse.gov.uk/offshore/safetycases.htm>

<sup>9</sup> The SCR 2005 review clause was added via regulation 11(4) of The Energy (Transfer of Functions, Consequential Amendments and Revocation) Regulations 2016 (<http://www.legislation.gov.uk/uksi/2016/912/regulation/11/made#regulation-11-4>)

<sup>10</sup> <https://osha.europa.eu/en/legislation/directives/11>

**(a) set out the objectives intended to be achieved by the regulatory system established by the Regulations**

**(b) assess the extent to which those objectives are achieved**

9. The objectives of SCR 2005 and whether these objectives have been achieved are addressed in relation to the overarching PIR questions (see 'Post-Implementation Review (PIR) questions' section, below).

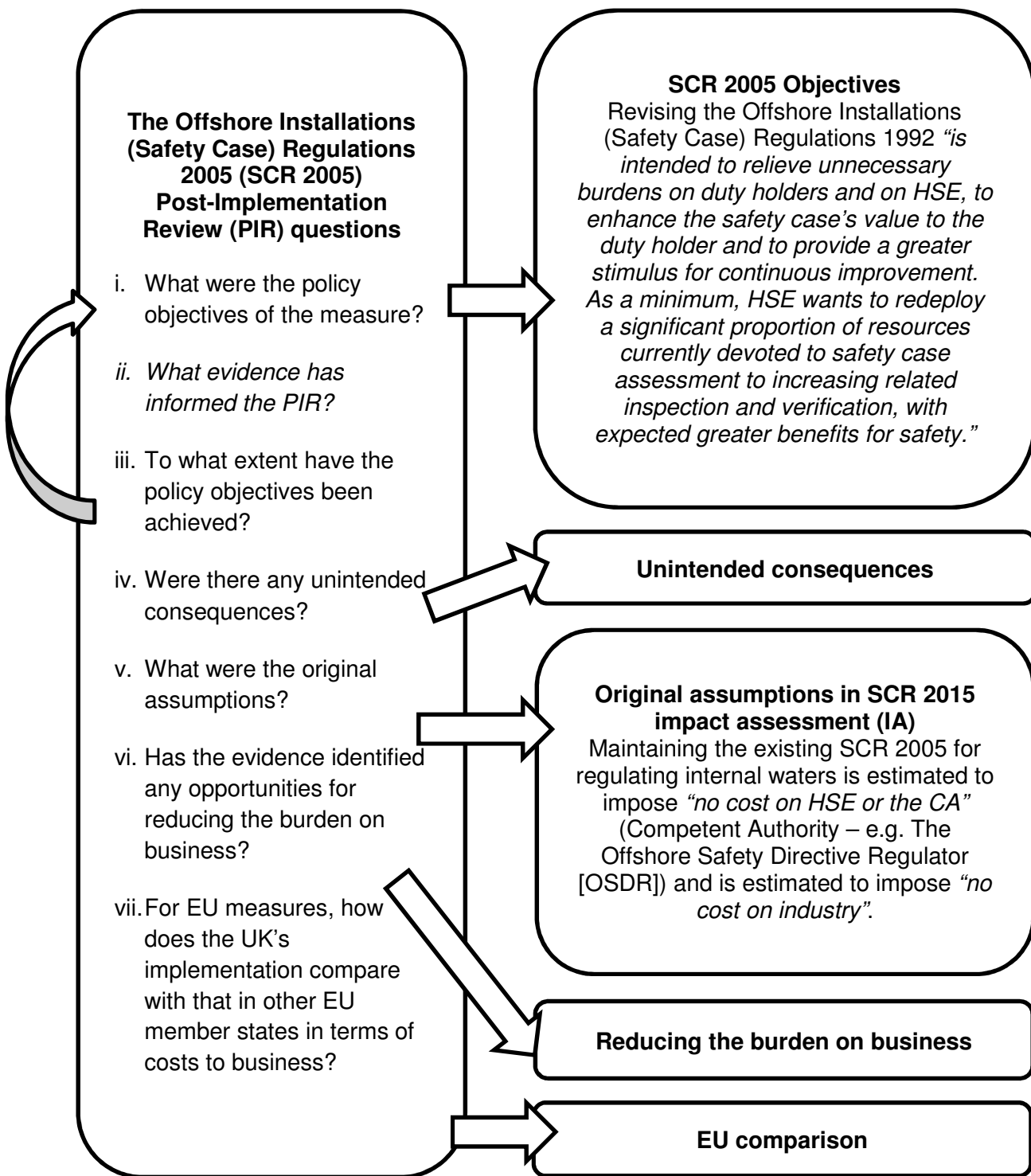
**(c) assess whether those objectives remain appropriate and, if so, the extent to which they could be achieved with a system that imposes less regulation**

10. The offshore safety case approach was one of the key recommendations arising from Lord Cullen's Inquiry into the Piper Alpha Disaster in 1988. The 1992 Safety Case Regulations ('SCR 1992') implemented this recommendation. The regulatory regime changed from a prescriptive to a goal setting one. An accepted safety case gives public assurance and stakeholder confidence that operators and owners (i.e. duty-holders) of offshore oil and gas installations have the ability, commitment, resources to properly assess and effectively reduce and control major accident hazard and occupational health and safety risks that their staff and contractors maybe exposed to during the lifetime of their installations.

11. It is unlikely that the regulation of the offshore industry could be achieved with less regulation as the degree of statutory control required for a major hazard industry in the wake of the Piper Alpha disaster and Lord Cullen's Inquiry is considerable. Each subsequent iteration of the safety case legislation has attempted to reduce and revise the burden which is placed on business. Yet there will always be a minimum standard which will be needed to keep both workers and the public safe. Where there are changes, these are based on HSE and industry feedback taking into account the principles of the Regulators' Code.

12. Please see Diagram 1 (below) which details the basic structure of the PIR as it relates to both legislative questions and PIR questions.

Diagram 1: Structure of SCR 2005 PIR evidence review



## **Post-Implementation Review (PIR) questions**

13. Alongside the questions detailed above (i.e. those from the SCR 2015 ‘Review’ clause section), the following PIR considers the legislative changes made by SCR 2005 in terms of these questions:

- i. What were the policy objectives of the measure?**
- ii. What evidence has informed the PIR?**
- iii. To what extent have the policy objectives been achieved?**
- iv. What were the original assumptions?**
- v. Were there any unintended consequences?**
- vi. Has the evidence identified any opportunities for reducing the burden on business?**
- vii. For EU measures, how does the UK’s implementation compare with that in other EU member states in terms of costs to business?**

### ***i. What were the policy objectives of the measure?***

14. The objectives for revising the 1992 Safety Case Regulations (‘SCR 1992’), and implementing SCR 2005, are detailed in the Regulatory Impact Assessment and indicate that:

*“Revising the [SCR 1992] is intended to relieve unnecessary burdens on duty holders and on HSE, to enhance the safety case’s value to the duty holder and to provide a greater stimulus for continuous improvement. As a minimum, HSE wants to redeploy a significant proportion of resources currently devoted to safety case assessment to increasing related inspection and verification, with expected greater benefits for safety.”<sup>11</sup>*

As to whether these stated policy objectives of SCR 2005 were achieved, this will be covered below in section ‘*iii. To what extent have the policy objectives been achieved?*’.

### ***ii. What evidence has informed the PIR?***

15. The evidence which has informed the SCR 2005 PIR is detailed in this document, the ‘Evidence Review’.

16. The most effective and proportionate way to reach all relevant stakeholders working in the North Sea was to engage directly with the leading trade associations and membership bodies within the UK offshore oil and gas sector,

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<sup>11</sup> Paragraph 4, page 4 - [http://www.legislation.gov.uk/uksi/2005/3117/pdfs/uksiem\\_20053117\\_en.pdf](http://www.legislation.gov.uk/uksi/2005/3117/pdfs/uksiem_20053117_en.pdf)

asking them to both provide comment and assist with the research. Such an approach meant that the need to contact individual companies – which would have been onerous and disproportionate – was avoided. As these bodies represent the majority of businesses working in the sector, their involvement ensures that the evidence collected is from as representative group as possible (and indeed practical). HSE directly engaged with the following groups:

<b>Regulators</b>	<b>Trade Associations / Membership Bodies</b>
<p>Offshore Petroleum Regulator for Environment &amp; Decommissioning (OPRED)            (part of The Department for Business, Energy and Industrial Strategy [BEIS])  <a href="https://www.gov.uk/government/organisations/offshore-petroleum-regulator-for-environment-and-decommissioning">https://www.gov.uk/government/organisations/offshore-petroleum-regulator-for-environment-and-decommissioning</a></p>	<p>British Rig Owners' Association (BROA) (part of UK Chamber of Shipping)  <a href="https://www.ukchamberofshipping.com/broa/">https://www.ukchamberofshipping.com/broa/</a>            BROA is the trade association for companies operating mobile offshore units.</p> <p>International Association of Drilling Contractors (IADC)  <a href="https://www.iadc.org/">https://www.iadc.org/</a>            IADC represents the worldwide oil and gas drilling industry with a specific North Sea Chapter.</p>
<p>Health and Safety Executive (HSE)  <a href="http://www.hse.gov.uk/offshore/index.htm">http://www.hse.gov.uk/offshore/index.htm</a></p>	<p>Oil &amp; Gas UK (OGUK)  <a href="https://oilandgasuk.co.uk/">https://oilandgasuk.co.uk/</a>            OGUK is the leading body for the UK offshore oil and gas industry representing operators in the North Sea.</p>
<p>Oil and Gas Authority (OGA)  <a href="https://www.ogauthority.co.uk/">https://www.ogauthority.co.uk/</a></p>	<p>Step Change in Safety (SCIS)  <a href="https://www.stepchangeinsafety.net/">https://www.stepchangeinsafety.net/</a>            Step Change in Safety is a tripartite organisation representing the workforce, regulators and employers.</p>

17. The SCR15 PIR project team worked closely with specialist offshore HSE inspectors and managers based at the Aberdeen office (some of whom had first-hand experience of the safety case regulations in its various incarnations - e.g. 1992, 2005 and now 2015). This group – an expert ‘panel’ – helped develop the research instruments and interpret the data which was generated. In addition, a number of these HSE offshore inspectors directly fed into the PIR evidence by



responding to surveys and being involved in workshops and one-to-one interviews.

18. OSDR as the partnership competent authority (CA) – which comprises OPRED and HSE - developed a joint industry survey and a topic guide for subsequent workshops. The survey covered PIRs for the Offshore Installations (Offshore Safety Directive) (Safety Case etc.) Regulations 2015 (SCR15) and the Merchant Shipping (Oil Pollution Preparedness, Response and Co-operation Convention) (Amendment) (Regulations 2015 (OPRC 2015)). This allowed OPRED and HSE to share information where there were regulatory overlaps as well as reduce burden on business. Once the research was complete, analysis and reporting was undertaken separately by OPRED and HSE with the resulting reviews being published with the relevant legislation.
19. In total three separate online surveys – using the SurveyMonkey<sup>12</sup> tool - were developed in order to target duty-holders, safety reps and regulators (please note, only HSE inspectors were targeted in relation to the ‘regulators’ category). In order to triangulate responses amongst the three different response groups certain questions were asked of all three while other questions were only asked of particular groups. (Blank copies of the surveys can found at Annex A).
20. Please note that ‘duty-holders’ in the context of the online surveys were members of the above identified trade associations and industry groups, namely BROA, IADC and OGUK. The safety reps were contacted via Step Change in Safety (SCIS). Finally, while SCR15 is regulated by the OSDR (which is a partnership between HSE and BEIS) only HSE inspectors were targeted for the regulator questions relating to SCR15.
21. Further details of the three online surveys are provided below including number of responses, length of time the online survey were live and demographics of respondents:

<b>Title of survey</b>	<b>Date undertaken</b>	<b>No. of respondents</b>
Duty-holders survey	7 <sup>th</sup> June to 10 <sup>th</sup> July 2019	<i>n</i> = 27 (full or partial responses to survey)
<i>Details of Respondents</i>		
Size of organization:		
*15% (4)	<50 employees	
*4% (1)	50 – 99 employees	
*11% (3)	100-249 employees	

<sup>12</sup> <https://www.surveymonkey.co.uk/>

Title of survey	Date undertaken	No. of respondents
*63% (17)	250+ employees	
*7% (2)	No response	
Organisation type (in what capacity are you responding):		
*59% (16)	Production installation operator	
*18% (5)	Non-production installation owner (other than Flotel <sup>13</sup> )	
*7% (2)	Other (please specify below)	
	- 'Trade Association for Rigs (drilling, accommodation)'	
	- 'Trade Association'	
*4% (1)	ICP <sup>14</sup> (verification scheme or well examination scheme)	
*4% (1)	Well operator only	
*0% (0)	Flotel	
*0% (0)	Union or worker representative	
*7% (2)	No response	
How many of the following does your organisation either own and/or operate:		
	Production installation	Non-production installation
1	2	3
2-4	8	4
5-10	7	2
10-15	0	1
16-20	0	0
21-30	0	1
More than 30	1	0
Not applicable (N/A)	1	3
Comments: The survey was hosted on SurveyMonkey with the link sent to contacts at BROA, IADC and OGUUK for them to circulate amongst their members.		

<sup>13</sup> Flotel, a portmanteau of the terms floating hotel, refers to the installation of living quarters on top of rafts or semi-submersible platforms. They tend to be used as accommodation at the sea for crews working in the high seas' drilling industry (<https://www.marineinsight.com/types-of-ships/what-is-a-flotel/>).

<sup>14</sup> Independent competent person (ICP) (see <http://www.hse.gov.uk/offshore/ed-sce-management-and-verification.pdf>).

Title of survey	Date undertaken	No. of respondents																																																									
Safety reps survey	19 <sup>th</sup> June to 9 <sup>th</sup> July 2019	n = 17 (full or partial responses to survey)																																																									
<p data-bbox="288 349 624 383"><i>Details of Respondents</i></p> <p data-bbox="288 394 580 427">Size of organization:</p> <table data-bbox="288 472 815 674"> <tr> <td>*6% (1)</td> <td>&lt;50 employees</td> </tr> <tr> <td>*0% (0)</td> <td>50 – 99 employees</td> </tr> <tr> <td>*6% (1)</td> <td>100-249 employees</td> </tr> <tr> <td>*76% (13)</td> <td>250+ employees</td> </tr> <tr> <td>*12% (2)</td> <td>No response</td> </tr> </table> <p data-bbox="288 725 1091 759">Organisation type (in what capacity are you responding):</p> <table data-bbox="288 804 1299 1218"> <tr> <td>*47% (8)</td> <td>Production installation operator</td> </tr> <tr> <td>*23% (4)</td> <td>Union or worker representative</td> </tr> <tr> <td>*12% (2)</td> <td>Other (please specify below)</td> </tr> <tr> <td></td> <td>- 'Safety rep</td> </tr> <tr> <td></td> <td>- 'Esr' [Elected Safety Rep]</td> </tr> <tr> <td>*6% (1)</td> <td>ICP (verification scheme or well examination scheme)</td> </tr> <tr> <td>*0% (0)</td> <td>Well operator only</td> </tr> <tr> <td>*0% (0)</td> <td>Flotel</td> </tr> <tr> <td>*0% (0)</td> <td>Non-production installation owner (other than Flotel)</td> </tr> <tr> <td>*12% (2)</td> <td>No response</td> </tr> </table> <p data-bbox="288 1270 1257 1337">How many of the following does your organisation either own and/or operate:</p> <table data-bbox="288 1382 1230 1800"> <thead> <tr> <th></th> <th>Production installation</th> <th>Non-production installation</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>1</td> <td>1</td> </tr> <tr> <td>2-4</td> <td>3</td> <td>0</td> </tr> <tr> <td>5-10</td> <td>10</td> <td>0</td> </tr> <tr> <td>10-15</td> <td>2</td> <td>0</td> </tr> <tr> <td>16-20</td> <td>1</td> <td>0</td> </tr> <tr> <td>21-30</td> <td>0</td> <td>1</td> </tr> <tr> <td>More than 30</td> <td>1</td> <td>0</td> </tr> <tr> <td>Not applicable (N/A)</td> <td>2</td> <td>1</td> </tr> </tbody> </table> <p data-bbox="288 1850 453 1883">Comments:</p> <p data-bbox="288 1895 1374 1962">The survey was hosted on SurveyMonkey with the link sent to safety reps belonging to Step Change in Safety (SCIS).</p>			*6% (1)	<50 employees	*0% (0)	50 – 99 employees	*6% (1)	100-249 employees	*76% (13)	250+ employees	*12% (2)	No response	*47% (8)	Production installation operator	*23% (4)	Union or worker representative	*12% (2)	Other (please specify below)		- 'Safety rep		- 'Esr' [Elected Safety Rep]	*6% (1)	ICP (verification scheme or well examination scheme)	*0% (0)	Well operator only	*0% (0)	Flotel	*0% (0)	Non-production installation owner (other than Flotel)	*12% (2)	No response		Production installation	Non-production installation	1	1	1	2-4	3	0	5-10	10	0	10-15	2	0	16-20	1	0	21-30	0	1	More than 30	1	0	Not applicable (N/A)	2	1
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<b>Title of survey</b>	<b>Date undertaken</b>	<b>No. of respondents</b>
Regulators* survey  (*As indicated above, only HSE inspectors were targeted as part of the 'regulators' survey).	16 <sup>th</sup> June to 11 <sup>th</sup> July 2019	<i>n</i> = 14 (full or partial responses to survey)
Comments: The survey was hosted on SurveyMonkey with the link sent to those HSE Inspectors who work with the offshore industry.		

22. Using data provided by the competent authority (CA) on transitional safety cases, and the duty-holders who submitted them, it appears there are 72 duty-holders who transitioned to SCR15. In total HSE's on-line duty-holder survey received 27 full or partial responses. Of these responses, 19 were from self-identified duty-holders (with one organisation responding twice) and two from a leading trade association<sup>15</sup>. A number of these respondents were followed-up through workshops and interviews; these follow-ups also involved other leading trade associations. As such, we believe that we have captured the views from a substantial proportion of the industry.

23. Alongside the online surveys, a number of workshops were held with BROA and IADC, and OGUK to clarify and expand on the findings of the aforementioned surveys. Details of these workshops are as follows:

<b>Stakeholder group(s) in attendance</b>	<b>Date workshop held</b>	<b>No. of attendees</b>
Members of BROA / IADC	Thursday 12 <sup>th</sup> September 2019 – 10am to 4pm	11
Comments: Attendees were asked to comment on areas which were unclear within the survey findings or where we wanted to explore emerging themes; this included costs estimates.		

<b>Stakeholder group(s) in attendance</b>	<b>Date workshop held</b>	<b>No. of attendees</b>
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<sup>15</sup> In terms of the remaining six responses, three respondents did not identify themselves and there were single responses from a well-operator, an independent competent person (ICP) for a verification or examination scheme and one business whose safety-case transitional status was unclear.

Stakeholder group(s) in attendance	Date workshop held	No. of attendees
Members of OGUK	Monday 16 <sup>th</sup> September 2019 – 10am to 4pm	5
Comments: Attendees were asked to comment on areas which were unclear within the survey findings or where we wanted to explore emerging themes; this included costs estimates.		

Stakeholder group(s) in attendance	Dates workshops held	No. of attendees
HSE inspectors	Wednesday 11 <sup>th</sup> September 2019 Tuesday 17 <sup>th</sup> September 2019	7
Comments: Attendees were asked to comment on areas which were unclear within the survey findings or where we wanted to explore emerging themes.		

24. Alongside the workshops, there were eight one-to-one interviews with HSE inspectors and six one-to-one interviews with specific companies. These were undertaken in order to clarify aspects of their survey responses and, in terms of the companies contacted, to ask about the costs and benefits figures which were provided.

25. While the primary focus of the surveys was the SCR 2015 regulations, a couple of questions included reference to SCR 2005. As such, one question focused on whether respondents agreed or disagreed that a safety case is the most effective way to manage and control major accident hazards on offshore installations. (Both SCR 2005 and SCR 2015 use a safety case approach to regulate.) The other question asked about the interaction between SCR 2005 and SCR 2015, and which one was the most appropriate for regulating oil and gas operations in 'internal waters'. Please note – responses to the above detailed questions about SCR 2005 are provided in the following section entitled '*iii. To what extent have the policy objectives been achieved?*'.

***iii. To what extent have the policy objectives been achieved?***

26. In order to capture whether the policy objectives for SCR 2005 had been achieved, each objective detailed in section '*i. What were the policy objectives of the measure?*' (above) will be considered alongside any evidence either supporting or challenging it.

**Revising SCR 1992 was intended to ‘relieve unnecessary burdens on duty holders and on HSE’**

27. SCR 2005 removed several regulatory burdens on industry and HSE. It also introduced ‘checks and balances’ to ensure safety standards were maintained. For example, with SCR 2005 a lifecycle approach to safety cases for installations was adopted thereby streamlining administration. This meant that the minimum number of cases to be submitted for a fixed installation went from six to only three and for a mobile installation fell from two to one. In effect, for a production installation over a typical life time of 25 years, the minimum regulatory burden could amount to only two safety cases (although a more realistic figure is around six submissions). In contrast, under SCR 1992, the final number of cases required to be submitted over an installation’s lifetime could easily be into the late teens.

28. An illustration of the reduction in administrative burden between SCR 1992 and SCR 2005 can be seen in Table 1 below.

<b>Types of Safety Case to be Submitted to HSE for Assessment and Acceptance</b>	<b>The Offshore Installations Safety Case Regulations 1992</b>	<b>The Offshore Installations Safety Case Regulations 2005</b>
Design Safety Case	1 (not required to be accepted)	0
Operational	1	1
3 Yearly Update	6 (assume 2 material change Cases submitted at same time as 3- yearly updates)	0
Material Change	4 (assumed & assume 2 submitted in line with 3 yearly updates and 2 submitted at different times. This resets the 3-yearly cycle))	4 (assumed)
Combined Operations	3 (assumed)	3 (assumed) but no Safety Case required
Abandonment/ Dismantlement	1	1
<b>Total</b>	<b>16</b>	<b>6</b>

Table 1: Illustration of the different types of safety cases required to be submitted, assessed and accepted by HSE over a 25-year lifetime of a production installation, under SCR 1992 and SCR 2005

**Revising SCR 1992 was intended to ‘enhance the safety case’s value to the duty holder’**

29. Several changes were made to the administration of the regulations to increase the value of safety cases to duty-holders. These included the requirements for duty-holders to:

- Submit Design Notifications for new production installations prior to the field development programme being submitted to the Oil and Gas Authority (OGA). As the notifications happened earlier in the process, duty-holders had more opportunity to consider any comments from HSE in the design phase of the project. In particular, HSE could highlight matters which, if not taken into account later in the process, could create difficulties with the operational case. This increased the chances of a production installation's operational safety case being accepted when it is submitted for the first time.
- Demonstrate that major hazard risks had been identified and evaluated, and the relevant statutory provisions were being complied with. This allowed duty-holders to demonstrate compliance when risks have been reduced to as low as reasonably practicable (ALARP).
- Summarise how they had consulted Safety Representatives on preparing, reviewing and/or revising their safety cases. This helped ensure effective and useful discussions were undertaken with workers at the 'coal face' and meant that the requirements of The Offshore Installations (Safety Representatives and Safety Committees) Regulations 1989<sup>16</sup> were being met.
- Therefore, enhancing the value of a Safety Case to a duty holder by documenting in the Case demonstrating to their workforce as well as HSE how they consulted Safety Representatives on preparing, reviewing or revising the Safety Case to comply with the regulations.

**Revising SCR 1992 was intended to *'provide a greater stimulus for continuous improvement'***

30. Over the lifetime of an installation new hazards may emerge, or risks could increase, as a result of new or novel approaches. SCR 2005 introduced requirements to ensure where this happened it was captured within the safety case. These requirements either took the form of a 'material change' modification or as part of the five year thorough review cycle. This notification and review approach meant that continuous improvement was built into the safety case 'lifecycle' process.

31. SCR 2005 also gave HSE new regulatory enforcement powers to compel duty-holders to thoroughly review or revise their safety case. These discretionary

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<sup>16</sup> <https://www.legislation.gov.uk/uksi/1989/971/contents/made>

powers were intended to ensure duty-holders were taking sufficient measures to meet their legal obligations.



## **Revising SCR 1992 was intended to help improve safety through redeployment of HSE resources**

32. Under SCR 1992, over an installation's life of 25 years, HSE could assess as many as 16 cases per installation (see Table 1 above for an illustration). This level of assessment involved a significant amount of HSE resource. The revising and refocusing of the safety case regime under SCR 2005 meant a reduced burden on industry but also on HSE. This has enabled HSE to redeploy a significant amount of resources to inspection and verification of compliance on offshore installations. It could thus be argued that increased inspection and verification, in turn, helps improve safety. For example, the ability of HSE Inspectors to spend more time on site rather than reviewing safety case documents means that a culture of 'paper safety' does not develop at the cost of real safety.

## **Is the safety case regime (including SCR 2005 and SCR 2015) 'fit-for-purpose'?**

33. The aim of SCR 2005 (and SCR 2015) is to reduce the risks from major accidents for those working on offshore installations. The method for achieving this is via the development and provision of a safety case. The safety case is intended to be a 'living' document which is used and updated during the lifetime of the installation. To this end, duty-holders<sup>17</sup>, safety reps<sup>18</sup> and regulators<sup>19</sup> were surveyed about whether they agreed or disagreed that a safety case is the most effective way to manage and control major accident hazards on offshore installations.

34. (Please note when reading through the summaries of the survey results that not all respondents to the surveys answered all the questions – i.e. one respondent may have completed the entire survey, while another may have answered only five questions. As such, where 'no. of respondents' is recorded this will refer to the number of people answering any question on the survey, while the number of respondents detailed in the 'Evidence' section will relate to those answering that specific question.)

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<sup>17</sup> Please note that the term 'duty-holder' is used by the Health and Safety Executive (HSE) to refer to any business, organisation or individual upon whom there is a statutory requirement, or duty, to do - or not do - something.

<sup>18</sup> The safety representatives who were contacted as part of the research were connected with Step Change in Safety (<https://www.stepchangeinsafety.net/>) - a not-for-profit, member-led organisation which was founded in 1997 by oil and gas industry trade associations to reduce the UK offshore injury rate by 50%. After leaving Oil and Gas UK (OGUK) in 2014, Step Change has become an independent tripartite organisation which represents the workforce, regulators and employers.

<sup>19</sup> While the competent authority for the offshore industry is the Offshore Safety Directive Regulator (OSDR), only inspectors from the HSE were spoken to as this PIR relates only to HSE legislation.

Research instrument	No. of respondents	Evidence
Duty-holders survey	$n = 27$ (full or partial responses to survey)	Of the 21 people who responded to this question, over nine in ten (95%, 20) agreed or strongly agreed that a safety case is the most effective way to manage and control major accident hazards on offshore installations. The one person who strongly disagreed (5%, 1) indicated that “[i]t is the entire SMS [safety management system] which manages and controls MAH [major accident hazards] and not just one safety case that few people read.”
Safety reps survey	$n = 17$ (full or partial responses to survey)	A similar response was provided by 14 respondents from the Step Change groups, with over eight in ten (86%, 12) agreeing that the lifecycle safety case regime was the most effective way of managing major accident hazards on offshore installations. The remaining two responses (14%, 2) were non-committal and indicated that they neither agreed nor disagreed with the statement.
Regulators survey	$n = 14$ (full or partial responses to survey)	Over nine in ten (93%, 13) of the 14 HSE inspectors who responded to the survey either agreed or strongly agreed with the statement that the lifecycle safety case was the most effective way of managing and controlling for major accident hazards on offshore installations. Only one inspector (7%, 1) neither agreed nor disagreed with the statement.

35. Most respondents were positive about the lifecycle safety case regime, with approximately nine in ten indicating that they agreed that it was the most effective way of managing and controlling major accident hazards on offshore installations. The one dissenting voice from the duty-holder survey suggested that “[i]t is the entire SMS [safety management system] which manages and controls MAH [major accident hazards] and not just one safety case that few people read” (duty-holder; 250+ employees; production installation operator). The lack of other similar responses means that it is difficult to give such a view too much weight, especially when the other responses are so positive. Overall, the safety case regime appears to still be ‘fit for purpose’.

## General comments on the interaction between SCR 2005 and SCR 2015

36. As previously detailed, SCR 2005 was retained in order to regulate oil and gas activities in internal waters. This slight anomaly means that the PIR is applicable to SCR05 for internal waters and SCR15 for external waters. To this end, respondents to the online survey were asked ‘*which regulations do you consider most appropriate for regulating oil and gas operations in ‘internal waters’?*’

37. Please note that the designation next to the theme – e.g. SCR15 or SCR05 – relates to the preferred regulatory scheme the respondent would choose to regulate oil and gas operations in ‘internal waters’.

Research instrument	No. of respondents	Evidence
Duty-holders online survey	$n = 27$ (full or partial responses to survey)	<p>Of the 19 duty-holders who responded to this question, over four in ten (42%, 8) chose SCR15 as the most appropriate set of regulations for internal waters, with one in five (21%, 4) choosing SCR05. The remaining third (37%, 7) said that they did not know or were unsure.</p> <p>In terms of the reasons given they fell into the following themes:</p> <ul style="list-style-type: none"> <li>• Consistency of approach (4) *SCR15 (3) *SCR05 (1)</li> <li>• Integration of safety and environmental elements (this was mentioned by a respondent who has chosen SCR05 – “<i>Environmental part of SCR 15 is good though</i>”) (SCR15) (4).</li> <li>• SCR05 covers all the bases with less administrative burden (SCR05) (2)</li> <li>• Offshore installation is clearly defined (SCR15) (1)</li> <li>• Clear demarcation between internal and external waters from an Environmental standpoint (SCR15) (1)</li> <li>• BEIS for Offshore installation as the Competent Authority (CA) (SCR15) (1)</li> <li>• SEPA and Marine Scotland for Internal Waters (SCR15) (1)</li> <li>• Environmental aspects are covered by other</li> </ul>

Research instrument	No. of respondents	Evidence
		<p>legislation (SCR05) (1)</p> <ul style="list-style-type: none"> <li>• Strong regime (SCR05) (1)</li> </ul>
Safety reps survey	$n = 17$ (full or partial responses to survey)	<p>In total 12 people responded to this question, with four in ten (42%, 5) choosing SCR15 as their preferred regulatory regime for ‘internal waters’. A further four in ten (42%, 5) simply indicated that they did not know or were unsure. Of the two remaining safety reps to respond, one (8%) chose SCR05 as their preferred regime while the other one (8%) chose ‘other’.</p> <p>In terms of the reasons given for their choices, they fell into the following themes:</p> <ul style="list-style-type: none"> <li>• Same standards / one system (SCR15) (4)</li> <li>• No knowledge (Do not know / unsure) (1)</li> <li>• Environmental issues (1)</li> </ul>
Regulators survey	$n = 14$ (full or partial responses to survey)	<p>About two-thirds (64%, 9) of the 14 HSE inspectors who responded said that they preferred the SCR15 for the regulation of internal waters, whereas over a quarter (29%, 4) chose SCR05. One person (7%) did not know or was unsure.</p> <p>In terms of the reasons given for their choices, they fell into the following themes:</p> <ul style="list-style-type: none"> <li>• Consistency (SCR15) (one respondent chose SCR05 for Q22, but specified they “<i>prefer the application of SCR 15</i>” – so have included here). (7)</li> <li>• Make things simpler (SCR15) (3)</li> <li>• Do not know (1)</li> <li>• No option to choose both/either (SCR15) (1)</li> <li>• 2005 or 2015 Reg can be adapted/extended to suit (SCR15) (1)</li> <li>• Retains the current status quo (SCR05) (1)</li> <li>• Easy to follow (SCR05) (1)</li> </ul>

38. Out of the two regulatory systems offered, the majority of respondents across all three groups chose the latest set of regulations, namely SCR15. While the question directed people to choose one regulatory system over the other, the main reason for respondents' choices was the need for consistency; essentially whichever regime was chosen it needs to be consistent for oil and gas operations across all UK waters. Another deciding factor, especially amongst duty-holders (although a safety-rep mentioned it as well), was the fact that “[i]ncreased consideration of environmental impact of operations due to proximity to landfall and potentially environmentally sensitive locations” (duty-holder; 100 - 249 employees; production installation operator).

39. As a comparison, *“during the public consultation, 90% of respondents agreed with the proposal to apply similar requirements to those in SCR 2005 to oil and gas operations in internal waters. Those who disagreed felt that this twin-track regime was unnecessary and that SCR 2015 should include internal waters, despite the fact that this would be gold plating...”*<sup>20</sup>.

#### ***iv. Were there any unintended consequences?***

40. Due to the fact that there are no duty-holders utilising SCR 2005 for internal waters, there have not been any unintended consequences.

#### ***v. What were the original assumptions?***

41. Based on the impact assessment (IA) which was completed for SCR 2015, the original assumptions around the application of SCR 2005 to internal waters were:

- *“... to prevent gold plating when implementing the Directive, HSE cannot apply the new SCR regime to internal waters and therefore proposes to maintain the existing SCR 2005 for regulating internal waters. As this would maintain the existing requirements for internal waters, this is estimated to impose **no cost on HSE or the CA**”*<sup>21</sup>.
- *“...to prevent gold plating when implementing the Directive, HSE cannot apply the new SCR 2015 to internal waters and therefore proposes to maintain the existing SCR 2005 for regulating internal waters. As this would maintain the existing requirements for internal waters, this is estimated to impose **no cost on industry**”*<sup>22</sup>.

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<sup>20</sup> Paragraph 77, page 21 – SCR 2015 Impact Assessment (IA) ([http://www.legislation.gov.uk/ukia/2015/170/pdfs/ukia\\_20150170\\_en.pdf](http://www.legislation.gov.uk/ukia/2015/170/pdfs/ukia_20150170_en.pdf))

<sup>21</sup> Paragraph 215, page 46 – SCR 2015 Impact Assessment ([http://www.legislation.gov.uk/ukia/2015/170/pdfs/ukia\\_20150170\\_en.pdf](http://www.legislation.gov.uk/ukia/2015/170/pdfs/ukia_20150170_en.pdf))

<sup>22</sup> Ibid 14 – paragraph 351, page 73

42. As such, with no duty-holders and no estimated costs it is not possible to undertake any sort of cost-benefit analysis (CBA) on the impact of the application of SCR 2005 to internal waters.

***vi. Has the evidence identified any opportunities for reducing the burden on business?***

43. Due to the lack of duty-holders it has not been possible to ascertain any opportunities for reducing the burden on business.

***vii. For EU measures, how does the UK's implementation compare with that in other EU member states in terms of costs to business?***

44. The SCR 2005 review clause specifically requires that the review "*must, so far as is reasonable, have regard to how Council Directive 92/91/EEC concerning the minimum requirements for improving the safety and health protection of workers in the mineral-extracting industries through drilling ... is implemented in other member States*". A cross-EU independent comparison study about the implementation of the Directive was completed in February 2013, with the finding that, in most cases, member states' regulatory systems now went beyond the original Directive requirements. It did, however, find that the requirements for the control of hazards during drilling activities and well control to be limited.