Department of Energy & Climate Change

HSE Health & Safety Executive

DECC and HSE Consultation Document:

Consultation on the implementation of Directive 2013/30/EU on the safety of offshore oil and gas operations and amending Directive 2004/35/EC, and on the review of offshore Approved Codes of Practice and the updating of onshore UK oil and gas safety legislation to cover emerging energy technologies

CD272 28 July 2014

This consultative document is issued by the Department of Energy and Climate Change (DECC) and the Health and Safety Executive (HSE). HSE is undertaking this consultation in compliance with its duty to consult under sections 16 and 50 of the Health and Safety at Work etc. Act 1974.

DECC and HSE try to make their consultation procedures as thorough and open as possible. Responses to this consultation document will be lodged in the HSE's Knowledge Centre after the close of the consultation period where they can be inspected by members of the public.

Information provided in response to this consultation, including personal information, may be subject to publication or disclosure in accordance with the access to information regimes (these are primarily the Freedom of Information Act 2000 (FOIA), the Data Protection Act 1998 (DPA) and the Environmental Information Regulations 2004 (EIR)). Statutory Codes of Practice under the FOIA and EIR also deal with confidentiality obligations, among other things.

If you would like us to treat any of the information you provide, including personal information, as confidential, please explain your reasons for this in your response. If we receive a request under FOIA or EIR for the information you have provided, we will take full account of your explanation, but we cannot give an assurance that confidentiality can be maintained in all circumstances. An automatic confidentiality disclaimer generated by your IT system will be disregarded for these purposes. Requests for confidentiality should be made explicit within the body of the response.

DECC and HSE will process all personal data in accordance with the DPA. This means that personal data will not normally be disclosed to third parties and any such disclosures will only be made in accordance with the Act.

Enquiries should be sent to:

DECC – The Offshore Environmental Policy Team, Department of Energy and Climate Change, 4th Floor, Atholl House, Aberdeen, AB11 6AR

HSE – The Offshore Directive Policy Team, Health and Safety Executive, 5S2 Redgrave Court, Merton Rd, Bootle, Merseyside, L20 7HS

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General consultation information

Purpose of this consultation

This consultation primarily relates to implementation of Directive 2013/30/EU on the safety of offshore oil and gas operations and amending Directive 2004/35/EC. The Department of Energy and Climate Change (DECC) and the Health and Safety Executive (HSE) are proposing to introduce new regulations, or amend existing legislation, and introduce new regulatory arrangements to transpose this Directive. In doing this, we will maintain as much as possible of the existing offshore safety and environmental regime, which is governed by a complex set of existing EU Directive requirements and international obligations. In addition HSE are also consulting stakeholders on the review of offshore Approved Codes of Practice and on the updating of UK onshore oil and gas safety legislation.

This Consultation Document seeks:

- your responses to the questions within the document;
- your views on whether the illustrative drafts of the following regulations enable licensees, operators, owners and other stakeholders to identify what they need to do as a result of the changes brought about by the Directive:
    - Offshore Installations (Offshore Safety Directive) (Safety Case etc.) Regulations 2015 (SCR 2015);
    - amendments to the Offshore Installations (Prevention of Fire and Explosion, and Emergency Response) Regulations 1995 (PFEER);
    - amendments to Offshore Installations and Pipeline Works (Management and Administration) Regulations 1995 (MAR);
    - Offshore Petroleum Activities (Offshore Safety Directive) (Environmental Functions) Regulations 2015;
    - amendments to the Merchant Shipping (Oil Pollution Preparedness, Response and Co-operation Convention) Regulations 1998;
    - Offshore Petroleum Licensing (Offshore Safety Directive) Regulations 2015; and
- your views on the initial assessment of the costs and benefits of the proposed changes as set out in the Impact Assessment (Annex 6).

The consultation questions appear in the relevant sections and there is a complete list of questions on pages 61 to 69.

Issued: 28 July 2014

Respond by: 21 September 2014

How to respond

A summary of the proposal and the questionnaire can be found at: www.hse.gov.uk/consult/condocs/cd272.htm.

Our preferred method for receiving comments is via the **online questionnaire.** This is the most effective way for us to fully consider and analyse responses.

However, you can also respond by:

- Completing the word questionnaire and sending it by email to: offshoredirective@hse.gsi.gov.uk; or
- Downloading the word questionnaire and sending a written response to:

  Offshore Directive Policy Team
  5S2, Redgrave Court
  Merton Road
  Bootle
  Merseyside
  L20 7HS

We would be grateful if you could send an email address when you provide your response. This will allow us to inform you when DECC and HSE intend to publish information concerning consultation responses on their websites.

Responses must be received by **21 September 2014**.

If you require a more accessible format of this document please send details to creative@hse.gsi.gov.uk and your request will be considered.

What happens next

We will acknowledge all responses and give full consideration to their substance in the subsequent proposals. We may contact you again if, for example, we have a query in respect of your response.

We will also tell you when we publish information concerning the consultation responses. We will provide a summary of who responded to this consultation and a summary of the views expressed about each question. This information will be placed on the HSE and DECC websites.

Quality assurance and complaints

DECC and HSE will carry out this consultation in accordance with the Government's Consultation Principles which can be found here:

https://www.gov.uk/government/publications/consultation-principles-guidance

If you have any complaints about the consultation process (as opposed to comments about the issues, which are the subject of the consultation) please address them to either:

DECC Consultation Coordinator
3 Whitehall Place
London SW1A 2AW
Email: consultation.coordinator@decc.gsi.gov.uk;

or

Teresa Farnan
HSE Consultation Coordinator
7th Floor, Caxton House
6-12 Tothill Street
London
SW1H 9NA
Email: teresa.farnan@hse.gsi.gov.uk

We aim to reply to all complaints within 10 working days. If you are not satisfied with the outcome, you can raise the matter with either the Information Commissioner's Office at Wycliffe House, Water Lane, Wilmslow, Cheshire, SK9 5AF or HSE's Acting Chief Executive, Kevin Myers at Health and Safety Executive, Redgrave Court, Merton Road, Bootle, Merseyside, L20 7HS. You can also write and ask your MP to take up your case with us or with Ministers. Your MP may also ask the independent Parliamentary Commissioner for Administration (the Ombudsman) to review your complaint.

Introduction and background

Background

0.1 Following the Deepwater Horizon incident in the Gulf of Mexico in April 2010, the European Commission (EC) expressed its initial views on the safety of offshore oil and gas operations in its communication "Facing the challenge of the safety of offshore oil and gas activities" (published on 13 October 2010)[1]. The EC communication concluded that the existing divergent and fragmented regulatory framework applying to the safety of offshore oil and gas operations in Europe, along with current industry safety practices did not provide adequate assurance that risks from offshore accidents were minimised throughout the Union.

0.2 On the 28th June 2013, the EC published the Directive on the safety of offshore oil and gas operations. The objective of this Directive is to reduce as far as possible the occurrence of major accidents related to offshore oil and gas operations and to limit their consequences. DECC and HSE are jointly leading the transposition of the Directive as it contains requirements relating to licensing, environmental protection, emergency response and liability, in addition to safety. The Directive has to be implemented by 19th July 2015.

0.3 The UK is required to fully implement the requirements of the Directive, which means transposing the Directive through domestic legislation, or administrative measures when appropriate, within the stated time limits.

0.4 During negotiations with the EC, as the UK has a world class offshore oil and gas regulatory regime, its stakeholders (Ministers, industry and workforce representatives) argued strongly for a Directive rather than a directly applicable European Regulation. This was to ensure that the UK had the flexibility to maintain as much as possible of the existing regime, and in doing so minimise administrative burdens on the oil and gas industry (e.g. associated with amending operational procedures). For this reason, although some of the requirements of the Directive will be 'copied out' (some with elaboration to clarify the meaning) into oil and gas legislation, other requirements will be implemented by refining and/or extending existing requirements. In doing this, we have endeavoured to make the requirements as clear as possible. Supporting guidance will be published in 2015 and will aim to provide as much flexibility as possible.

0.5 To maintain existing procedures as far as possible, and keep administrative burdens to a minimum, the majority of the Directive's requirements will be transposed into new Offshore Installations (Offshore Safety Directive) (Safety Case etc.) Regulations 2015 (SCR 2015), whilst remaining requirements are introduced through amendment to, or the introduction of, other safety, licensing and environmental legislation. Many of the Directive's requirements are already implemented through the existing Offshore Installations (Safety Case Regulations) 2005 (SCR 2005) and although SCR 2005 will be revoked, modified/elaborated versions of some of these provisions are needed to implement the Directive, and these will be re-enacted in SCR 2015, along with any new provisions that are necessary to meet the Directive's requirements.

0.6 The Directive requires that a report on major hazards is produced by operators and owners. DECC and HSE propose to use the safety case as the vehicle to effectively deliver this requirement. As the UK's offshore safety regime already requires operators and owners

[1] http://eur-lex.europa.eu/legal-content/EN/TXT/?qid=1404403056204&uri=CELEX:52010DC0560

to produce a safety case, which includes a great deal of the information required to be in the report on major hazards, the regulations requiring a safety case will be amended to meet the additional Directive requirements, including the provision of relevant environmental information. However, we consider that duplicating environmental information already provided for assessment and acceptance under the Oil Pollution Emergency Plan (OPEP), Environmental Management System (EMS), and Environmental Impact Assessment (EIA) processes, would introduce unnecessary administrative burdens on the industry and regulators. We are therefore proposing that the safety case only contains short descriptions of the environmental information, where appropriate with links to existing environmental demonstrations and assessments (e.g. OPEPs, EMSs and EIAs). Guidance will be provided in relation to the relevant content of the environmental information submitted to DECC and the descriptions that will be required in the safety case.

0.7 This will mean that operators and owners will not have to duplicate the same environmental information and/or demonstrations and assessments in the safety case that they have already provided to DECC. However, environmental information that has not already been assessed and accepted by DECC e.g. the environmental components of a design notification that has not yet been submitted as part of an environmental impact assessment, will have to be submitted to accompany a notification or safety case information.

0.8 Where only short descriptions of the environmental information are provided, it will mean that the safety case or relevant verification cannot be accepted until relevant assessment and acceptance procedures under the OPEP, EMS and EIA processes have also been completed. However, we do not see this being an obstacle as the existing timescales for all relevant assessment and acceptance procedures will remain unchanged, and the use of a new online portal is expected to improve the efficiency and effectiveness of the submission and acceptance processes over time.

0.9 Further legislative amendments are required to implement the environmental and licensing requirements of the Directive. The UK environmental legislative regime relating to offshore oil and gas operations is very comprehensive. Following a review of the Directive, it is apparent that the majority of the obligations are already met by existing legislation. DECC therefore proposes to introduce one set of environmental regulations which will amend the Merchant Shipping (Oil Pollution Preparedness, Response and Co-operation Convention) Regulations 1998 (OPRC 1998) and implement other Directive requirements (specifically those relating to Environmental Management Systems). DECC also proposes to introduce one set of regulations to implement the licensing requirements of the Directive.

0.10 With respect to the national emergency response plans and emergency preparedness provisions of the Directive, it is considered that existing UK legislation and guidance meets those requirements. On that basis, the Department for Transport (DfT) and the Maritime and Coastguard Agency (MCA) do not need to introduce new legislation for the purposes of implementing Articles 29 and 30 of the Directive. Consequently, no impact assessment is needed for these aspects.

0.11 The Department for Environment, Food and Rural Affairs (Defra) and the Devolved Administrations (DAs) are responsible for implementing Article 38 of the Directive, which extends the offshore scope of the Environmental Liability Directive (ELD) to cover water damage in marine waters that fall within the scope of the Marine Strategy Framework Directive. Defra and the DAs will therefore introduce appropriate amendments to their respective Environmental Damage (Prevention and Remediation) Regulations. This work is not part of this consultation document (Defra and the DAs are planning a separate consultation), but it is covered in the Impact Assessment (IA) supporting this consultation document (Annex 6 – IA Section 8.8).

0.12 The Directive requires Member States to establish a new offshore Competent Authority (CA) by 19 July 2015 to oversee industry compliance with the Directive and to undertake certain related functions such as accepting and/or assessing the required documentation. The preferred option is for DECC and HSE to extend their existing cooperation arrangements and to work in partnership to deliver the CA functions specified in the Directive, with each party concentrating on their areas of expertise. This CA would be governed via an enhanced Memorandum of Understanding (MoU) between DECC and HSE, and would be similar to the existing model used for the regulation of onshore major hazard installations[2].

Why are the new regulations needed to implement the Directive?

0.13 The rationale for the transposition approach takes full account of the Government's Guiding Principles for EU Legislation. The key focus is on minimising the burdens on the offshore oil and gas industry and fulfilling the UK's goal (regulator, industry and trade unions) of keeping intact the high standards maintained under the UK's current offshore regulatory regimes. Therefore, the draft regulations annexed to this consultation document 'copy out' where possible, in accordance with the Government's preferred approach to transposition. The legislative proposals are:

- Revocation of SCR 2005 and introduction of new SCR 2015;
- Introduction of new environmental regulations to amend OPRC 1998 and implement other Directive requirements;
- Introduction of new licensing regulations to implement Directive requirements; and
- Amendment of the respective UK Environmental Damage (Prevention and Remediation) Regulations to transpose Article 38 of the Directive.

It is also proposed to implement some of the Directive's requirements using administrative means where appropriate, e.g. those relating to the functions of the CA and the mechanisms for reporting safety and environmental concerns to the Commission.

0.14 The proposed approach will ensure that DECC and HSE fulfil the Government's needs, providing a regulatory system that maintains the current world class offshore regime, ensures effective and appropriate safety and environmental standards, and minimises the impact on UK businesses.

0.15 A draft IA (Annex 6) has been prepared detailing the costs associated with implementing the new requirements of the Directive. It estimates that the preferred implementation approach imposes a ten-year present value cost on society of between around £74.5 million and £220 million, with a best estimate of around £143 million. All of this cost would be borne by industry, either directly or through cost recovery by the CA. This gives an Equivalent Annual Net Cost to Business of around £12.7 million in 2009 prices.

0.16 The draft IA has been considered by the Regulatory Policy Committee (RPC), an independent body responsible for scrutinising the quality of the analysis and evidence presented in IAs. They have given their opinion that the assessment is fit for purpose. They indicated that it gives a detailed description and analysis of a complex set of measures, and noted that it considers a number of options for the forming of the CA. They highlighted some

[2] The COMAH Competent Authority for onshore major hazard installations involves HSE and the Environment Agency (in England and Wales) and the Scottish Environment Protection Agency (in Scotland).

areas where the final stage IA could be strengthened or clarified, in particular in relation to regulatory 'one-in two-out' (OITO) issues and non-monetised costs relating to the compliance with Article 38 of the Environmental Liability Directive. After consultation, this IA will be updated to address any new issues raised and to include the new areas that were not addressed in the original draft of the IA (e.g. operatorship). The relevant sections of the consultation document highlight the areas that were not part of the original IA.

0.17 **Section 3.2 of the IA** indicates that, by maintaining the current offshore oil and gas regime and standards, there are a few areas where requirements are imposed that go beyond the requirements of the Directive. In each case, this is to maintain the current scope and standards and we consider they will impose no additional costs or burdens to industry, for example by retaining existing UK legislative requirements within SCR 2005. In summary, the four areas of gold-plating proposed to maintain the scope of the current UK offshore oil and gas regimes are:

- Maintaining the definition of major accident that industry is used to, and to keep diving operations of fewer than five people in scope (see pages 17 and 18);
- Keeping supplementary units (e.g. additional power supplies to an offshore installation), if they are greater than 500m from an installation, within the scope of HSE's definition of offshore installation (see pages 18 and 19);
- Keeping non-production installations within scope for enter and leave notification requirements to maintain health and safety standards (see page 19); and
- Maintaining an approval procedure for operator appointments rather than weakening it by replacing it with a non-objection procedure (see page 47).

(Please note that the second point above was not addressed in the original draft of the IA and will be addressed in the updated IA following this consultation)

Guidance

0.18 The new SCR 2015 will be accompanied by revised guidance on the regulations, similar to the current version known as L30 – "A guide to the Offshore Installations (Safety Case) Regulations 2005". DECC are also planning to amend guidance relating to OPEPs, EMSs and EIAs. Ahead of that revised guidance DECC has outlined draft processes for the additional Directive requirements in relation to OPEPs and EMSs at Annex 4. Full guidance, which will be published three months before the regulations come into force, will help stakeholders understand what is required by the legislation.

What do the changes resulting from the Directive mean for stakeholders?

0.19 Although much of the current UK offshore oil and gas regulatory regime will remain, there are some significant new legal requirements (e.g. a change to the definition of operator under SCR 2015 to bring it in line with Directive requirements, and the development of a major accident prevention policy). Where possible, we have sought to integrate the Directive's legislative requirements with our current safety, environmental and licensing regimes.

0.20 The main changes introduced by the Directive can be broadly split into those that impact on the industry and those that are targeted at the Member State and CA. The key new requirements that fall on industry are:

- The operator under offshore safety legislation will be the single entity appointed by the licensee and approved (or not objected to) by the licensing authority;

- The integration of relevant environmental and safety requirements within the safety case and associated notifications;

- The well notification will now include environmental information and describe the findings and comments of the well examiner with a description of the action of the operator in response to these;

- The operator will now consult the well examiner before submitting a material change to a well notification;

- The existing independent verification scheme for safety critical elements will be extended to include environmentally critical elements as defined by the Directive;

- Operators and owners will have to produce a corporate major accident prevention policy;

- Operators and owners will need to update their safety management systems (SMS) and environmental management systems (EMS) to comply with the Directive, and if these systems are not integrated they must demonstrate how they will work together;

- There will be a new duty on operators and owners to take suitable measures when there is an immediate danger to human health or significant risk of a major accident, and then to notify the CA after taking such measures;

- Companies registered in the UK will have to report, on request, international major accidents;

- The owners of a non-production installation will be required to have an OPEP for each installation. Operators will be required to submit an addendum to that plan for each proposed well operation; and

- The operators of a production installation and owners of a non-production installation will be required to have an EMS which meets the requirements of the Directive.

0.21 The Member State will have to establish an offshore CA to undertake the functions outlined in the Directive. The main obligations on the CA will be:

- to inform the licensing authority if the operator no longer has the capacity to meet the requirements of the UK's offshore oil and gas regime;

- to respond to the design notification, confirming there are no comments or providing comments that must be taken into account by the operator in the subsequent safety case; and

- to prohibit the operation, or commencement of operations, on any installation where the measures outlined in the safety case, notifications or supporting environmental documents are considered insufficient.

0.22 Transitional arrangements to allow operators time to comply with the new requirements have been included in the draft new regulations annexed to this consultation document.

0.23 **Chapters 1 to 3** in the consultation document cover these changes in detail. In commenting on the proposals aimed at implementing the Directive, consultees should be aware that the UK is bound by a Directive under European law as to the result to be achieved and its discretion in implementing is limited. In **Chapter 1**, we are also asking you to consider our proposed option for establishing the CA.

0.24 **Chapter 4** explains that in respect of the national emergency response plans and emergency preparedness provisions of the Directive, it is considered that existing UK legislation and guidance meets those requirements. On that basis, DfT and MCA explain that they do not need to introduce new legislation to implement the Directive requirements.

Additional areas covered by this consultation document

0.25 In **Chapter 5**, we outline the changes proposed to the HSE's health and safety legislation to implement operational lessons learned over the last ten years and to update our onshore oil and gas legislation to take account of emerging energy technologies (e.g. underground coal gasification). We are also taking this opportunity to reduce the stock of offshore legislation when appropriate. The key amendments proposed are:

- To ensure that future emerging energy technologies (e.g. underground coal gasification) are covered by a robust regulatory regime for their exploration phase, and make sure that the UK fully implements Directive 92/91/EEC, we need to bring such activities within scope of our onshore oil and gas regulatory regime;

- Hydrocarbon gas is now being stored onshore in solution mined salt caverns, with operators voluntarily complying with the UK's onshore major hazard regime. To achieve consistency longer-term, and maintain public and investor confidence that robust regulation is in place, we plan to update our onshore oil and gas major hazard legislation to cover these activities;

- We propose updating the definition of an offshore installation in the Offshore Installations and Pipelines (Management and Administration) Regulations 1995 (MAR) to provide clarity and consistency with the definition in the Health and Safety at Work etc. Act (Application Outside Great Britain) Order 2013;

- If necessary, we plan to amend the definition of operator in HSE offshore regulations to ensure that an operator can always be identified for high risk decommissioning activities;

- We plan to re-enact the Offshore Installations (Safety Zones) Regulations 1987 within SCR 2015, or MAR, and then revoke the 1987 regulations;

- We plan to revoke the Offshore Installations (Logbooks and Registration of Death) Regulations 1972 and re-enact the requirement to register deaths on offshore installations into the Offshore Installations and Pipeline Works (Management and Administration) Regulations; and

- We propose to revoke the Offshore Safety (Miscellaneous Amendments) Regulations 2002 (which extend the definition of offshore installation) and incorporate the requirements in the updated definition of offshore installation (mentioned above).

0.26 In **Chapter 6**, we outline the changes we are proposing to the Prevention of Fire and Explosion, and Emergency Response on Offshore Installations and the Health Care and First Aid on Offshore Installations and Pipeline Works ACoPs. This work is part of HSE's on-going review of all of its ACoPs.

0.27 **Annex 1** of the consultation document highlights the changes made to UK legislation to implement the Directive's requirements that are not addressed in the main text of this document. This is because these changes will result in minimal amendment to the UK legislation, there are no alternative implementation options to consider, and there is no significant impact of the proposals. Where there are other options on how a given requirement could be implemented or a need for us to ask your views on the estimated burden on industry, this consultation document seeks your views.

0.28 The draft regulations at **Annexes 2 and 3** demonstrate how HSE and DECC respectively propose to transpose the majority of the Directive requirements. The aim is to give stakeholders a sense of what the new regulations may look like to assist them in responding to this consultation. Stakeholders will also be able to consider whether the regulations are well structured so that the law is easy to understand and whether they together produce an understandable legislative regime. The regulations will be subject to change in response to this consultation and for technical reasons.

0.29 In order to assist stakeholders to consider the implications of changes to the environmental legislation as a result of the Directive, DECC has set out proposed approaches to implement some of the requirements in **Annex 4**.

Consultation questions

0.30 We are seeking answers to questions in a number of areas. However, as much of this consultation document relates to how we propose to implement a Directive, there is often little option than to do what the Directive requires. In such cases, many of the questions are therefore related to our estimated costs to industry from implementing the new requirements.

0.31 There is a list of all the consultation questions in this document on pages 61 to 69.

Chapter 1

Establishing an offshore competent authority

1.1 Articles 8 and 9 of Directive 2013/30/EU (the Directive) require the UK to set up a Competent Authority (CA), by 19 July 2015, to oversee industry compliance with the Directive and to undertake certain related functions such as accepting and/or assessing relevant reports and other required notifications.

1.2 Under the current UK regime, the Department of Energy and Climate Change (DECC) is responsible for implementing offshore environmental legislation, and this is performed by their Offshore Oil and Gas Environment and Decommissioning Team (OGED). The Health and Safety Executive (HSE) is responsible for implementing health and safety legislation as it relates to offshore oil and gas operations, and this is performed by their Energy Division (ED).

1.3 DECC and HSE already work closely together under a Memorandum of Understanding (MoU) that establishes a framework for liaison between the two regulators and their regimes. Examples include a coordinated sign-off procedure for all new exploration and appraisal wells, and joint environmental and safety inspections where this is appropriate. The operational MoU is overseen by a high-level cross-Departmental group.

1.4 Because these existing arrangements are not sufficient to comply with the requirements of the Directive, the Government proposes that DECC and HSE work in a partnership CA to deliver the functions specified in the Directive, with each party concentrating on their areas of expertise. This CA would be governed via an enhanced MoU between DECC and HSE, and would be analogous to the existing model used for the regulation of onshore major hazard installations[3]. A high-level CA oversight Board would provide the forum to agree on implementation arrangements and achieve shared perspectives and decisions.

1.5 Although the day-to-day functions of the CA would be delivered by the respective parts of DECC's OGED and HSE's ED, both partners would be working under a set of common CA arrangements. From a stakeholder perspective, this would manifest itself as a single regulatory face from the CA, including:

- DECC and HSE staff working seamlessly under a set of common CA systems and processes;
- A CA online portal for all notifications and submissions to the CA, regardless of whether they relate to safety or environmental issues;
- A single, coherent set of CA assessment/acceptance procedures for safety cases, notifications etc.;
- A single CA intervention plan for each operator and owner, covering all planned CA inspection activities;
- Proactive CA interventions fully coordinated and planned, with the presumption of joint DECC/HSE visits wherever appropriate;

[3] The COMAH Competent Authority for onshore major hazard installations involves HSE and the Environment Agency (in England and Wales) and the Scottish Environment Protection Agency (in Scotland).

- Coordinated CA investigations, with decisions made at an early stage as to which regulatory partner should lead;

- A single enforcement policy covering all CA enforcement; and

- A CA website for all information relating to the CA.

1.6 These proposals would avoid major machinery of Government changes, and would provide a single, consistent regulatory interface for industry with respect to the prevention of the major hazard safety and environmental events covered by the Directive. They require minimal changes to the already robust UK offshore regulatory regime, fully implement the Directive in line with UK Government policy, and avoid unnecessary 'gold-plating'.

1.7 Under this proposal DECC's existing environmental assessment and regulation regime for offshore oil and gas activities, e.g. chemical and oil discharge permits, would not change and that regime would not be included within the scope of the CA.

1.8 The Directive requires that the UK ensures "the independence and objectivity of the competent authority in carrying out its regulatory functions". It further specifies that "conflicts of interest shall be prevented between, on one hand, the regulatory functions of the competent authority and, on the other hand the regulatory functions relating to economic development of the offshore natural resources and licensing of offshore oil and gas operations". Although DECC is currently responsible for licensing and the economic development of oil and gas resources via the DECC Licensing, Exploration and Development (LED) Team, these functions are already separate from the work of DECC OGED and there will shortly be further separation following the recommendation in the final report of Sir Ian Wood's "UKCS Maximising Recovery Review" [4]. A new arm's length regulatory body will be created, to include the functions of LED, charged with effective stewardship and economic regulation of UKCS hydrocarbon recovery, and implementation of this recommendation will reinforce the independence required when OGED is working within the proposed CA.

1.9 A number of alternative ways of implementing the CA requirements of the Directive were considered before arriving at the preferred option. These alternatives are outlined in the attached IA (**Annex 6** - sections 8.1, 9.1, and 9.2), with associated analysis and estimated costs.

Consultation Question	
1	**Do you agree with the rationale for selecting the proposed approach for establishing the UK's offshore oil and gas competent authority? Yes/No.** **Please explain why.**

[4] http://www.woodreview.co.uk/ The Wood Review examined key factors that affect UKCS performance and developed recommendations designed to enhance economic recovery of oil and gas reserves in the future. The interim report was published on 11 November 2013. The final report and recommendations were produced in early 2014 and funding announced in the March 2014 budget to implement the recommendations.

Chapter 2

Changes to health and safety legislation and new administrative mechanisms to implement the offshore Directive

2.1 In this Chapter, we outline the impact the Directive could have on the current scope of the UK's health and safety regime and how we propose to manage this when implementing the Directive. We then outline the main changes required to HSE's health and safety legislation to implement the Directive. This section is split into the proposals to maintain the current scope of the UK's health and safety regime, the new requirements that fall on the industry (operators and owners of non-production installations), and issues related to tripartite consultation. **Annex 2** outlines the draft Offshore Installations (Offshore Safety Directive) (Safety Case etc.) Regulations 2015 (SCR 2015).

Maintaining the current scope of the UK's health and safety regime

2.2 When implementing this Directive, our intention is to try and maintain as much of the existing UK offshore oil and gas regime as we can. However, by maintaining the current offshore oil and gas regime there are a few areas where the requirements are beyond those strictly mandated by the Directive, known as gold-plating. In each case this is to maintain the current scope and standards. Three areas of gold-plating proposed to maintain the scope of the current UK offshore oil and gas health and safety regime are outlined in detail below.

Definition of major accident

2.3 The definition of major accident within our existing offshore health and safety regulations has to be amended to align with the definition in the Directive. In particular, the definition of major accident will need to be extended to cover related major environmental incidents (See SCR 2015 - Regulation 2).

2.4 The current UK definition of major accident includes "the failure of life support systems for diving operations in connection with the installation, the detachment of a diving bell used for such operations or the trapping of a diver in a diving bell or other subsea chamber used for such operations". This is not included in the Directive definition. The definition of major accident in the Directive does make provision for 'any other incident leading to fatalities or serious injury to five or more persons…' and given that most diving operations associated with offshore installations involve five or more people, diving operations are likely to be covered in most instances. It could also be considered that any subsea work on installations or pipelines is likely to be covered by other aspects of the Directive's definition of a major accident. However, a small number of diving operations will involve fewer than five people and we would prefer to make it legally clear that such diving operations remain within scope.

2.5 HSE is concerned that the omission of such operations from the definition of major accident, and therefore consideration within the safety case, would have a detrimental effect on offshore diving safety. Commercial diving is widely recognised as a hazardous work activity – particularly offshore. Over the last 40 years, at least 52 divers have died while working in the offshore oil and gas industry in the North Sea. To provide clarity and consistency for industry we propose to retain the current diving specific element in the definition of a major accident. **Section 9.6.1 of the IA** estimates that as all operators/owners are currently required to address diving matters in the safety cases, there would be no

additional burden on industry from maintaining all diving operations within the definition of major accident.

2.6 The Directive's definition of major accident also only covers an event involving major damage to the structure of the installation or connected infrastructure, involving, or with a significant potential to cause fatalities or serious personal injury. The definition of major accident in SCR 2005 does not have the qualification relating to fatalities or serious injury and so if we kept the current definition in SCR 2005 it could be seen as gold-plating. However, as keeping the SCR wording will result in no practical difference, as every event involving serious damage would have significant potential to cause fatalities or serious personal injury, we propose to keep the current wording in the SCR 2005 definition. As we are maintaining the current definition, there will be no additional burden on industry.

Consultation Question	
2	**Do you agree with the proposed approach to dealing with the definition of major accident? Yes/No.** **Please explain why.**

Supplementary units connected to an offshore installation

2.7 The definition of 'offshore installation' in the Offshore Installations and Pipeline Works (Management and Administration) Regulations 1995 (MAR) and SCR 2005 and across HSE's suite of offshore oil and gas regulations, includes reference to supplementary units which are connected to it or any part of it. This term was included within the definition of 'offshore installation' to ensure such structures associated with the installation (e.g. back-up energy supplies), the failure of which could contribute to a major accident, were seen as part of an offshore installation, and so captured by HSE's offshore safety regulations.

2.8 The Directive only covers such units within the safety zone (i.e. within 500m of the installation). Although to date no supplementary units have been associated with an offshore installation in the UK, they could be in the future. HSE considers that there could be detrimental impacts on UK safety standards if supplementary units beyond 500m were used but were not within the scope of HSE's offshore regulations. HSE is therefore proposing to keep supplementary units (within and beyond 500m) within the definition of 'offshore installation'.

2.9 An offshore installation with a supplementary unit will need a safety case and will need to be fully compliant with the new requirements introduced to implement the Directive. HSE's current understanding is that the supplementary unit will be addressed with the whole installation, not individually. As this is an existing requirement in UK regulations, and industry would need to comply with this if supplementary units were ever used, HSE estimates that there will be no new burdens associated with maintaining a supplementary unit beyond 500m within the scope of the definition of offshore installation.

2.10 In addition, HSE considers that maintaining this position is also justified to mitigate the risk of any contribution they could have to a major accident, or in mitigating the consequences of a major accident.

Consultation Questions	
3	**Do you support the rationale for the HSE definition of offshore installation continuing to cover supplementary units beyond 500m? Yes/No.** **Please explain why.**
4	**Do you agree that keeping supplementary units beyond 500m in scope of the new requirements in SCR 2015 would result in no additional burdens to industry? Yes/No.** **Please explain why.**

Enter or leave notifications for non-production installations

2.11 The Offshore Installations and Pipeline Works (Management and Administration) Regulations 1995 (MAR) contain the requirement for enter and leave notifications. In the UK HSE monitors the movements of both production and non-production installations (e.g. drilling rigs), but the Directive only requires production installations to submit these notifications. HSE considers that there would be detrimental impacts on UK safety standards if the regulator did not continue to monitor the movements of non-production installations and therefore intends to maintain the current approach.

2.12 **Section 9.6.2 of the IA** indicates that as industry is already providing enter or leave notifications for production and non-production installations, there is no additional cost imposed by maintaining this requirement.

Consultation Question	
5	**Do you agree that the UK Regulator should continue to monitor non-production installations entering or leaving UK waters? Yes/No.** **Please explain why.**

Refining the scope and application of HSE legislation

Operatorship and HSE legislation

2.13 Under current DECC offshore oil and gas legislation, the licensee(s) appoints an operator for the licensed area or sub-area. Where Secretary of State consent is required under the licence, the licensing authority carefully vets the application to support the proposed appointment and then advises the Secretary of State for Energy and Climate Change who, under the terms of the licence, then approves or rejects the proposed operator. Currently safety capabilities and competence are not part of the vetting process.

2.14 Under HSE's offshore safety legislation, operator responsibilities fall on the persons appointed by the licensee to undertake the production operations or the well operations in question. The appointment need not be the subject of Secretary of State consent.

2.15 In many cases the DECC operator and the HSE operator are the same person, but in a few cases they are different. When the HSE operators are different, the licensing authority does not recognise them as operators, in licensing terminology, and considers them to be contractors acting on behalf of the licensee(s) or the operator.

Directive's operatorship requirements

Appointment and approval

2.16 The definition of operator in the Directive is:

> "… the entity appointed by the licensee or licensing authority to conduct offshore oil and gas operations, including planning and executing a well operation or managing and controlling the functions of a production installation".

2.17 Article 6(1) of the Directive requires that production installations and connected infrastructure are only operated in licensed areas and only by operators appointed for that purpose.

2.18 These requirements align with the current DECC approach where there is only one operator for a given licensed area or sub-area who is responsible for the conduct of the operations undertaken under authority of the licence. To have more than one operator, as currently allowed under the safety case regime, is not consistent with the Directive, which appears to require one body to have the conduct of, and responsibility for, offshore oil and gas operations. The HSE approach of including duty holders like well management companies within the concept of "operator" is also inconsistent with the Directive to the extent that these companies are not approved by the licensing authority and they do not go through the rigorous vetting process for operators. It is therefore our proposal to update the definitions in HSE's offshore major hazard regulations to reflect the DECC approach in order to satisfy the Directive requirements.

2.19 As is the case under the current licensing regime, the licensee(s) (and now the licensing authority) will be able to appoint different operators in sequence, for example for the exploration phase, then the production phase and then to undertake the decommissioning operations. They will also be able to appoint a substitute operator for specific oil and gas operations in the licensed area (e.g. the appointment of another approved operator to drill a particular well). However, in all cases, the appointments will have to be vetted and subjected to a power of objection on the part of the licensing authority.

2.20 The licensing authority proposes to update the current approach to include consideration of a potential operator's capability and competence from a safety perspective. Although the new approval system is still being developed, in addition to existing operatorship criteria, this is likely to include:

- Demonstrating a thorough understanding of relevant statutory provisions and their associated duties to ensure they have a full comprehension of the role and its implications for health, safety and environmental management;

- Ensuring they possess the technical and managerial capability to fulfil the legal requirements of operator and that competent people are appointed. This includes procuring any necessary additional resource to ensure that health, safety and environmental arrangements will be adequate;

- Demonstrating strong leadership with a clear focus on health, safety and environmental management in relation to a major accident;

- Demonstrating the maturity and suitability of an organisations Safety and Environmental Management Systems, or a commitment to develop a suitable system prior to any offshore operations to achieve compliance. Robust arrangements for the monitoring and auditing of these systems will be required including the means to

ensure that any significant findings are actioned appropriately. The operator will also need to consider other relevant parties with which they need to co-ordinate and introduce adequate procedures to facilitate this co-ordinated approach; and

- Arrangements for ensuring that, where a third party is appointed to manage the daily operations of an offshore installation, the third party is capable of fulfilling this role adequately. The operator must recognise that any such appointment will have significant consequences for standards for health, safety and environment and as such must ensure that those appointed are capable of meeting the requirements of all relevant statutory provisions. Additionally the operator should implement robust arrangements for the management of contractors to ensure adherence with the Safety Case is achieved. When approaching the matter of management of contractors there must be recognition that legal responsibility for the management of health, safety and environment ultimately rests with the operator.

This updated approval approach will ensure that all operators have the necessary capacity and competence to meet their responsibilities, including for the safety case and well notifications.

2.21 In addition to the licensing authority (if necessary in consultation with the CA) being able to object to the proposed appointment of an operator, the capability of the operator will remain under scrutiny. Article 6(4) of the Directive requires that, where the CA determines that the operator no longer has the capacity to meet their responsibilities, the licensing authority shall be informed. The licensee(s) will then be required to assume responsibility and propose a replacement operator.

Application to production installations

2.22 For a production installation, the appointment of a proposed operator (where it is not an appointment made by the licensing authority itself) will be subject to the objection of the licensing authority (subject to what is said at paragraph 3.28 in Chapter 3 on gold-plating). The operator will be responsible for the duties under the safety regime, including the submission of the safety case and relevant notifications. If for any reason the operator is no longer in place at the time of decommissioning of the installation or the associated abandonment of a well, the licensee(s) or licensing authority would be required to appoint another operator for those operations. It would still be possible to contract a third party company to undertake the production operations, and such contractors might have a significant input into the safety case. However, that will not relieve operators of their duties under the Directive.

Application to non-production installations

2.23 For a non-production installation (NPI) and associated well and combined operations:

- The owner of the NPI produces the safety case for the NPI;

- The operator using the NPI will (if not appointed by the licensing authority itself) be one whose appointment is proposed by the licensee and subject to objection on the part of the licensing authority;

- The operator will be responsible for the well notification and weekly well reports. They will also be responsible for: the well examination (verification) requirements; describing how the management systems of the operator and the owner are co-ordinated; a supplement to the owner's internal emergency response arrangements to outline emergency response arrangements that are not covered in the NPI safety

case; and provision of a corporate major accident prevention policy if a copy has not previously been submitted to the CA;

- If for any reason the operator is no longer in place at the time of the abandonment of a well, the licensee(s) or licensing authority would be required to appoint another operator for those operations;

- Under certain circumstances, the appointed operator may seek the approval of the licensing authority to allow another operator to undertake the planning and execution of well operations. This arrangement is termed 'substitute operatorship', and the replacement operator would have to have already been approved by the licensing authority. (The normal reasons for this sort of arrangement would be gaps in a long-term, exclusive use, rig contract, the two operators being partner licensees, or the replacement operator agreeing to drill the well in exchange for licence equity.); and

- The operator and owner would jointly prepare any relevant combined operations notifications, to link and amend the independent safety cases of the participating installations.

It would still be possible to contract a third party company to undertake the well operations, and such contractors might have a significant input into the notification of well operations. However, that will not relieve operators of their duties under the Directive

Application to pipelines

2.24 Connected pipelines within the 500 metres safety zone of an installation are classed as connected infrastructure under the Directive. The Directive requires that offshore installations and connected infrastructure are only operated in licensed areas and only by operators appointed for that purpose. It is not considered that this will have any effect on existing pipeline operatorship arrangements. The pipeline that forms part of the installation's connected infrastructure will be covered by the installation's safety case and the responsibility for the pipeline will rest with the installation operator appointed by the licensee and approved by the licensing authority (or appointed by the licensing authority). If part of a pipeline within a safety zone (e.g. an export trunk line connected at the emergency shut-down valve) is the responsibility of a different pipeline operator appointed by the licensing authority under the Petroleum Act Pipeline Works Authorisation (PWA) process, then that operator would be the responsible person for that pipeline from the point of connection to the installation's connected infrastructure. In such circumstances, the operator of the installation would be expected to co-operate with the PWA pipeline operator.

What is the impact of these proposals?

2.25 In many cases, the current DECC operator and the HSE production installation operator or HSE well operator are the same, but in a few cases they are not. In such circumstances DECC and HSE recognise these proposals will result in some change. In this consultation we are asking questions to help us better understand your views on the impacts and burdens associated with this change.

2.26 In the case of specialist companies contracted to manage the day to-day functions of a production installation (the HSE production installation operator/duty holder), such contractors can still prepare some or all of the safety case. However, it will be up to the operator to ensure that systems are in place to integrate the contractor and operator functions, and responsibility for the safety case (including submission) will rest with the operator. In the case of well management companies contracted to manage specific drilling operations (the HSE well operator), the contractors can also continue to prepare well

notifications, but again it will be up to the operator to ensure that systems are in place to integrate the contractor and operator functions, and responsibility for the notification (including submission) will rest with the operator.

2.27 In both cases, the operator will have to take legal responsibility for the safety case and well notification and will have principle liability in the event of any safety related incident (they already have licensing and environmental liabilities). However, experience suggests that the licensees and operators know what they require from the contracted specialist companies and they therefore manage the contracts appropriately, including the civil liability arrangements, and carefully monitor the execution of the operations.

2.28 DECC and HSE recognise that, in addition to the larger companies that contract third parties to manage production operations (previously duty holders under the safety case regime) or manage well operations (previously well operators), there are many smaller operators that have built (or are currently building) their business models around being able to use specialist contractors to manage their operations. Such companies are willing to develop assets (field or installation) where the returns are unlikely to attract a larger company. This model relies on being able to outsource the management of operations to an experienced, competent and capable contractor, whilst the licensee takes the financial risks and provides the resilience and liability cover. We recognise that this approach is a proven model with many years of successful operation for many new entrant companies.

2.29 DECC and HSE are not looking to impose barriers to small operators. Although there will be some capability and liability issues that will have to be reviewed, smaller operators will still be able to use contracted specialist companies to manage production and well operations.

2.30 DECC and HSE would appreciate comments on the impact of these proposals, in particular, in terms of the operator's capabilities and competence, the costs associated with the transition, and any additional liabilities. We would also be interested in views on whether the changes would discourage current or future small operators. We would also like feedback on any impact on third party companies who currently act as HSE production installation or well operators.

2.31 Another area where we would welcome your feedback is on whether the changes would have an impact on safety standards within the UKCS. DECC and HSE consider that this is unlikely if the operator has the capabilities to ensure the right level of oversight. In fact, it could improve standards due to the greater degree of oversight and the new clarity of responsibilities.

2.32 We welcome your ideas on alternative approaches which will satisfy the Directive requirements:

- DECC and HSE recognise that industry is concerned that these operatorship proposals do not take account of the complex relationships that exist between licensee, operator and duty holder, or fully consider the implications of transferring financial or other responsibility. Industry is also concerned that these proposals will have a significant impact on the drive to extend the life of oil and gas operations in the North Sea.

- DECC and HSE recognise these concerns and are open to considering alternatives. We encourage industry to use this consultation as an opportunity to present their ideas, including how liability should be shared between licensee, operators and duty holders. If legally acceptable we will give due consideration to these ideas.

Assessing the impact

2.33 When DECC and HSE have reviewed the responses to this consultation document and any other information obtained from industry meetings and focus groups, we will estimate the costs of the changes and include these in the final draft of the Impact Assessment.

Consultation Questions	
6	**Do you agree with the proposed operatorship model? Yes/No.** **Please explain why.**
7	**Do you think the proposed changes to operatorship will impact safety and environmental standards in the UKCS? Yes/No.** **Please explain why.**
8	**Do you think that the proposed changes to operatorship will discourage any future groups from considering entering the UKCS to conduct oil and gas operations? Yes/No.** **Please explain why.**
9	**What do you think would be the impact of the proposed changes to operatorship on third party companies who currently act as production installation operators or well operators?** **Please explain.**

Gas storage and recovery

2.34 The definition of "offshore installation" in the Offshore Installations and Pipeline Works (Management and Administration) Regulations 1995 (MAR), SCR 2005 and across HSE's suite of offshore oil and gas regulations covers "the storage of gas in or under the shore or bed of relevant waters or the recovery of gas stored". The Directive's definition of "offshore oil and gas operations" relates to exploration and production of oil and gas. If HSE was to continue to include gas storage and recovery within the UK definition of offshore installation, imposition of the additional Directive requirements would be "gold-plating". We are therefore proposing to remove the relevant phrase from the definition (Draft MAR Regulations – Regulation 3).

2.35 In practical terms, we do not think that this change will impact on how gas storage activities are currently regulated offshore. The one offshore installation that is involved in storing gas is also producing hydrocarbon gas. Therefore, the operator will be required to have a safety case for the installation and the operations will be regulated by the new CA. As the gas storage activities are taking place on the same installation as the production of hydrocarbon gas, the potential risks from the storage activities on the production activities must continue to be addressed as part of the installation's safety case.

2.36 HSE did consider making a case to keep this phrase within the definition of "offshore installation", especially as it might help to future-proof SCR 2015 in relation to future gas storage activities. However, this would not work practically for a number of reasons:

- As SCR 2015 also includes environmental issues, to use this legislation to cover gas storage would require DECC legislation (e.g. for OPEPs) to be similarly extended, introducing additional gold-plating;

- The HSE legislation applies to operators appointed in relation to a licence granted under the Petroleum Act 1998 or the Petroleum (Production) Act 1934, and does not apply in the case of a gas storage and importation licence;

- As gas is not defined in HSE legislation, the definition of "offshore installation" could have been read as covering the storage of any gas (e.g. including carbon dioxide), which was never the intent; and

- The new offshore CA that will enforce SCR 2015, is not required under the Directive to regulate gas storage.

2.37 As no additional offshore gas storage and recovery operations are planned in the near future, work within Government to consider a new offshore gas storage regime will begin after the Directive is implemented. The costs and benefits of this new regime will be estimated at that time.

Consultation Question	
10	**HSE proposes to remove the phrase "the storage of gas in or under the shore or bed of relevant waters or the recovery of gas so stored" from the UK's definition of offshore installation and develop a new regulatory regime to cover offshore gas storage. Do you agree or disagree with this approach?** **Please explain why.**

Application of HSE legislation to internal waters

2.38 Some provisions of the Directive, and Directive 92/91/EEC (concerning the minimum requirements for improving the safety and health of workers in the mineral-extracting industries through drilling), are conveniently addressed by existing HSE regulations. For example, in relation to the safety emergency response arrangements, the maintenance of plant, consultation of workers, risk assessment and the reporting of accidents. Other provisions of the Directive can be thought of as augmenting Directive 92/91/EEC. For example, in relation to statutory notifications (well operations, combined operations), weekly well reports, safety and environmental management systems, independent verification and the additional content of the safety case.

2.39 HSE's regulations, including SCR 2005 and the Offshore Installations (Prevention of Fire and Explosion, and Emergency Response) Regulations 1995, apply offshore but also apply within Great Britain as a whole. This is required to implement Directive 92/91/EEC, which applies to all of Great Britain, including internal waters. However, the requirements of the Directive do not apply within Great Britain and are restricted to the territorial sea, the exclusive economic zone and the continental shelf of the United Kingdom. To apply the requirements of the Directive to internal waters would therefore be gold-plating.

2.40 In considering the most appropriate way forward HSE have noted that although only limited oil and gas operations have been undertaken in internal waters in recent years, the licensing authority considers that it is possible that exploration or production operations could take place within the next 5-10 years, which could include shale gas exploration. We also have to recognise that the environmental regulators will be different in internal waters.

2.41 To ensure current health and safety standards are maintained for oil and gas operations in internal waters, but to avoid gold-plating when implementing the Directive, HSE therefore proposes to create a "twin track" statutory regime. This will involve operations in internal waters being subject to different requirements (e.g. similar to the current requirements in SCR 2005) to those that will be applied to offshore operations to implement the Directive (i.e. the new SCR 2015).

2.42 This will maintain the standards introduced over 20 years ago to implement Directive 92/91/EEC and to implement the findings of Lord Cullen's recommendations relating to the Piper Alpha disaster. As industry has been complying with these existing requirements for over 20 years, we estimate that maintaining these standards for internal waters will introduce no new burdens on industry.

Consultation Question	
11	**Do you agree with the proposed approach of applying similar requirements to those in SCR 2005 and the supporting suite of offshore oil and gas regulations for internal waters? Yes/No.** **Please explain why.**

Requirements that fall on industry

Internal emergency response arrangements

2.43 Historically, in the UK we have not asked operators to prepare one emergency plan that covers all areas (environment and safety) and supporting arrangements. Currently a range of plans exist to meet the requirements under different offshore oil and gas regulations. For example, owners or operators prepare and submit emergency response plans under safety legislation, the Offshore Installations (Prevention of Fire and Explosion, and Emergency Response) Regulations 1995 (PFEER); and operators submit oil pollution emergency plans (OPEPs) under environmental legislation, the Merchant Shipping (Oil Pollution Preparedness, Response and Co-operation Convention) Regulations 1998 (OPRC 1998).

2.44 We are looking to minimise changes to the current UK emergency response approach and do not propose to bring together the PFEER and the OPEP into one plan. The Directive does not require us to do so and the current processes have been shown to work well in the event of an emergency. However, there will be a need for operators and owners to make further arrangements and provide additional information to meet the new requirements under the Directive.

2.45 HSE is proposing to make amendments to PFEER via SCR 2015 and have internal emergency response arrangements within SCR2015 to address the additional requirements under the Directive (e.g. an inventory of the safety emergency response equipment). Operators/owners will also need to provide a brief description of the components of the internal emergency response arrangements in the safety case. Please note, we are using the term 'arrangements' in our legislation instead of 'internal emergency response plan' to make it clear that we are not asking for one plan and that we are maintaining current arrangements. Draft SCR 2015 - Regulations 40 and 41 and amendments to PFEER outline the proposed new requirements.

2.46 Full details of the estimated costs for implementing these amendments are outlined in **Section 9.5.1 of the IA**.

Consultation Questions	
12	**DECC and HSE propose to broadly maintain the current UK approach of having different emergency arrangements under our range of offshore oil and gas legislation, rather than introducing a requirement to produce one plan. Do you agree or disagree with this approach?** **Please explain why.**
13	**Do you agree with the estimates used in the IA to cost the following requirements:** **(a) Around 92 hours of staff time per installation to collect and add additional information to the internal emergency response arrangements;** **(b) Around 70 hours of staff time per installation to assemble the inventory of emergency response equipment;** **(c) Around 116 hours of staff time per installation to describe the internal emergency response arrangements in the Safety Case; and** **(d) Around 144 staff hours per installation per annum to keep the description of the internal emergency response arrangements up to date?** **Yes/No.** **Please explain why.**

Independent verification

2.47 Under SCR 2005, owners or operators are required to have in place an independent verification scheme to provide assurance that safety-critical elements (SCE) of the installation's plant and equipment are suitable for their intended purpose. To comply with the Directive, the verification scheme in SCR 2015 needs to be extended to cover the verification of safety and environmental-critical elements (SECE). In addition, the verification scheme needs to comply with some new criteria outlined in the Directive (e.g. arrangements to manage the flow of information between the operator/owner and the independent verifier and to ensure the verifier is given sufficient authority to carry out their functions). Note: following assessment by both DECC and industry we are not currently aware of any examples of environmental-critical elements (ECE) which are not also SCE under the terms of the Directive.

2.48 Please note that the Directive will amend the UK's well examination requirements in Offshore Installations and Wells (Design and Construction etc.) Regulations 1996 (DCR). As we can only apply these changes to the areas covered by the Directive it may be necessary to bring these requirements into SCR 2015 in respect of offshore oil and gas operations. In addition, solicitors may bring the independent verification requirements scattered throughout the draft SCR 2015, into one section within the final legislative instrument.

2.49 Draft SCR 2015 - Regulations 2(5-8), 19 and 31 outline the changes proposed. **Section 9.5.2 of the IA** provides full details of the estimated costs.

Consultation Questions	
14	**Do you agree with the proposal to extend the independent verification system to cover safety and environmental-critical elements (SECE) and to meet the new Directive criteria via SCR 2015? Yes/No.** **Please explain why.**
15	**Do you agree with the estimates used in the IA to cost the following requirements:** **(a) Around 280 hours of staff time per installation to add new criteria to the verification scheme;** **(b) Around 35 hours of staff time per installation to provide a description of the extended scheme for the safety case;** **(c) Around £15,000 charge per installation for the independent verifier to establish new criteria for ECE; and** **(d) Around 17 hours staff time per annum to maintain the extended verification scheme?** **Yes/No.** **Please explain why.**

Corporate Major Accident Prevention Policy (CMAPP)

2.50 There is a new requirement for operators/owners to prepare a Corporate Major Accident Prevention policy (CMAPP). DECC and HSE believe that operators/owners will already have some policies in place (e.g. health, safety and environmental policies) that may provide some of the information needed (e.g. on the prevention of major accidents). However, it is likely that existing policies will need to be updated to meet the requirements of the Directive.

2.51 In practice, an operator or owner in the UK will often form part of a corporate structure. The legal duty to prepare the CMAPP falls on the legal entity that is the operator or owner in the UK. If part of a group corporate structure, it is for the operator or owner to decide if they submit a UK company group, or international group, CMAPP. Either is anticipated to be acceptable as long as it meets the Directive requirements. It should be noted that the CMAPP should cover an operator's or owner's installations outside the Union. As the Directive is finalised this is now a legal requirement, and the UK has to include this duty within its legislation. In practice, the UK CA can only consider the information in a CMAPP and encourage good practice to be applied internationally, but it cannot enforce its application.

2.52 Lawyers have indicated that this requirement could be interpreted as only applying to operators and owners that are corporations. Alternatively (as was the UK's view during negotiations), this requirement could be interpreted as applying to all operators and owners. We have adopted the latter interpretation, as it does not make sense to only have some of the operators and owners involved in offshore oil and gas operations being captured by this duty to outline their high-level commitment to prevent major accidents.

2.53 Draft SCR 2015 - Regulation 29 and Schedules 10 and 11 outline the proposed new requirement. **Section 9.5.3 of the IA** provides full details of the estimated costs.

Consultation Questions	
16	**Do you agree with DECC and HSE's rationale for applying the requirement to produce a Corporate Major Accident Prevention Policy (CMAPP) on all operators and owners, and not just corporations? Yes/No.** **Please explain why.**
17	**Do you agree with the estimates used in the IA to cost the following requirements:** **(a) Around 833 staff hours to prepare each CMAPP; and** **(b) Around 50 hours of staff time per annum to keep the CMAPP up to date?** **Yes/No.** **Please explain why.**

Safety and Environmental Management System (SEMS)

2.54 There is already a legal requirement in the UK to have a safety management system (SMS) under the Offshore Installations (Safety Case) Regulations 2005. DECC also has in place a voluntary agreement implementing a requirement of the Convention for the Protection of the Marine Environment of the North East Atlantic (the OSPAR Convention) that operators should maintain an environmental management system (EMS).

2.55 To minimise the changes to the UK's offshore oil and gas regime and burdens on industry, DECC and HSE propose to maintain, and update where appropriate, the current arrangements that allow for separate safety and environmental management systems. However, operators and owners will be able to satisfy both requirements if they have an integrated safety and environmental management system that meets the Directive requirements. To ensure that the existing voluntary arrangements meet the requirements of the Directive, the EMS requirements will be implemented legislatively (see draft Offshore Petroleum Activities (Offshore Safety Directive) (Environmental Functions) Regulations 2015).

2.56 Under SCR 2015, operators and owners will be required to prepare a document setting out their SMS and demonstrating how it is integrated with their overall management system. In addition, operators and owners will need to prepare an adequate description of the SMS, with a reference to the accepted EMS (see paragraphs 3.12 to 3.16) and where there is a separate SMS and EMS it should demonstrate how they are integrated.

2.57 Draft SCR 2015 - Regulation 30 and Schedules 11 and 12 outline the proposed safety and environmental management system requirements. **Section 9.5.4 of the IA** provides full details of the estimated costs.

2.58 DECC and HSE have been considering whether or not the SEMS obligations under the Directive should be carried out through the requirement to have a single integrated SEMS in the Safety Case. We are interested in your views on this when you are responding to question 19.

Consultation Questions	
18	**Do you agree with the estimates used in the IA to cost the following requirements:** **(a) Around 58 hours of staff time per installation to collect the additional safety information for the SEMS document; and** **(b) Around 44 hours of staff time per installation to produce the adequate description for the safety case as outlined in paragraph 2.56?** **Yes/No.** **Please explain why.**
19	**Do you agree with the DECC/HSE approach to implementing the requirements for a SEMS? Yes/No.** **Please explain why.**

Safety Cases for a production or non-production installation

2.59 The introduction to this consultation document highlighted that the Directive requires that a report on major hazards is produced by operators and owners. DECC and HSE propose to use the safety case, updated to include brief descriptions relating to relevant environmental information and links to existing environmental demonstrations and assessments, to meet the Directive's requirement. Operators/owners would also need to submit an adequate description of the verification scheme, safety and environmental management system, and internal emergency response arrangements in the safety case. These requirements are separately assessed in the respective sections of this consultation document and the IA.

2.60 Operators/owners would also need to include additional general information in the safety case (e.g. details of the relevant codes, standards and guidance used in the construction and commissioning of the installation and a statement made after considering the findings of the independent verifier). They also need to provide 'any other relevant details' that the CA considers necessary before a safety case is accepted, but in practice this requirement is already covered by the existing regime.

2.61 Draft SCR 2015 - Regulations 7 and 8, and Schedules 2 and 3 outline the proposed changes. The total estimated costs of implementing this requirement are outlined in **Section 9.5.5 of the IA**.

Consultation Questions	
20	**DECC and HSE propose including within the Safety Case short descriptions and links relating to environmental information to meet the Directive's requirement for the report on major hazards. Do you support this approach? Yes/No.** **Please explain why.**

Consultation Questions	
21	**Do you agree with the estimates used in the IA to cost the following requirements:** **(a) Around 419 staff hours per installation to update a production installation safety case;** **(b) Around 140 staff hours per installation to update a non-production installation safety case; and** **(c) Around 35 hours per installation per annum to keep additional information in the safety case up to date?** **Yes/No.** **Please explain why.**

Design and relocation notifications

2.62 Under SCR 2005, operators or owners of installations are required to submit a design notification in the case of a planned production installation. In addition, where an existing production installation is to be moved, the operator must submit a relocation notification. There are separate requirements to provide environmental information.

2.63 The key change under the Directive is that design and relocation notifications must now include reference to the environmental information, in addition to the existing safety information. For example, they will need to describe the design concept in relation to major hazard scenarios for both the environment and safety. Although DECC and HSE consider that the environmental information needed for these notifications is already produced (e.g. in an Environmental Statement (ES)) additional work would be needed to briefly describe and/or make appropriate links to this information within a design or relocation notification.

2.64 Draft SCR 2015 - Regulation 6 and Schedule 1 outline the proposed requirements. **Section 9.5.6 of the IA** provides full details of the estimated costs.

Consultation Questions	
22	**Do you agree with the proposal to briefly describe and/or make appropriate links to existing environmental information within a design or relocation notification? Yes/No.** **Please explain why.**
23	**Do you agree with the estimates used in the IA to cost the following requirements:** **(a) Around 35 hours of staff time per notification to add additional information into a design notification; and** **(b) No additional time needed to add information to a relocation notification (because the information is already included)?** **Yes/No.** **Please explain why.**

Well notifications

2.65 Under the current UK health and safety regime, operators are required to submit a well notification. This notification provides the regulator with a range of information, related to the planned well operations. This includes particulars of the well, a description of the well operations and the programme of work. The Directive requires that additional information (e.g. on environmental issues) is included in a well notification.

2.66 DECC and HSE consider that the environmental information needed for these notifications is already produced as a result of other requirements (e.g. in an ES or a request for a Direction that an ES is not required). However, additional work will be needed to briefly describe and/or make appropriate links to the information within a well notification.

2.67 Draft SCR 2015 - Regulation 17 and Schedule 6 outline the proposed new requirements. The full details of estimated costs are provided in **Section 9.5.7 of the IA**.

2.68 There is also a new requirement in the Directive for the operator to include a report of the findings of the well examiner in a well notification, with a description of any action taken in relation to the findings (draft SCR 2015 - Schedule 6(16 and 17). The operator should also consult the well examiner before submitting a material change to a well notification (draft SCR 2015 - Regulation 17(3). However, **Section 9.5.7 of the IA** makes it clear that the industry focus group working with DECC and HSE on the costs to industry of these requirements was not able to make an estimate of the cost of these new requirements.

Consultation Questions	
24	**Do you agree with the proposal to briefly describe and/or make appropriate links to the environmental information within a well notification? Yes/No.** **Please explain why.**
25	**Do you agree with the estimate used in the IA to cost the following requirement:** **Around 35 hours to add the additional information per well notification?** **Yes/No.** **Please explain why.**
26	**If you are an operator submitting a well notification what would be the additional cost charged by your well examiner to review prior to submission:** **(a) a well notification; and** **(b) a material change to a well notification?**
27	**If you are an operator submitting a well notification or a material change to a well notification, how long would it take to:** **(a) include a report of the findings of the well examiner and a description of the action taken; and** **(b) who in your organisation would do it?**

Combined operations notifications

2.69 Combined operations notifications are already submitted under the current regime, but there are new requirements to include environmental information within the notification. Again, DECC and HSE consider that the information needed for these notifications is already produced as a result of other requirements (e.g. in a request for a navigational consent to locate a non-production installation). Additional work would be needed to briefly describe and/or make appropriate links to this information within a combined operations notification.

2.70 Draft SCR 2015 - Regulation 10 and Schedule 4 outline the proposed changes. **Section 9.5.8 of the IA** provides full details of the estimated costs.

Consultation Questions	
28	**Do you agree with the proposal to briefly describe and/or make appropriate links to the environmental information within a combined operations notification? Yes/No.** **Please explain why.**
29	**Do you agree with the estimates used in the IA to cost the following requirement:** **Around 70 hours of staff time for adding the additional information per combined operations notification?** **Yes/No.** **Please explain why.**

Dismantling a fixed production installation

2.71 Under the Directive, new information is required when a fixed production installation is dismantled. New requirements will be included in SCR 2015 for:

- Information on the means of isolating hazardous substances and the permanent sealing of wells;
- A description of the risks to workers, the environment, and the total exposed population; and
- Information on the emergency response arrangements to secure the safe evacuation and rescue of personnel, and information on maintaining control systems for preventing a major accident or a major environmental incident.

2.72 Some of the information may already be produced as a result of other requirements (e.g. the Decommissioning Programme and supporting documents). However, additional work would be needed to briefly describe and/or make appropriate links to this information in the decommissioning safety case.

2.73 Draft SCR 2015 - Regulation 11 and Schedule 5 outline the proposed new requirements. **Section 9.5.9 of the IA** provides full details of how the costs were estimated. It shows that the industry focus group reported that most of the information was already included and that the cost of adding any further information was negligible. As such, this is expected to impose no additional cost on industry.

Consultation Questions	
30	**Do you agree with the proposal to briefly describe and/or make appropriate links to existing information in the decommissioning safety case? Yes/No.** **Please explain why.**
31	**Do you agree with the estimate in the IA that there will be no additional cost for adding any information to a dismantling safety case? Yes/No.** **If not:** **(a) What information would you need to add?** **(b) Who would do this work?** **(c) How long would it take?**

Reporting imminent danger or increased risks of a major accident

2.74 When an activity carried out by an operator or owner poses an immediate danger to human health or significantly increases the risk of a major accident, the Directive requires that they must take suitable measures, including suspending the activity, until the danger or risk is adequately controlled. When an operator takes such action, they must notify the offshore CA no later than 24 hours after taking the action.

2.75 Draft SCR 2015 - Regulation 34 outlines the proposed change. **Section 9.5.10 of the IA** shows that the estimated costs for making such reports is negligible. As such, this is expected to impose no additional cost on industry. We recognise that longer-term, the guidance supporting this new requirement will need to explain what the terms “immediate danger” and “significantly increases” will mean in practice.

Consultation Question	
32	**Do you agree with our assessment that reporting the measures taken where there is imminent danger or increased risk of a major accident would impose no additional cost? Yes/No.** **Please explain why.**

Reporting major accidents outside the EU

2.76 This is a new requirement on UK-registered companies with oil and gas operations outside the EU. Under SCR 2015, the CA will be able to request details of any major accidents these companies, or their subsidiaries, have been involved in outside the EU. As the Directive is finalised this is now a legal requirement, and the UK has to include this duty within its legislation. In practice when the UK CA, the European Commission and other European Regulators consider this information, it will be in the context of how to improve standards in the UK or Europe.

2.77 The Directive does not define what information a CA can request after an international major accident. We have not specified this in the draft regulation as it could quickly become out of date, but we will produce guidance in this area. In practice the information requested could change depending on the incident. Longer-term, to achieve consistency the EU may also want to introduce a standard request format across Europe (e.g. current thinking is that key elements of the current International Association of Oil and

Gas Producers (OGP) incident reporting criteria could be used). However, the Directive makes it clear that the final request format is at the discretion of the Member State and in developing this we will engage with industry.

2.78 The aim of the European Commission is to improve standards by quickly sharing lessons from international major accidents across Europe. To achieve this goal the information provided cannot be confidential, as the CA will have to share it with the European Union Offshore Authorities Group (EUOAG) and other European regulators. However, we do recognise that confidentiality issues will need to be considered when finalising this approach and then adequately addressed in future guidance.

2.79 Draft SCR 2015 - Regulation 35 outlines the proposed change. **Section 9.5.11 of the IA** estimates the costs of making such reports as negligible. As such, this is expected to impose no additional cost on industry.

Consultation Question	
33	**Do you agree with our assessment that reporting major accidents outside the EU that UK registered companies or their subsidiaries have been involved in would impose no additional cost? Yes/No.** **Please explain why.**

Safety Zones

2.80 The UK Offshore Installations Safety Zones Regulations 1987 specify when a vessel can enter an offshore safety zone. Under the Directive, the owner or operator of the installation can grant permission for a vessel to enter the safety zone for reasons other than those specified in the Offshore Installations Safety Zones Regulations, which restrict the granting of permissions to the regulator. **Section 9.5.12 of the IA** highlights that industry does not envisage any circumstances where such permissions would be granted by an operator or owner, and so this would have nil impact on industry.

2.81 As the Offshore Installations Safety Zones Regulations 1987 is a very small piece of specific legislation, we are intending to consolidate these regulations and the necessary amendments required by the Directive into SCR 2015 (draft SCR 2015 - Regulation 28) or by an amendment to MAR (Annex 2) to reduce the stock of legislation.

Consultation Question	
34	**Do you agree with our assessment that there would not be any circumstances where permission to enter the safety zone would be granted by an operator or owner? Yes/No.** **Please explain why.**

Collecting and recording data

2.82 The Directive requires operators/owners to use suitable methods of recording and collecting data that ensures reliability and prevents the possibility of the data being manipulated. HSE expect that operators and owners will have such methods in place already for safety-related information.

2.83 Schedule 11(5) of draft SCR 2015 outlines the proposed change. **Section 9.5.13 of the IA** highlights that the focus group reported that these methods were already in place and that this requirement would impose no additional costs on industry.

Consultation Question	
35	**Do you agree with our assessment that there are no additional costs to industry associated with collecting and recording data? Yes/No.** **Please explain why.**

Implementing Act on data reporting criteria and format

2.84 Articles 23 and 24 and Annex IX of the Directive indicate that an Implementing Act will be introduced to outline a new offshore data reporting system. This could consist of up to 10 new reporting criteria, and standard formats within which operators and owners would have to notify the CA. There will also be standard formats for the CA to use when preparing Annual Reports to the European Commission and for the CA when making information publicly available. As a result of these Implementing Acts, HSE may have to amend its existing legislation (e.g. the Reporting of Injuries, Diseases and Dangerous Occurrences Regulations (RIDDOR)) and there may be additional burdens on the CA and industry in terms of reporting information.

2.85 There is no draft legislation on these changes, as the European Commission are not expected to finalise the Implementing Act until Autumn 2014. **Section 9.5.16 of the IA** highlights that industry feedback suggests that the requirement to report under the Implementing Act would be unlikely to impose additional costs as such reports would be routine and incorporated into existing processes for internal reporting, investigations and learning mechanisms.

2.86 However, DECC and HSE consider that additional databases and computer systems would be required by industry for the management of the new reports in a system parallel to RIDDOR. **Section 9.1.9 of the IA** provides full details of the estimated costs.

Consultation Questions	
36	**Our assessment is that the requirement to report under the Implementing Act would impose no additional costs as such reports would be routine and incorporated into existing processes for internal reporting, investigations and learning mechanisms.** **Do you agree or disagree with this assessment?** **Please explain why.**
37	**The IA roughly estimates that operators/owners that need to create a new database for this reporting requirement would incur a cost of around £113,000.** **Do you agree or disagree?** **Please explain why.**

Promoting change to staff

2.87 In order for operators and owners to implement the new regulations within their business, DECC and HSE expect they would need to provide additional training and promote the changes to staff in order to embed new practices. This could include making visits to installations, preparing and distributing promotional material, holding workshops and "Town Hall" style meetings and updating websites. **Section 9.5.15 of the IA** provides full details of the estimated costs.

Consultation Question	
38	**Do you agree with the estimate used to cost the following impact:** **Around 488 hours of staff time per installation to promote the changes to staff?** **Yes/No.** **Please explain why.**

Preparing and revising standards and good practice

2.88 Operators and owners already work in consultation with DECC and HSE, using current information to produce and revise standards and guidance (e.g. via Step Change and the Offshore Industry Advisory Committee). Article 19(7) of the Directive imposes a requirement on operators and owners to prepare and revise standards and guidance on best practice in relation to the control of major hazards throughout the design and operational lifecycle of offshore oil and gas operations. This must be done in consultation with the CA, making use of the exchanges of knowledge, information and experience and considering the priorities outlined in the Directive.

2.89 DECC and HSE consider that this requirement does not indicate which operators and owners must prepare standards and guidance (in reality only a few would be involved at a given time) and it is not clear what guidance they must produce. Because of this, if we introduced this requirement as worded in the Directive, it would be unenforceable. We consider that the correct way to implement this requirement is to create an obligation encouraging operators and owners to co-operate in producing standards and guidance, and this would be discharged by operators, owners and their representatives continuing to take part in producing guidance in Step Change and other forums. Draft SCR 2015 - Regulation 36 and schedule 13 outlines the proposed change.

Consultation Question	
39	**Do you support DECC and HSE's proposed approach to implementing the requirement for operators and owners to cooperate in producing standards and guidance? Yes/No.** **Please explain why.**

Transport of Inspectors offshore

2.90 HSE already has a requirement in the Offshore Installations (Inspectors and Casualties) Regulations 1973 (ICR) for duty holders to transport inspectors offshore, and

provide accommodation and meals etc. The Directive requirement to transport inspectors is slightly broader than that in the ICR (e.g. it covers transport to a vessel associated with offshore oil and gas operations). We propose to revoke the ICR and create a new provision in the Offshore Installations and Pipelines (Management and Administration Regulations) 1995 (MAR) that both maintains the ICR requirement and implements the Directive (draft amendments to MAR - Regulation 29).

2.91 As industry already provides transport, accommodation etc. to DECC and HSE inspectors, we consider that this duty will impose no additional costs on industry.

Consultation Question	
40	**Do you agree that, as industry already transports HSE and DECC inspectors offshore, and provides accommodation and meals when appropriate, that there will be no additional cost to industry from this requirement? Yes/No.** **Please explain why.**

Reporting a major accident

2.92 Operators and owners will already formally (e.g. via the reporting requirements in RIDDOR) and informally (by direct contact when an accident occurs) notify HSE of a major accident. They will also report a major environmental incident, and other releases to the sea to DECC. Article 30(1) of the Directive requires that all major accidents or situations where there is an immediate risk of a major accident are reported to the CA.

2.93 Draft SCR 2015 - Regulation 38 outlines this proposed change. As operators and owners are already reporting such requirements, **Section 9.5.10 of the IA** highlights that the additional cost to industry is negligible, and this requirement would impose no cost on industry. We recognise that longer-term, the guidance supporting this new requirement will need to explain what the term “immediate risk of a major accident” will mean in practice.

Consultation Question	
41	**Do you agree with our assessment that reporting major accidents to the CA would impose no additional cost? Yes/No.** **Please explain why.**

Transitional arrangements

2.94 The transitional arrangements in Article 42 of the Directive are complex. Analysis of the thorough review dates of non-production and production installations in the UK indicates that the majority of non-production installation safety cases are due to be assessed between April and July 2016, and most of the production installations safety cases are due to be assessed between April and July 2018. These arrangements would make it impossible for the offshore CA to assess and accept safety cases within the specified transitional timeframes, yet without an accepted safety case an installation cannot legally operate. Because of this, DECC and HSE have been working with industry to find an acceptable way forward.

2.95 Initial discussions with industry have reached an agreement in principle that, after the CA has allocated assessment dates for installations with thorough reviews which fall early in the transitional process, operators and owners will then be able to book an assessment date

with the CA for installations with later review dates. This will stagger the work for the CA and will ensure that each operator and owner will comply with the transitional requirements. By entering this agreement with industry, the CA will give a commitment to assess the safety case, and if appropriate accept it, by the agreed deadline.

2.96 Regulation 27 of draft SCR 2015 outlines the proposed transitional arrangements. These regulations highlight that:

- Existing installations are those that existed before 18 July 2013 and requirements are linked to when the thorough review of a safety case is due;
- Material changes to existing safety cases and notifications will be acceptable;
- The July 2016 transitional date will apply to all well operations so that they will be subject to the new regime by that date. However, where those operations are carried out by existing production installations, the undertaking of well operations will not trigger the new regime; and
- If a notification has been completed during the transitional phase, this notification will comply with the new regulations (see table within Regulation 27 of draft SCR 2015). If it is not completed, then a material change to a notification is required.

2.97 We recognise that these transitional arrangements are complex, but we consider that they deliver much of the clarity industry has requested. We will of course work with industry to develop simple guidance to further explain these complex transitional arrangements.

Consultation Question	
42	**Do you agree with the transitional arrangements proposed by DECC and HSE? Yes/No.** **Please explain why.**

Tripartite consultation mechanisms

2.98 The Offshore Industry Advisory Committee (OIAC) currently acts as the offshore tripartite body for addressing safety issues related to the offshore oil and gas industry. This is a well-established committee where operators, owners, Trade Unions and regulators regularly consult each other on key emerging issues. It is proposed that the Directive's requirement to establish arrangements to enable operators and owners to contribute to effective tripartite consultations can be delivered using OIAC. To achieve this, we suggest that the membership of OIAC, and its terms of reference, might have to be updated to enable environmental consultation in addition to safety consultation.

Consultation Question	
43	**Do you agree with the proposal that OIAC be used to deliver the Directive's requirements for a mechanism for tripartite consultation? Yes/No.** **Please explain why.**

Chapter 3

Changes to environmental and licensing legislation to implement the offshore Directive

3.1 In this Chapter, we outline the changes required to DECC's environmental and licensing legislation to implement the Directive.

3.2 DECC proposes to introduce two sets of regulations. The first, the Offshore Petroleum Activities (Offshore Safety Directive) (Environmental Functions) Regulations 2015 (OSDEF), will amend the Merchant Shipping (Oil Pollution Preparedness, Response and Co-operation Convention) Regulations 1998 (OPRC 1998) and implement other environmental Directive requirements, specifically the Environmental Management System. The second, the Offshore Petroleum Licensing (Offshore Safety Directive) Regulations 2015, will implement the licensing Directive requirements. Annex 3 contains drafts of the proposed new legislation.

Changes to the Environmental Regime

3.3 The existing environmental legislative regime relating to offshore oil and gas operations is comprehensive. Following a review of the Articles of the Directive, it was apparent that the majority of the environmental requirements are already met by existing legislation. As a result, apart from amendments to the emergency response legislation contained within OPRC 1998, no other changes to the existing offshore environmental legislation are anticipated.

Oil Pollution Emergency Plans (OPEPs)

3.4 As previously indicated (see paragraphs 2.43 and 2.44), the UK has not historically asked operators to prepare one emergency response plan covering both environmental and safety arrangements and the Directive does not require that we do so now. OPRC 1998 already covers many of the Directive requirements in relation to oil spill response and in order to minimise the changes to the UK's offshore oil and gas regime and the burden on industry, DECC intend to amend OPRC 1998 to meet the additional environmental requirements. The revised OPEP, together with HSE's Emergency Response plan, will detail the Internal Emergency Response Arrangements, and a description of these arrangements will be required in the safety case.

3.5 In order to meet the Directive requirements, we are proposing that OPRC 1998 be extended to:

- Include the decommissioning of offshore installations;
- Include owners of non-production installations, who will be required to submit an OPEP for their installations;
- Require operators/owners to include in the OPEP an inventory of oil spill response equipment and an analysis of the oil spill emergency response equipment effectiveness pertinent to their offshore oil and gas operations;
- Include a requirement to undertake a full review and re-submission of an OPEP every 5 years, or following any relevant material change or when directed to undertake such a review by DECC;

- Require operators to amend the installation OPEP to cover specific well operations or a series of well operations;

- Require operators to amend the installation OPEP to take into account any additional risks related to combined operations;

- Supplement the requirement to 'submit a plan' with a requirement for every offshore installation to have an approved OPEP prior to the commencement of the offshore oil and gas operations covered by the plan;

- Require operators and owners to undertake OPEP exercises and to retain evidence of those exercises; and

- Provide powers to prohibit operations where no OPEP is in place, where the plan is deemed insufficient or where the requirements of the plan are not being met.

3.6 Proposed amendments to OPRC 1998 to incorporate the proposed changes are set out in a "tracked changes" version of those regulations in Annex 3.

3.7 The total estimated costs of implementing these requirements are outlined in **Sections 9.7.1.1 to 9.7.1.4 of the IA**. In order to determine the cost to industry, a number of assumptions were made – some in conjunction with an industry focus group and others based on DECC experience. The assumptions are fully detailed in the sections of the IA referenced above.

Consultation Questions	
44	**Do you agree with the proposed approach to transposing the Directive's environmental requirements in relation to OPEPs? Yes/No.** **Please explain why.**
45	**Do you agree with the estimates used in the IA to cost the following requirements:** **(a) Around 174 hours of staff time to prepare and submit a decommissioning OPEP to DECC;** **(b) Around 140 hours of staff time to add the additional Directive requirements to both existing and new OPEPs for production installations;** **(c) Around 35 hours of staff time to consider the additional Directive requirements when submitting an OPEP for a production installation for review;** **(d) Around 174 hours of staff time to prepare and submit an OPEP for existing and new non-production installations;** **(e) Around 17 hours of staff time to prepare and submit an OPEP for a non-production installation for review;** **(f) Around 80 hours of staff time to prepare and submit a well operations addendum to support a well notification; and** **(g) Around 105 hours of staff time to prepare and submit an OPEP addendum to support a combined operations notification?** **Yes/No.** **Please explain why.**

New OPEP requirements which are not considered to have any cost implications

3.8 As detailed in **Sections 9.7.1.5 and 9.7.1.6** of the IA, several of the new requirements put provisions in place, which are not anticipated to result in any additional costs to industry.

3.9 As part of the Directive's obligations to produce an Internal Emergency Response Plan, the new regulations will specify that the OPEP must be approved before operations commence. However, operators and owners do not currently commence operations before an OPEP is approved and it is not anticipated that they would do so in the future. Consequently no additional costs have been estimated as a result of this provision.

3.10 The Directive also requires operators and owners to carry out exercises to maintain relevant preparedness for the implementation of the Internal Emergency Response Plan and potential interaction with the external emergency response plan, and to retain evidence of those exercises. Operators and owners are already required to carry out OPEP exercises in accordance with DECC guidance. The requirement for retention of evidence of exercises is considered to be negligible as most, if not all, operators do this already.

3.11 Finally, the Directive makes provision for powers to prohibit operations where no OPEP is in place, where the plan is deemed insufficient or where the requirements of the plan are not being met. To date, DECC has never delayed or prohibited an oil and gas operation as a result of an operator not having an OPEP or one that does not meet the OPRC 1998 requirements. In future, the requirements of the Directive and the link between the Internal Emergency Response Arrangements and the safety case mean that it will be virtually impossible for any operator or owner to undertake operations without an approved and sufficient OPEP. Therefore, DECC does not anticipate any additional costs to industry as this simply introduces a legal requirement to do what is already expected.

Consultation Questions	
46	**Do you agree that the requirement to have an approved OPEP before operations commence will not result in any additional costs to industry? Yes/No.** **Please explain why.**
47	**Do you agree that the requirement to carry out OPEP exercises and retain evidence of those exercises will not result in any additional costs to industry? Yes/No.** **Please explain why.**
48	**We estimate that the provision to prohibit operations where: no OPEP is in place; the OPEP is deemed insufficient; or the requirements are not met; will not create any additional costs for industry.** **Do you agree or disagree?** **Please explain why.**

Environmental Management Systems (EMS)

3.12 Articles 19(3) and 19(5) of the Directive require operators and owners to prepare a document setting out their safety and environmental management system (SEMS) applicable to their installation and to submit that SEMS, or an adequate description of the SEMS, to the Competent Authority in accordance with Article 11(1)(b).

3.13 There are no requirements regarding EMS in the current environmental legislative regime. However, OSPAR Convention Recommendation 2003/5 requires Contracting Parties to 'Promote the Use and Implementation of Environmental Management Systems by the Offshore Industry', and this Recommendation was implemented in the UK through voluntary agreement based on guidance issued by DECC. For Traditional and Frontier Seaward Production Licenses, including continuations of Promote Licences, the Department will not award a licence in response to any application that is not supported by an EMS that satisfies the guidance, or where the applicant does not provide a commitment to produce an EMS before they plan, develop and undertake any offshore operations. As a result, all existing operators already have an EMS. Discussions with industry also indicate that the majority of owners already have an EMS, although they have not been required to submit it to DECC.

3.14 There is already a legal requirement in the UK to have a safety management system (SMS).

3.15 In order to minimise the changes to the UK's offshore oil and gas regime and burdens on industry, DECC and HSE propose that operators and owners will be able to maintain separate safety and environmental management systems, updated where appropriate to meet the Directive requirements, or will be able to maintain or develop an integrated SEMS in line with the Directive requirements (see also paragraphs 2.54 to 2.58 on Safety and Environmental Management Systems).

3.16 Operators and owners will need to prepare a document setting out their EMS, detailing how it is integrated within the overall management system. DECC recognises that some operators and owners utilise an integrated SEMS, and the proposed approach does not require the separation of the safety and environmental components. Submission of a SEMS, or a description of the SEMS, that satisfies the EMS requirements detailed in the OSDEF regulations will therefore be perfectly acceptable. In addition, operators and owners with separate safety and environmental management systems will need to include a short reference to any accepted EMS within the safety case, and need to demonstrate how the two systems are integrated.

3.17 It is proposed to include a number of requirements pertaining to EMSs in the new regulations to ensure full alignment with the Directive. These are as follows:

- A requirement for operators and owners to have an EMS which satisfies the relevant requirements of the Directive[5];
- A requirement for operators and owners to submit an EMS, or a description of an EMS, to DECC for acceptance prior to the commencement of operations;
- A requirement for operators and owners to undertake a full review of the EMS, and to re-submit the EMS (or an adequate description) to DECC for acceptance following any relevant material change, or when directed to undertake such a review by DECC; and

[5] Operators will also be required to continue to satisfy the requirements of OSPAR Convention Recommendation 2003/5

- A requirement to amend/change a submitted EMS (and/or the description) when directed by DECC should the EMS (and/or the description) be considered inappropriate for any reason.

3.18 The Offshore Petroleum Activities (Offshore Safety Directive) (Environmental Functions) Regulations 2015 detail the proposed requirements – see Annex 3.

3.19 The total estimated costs of implementing these requirements are outlined in **Sections 9.7.2.1 to 9.7.2.5 of the IA**. In order to determine the cost to industry, a number of assumptions were made – some in conjunction with the industry focus group and others based on DECC experience. The assumptions are fully detailed in the sections of the IA referenced above.

Consultation Questions	
49	**Do you agree with the proposed approach to transpose the Directive's environmental requirements in relation to SEMSs? Yes/No.** **Please explain why.**
50	**Do you agree with the estimates used in the IA to cost the following additional requirements:** **(a) Around 24 hours of staff time to extend the EMS requirement to decommissioning operations;** **(b) Around 24 hours of staff time to add the Directive requirements to new and existing EMSs in relation to production installations;** **(c) Around 24 hours of staff time to add the Directive requirements to existing EMSs for non-production installations;** **(d) Around 3,139 hours of staff time to prepare an EMS in accordance with the Directive requirements for owners of non-production installations, where the owners do not currently have an EMS; and** **(e) Around 61 hours of staff time to consider the Directive requirements when reviewing an EMS?** **Yes/No.** **Please explain why.**

3.20 In order to assist stakeholders to consider the implications of the changes to the environmental legislation, DECC has provided proposed approaches to implement some of the new requirements (e.g. the provision of addenda for well operations, the amendment of OPEPs for combined operations, the requirement to provide an inventory of oil spill response equipment and an analysis of the oil spill emergency response equipment effectiveness) – see Annex 4.

Consultation Question	
51	**Annex 4 sets out how DECC think that the new requirements might work in practice. Do you agree with the proposed approaches? Yes/No.** **Please explain why.**

Changes to the Licensing Regime

3.21 Before awarding a Traditional or Frontier Seaward Production Licence, or a continuation of a Promote Licence, DECC currently checks the applicant's financial capacity and viability, and the technical and environmental competence of the proposed operator. Each licence provides that it may not be assigned without the prior approval of DECC and nor may an operator be appointed without such prior approval of DECC (except under certain licences where there is a single licence holder holding 100% of the licence). When a licensee seeks approval for an assignment or the appointment of a new operator, DECC repeats such of the checks as are appropriate. These are essentially the same procedures as those required by the Directive, so no fundamentally new procedures are needed. However, there will be minor adjustments.

3.22 DECC will implement the following minor amendments, through the draft Offshore Petroleum Licensing (Offshore Safety Directive) Regulations 2015:

- The requirement for an approved operator will be extended to decommissioning operations;
- Positive approval of an operator under the licence will substitute for the passive non-objection required under the Directive;
- A 100% licensee, who does not propose to appoint somebody else as operator, will be required to appoint himself as operator, subject to the licensing authority's veto;
- Operatorship will survive the end of a licence;
- The licensee will be required to: ensure that operations take place only in licensed areas and are only conducted by the approved operator; ensure that they have provision to cover liabilities arising under the Directive; ensure that the operator has the capacity to meet the Directive's requirements; and take reasonable steps to ensure that the operator does so;
- Revocation of operator approval can be initiated by the CA, the licensing authority must implement it and the licensee must propose a new operator;
- The licensing authority can require information relating to competence and compliance; and
- Breach of the provisions implementing the Directive is to be made grounds for termination of operatorship or revocation of the licence as the case may be.

3.23 There will also be a number of additional criteria for the licensing authority to take account of (in consultation with the CA) when considering licence awards and transfers, and applicants will have to provide relevant information to support their applications in respect of the following:

- The risk, the hazards and any other relevant information relating to the licensed area concerned, including, where appropriate, the cost of degradation of the marine environment referred to in point (c) of Article 8(1) of Directive 2008/56/EC;
- The particular stage of offshore oil and gas operations;
- The Applicant's financial capabilities, including any financial security, to cover liabilities potentially deriving from the offshore oil and gas operations in question including liability for potential economic damages;

- The available information relating to the safety and environmental performance of the Applicant, including in relation to major accidents, as may be appropriate to the operations for which the Licence was requested; and

- Any environmentally sensitive marine and coastal environments, in particular ecosystems which play an important role in mitigation and adaptation to climate change, such as salt marshes and sea grass beds, and marine protected areas, such as special areas of conservation pursuant to the Council Directive 92/43/EEC of 21 May 1992 on the conservation of natural habitats and of wild fauna and flora, special protection areas pursuant to the Directive 2009/147/EC of the European Parliament and of the Council of 30 November 2009 on the conservation of wild birds, and areas that are designated as marine protected areas within the framework of any international or regional agreement entered into by the European Union or the United Kingdom.

3.24 The Directive requires Members States to impose a new duty on licensees to ensure that the operator has the capacity to meet its obligations, and that it actually does so (as detailed above). This will only constitute a legal duty to do what DECC expects every responsible licensee to be doing already and, as such, it is not considered to represent a new burden on industry. However, a question has been raised in relation to operators who are 'legacy' companies. DECC are proposing that in these cases a formal letter will be developed confirming that the operator is part of a company group and that a named company within that group will be undertaking/managing all operations proposed under authority of the licence on behalf of the legacy company.

Financial Liability Arrangements

3.25 Operators undertaking well operations using a Mobile Drilling Unit (MoDU) are currently required to provide evidence of financial liability arrangements, to ensure that sufficient funds or indemnity provisions are available to cover both first party costs (well control) and third party costs (caused by pollution damage) in the event of an oil pollution incident. This requirement is currently linked to the legal requirement to prepare and implement an OPEP as detailed in OPRC 1998. If the required financial arrangements are not in place, DECC would take the view that the operator had not demonstrated that the provisions of the OPEP could be fully implemented, so approval of the OPEP, and the activity covered by the OPEP, would be withheld.

3.26 The Directive requires that appropriate financial provisions are taken into account when assessing applicants for licences or for different stages of operatorship (Article 4). The new regulations will therefore include powers to require details of financial liability arrangements. As operators are already providing evidence of financial liability for exploration and appraisal wells, the additional costs as a result of the Directive will relate to any requests for evidence relating to development wells.

3.27 The draft Offshore Petroleum Licensing (Offshore Safety Directive) Regulations 2015 detail the new requirements. **Section 9.7.3 of the IA** estimates the **ten-year present value cost to industry** for providing evidence of financial liability during the period 2015-24 is between £559 thousand and £3.4 million with **a best estimate of around £2 million**.

Consultation Questions	
52	**Do you agree with the proposed approach to implementing the Directive's licensing requirements? Yes/No.** **Please explain why.**

Consultation Questions	
53	**Do you agree that the changes to the licensing regime will not result in any significant additional costs for industry? Yes/No.** **Please explain why.**
54	**Do you agree with the estimate used in the IA to cost the following requirement:** **Around 65 hours of staff time to provide sufficient evidence of the financial arrangements for development wells?** **Yes/No.** **Please explain why.**

Maintaining the current scope of the UK's licensing regime

3.28 The existing Model Clause that deals with operatorship provides that the licensee may not allow an operator to act as such without the prior approval of the Secretary of State. The Directive, however, requires only that the licensing authority should have a power to object to the appointment of an operator after the event. That would be a less robust system; would weaken support for the Directive's objectives; and DECC could not implement it fully without amending all existing licences (with or without the licensee's agreement). As current licencing procedures already implement satisfactory operatorship provisions, it is most reasonable (and consistent with the Directive's objectives) to leave them as they are, even though to do so counts as gold-plating. However, as it maintains the current standard, it poses no additional burden.

Consultation Question	
55	**Do you agree with DECC's proposal to continue to approve the appointment of operators? Yes/No.** **Please explain why.**

Chapter 4

Implementing the national emergency response plans and emergency preparedness provisions of the Directive

4.1 With respect to the national emergency response plans and the emergency preparedness provisions of the Directive, the Government considers that existing UK legislation and guidance meets the requirements.

External emergency response plans and emergency preparedness

4.2 It is considered that, for the purposes of Article 29, the existing UK legislation and guidance meets the requirements of the Directive.

4.3 Articles 29 (1) and (2) require Member States to prepare an external emergency response plan covering all offshore oil and gas installations. Central Government considers that the Integrated Offshore Emergency Response Plan (IOER) and the National Contingency Plan (NCP) fulfil this requirement in the United Kingdom. Article 29 (3) requires the external emergency response plan to be prepared in accordance with Annex VII to the Directive. It is considered that the information and guidance contained in the IOER and NCP meets the requirements of the Annex and that their publication on the Maritime and Coastguard Agency's (MCA) website will meet the requirement of making the external plan available to all.

4.4 Maritime and Aviation Search and Rescue (SAR) is mandated in the UK by virtue of the government's acceptance/ratification of the relevant international conventions on SAR e.g.

- Convention on the High Seas 1958
- International Convention on Maritime Search and Rescue 1979
- International Convention on Safety of Life at Sea 1974
- International Civil Aviation Organisation - Annex 12 to the Convention on International Civil Aviation
- United Nations Convention on the Law of the Sea

The UK responsibility for SAR measures for ships, aircraft and persons, whether military or civil, covers the UK SAR Region. The IOER details the procedures and guidance.

4.5 SAR response is co-operative: the statutory services and shore based response organisations react and offshore industry resources also provide capabilities e.g. standby, emergency response and supply vessels and offshore SAR helicopter capabilities. HM Coastguard has well developed emergency response procedures (agreed with the offshore industry) within its Operational Management System which provides Standard Operating Procedures for response to offshore installation and facility emergencies.

4.6 SAR exercises between the oil and gas industry and HM Coastguard SAR co-ordination centres occur on a weekly basis. Many such exercises are 'table-top' and 'co-ordination' exercises that do not deploy shore based SAR resources or undertake live activities, but they will test and simulate the activities, processes and procedures for emergency response. Offshore, platform personnel often undertake 'live' exercise activities

during these events. The UK oil and gas industry also attend training courses and seminars which the MCA run to familiarise the relevant offshore personnel with procedures and processes to be followed in an emergency. Nine of these training and awareness events are programmed to be delivered this year (2014). The MCA SAR co-ordination centre in Aberdeen also reviews the emergency response exercise plans and exercises of the offshore training organisations to ensure a degree of realism and currency in the exercise activities.

4.7 The Offshore Installations (Prevention of Fire and Explosion, and Emergency Response) Regulations 1995 (PFEER) contribute to the Internal Emergency Response Plan and support the External Emergency Response Plan. PFEER defines goals for the preventive and protective measures necessary for managing fire and explosion hazards, and for emergency response. These goals allow duty holders the flexibility to develop detailed arrangements for each stage of an installation's life cycle. PFEER includes requirements for the prevention, detection, control and mitigation of fire and explosion. It requires arrangements for detecting and responding to other emergencies, such as loss of stability, ship collision, and helicopter ditching near an installation, although there is no requirement to prevent such occurrences. It covers major accidents and other hazards.

4.8 The NCP deals with marine pollution from ships and offshore installations, and makes it clear that all exploration and production activities that could give rise to an oil pollution incident in the United Kingdom Pollution Control Zone or on the United Kingdom Continental Shelf must be covered by an Oil Pollution Emergency Plan (OPEP). OPEPs are required under Regulation 4(1)(c) to The Merchant Shipping (Oil Pollution Preparedness, Response and Co-operation Convention) Regulations 1998 (OPRC 1998), approved by DECC and reviewed on a regular basis, namely, every five years or within three months of any substantial change being required. The OPEP is a fit for purpose operational document that sets out the procedures for responding to offshore oil pollution incidents, including the shoreline clean up, in an effective and efficient manner, and is required by Regulation 4(6) to OPRC 1998 to be in line and co-ordinated with the policies and principles of the UK's NCP.

4.9 Regulation 5 of OPRC 1998 requires an offshore installation to report a release of oil to sea to the MCA and DECC without delay, using the electronic Petroleum Operation Notice No.1 (PON1), and DECC guidance requires that the report must be made within six hours. Oil and gas operators are required to deal with any incident using their own equipment and personnel. The co-ordination of any response effort remains the responsibility of the operator although the MCA oversees the response on behalf of the UK and may supply support, under their control if it is considered that the operator's resources may be overwhelmed. The MCA has the authority to take control of the at-sea response if they assess that the operator's clean-up actions are insufficient to achieve a timely and effective response.

4.10 DECC, in its guidance, requires that OPEPs are exercised regularly. In addition, NCP offshore industry related exercises are held every three years. HM Coastguard also undertakes regular exercises with the offshore oil and gas industry, and the police and medical services as required. Regular training and awareness seminars and courses are also provided by the MCA (as described above).

4.11 In the UK, it is custom and practice that where any human life is at risk, Search and Rescue activities are the priority in the early stages of any offshore installation emergency. However, relevant counter pollution response is always alerted as soon as possible once an emergency is underway. In the UK the counter pollution preparation and early deployment activities can be managed whilst SAR is on-going. Once SAR is declared as completed, the counter pollution response can move in and take primacy. Early notification and deployment of counter pollution resources and personnel means that this can happen very promptly.

4.12 Article 29 (5) necessitates the keeping of records of emergency response equipment in accordance with Annex VIII point 1 to the Directive. With regard to marine pollution, the operational sections to the NCP address the majority of points. In addition, national pollution response assets are controlled by the MCA who maintain an inventory. These assets are monitored and audited annually by the MCA. An inventory of the majority of industry owned-equipment is also maintained by Oil Spill Response Ltd. Through the NCP, the MCA also keeps records of incidents for the purposes of liability, compensation and cost recovery.

4.13 In complying with Article 29(4), the UK is party to several international agreements which provide for co-operation in dealing with major search and rescue or marine pollution incidents.

- OPRC Convention
- The Bonn Agreement
- Anglo-French Joint Maritime Contingency Plan (Mancheplan)
- The Norway-United Kingdom Joint Contingency Plan (Norbrit Agreement)
- UK/Ireland Agreement
- Anglo/Isle of Man Operating Agreement
- Faroe Islands – Local Agreement of Mutual Support (LAMS)
- EU Consultative Technical Group for Marine Pollution Preparedness and Response
- European Maritime Safety Agency (EMSA)
- Overseas Territories

Consultation Questions	
56	**Do you agree that the existing UK legislation and guidance outlined in Chapter 4 meet the Directive requirements for Articles 29 and 30? Yes/No.** **Please explain why.**
57	**Do you agree that there are no additional costs/savings to business, public or civil society organisations, regulators or consumers related to external emergency response and preparedness? Yes/No.** **Please explain why.**

Chapter 5

Updates to health and safety legislation to address operational lessons and emerging energy technologies

5.1 In this Chapter, we outline the changes required to the HSE's health and safety legislation to implement the operational lessons learned from applying our offshore oil and gas regime over the last ten years. We are also suggesting some amendments to our onshore oil and gas health and safety legislation to ensure that relevant emerging energy technologies (e.g. underground coal gasification) are within the scope of our oil and gas regulations. Finally, we highlight our proposal to reduce the current stock of offshore oil and gas regulations by consolidating some sets of regulations containing only a few requirements into other sets of offshore oil and gas regulations.

Updating the definition of offshore installation

5.2 In April 2013, HSE introduced the Health and Safety at Work etc. Act 1974 (Application Outside Great Britain) Order 2013 (AOGBO). In this Order, the definition of offshore installation was updated to give legal clarity that vessels whose primary purpose is accommodation, or those undertaking activities that involved mechanically entering the pressure containment boundary of a well, fell within the scope of this definition.

5.3 At this time, HSE also recognised that if an offshore installation was ever used for other purposes, these would likely be related to oil and gas activities (e.g. used as helicopter bases). When such installations came to the end of their life, HSE would want to ensure that it could still regulate future high risk decommissioning and demolition activities associated with such installations using its offshore major hazard regulations. HSE therefore removed the exclusion of a structure "which has ceased to be used for any of the purpose specified", from the Order. This was to ensure that all activities in relation to a non-mobile structure which was formerly an offshore installation, continued to be covered by the Order.

5.4 For consistency, and to ensure health and safety standards are maintained when high risk decommissioning and dismantling activities occur on offshore installations, HSE is now proposing to make the same changes to the definition of the offshore installation in the Offshore Installations and Pipeline Works (Management and Administration) Regulations 1995 (MAR) (draft amendments to MAR - Regulation 3). We would appreciate comments on whether you agree to the principle of the changes.

5.5 These proposed changes will only clarify what structures are offshore installations, and ensure that an existing offshore installation would remain an offshore installation under HSE's offshore major hazard legislation for its whole life cycle, including decommissioning and dismantling, irrespective of whether it has been used for another purpose prior to decommissioning and dismantling. **Section 9.11.1 of the IA** highlights that there are no additional costs to industry associated with this change.

Consultation Questions	
58	**Can you think of any situation where an offshore installation would ever be used for anything other than activities connected with those outlined in the definition of an offshore installation in AOGBO and MAR?** **If yes, what would that activity be?**

Consultation Questions	
59	**HSE proposes to take these steps to ensure that it can continue to regulate high risk decommissioning and dismantling activities associated with offshore installations that have been used for other purposes, using its offshore major hazard regulations. Do you agree with this approach? Yes/No.** **Please explain why.**

Identifying an operator when there is no licensee

5.6 To ensure that the highest safety standards are maintained during the high risk decommissioning and dismantling operations associated with offshore installations and wells, HSE needs to consider if the definition of operator should be changed across HSE's offshore oil and gas regulations (e.g. SCR and MAR). DECC legislative amendments will give legal certainty about who is the operator when a Petroleum Licence holder is not in place (e.g. as it has been revoked, relinquished or expired). Once DECC legislation is finalised, if necessary HSE will make appropriate amendments to its offshore health and safety legislation (Note DECC's final proposals may address all outstanding issues).

5.7 The proposed amendments will ensure that an operator can still be identified for well abandonment and offshore installation decommissioning operations when a licensee is not in place.

5.8 These proposals will maintain HSE's jurisdiction to regulate such work activities on offshore installations and wells when a petroleum licence is not in place and **Section 9.11.2 of the IA** highlights that there are no additional costs to industry associated with these amendments.

Consultation Question	
60	**If necessary, do you agree HSE should take steps to maintain its jurisdiction to regulate decommissioning activities associated with offshore installations when a licensee is not in place? Yes/No.** **Please explain why.**

Underground coal gasification (UCG)

5.9 Hydrocarbons are described as 'conventional' or 'unconventional' depending on the type of rock they are found in. 'Conventional' oil and gas refers to hydrocarbons extracted from porous formations, typically sandstone or limestone. 'Unconventional' gas and oil refers to hydrocarbons produced from low-porosity formations such as shale, tight sands or coals.

5.10 UCG is a gasification process carried out in-situ within non-mined coal seams. Oxidants are injected into the seam and the resulting gas is brought to the surface through production wells. The process can be applied to coal in seams that are otherwise unprofitable or too complicated to extract by traditional mining methods. Although exploration licenses have been issued in the UK, pilots are yet to begin.

5.11 HSE uses two specific pieces of legislation to regulate onshore unconventional gas activities (e.g. shale gas and coal bed methane operations). The Boreholes Sites and Operations Regulations 1995 (BSOR) are primarily concerned with the health and safety

management of the site, whilst the Offshore Installations and Wells (Design and Construction, etc.) Regulations 1996 (DCR) apply to all wells drilled with a view to the extraction of petroleum, regardless of whether they are onshore or offshore. These regulations are primarily concerned with well integrity. There is some legal doubt whether UCG is covered by the above legislation, but UCG is covered by the Health and Safety at Work etc. Act 1974 (HSWA).

5.12 Recent experience of the political and public interest in shale gas has resulted in a great deal of scrutiny of HSE's onshore oil and gas major hazard legal framework. The requirements contained within our onshore major hazard legislation have been seen as broadly sufficient to regulate health and safety. However, we are not in such a strong position for UCG. This activity is out of scope of our onshore major hazard legislation. As the first UCG pilot is expected to start onshore in 3-5 years (the Coal Authority does not anticipate an offshore project, if at all, within the next ten years), HSE (with support from DECC and the Coal Authority) is proposing to bring UCG within the scope of HSE's onshore oil and gas major hazard regime.

5.13 It is proposed that the definition of petroleum in DCR is amended, and other appropriate steps are taken, to include Syngas (the product of UCG). Appropriate amendments will also be made to BSOR to ensure UCG is covered, including changing the definition of a borehole operation as well as clarifying that UCG is covered by the notification requirements in Regulation 6(1) of BSOR. Note: This CD does not include the draft legislation to implement these changes, as it will be drafted once the new offshore safety regulations are finalised. Nevertheless, we would appreciate comments on whether you agree to the principle of the changes. **Section 9.11.3 of the IA**, gives an estimated annual cost per site of being in scope of BSOR and DCR of between £34 thousand and £42 thousand.

5.14 These proposals will give HSE the jurisdiction to regulate onshore UCG work activities using its onshore major hazard legislation.

Consultation Questions	
61	**Do you agree with HSE that, as UCG pilots are due to start in the next 3-5 years, it is important that onshore oil and gas major hazard regulations should be revised to include UCG? Yes/No.** **Please explain why.**
62	**Do you agree with the estimated cost to industry of complying with the onshore major hazard regime when undertaking UCG work activity? Yes/No.** **Please explain why.**

Onshore combustible gas storage and recovery

5.15 Natural gas storage and recovery activities have been taking place in the UK for many years in depleted oil and gas reservoirs both onshore and offshore. These are usually filled with natural gas through a borehole, which is designed and constructed to standards similar to those used for onshore and offshore gas extraction wells. The storage of hydrocarbon gas is likely to grow in the coming years as the need increases to store such gas when it is available in the summer, for recovery when it is required in the winter. There are three possible scenarios for offshore hydrocarbon gas storage and recovery:

- In depleted and partially depleted hydrocarbon fields - such activities have been taking place onshore and offshore for many years;

- Using naturally occurring geological formations that do not include petroleum (e.g. chalk) - this approach is still under development; and

- In solution mined salt caverns (currently takes place onshore).

5.16 In the future as well as storing and recovering hydrocarbon gas, it may also be necessary to store and recover the products of UCG. We will therefore collectively call this "combustible gas storage and recovery". As combustible gas storage and recovery activities have major hazard potential, it is important to ensure HSE has the jurisdiction to regulate all three storage and recovery scenarios, using relevant onshore and offshore major hazard regulations. Currently, and for the foreseeable future, offshore storage and recovery is only expected to take place in partially depleted oil and gas reservoirs, where the activities would be covered by our offshore oil and gas safety regime as there is still extraction of original reservoir gas. Paragraphs 2.34 to 2.37 of this consultation document outline DECC and HSE's proposals in relation to offshore gas storage.

5.17 Onshore, combustible gas storage and recovery currently takes place in both depleted reservoirs and solution mined salt caverns. HSE currently regulates onshore hydrocarbon gas storage and recovery in depleted reservoirs using its onshore oil and gas major hazard regime (e.g. the Borehole Sites and Operations Regulations 1995 (BSOR) and the offshore wells regulations - which apply onshore and offshore). These regulations ensure HSE receives notifications covering the design, construction and operation of wells used for hydrocarbon gas storage and recovery. Well notifications allow HSE to intervene early and provide advice before storage operations begin. The legislation also requires operators to have an independent well examination scheme in place, an important additional barrier to ensuring well integrity.

5.18 HSE considers that the underground storage of combustible gas in solution mined salt caverns and geological formations that do not contain oil and gas is not covered by BSOR or DCR. This is because of limitations in the current definitions contained in both regulations and which pre-date new methods of gas storage and extraction.

5.19 At present, all the companies drilling these wells have voluntarily worked to the requirements of our onshore oil and gas major hazard regime. HSE anticipates that sometime in the future it is possible that new operators may enter this field who do not want to voluntarily meet the requirements of the legislation. If such a situation did arise, HSE would want to maintain standards and to ensure a level playing field between existing and new contractors. Therefore, HSE is proposing to formally bring these activities within the scope of its onshore oil and gas major hazard legislation. This will also help to maintain public and investor confidence, by ensuring a robust regulatory regime is in place for this emerging sector. Note: This CD does not include the draft legislation to implement these changes, as it will be drafted once the new offshore safety regulations are finalised. Nevertheless we would appreciate comments on whether you agree with the principle of the changes.

5.20 **Section 9.11.4 of the IA** gives an estimated annual cost per site of being in scope of BSOR and DCR of between £34 thousand and £42 thousand. However, as we expect these sites to be compliant anyway, this is not an additional cost.

Consultation Questions	
63	**Do you agree with HSE that bringing these gas storage activities within its onshore oil and gas major hazard legislation would maintain standards? Yes/No.** **Please explain why.**
64	**Do you agree with HSE that bringing gas storage activities within its onshore oil and gas major legislation would ensure a level playing field between existing and new contractors? Yes/No.** **Please explain why.**
65	**Do you agree with the estimated cost to industry of complying with the onshore major hazard regime when undertaking these onshore gas storage activities? Yes/No.** **Please explain why.**

Reporting additional well dangerous occurrences

5.21 The Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 1995 (RIDDOR) require that well dangerous occurrences (e.g. a blowout) are reported to HSE. This allows HSE to investigate such incidents when appropriate, to identify the lessons learnt from such incidents and to ensure that action is taken by the operator when necessary. Amendments to these regulations are required to ensure that all well dangerous occurrences associated with the emerging energy technologies outlined above (e.g. UCG and combustible gas storage and recovery) are reported. There is also a need to clarify who has the duty to report such occurrences. HSE proposes an amendment to the definition of "well" and "responsible person" in RIDDOR. Note: This CD does not include the draft legislation to implement these changes, as it will be drafted once the new offshore safety regulations are finalised. Nevertheless we would appreciate comments on whether you agree with the principle of the changes.

5.22 **Section 9.11.5 of the IA** estimates that there would be no cost to industry of these proposed changes.

Consultation Question	
66	**Do you agree that there would be negligible costs to industry of reporting these additional well dangerous occurrences? Yes/No.** **Please explain why.**

Further reducing the stock of offshore regulations

5.23 The Government is looking to reduce its overall stock of regulations that apply to businesses, including those associated with the safety of offshore oil and gas operations. HSE proposes meshing some existing regulations, which were made a long time ago and now only have a few remaining requirements, into some of the core offshore health and safety legislation. In total HSE expects to reduce the stock of offshore regulations by five by taking these steps:

1. Meshing the remaining requirements of the Offshore Installations (Safety Zones) Regulations 1987 into the new SCR 2015 and revoking the 1987 regulations (this is also explained in sections 2.80 to 2.81);

2. Revoking the Offshore Installations (Logbook and Registration of Death) Regulations 1972 and including the remaining requirement to register deaths on offshore installations in the Offshore Installations and Pipeline Works (Management and Administration) Regulations 1995 (please see additional section on this proposal at paragraph 5.24);

3. Revoking the Offshore Safety (Miscellaneous Amendments) Regulations 2002, which extend the definition of offshore installation, into the updated definition of offshore installation in the new SCR 2015; and

4. Meshing the remaining requirements of the Offshore Installations (Inspectors and Casualties) Regulations 1973 (ICR) and the Submarine Pipelines (Inspectors etc.) Regulations 1977 (SPIRs) into one regulation in the Offshore Installations and Pipelines Works (Management and Administration) Regulations 1995 (MAR). This MAR regulation will also cover the Directive requirement to transport inspectors offshore (see draft amendments to MAR - Regulation 29).

Consultation Question	
67	**Do you foresee any unintentional consequences from HSE's proposed approach to handling:** **(a) the Offshore Installations (Safety Zones) Regulations 1987;** **(b) the Offshore Installations (Logbook and Registration of Death) Regulations 1972;** **(c) the Offshore Safety (Miscellaneous Amendments) Regulations 2002;** **(d) the Offshore Installations (Inspectors and Casualties) Regulations 1973; and** **(e) Submarine Pipelines (Inspectors etc.) Regulations 1977?** **Yes/No.** **Please explain why.**

Revoking the Offshore Installations (Logbook and Registration of Death) Regulations 1972

5.24 The Offshore Installations (Logbooks and Registration of Death) Regulations 1972 requires that the installation owner completes a return to register the death, or loss of person on an offshore installation. As these regulations were introduced over twenty years ago before the current offshore safety regime was introduced, under these regulations, the installation owner is defined as: "owner", in relation to an offshore installation. The term "owner" in this context means the person who has registered the installation pursuant to regulations under section 2 of this Act or, if there is no such person, the person for the time being having the management of the installation, or of its main structure. This definition of installation owner is no longer compatible with the current offshore safety regime (e.g. installations are no longer registered). Current practice is that the operator or owner of an offshore installation (as defined under current offshore health and safety regulations) would make such reports, therefore HSE propose to formalise this change when moving these

regulatory requirements into the Offshore Installations and Pipeline Works (Management and Administration) Regulations 1995.

5.25 Operators and owners are also asked to note that since these regulations were introduced in 1972, the Criminal Law Act 1977 and the Criminal Justice Act 1982 for England and Wales and the Criminal Procedure (Scotland) Act 1995, included provisions for standardising monetary penalties. Under this "standard scale" the monetary penalty for failing to register death or loss of person on an offshore installation is set at Level 3 (see Regulation 28 of the amended MAR Regulations).

Consultation Questions	
68	**Do you support the rationale for HSE placing the "installation owner" duties outlined in the Offshore Installations (Logbooks and Registration of Death) Regulations 1972 on the operator or owner of an offshore installation? Yes/No.** **Please explain why.**
69	**As operators and owners are already reporting deaths and loss of persons associated with an offshore installation, HSE assumes that there is no additional cost associated with this change. Do you agree or disagree with this assumption?** **Please explain why.**

Chapter 6

Proposed amendments to HSE's offshore oil and gas Approved Codes of Practice (ACoPs)

6.1 In this Chapter, we outline the changes we are proposing to the Prevention of Fire and Explosion, and Emergency Response on Offshore Installations (PFEER) ACoP and the Health Care and First Aid on Offshore Installations and Pipeline Works ACoP.

6.2 HSE is currently reviewing all of its ACoPs as part of a commitment following the review by Professor Löfstedt: Reclaiming Health and Safety for all. HSE has internally reviewed these two offshore ACoPs to establish if they remain current, clear and fit for purpose, and if they present a business risk to HSE in their current format. Consideration has also been given to determine if the ACoP content should be retained, or if appropriate, changed to Guidance.

6.3 It is Government policy that any changes to ACoPs and guidance do not 'gold-plate' the contents (e.g. go beyond the requirements of the Regulation), or add additional burdens on industry. HSE has applied this policy when proposing the amendments to these two documents.

6.4 HSE's initial assessment is that the ACoPs should remain, but be simplified and updated where possible. A summary of the changes proposed to update and simplify each ACoP are outlined below. It should be noted that the transposition of the Offshore Directive into our offshore legislation is an evolving process and therefore at this stage HSE is unable to confirm that there will be no further changes to the PFEER ACoP.

Prevention of Fire and Explosion, and Emergency Response (PFEER)

6.5 The main changes proposed to this ACoP include:

(a) Emphasising that when developing an approach to fire and explosion hazard management, consideration should be given to the 'timely detection' of events that have occurred and the 'appropriate reporting and recording' of such events;

(b) Explaining in Regulation 5 guidance that any changes (even those considered as an "improvement") to a Safety Critical Element (SCE), performance standard or planned maintenance routine require assessment to ensure any interaction with other existing SCEs are adequately evaluated;

(c) Updating the definition of a 'performance standard' to provide further clarity;

(d) Clarifying that releases of toxic or asphyxiating gases, which have the potential to require evacuation, escape and rescue, should be included when undertaking a PFEER, Regulation 5 assessment;

(e) Adding 'suitable detection systems for asphyxiating atmospheres' to the list of illustrative examples associated with detection arrangements;

(f) Providing further explanation on detection systems, alarm settings and their capabilities;

(g) Emphasising that for measures to remain effective in an emergency, the operator or owner will need to show that the temporary refuge survival time has been adequately defined and demonstrated. Events that are likely to compromise temporary refuge integrity within this time must be clearly identified and addressed in the emergency response plan; and

(h) Revising information on means of evacuation by sea provided by Totally Enclosed Motor Propelled Survival Craft (TEMPSC). There should be sufficient TEMPSC places for at least 150% of the maximum number of persons on board. Additional guidance on Regulation 5 assessment considerations has been provided.

Health Care and First Aid on Offshore Installations and Pipeline Works

6.6 The main changes proposed to this ACoP are:

(a) Adding 'medical practitioner' to the ACOP text associated with regulation 2 to specify the registration and licence requirements they must have. The roles and responsibilities of the practitioner have been explained.

(b) Placing greater emphasis on the employers' responsibilities to identify the competencies needed for someone to be appointed as an offshore medic and to not rely solely on them having a valid offshore medic qualification.

(c) Removing the conditions of approval for HSE approved training providers from the ACOP. HSE has specific guidance that provides details of organisations approved by HSE to offer offshore medic and offshore first aid qualifications.

(d) Incorporating the offshore medic and offshore first-aid training syllabuses into two new appendices that cover roles, responsibilities and competencies of offshore medics and first-aiders. The training content has been aligned with two HSE published guidance documents:

http://www.hse.gov.uk/pubns/web43.htm and
http://www.hse.gov.uk/pubns/web44.htm

6.7 For ease of identifying the updates and changes that HSE has made to this ACoP, a 'Table of all the Changes' has been produced. A copy of this table of changes can be found at **Annex 5** in this document.

Consultation Questions	
70	**Do you agree with HSE's initial assessment that the PFEER ACoP should be kept, updated and simplified where appropriate? Yes/No.** **Please explain why.**
71	**Do you agree with the main changes proposed to the PFEER ACoP? Yes/No.** **Please explain why.**
72	**Do you agree with HSE's initial assessment that the Health Care and First Aid on offshore installations ACoP should be kept, updated and simplified where appropriate? Yes/No.** **Please explain why.**

Consultation Questions	
73	**Do you agree with the main changes proposed to the Health Care and First Aid on offshore installations ACoP? Yes/No.** **Please explain why.**

Chapter 7

Catalogue of questions

1	Do you agree with the rationale for selecting the proposed approach for establishing the UK's offshore oil and gas competent authority? Yes/No. Please explain why.
2	Do you agree with the proposed approach to dealing with the definition of major accident? Yes/No. Please explain why.
3	Do you support the rationale for the HSE definition of offshore installation continuing to cover supplementary units beyond 500m? Yes/No. Please explain why.
4	Do you agree that keeping supplementary units beyond 500m in scope of the new requirements in SCR 2015 would result in no additional burdens to industry? Yes/No. Please explain why.
5	Do you agree that the UK regulator should continue to monitor non-production installations entering or leaving UK waters? Yes/No. Please explain why.
6	Do you agree with the proposed operatorship model? Yes/No. Please explain why.
7	Do you think that the proposed changes to operatorship will impact safety and environmental standards in the UKCS? Yes/No. Please explain why.
8	Do you think that the proposed changes to operatorship will discourage any future groups from considering entering the UKCS to conduct oil and gas operations? Yes/No. Please explain why.
9	What do you think would be the impact of the proposed changes to operatorship on third party companies who currently act as production installation operators or well operators? Please explain.
10	HSE proposes to remove the phrase "the storage of gas in or under the shore or bed of relevant waters or the recovery of gas so stored" from the UK's definition of offshore installation and develop a new regulatory regime to cover offshore gas storage. Do you agree or disagree with this approach? Please explain why.

11	Do you agree with the proposed approach of applying similar requirements to those in SCR 2005 and the supporting suite of offshore oil and gas regulations for internal waters? Yes/No. Please explain why.
12	DECC and HSE propose to broadly maintain the current UK approach of having different emergency arrangements under our range of offshore oil and gas legislation, rather than introducing a requirement to produce one plan. Do you agree or disagree with this approach? Please explain why.
13	Do you agree with the estimates used in the IA to cost the following requirements: (a) Around 92 hours of staff time per installation to collect and add additional information to the internal emergency response arrangements; (b) Around 70 hours of staff time per installation to assemble the inventory of emergency response equipment; (c) Around 116 hours of staff time per installation to describe the internal emergency response arrangements in the Safety Case; and (d) Around 144 staff hours per installation per annum to keep the description of the internal emergency response arrangements up to date? Yes/No. Please explain why.
14	Do you agree with the proposal to extend the independent verification system to cover safety and environmental-critical elements (SECE) and to meet the new Directive criteria via SCR 2015? Yes/No. Please explain why.
15	Do you agree with the estimates used in the IA to cost the following requirements: (a) Around 280 hours of staff time per installation to add new criteria to the verification scheme; (b) Around 35 hours of staff time per installation to provide a description of the extended scheme for the safety case; (c) Around £15,000 charge per installation for the independent verifier to establish new criteria for ECE; and (d) Around 17 hours staff time per annum to maintain the extended verification scheme? Yes/No. Please explain why.
16	Do you agree with DECC and HSE's rationale for applying the requirement to produce a Corporate Major Accident Prevention Policy (CMAPP) on all operators and owners, and not just corporations? Yes/No. Please explain why.

17	Do you agree with the estimates used in the IA to cost the following requirements: (a) Around 833 staff hours to prepare each CMAPP; and (b) Around 50 hours of staff time per annum to keep the CMAPP up to date? Yes/No. Please explain why.
18	Do you agree with the estimates used in the IA to cost the following requirements: (a) Around 58 hours of staff time per installation to collect the additional safety information for the SEMS document; and (b) Around 44 hours of staff time per installation to produce the adequate description for the safety case as outlined in paragraph 2.56? Yes/No. Please explain why.
19	Do you agree with the DECC/HSE approach to implementing the requirements for a SEMS? Yes/No. Please explain why.
20	DECC and HSE propose including within the Safety Case short descriptions and links relating to environmental information to meet the Directive's requirement for the report on major hazards. Do you support this approach? Yes/No. Please explain why.
21	Do you agree with the estimates used in the IA to cost the following requirements: (a) Around 419 staff hours per installation to update a production installation safety case; (b) Around 140 staff hours per installation to update a non-production installation safety case; and (c) Around 35 hours per installation per annum to keep additional information in the safety case up to date? Yes/No. Please explain why.
22	Do you agree with the proposal to briefly describe and/or make appropriate links to existing environmental information within a design or relocation notification? Yes/No. Please explain why.

23	Do you agree with the estimates used in the IA to cost the following requirements: (a) Around 35 hours of staff time per notification to add additional information into a design notification; and (b) No additional time needed to add information to a relocation notification (because the information is already included)? Yes/No. Please explain why.
24	Do you agree with the proposal to briefly describe and/or make appropriate links to the environmental information within a well notification? Yes/No. Please explain why.
25	Do you agree with the estimate used in the IA to cost the following requirement: Around 35 hours to add the additional information per well notification? Yes/No. Please explain why.
26	If you are an operator submitting a well notification what would be the additional cost charged by your well examiner to review prior to submission: (a) a well notification; and (b) a material change to a well notification?
27	If you are an operator submitting a well notification or a material change to a well notification, how long would it take to: (a) include a report of the findings of the well examiner and a description of the action taken; and (b) who in your organisation would do it?
28	Do you agree with the proposal to briefly describe and/or make appropriate links to the environmental information within a combined operations notification? Yes/No. Please explain why.
29	Do you agree with the estimates used in the IA to cost the following requirement: Around 70 hours of staff time for adding the additional information per combined operations notification? Yes/No. Please explain why.
30	Do you agree with the proposal to briefly describe and/or make appropriate links to existing information in the decommissioning safety case? Yes/No. Please explain why.

31	Do you agree with the estimate in the IA that there will be no additional cost for adding any information to a dismantling safety case? Yes/No. If not: (a) What information would you need to add? (b) Who would do this work? (c) How long would it take?
32	Do you agree with our assessment that reporting the measures taken where there is imminent danger or increased risk of a major accident would impose no additional cost? Yes/No. Please explain why.
33	Do you agree with our assessment that reporting major accidents outside the EU that UK registered companies or their subsidiaries have been involved in would impose no additional cost? Yes/No. Please explain why.
34	Do you agree with our assessment that there would not be any circumstances where permission to enter the safety zone would be granted by an operator or owner? Yes/No. Please explain why.
35	Do you agree with our assessment that there are no additional costs to industry associated with collecting and recording data? Yes/No. Please explain why.
36	Our assessment is that the requirement to report under the Implementing Act would impose no additional costs as such reports would be routine and incorporated into existing processes for internal reporting, investigations and learning mechanisms. Do you agree or disagree with this assessment? Please explain why.
37	The IA roughly estimates that operators/owners that need to create a new database for this reporting requirement would incur a cost of around £113,000. Do you agree or disagree? Please explain why.
38	Do you agree with the estimate used to cost the following impact: Around 488 hours of staff time per installation to promote the changes to staff? Yes/No. Please explain why.
39	Do you support DECC and HSE's proposed approach to implementing the requirement for operators and owners to cooperate in producing standards and guidance? Yes/No. Please explain why.

40	Do you agree that, as industry already transports HSE and DECC inspectors offshore, and provides accommodation and meals when appropriate, that there will be no additional cost to industry from this requirement? Yes/No. Please explain why.
41	Do you agree with our assessment that reporting major accidents to the CA would impose no additional cost? Yes/No. Please explain why.
42	Do you agree with the transitional arrangements proposed by DECC and HSE? Yes/No. Please explain why.
43	Do you agree with the proposal that OIAC be used to deliver the Directive's requirements for a mechanism for tripartite consultation? Yes/No. Please explain why.
44	Do you agree with the proposed approach to transposing the Directive's environmental requirements in relation to OPEPs? Yes/No. Please explain why.
45	Do you agree with the estimates used in the IA to cost the following requirements: (a) Around 174 hours of staff time to prepare and submit a decommissioning OPEP to DECC; (b) Around 140 hours of staff time to add the additional Directive requirements to both existing and new OPEPs for production installations; (c) Around 35 hours of staff time to consider the additional Directive requirements when submitting an OPEP for a production installation for review; (d) Around 174 hours of staff time to prepare and submit an OPEP for existing and new non-production installations; (e) Around 17 hours of staff time to prepare and submit an OPEP for a non-production installation for review; (f) Around 80 hours of staff time to prepare and submit a well operations addendum to support a well notification; and (g) Around 105 hours of staff time to prepare and submit an OPEP addendum to support a combined operations notification? Yes/No. Please explain why.
46	Do you agree that the requirement to have an approved OPEP before operations commences will not result in any additional costs to industry? Yes/No. Please explain why.
47	Do you agree that the requirement to carry out OPEP exercises and retain evidence of those exercises will not result in any additional costs to industry? Yes/No. Please explain why.

48	We estimate that the provision to prohibit operations where: no OPEP is in place, the OPEP is deemed insufficient; or the requirements are not met, will not create any additional costs for industry. Do you agree or disagree? Please explain why.
49	Do you agree with the proposed approach to transpose the Directive's environmental requirements in relation to SEMSs? Yes/No. Please explain why.
50	Do you agree with the estimates used in the IA to cost the following additional requirements: (a) Around 24 hours of staff time to extend the EMS requirement to decommissioning operations; (b) Around 24 hours of staff time to add the Directive requirements to new and existing EMSs in relation to production installations; (c) Around 24 hours of staff time to add the Directive requirements to existing EMSs for non-production installations; (d) Around 3,139 hours of staff time to prepare an EMS in accordance with the Directive requirements for owners of non-production installations, where the owners do not currently have an EMS; and (e) Around 61 hours of staff time to consider the Directive requirements when reviewing an EMS? Yes/No. Please explain why.
51	Annex 4 sets out how DECC think that the new requirements might work in practice. Do you agree with the proposed approaches? Yes/No. Please explain why.
52	Do you agree with the proposed approach to implementing the Directive's licensing requirements? Yes/No. Please explain why.
53	Do you agree that the changes to the licensing regime will not result in any significant additional costs for industry? Yes/No. Please explain why.
54	Do you agree with the estimates used in the IA to cost the following requirement: Around 65 hours of staff time to provide sufficient evidence of the financial arrangements for development wells? Yes/No. Please explain why.
55	Do you agree with DECC's proposal to continue to approve the appointment of operators? Yes/No. Please explain why.

56	Do you agree that the existing UK legislation and guidance outlined in chapter 4 meet the Directive requirements for Articles 29 and 30? Yes/No. Please explain why.
57	Do you agree that there are no additional costs/savings to business, public or civil society organisations, regulators or consumers related to external emergency response and preparedness? Yes/No. Please explain why.
58	Can you think of any situation where an offshore installation would ever be used for anything other than activities connected with those outlined in the definition of an offshore installation in AOGBO and MAR? If yes, what would that activity be?
59	HSE proposes to take these steps to ensure that it can continue to regulate high risk decommissioning and dismantling activities associated with offshore installations that have been used for other purposes, using its offshore major hazard regulations. Do you agree with this approach? Yes/No. Please explain why.
60	If necessary, do you agree HSE should take steps to maintain its jurisdiction to regulate decommissioning activities associated with offshore installations when a licensee is not in place? Yes/No. Please explain why.
61	Do you agree with HSE that, as UCG pilots are due to start in the next 3-5 years, it is important that onshore oil and gas major hazard regulations should be revised to include UCG? Yes/No. Please explain why.
62	Do you agree with the estimated cost to industry of complying with the onshore major hazard regime when undertaking UCG work activity? Yes/No. Please explain why.
63	Do you agree with HSE that bringing these gas storage activities within its onshore oil and gas major hazard legislation would maintain standards? Yes/No. Please explain why.
64	Do you agree with HSE that bringing these gas storage activities within its onshore oil and gas major legislation would ensure a level playing field between existing and new contractors? Yes/No. Please explain why.
65	Do you agree with the estimated cost to industry of complying with the onshore major hazard regime when undertaking these onshore gas storage activities? Yes/No. Please explain why.

66	Do you agree that there would be negligible costs to industry of reporting these additional well dangerous occurrences? Yes/No. Please explain why.
67	Do you foresee any unintentional consequences from HSE's proposed approach to handling: (a) the Offshore Installations (Safety Zones) Regulations 1987; (b) the Offshore Installations (Logbook and Registration of Death) Regulations 1972; (c) the Offshore Safety (Miscellaneous Amendments) Regulations 2002; (d) the Offshore Installations (Inspectors and Casualties) Regulations 1973; and (e) Submarine Pipelines (Inspectors etc.) Regulations 1977? Yes/No. Please explain why.
68	Do you support the rationale for HSE placing the 'installation owner' duties outlined in the Offshore Installations (Logbooks and Registration of Death) Regulations 1972 on the operator or owner of an offshore installation? Yes/No. Please explain why.
69	As operators and owners are already reporting deaths and loss of persons associated with an offshore installation, HSE assumes that there is no additional cost associated with this change. Do you agree or disagree with this assumption? Please explain why.
70	Do you agree with HSE's initial assessment that the PFEER ACoP should be kept, updated and simplified where appropriate? Yes/No. Please explain why.
71	Do you agree with the main changes proposed to the PFEER ACoP? Yes/No. Please explain why.
72	Do you agree with HSE's initial assessment that the Health Care and First Aid on offshore installations ACoP should be kept, updated and simplified where appropriate? Yes/No. Please explain why.
73	Do you agree with the main changes proposed to the Health Care and First Aid on offshore installations ACoP? Yes/No. Please explain why.

Annex 1

Implementation of the other Directive requirements

Directive Article	Rationale for change	Proposed change
Article 2(14) – Definition of a competent authority	Within SCR 2015, the term CA is now used, we have to define this term within these regulations.	See the new requirements in SCR 2015 – Regulation 2.
Articles 3(1) and (3) – general principles of risk management	Once the new SCR 2015 and the Offshore Petroleum Activities (Offshore Safety Directive) (Environmental Functions) Regulations 2015 are implemented to supplement other existing safety and environmental legislation, we consider that these requirements are broadly covered.	These principles are enshrined in the new legislation.
Article 6(4) – Licensee assumes operator responsibilities	The Directive requires the CA to make a determination if the operator no longer has the capacity to meet the relevant requirements under the Directive. In such cases, the licensing authority will require the licensee to take over the operator's responsibilities (until they appoint a new operator). The definition of a production installation operator and well operator in SCR 2015 has been updated to reflect this position. This is what happens already, so no extra burden associated with this change.	See the new requirements in SCR 2015 – Regulation 32 and Offshore Petroleum Licensing (Offshore Safety Directive) Regulations 2015 - Regulation 7.
Article 6(6) – operators must not commence operations if the CA has expressed objections to the content of a notification	There is currently no legal requirement for the operator not to commence or continue operations if HSE was to object to the content of a well or a combined use notification. In practice HSE would take other measures to ensure compliance before operations commenced, so there is no additional burden. However, to fully transpose the Directive this new duty is required. The SCR will also be updated to refer to commence or continue operations in regard to well or combined use notifications (e.g. SCR 2015 – regulations 10 and 17).	See the new requirements in SCR 2015 – Regulation 10(5) and 17(5).

Directive Article	Rationale for change	Proposed change
Article 11(4) – Where an existing production installation is to enter or leave the offshore waters of a Member State, the operator shall notify the competent authority in writing prior to the date on which the production installation is due to enter or leave the offshore waters of the Member State	MAR requires a notification on the day the installation leaves or enters the UK. In reality, industry sends these notifications to HSE prior to the installation leaving or entering the UK, which is the wording used in the Directive. HSE and DECC therefore propose to change Regulation 5 of MAR to require that such notifications are sent prior to an installation leaving or entering the UK. This amendment will not result in any additional burdens on industry.	See the draft amendments to MAR – Regulation 5.
Article 15(4) – Well Weekly Reports	This information is broadly provided under Regulation 19 of the Offshore Installations and Wells (Design and Construction, etc.) Regulations 1996 (DCR). These requirements need to be fine-tuned to meet the Directive (e.g. require the name and address of the operator and, if appropriate, the owners of the drilling rig). We propose making these minor amendments to DCR by adding an amending schedule to SCR 2015.	An amendment will be made to DCR when the final legislation is produced.
Article 18(b) – only relax timescales when safety and environmental protection are not compromised	The current timescales in the SCR are clarified with the statement that HSE can set a shorter period to that specified. This statement needs to be changed to make it clear that shorter timescales can only be set when safety and environmental protection are not compromised.	Throughout SCR 2015 and the OSDEF Regulations and the amended OPRC Regulations.
Article 22 – confidential reporting of safety concerns	HSE and DECC will be meshing existing arrangements for the confidential reporting of safety and environmental concerns to create new CA arrangements. The Directive requires operators and owners to communicate these arrangements. As they already do so, this will not generate any new burdens for industry, but a new legal requirement is needed to transpose this element of the Directive.	SCR 2015 – Regulation 37.

Annex 2(a)

STATUTORY INSTRUMENTS

2015 No. ****

OFFSHORE INSTALLATIONS

Offshore Installations (Offshore Safety Directive) (Safety Case etc.) Regulations 2015

Made - - - -	***
Laid before Parliament	***
Coming into force - -	*19th July 2015*

The Secretary of State, being the designated Minister for the purposes of section 2(2) of the European Communities Act 1972(**a**) in relation to measures relating to employers' obligations in respect of the health and safety of workers(**b**) and the environment(**c**), in exercise of the powers conferred on him by that provision, and in exercise of the powers conferred upon him by sections 15(1), (2), (3)(a), (4)(a), (5)(b), (6)(b), (c) and (d), and 82(3)(a) of, and paragraphs 1(1)(c) and (2), 8(1), 9, 14, 15(1) and 16 of Schedule 3 to, the Health and Safety at Work etc. Act 1974(**d**) ("the 1974 Act") and section 1(1) and (2) of the Offshore Safety Act 1992(**e**) and for the purpose of giving effect without modifications to proposals submitted to him by the Health and Safety Commission under section 11(2)(d) of the 1974 Act after the carrying out of consultations by the said Commission in accordance with section 50(3) of that Act, makes the following Regulations:

Citation and commencement

1. These Regulations may be cited as the Offshore Installations (Offshore Safety Directive) (Safety Case etc.) Regulations 2015 and come into force on 19th July 2015.

Interpretation

2.—(1) In these Regulations—

"the 2005 Regulations" means the Offshore Installations (Safety Case) Regulations 2005(**f**);

"competent authority" means the Health and Safety Executive and the Secretary of State acting jointly;

"corporate major accident prevention policy" means a policy which establishes the overall aims and arrangements for controlling the risk of a major accident and how those aims are to

(**a**) 1972 c. 68. Section 2(2) was amended by section 27 of the Legislative and Regulatory Reform Act 2006 (c. 51) and section 3 of, and Part 1 of the Schedule to, the European Union (Amendment) Act 2008 (c. 7). The power of Ministers to make regulations in relation to matters in or regards Scotland is preserved by section 57(1) of the Scotland Act 1998 (c. 46).
(**b**) S.I. 1999/2027. The Secretary of State is also designated in relation to anything supplemental or related to measures relating to employers' obligations in respect of the health and safety of workers, under article 2(2) of that Order.
(**c**) S.I. 2008/301.
(**d**) 1974 c. 37; sections 15(1) and 50(3) were amended by the Employment Protection Act 1975 (c. 71), Schedule 16, paragraphs 6 and 16(3) respectively.
(**e**) 1992 c. 15.
(**f**) 2005 c. 3117; regulations 2 and 6 were amended by the Secretary of State for Energy and Climate Change Order 2009 (S.I. 2009/229), Schedule 2, Part 2, paragraph 18.

be achieved and those arrangements put into effect at a senior level in the organisation of the person whose policy it is;

"current safety case" means a safety case in respect of an installation which has been accepted by the competent authority pursuant to these Regulations and includes any revision to it which—

(a) may take effect without the acceptance of the competent authority; or

(b) has been accepted by the competent authority;

"dismantling" means the dismantling or removal of the main and secondary structure of a fixed installation at the place at which it was operated, and "dismantled" is to be construed accordingly;

"diving bell" means a compression chamber which is capable of being manned and is used or designed for use under the surface of water in supporting human life, being a chamber in which any occupant is or may be subject to a pressure of more than 300 millibars above atmospheric pressure during normal operations;

"duty holder" means—

(a) in relation to a production installation, the operator; and

(b) in relation to a non-production installation, the owner;

"the Executive" means the Health and Safety Executive;

"external emergency response plan" means the national plan for pollution emergencies prepared by the Secretary of State pursuant to section 293(2)(za) of the Merchant Shipping Act 1995 and the Search and Rescue Framework for the United Kingdom of Great Britain and Northern Ireland as published by the Secretary of State from time to time;

"field development programme" means the support document for development and production authorisations to be submitted to [the Department of Energy and Climate Change] pursuant to the Guidance Notes on Procedures for Regulating Offshore Oil and Gas Field Developments, as published on [the Department of Energy and Climate Change's] website, and revised or reissued from time to time(**a**);

"fixed installation" means an installation which cannot be moved from place to place without major dismantling or modification, whether or not it has its own motive power;

"installation" means an offshore installation within the meaning of regulation 3 of the Management Regulations;

"licensee" has the meaning given by the Offshore Petroleum Licensing (Offshore Safety Directive) Regulations 2015(**b**);

"major accident" means—

(a) an event involving a fire, explosion, loss of well control or the release of a dangerous substance causing, or with a significant potential to cause, death or serious personal injury to persons on the installation or engaged in an activity on or in connection with it;

(b) an event involving major damage to the structure of the installation or plant affixed thereto or any loss in the stability of the installation;

(c) the collision of a helicopter with the installation;

(d) the failure of life support systems for diving operations in connection with the installation, the detachment of a diving bell used for such operations or the trapping of a diver in a diving bell or other subsea chamber used for such operations;

(e) any other event arising from a work activity involving death or serious personal injury to five or more persons on the installation or engaged in an activity in connection with it; or

(f) any major environmental incident resulting from the events referred to in paragraphs (a), (b) and (e),

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(**a**) http://www.og.dti.gov.uk/regulation/guidance/reg_offshore/index.htm.
(**b**) [*Working title of regulations on licensing and appointment of operators.*]

and for the purposes of determining whether an event constitutes a major accident under paragraphs (a), (b) or (f), an installation that is normally unattended is to be treated as if it were attended;

"major environmental incident" means an incident which results, or is likely to result, in environmental damage as defined in Directive 2004/35/EC of the European Parliament and of the Council of 21 April 2004 on environmental liability with regard to the prevention and remedying of environmental damage(**a**);

"management system" means the organisation and arrangements established by a person for managing that person's undertaking;

"the Management Regulations" means the Offshore Installations and Pipeline Works (Management and Administration) Regulations 1995(**b**);

"non-production installation" means an installation other than a production installation;

"notified" means notified in writing, and related expressions are to be construed accordingly;

"offshore oil and gas operations" means all activities associated with an installation relating to exploration and production of petroleum, including the design, planning, construction, operation and decommissioning of the installation, but excluding the conveyance of petroleum from one coast to another;

"operator" has the meaning given by the Offshore Petroleum Licensing (Offshore Safety Directive) Regulations 2015;"owner" means the person who controls or is entitled to control the operation of a non-production installation;

"petroleum"—

(a) includes any mineral oil or relative hydrocarbon and natural gas, whether or not existing in its natural condition in strata; and

(b) does not include coal or bituminous shales or other stratified deposits from which oil can be extracted by destructive distillation;

"the PFEER Regulations" means the Offshore Installations (Prevention of Fire and Explosion, and Emergency Response) Regulations 1995(**c**);

"pipeline" is construed in accordance with regulation 3 of the Pipelines Safety Regulations 1996(**d**);

"production installation" means an installation which—

(a) extracts petroleum from beneath the sea-bed by means of a well; or

(b) is used for the conveyance of petroleum by means of a pipe,

and—

(a) includes a—

(i) non-production installation converted for use as a production installation for so long as it is so converted;

(ii) production installation which has ceased production for so long as it is not converted to a non-production installation; and

(iii) production installation which has not come into use; and

(b) does not include an installation which, for a period of no more than 90 days, extracts petroleum from beneath the sea-bed for the purposes of well testing;

"relevant statutory provisions" means the relevant statutory provisions (as defined in section 53(1) of the 1974 Act) which apply to or in relation to offshore oil and gas operations;

"relevant waters" means—

(**a**) O.J. L143, 30.4.2004, p. 56-75.
(**b**) S.I. 1995/738, as amended by S.I. 2002/2175.
(**c**) S.I. 1995/743, [*reference to relevant amendments, including those made by these Regulations*].
(**d**) S.I. 1996/825, to which there are amendments not relevant to these Regulations.

(a) the territorial sea adjacent to Great Britain; and

(b) any area designated by order under section 1(7) of the Continental Shelf Act 1964**(a)**;

"safety and environmental-critical elements" means such parts of an installation and such of its plant (including computer programmes), or any part thereof—

(a) the failure of which could cause or contribute substantially to; or

(b) a purpose of which is to prevent, or limit the effect of, a major accident;

"specified plant" means the plant for an installation which is provided—

(a) in compliance with regulations 11(1)(a), 13, 15 and 16 of the PFEER Regulations;

(b) as means required to be provided by regulation 10 of the PFEER Regulations—

(i) for detecting fire; and

(ii) for detecting and recording accumulations of flammable gases; and

(c) pursuant to the measures required by regulation 12 of the PFEER Regulations to combat fire and explosion,

except for—

(a) plant which is part of the safety and environmental-critical elements for that installation; and

(b) aircraft or equipment to which regulation 18 of the PFEER Regulations applies.

"vessel" includes a hovercraft and any floating structure which is capable of being staffed;

"well" means—

(a) a well made by drilling; and

(b) a borehole drilled with a view to the extraction of petroleum through it or another well,

and is deemed to include any device on it for containing the pressure in it;

"well operation" means—

(a) the drilling of a well, including the recommencement of drilling after a well has been completed, suspended or abandoned by plugging at the sea-bed; and

(b) any operation in relation to a well during which there may be an accidental release of fluids from that well which could give rise to the risk of a major accident; and

(2) Any reference in these Regulations to a design notification, a relocation notification, a safety case, a notification of combined operations or well operations, a safety managements system, or a corporate major accident prevention policy is a reference to a document containing the particulars specified in the Schedule referred to in the provision pursuant to which it is prepared and, for a safety case, regulation 12.

(3) Any reference in these Regulations to operating an installation is a reference to using the installation for any of the purposes described in sub-paragraphs (a), (c) and (d) of regulation 3(1) of the Management Regulations.

(4) For the purposes of these regulations, an installation is treated as engaged in a combined operation with another installation or installations where—

(a) an activity carried out from, by means of or on the installation is carried out for a purpose relating to another installation or installations; and

(b) the activity could materially affect the risk to—

(i) the health or safety of persons on either installation or any of the installations, or

(ii) the environment,

and the expression "combined operation" is to be construed accordingly.

(**a**) 1964 c. 29; section 1(7) was amended by the Oil and Gas (Enterprise) Act 1982 (c. 23), Schedule 3, paragraph 1.

(5) Any reference in these Regulations to a verification scheme is a reference to a suitable written scheme for ensuring, by means described in paragraph (6), that the safety and environmental-critical elements and the specified plant—

(a) are or, where they remain to be provided, will be suitable; and

(b) where they have been provided, remain in good repair and condition.

(6) The means referred to in paragraph (5) are—

(a) examination, including testing where appropriate, of the safety and environmental-critical elements and the specified plant by independent and competent persons;

(b) examination of any design, specification, certificate, CE marking or other document, marking or standard relating to those elements or that plant by such persons;

(c) examination by such persons of work in progress;

(d) the reporting by those persons of any instances of non-compliance of the duty holder with the standards of the scheme**;**

(e) the taking of appropriate action following reports by such persons;

(f) the taking of other such steps as may be properly provided for pursuant to regulation 19 and Schedule 7; and

(g) the taking of any steps incidental to the means described in sub-paragraphs (a) to (f) of this paragraph.

(7) For the purposes of paragraphs (6) and (8)(b) and regulations 19 and 20, a person is regarded as independent only where—

(a) the person's function will not involve the consideration by that person of an aspect, of a thing liable to be examined, for which that person bears or has borne such responsibility or where that person's objectivity may be compromised; and

(b) that person will be sufficiently independent of a management system, or of a part thereof, which bears or has borne any responsibility for an aspect of which that person might consider, of a thing liable to be examined, to ensure that that person will be objective in discharging the function.

(8) For the purposes of paragraph (6) and regulations 19 and 20—

(a) a person is not to be regarded as competent unless, in particular, the person has reasonable technical competence; and

(b) where the person is a body of persons, that body has suitably qualified and experienced personnel in adequate numbers who are independent.

(9) Any reference in these Regulations to an activity in connection with an installation is a reference to any activity in connection with an installation, or any activity which is immediately preparatory thereto, whether carried on from the installation itself, in or from a vessel or in any other manner, other than—

(a) transporting, towing or navigating the installation; and

(b) any activity in or from a vessel which is ready to give assistance in the event of an emergency on or near the installation.

(10) Where a duty holder is succeeded by a new duty holder, anything done in compliance with these Regulations by the duty holder in relation to an installation is, for the purposes of these Regulations, to be treated as having been done by the new duty holder.

Communication and storage of information by electronic means

3.—(1) Except as provided in paragraph (5), where these Regulations require or allow a person to communicate information to another, whether in writing or otherwise, that person may communicate such information by electronic means.

(2) Information communicated by electronic means is not to be treated as having been received by the recipient for the purposes of these Regulations unless the recipient—

(a) has agreed to receive that information by electronic means by providing the sender with an address to which that information may be sent;

(b) is able to read and print that information; and

(c) is able to store that information in a form with which the sender cannot interfere.

(3) In the absence of a clear indication to the contrary, information communicated by electronic means in accordance with, and for the purposes of, these Regulations is deemed—

(a) to be accurately dated and timed;

(b) to have been sent by the person from whom it purports to originate;

(c) not to have been tampered with or otherwise modified; and

(d) where relevant, to be intended to have legal effect.

(4) Where these Regulations require any person to record, note or store information, it may be recorded, noted or stored on film or by electronic means if it—

(a) can be reproduced (in the case of information recorded, noted or stored on film, at the place at which it is recorded, noted or stored) as a written copy; and

(b) is reasonably secure from loss or unauthorised interference.

(5) This regulation does not apply to regulation 22(2).

Application

4.—(1) Subject to paragraph (2), these Regulations apply—

(a) in Great Britain; and

(b) outside Great Britain as sections 1 to 59 and 80 to 82 of the 1974 Act apply by virtue of articles 4(1) and (2), 5 and 6 of the Health and Safety at Work etc. Act 1974 (Application outside Great Britain) Order 2013(**a**).

(2) These Regulations do not apply to wells to which the Borehole Sites and Operations Regulations 1995(**b**) apply.

[Duties of licensee

5. The licensee must—

(a) ensure that any operator appointed by him is capable of satisfactorily carrying out his functions and discharging his duties under the relevant statutory provisions; and

(b) take all reasonable steps to ensure that any operator appointed by him carries out his functions and discharges his duties under the relevant statutory provisions.]

Design and relocation notifications for production installation

6.—(1) The operator of a production installation which is to be established in relevant waters must—

(a) prepare a design notification containing the particulars specified in Schedule 1; and

(b) send the design notification to the competent authority,

at such time before the submission of a field development programme to [the Department of Energy and Climate Change] as will enable the operator to take account—

(a) in the design, and

(b) in the safety case prepared pursuant to regulation 7,

(**a**) S.I. 2013/240.
(**b**) S.I. 1995/2038, to which there are amendments not relevant to these Regulations.

of any matters raised by the competent authority within 3 months (or such shorter period as the competent authority may specify) of that time.

(2) The operator of a production installation which is to be moved to a new location within relevant waters (whether from outside relevant waters or not) and operated there must—

(a) prepare a relocation notification containing the particulars specified in Schedule 1 not contained in any current safety case for that installation; and

(b) send the relocation notification to the competent authority,

at such time before the submission of a field development programme to [the Department of Energy and Climate Change] as will enable the operator to take account of any matters raised by the competent authority within 3 months (or such shorter period as the Executive may specify) of that time.

(3) The competent authority must respond to the design notification—

(a) with comments to be taken into account by the operator in the safety case; or

(b) where it has no such comments to make, with a statement to that effect.

(4) Paragraph (1) only requires the particulars in the design notification to describe the matters referred to in that paragraph to the extent that it is reasonable to expect the duty holder to address them at the time of sending the design notification to the competent authority.

(5) Where there is a material change in any of the particulars notified pursuant to

(a) paragraph (1) prior to the duty holder sending a safety case to the competent authority in accordance with regulation 7(1)(b); or

(b) paragraph (2) prior to the duty holder sending—

(i) a safety case to the competent authority in accordance with regulation 7(1)(b); or

(ii) revisions to the current safety case to the competent authority in accordance with regulation 14(2),

the duty holder must notify the competent authority of that change as soon as practicable.

Safety case for production installation

7.—(1) Subject to regulation 27, the operator of a production installation must ensure that it is not operated in relevant waters unless—

(a) he has prepared a safety case containing the particulars specified in regulation 12 and Schedule 2;

(b) he has sent the safety case to the competent authority at least 6 months (or such shorter period as the competent authority may specify) before commencing the operation; and

(c) the competent authority has accepted the safety case.

(2) For the purposes of paragraph (1), the operation of a production installation is treated as commenced—

(a) on the commencement of the first well drilling operation from the installation which may involve the release of petroleum from beneath the sea-bed; or

(b) when petroleum is brought onto the installation for the first time through a pipeline or well,

whichever is earlier.

(3) A safety case prepared pursuant to paragraph (1) and revisions to a current safety case prepared pursuant to regulation 9(5) may be prepared in relation to more than one production installation where the competent authority so approves in writing and, where a safety case is or revisions are to be so prepared in relation to installations with different operators, it is sufficient compliance with paragraph (1)(a) and (b) and regulation 9(5)(a) and (b) if the operators prepare and agree a safety case or revisions containing the particulars referred to in that paragraph and that regulation and one of them sends it to the competent authority in accordance with paragraph (1)(b) and regulation 9(5)(b).

(4) The operator of a production installation must include with the safety case sent to the competent authority a statement, made after considering the matters in paragraph (5), that the record of safety and environmental-critical elements and their scheme of maintenance are or will be suitable.

(5) The matters are—

(a) reports referred to in regulation 2(6)(e);

(b) comments and reservations made by independent and competent persons referred to in regulation 19(2)(a) and (c)(i);

(c) findings and recommended remedial action given by such persons referred to in paragraph 5(b) and (c) of Schedule 7; and

(d) reports or recommendations referred to in regulation 18(2) of the Offshore Installations and Wells (Design and Construction etc.) Regulations 1996.

(6) Where, pursuant to paragraph (3), a safety case is to be prepared in relation to more than one production installation with different operators—

(a) a copy of the corporate major accident prevention policy of each operator must be included with the safety case;

(b) an adequate description of the document setting out the safety management system prepared pursuant to regulation 30 and the accepted EMS (within the meaning of regulation 3 of the Offshore Petroleum Activities (Offshore Safety Directive) (Environmental Functions) Regulations 2015; and

(c) the description of the internal emergency response arrangements of each operator must be included with the safety case.

Safety case for non-production installation

8.—(1) Subject to regulation 27, the owner of a non-production installation must ensure that it is not moved in relevant waters with a view to its being operated there unless—

(a) he has prepared a safety case containing the particulars specified in regulation 12 and Schedule 3;

(b) he has sent the safety case to the competent authority at least 3 months (or such shorter period as the competent authority may specify) before the movement of the installation in those waters with a view to its being operated there; and

(c) the competent authority has accepted the safety case.

(2) The owner of a non-production installation must include with the safety case sent to the competent authority a statement made after considering the matters in paragraph (3), that the record of safety and environmental-critical elements and their scheme of maintenance are or will be suitable.

(3) The matters are—

(a) reports referred to in regulation 2(6)(e);

(b) comments and reservations made by independent and competent persons referred to in regulation 19(2)(a) and (c)(i);

(c) findings and recommended remedial action given by such persons referred to in paragraph 5(b) and (c) of Schedule 7; and

(d) reports or recommendations referred to in regulation 18(2) of the Offshore Installations and Wells (Design and Construction etc.) Regulations 1996.

Design notification and safety case for non-production installation to be converted

9.—(1) Where a non-production installation is to be converted to enable it to be operated as a production installation, the owner must—

(a) prepare a design notification in respect of the proposed conversion containing, subject to paragraph (3), the particulars specified in Schedule 1 not contained in any current safety case for that installation; and

(b) send the design notification to the competent authority,

at such time before completion of the design of the proposed conversion as will enable the owner to take account—

(a) in the design, and

(b) the safety case prepared pursuant to regulation 7,

of any matters raised by the competent authority within 3 months (or such shorter period as the competent authority may specify) of that time.

(2) The competent authority must respond to the design notification—

(a) with comments to be taken into account by the operator in the safety case; or

(b) where it has no such comments to make, with a statement to that effect.

(3) The particulars specified in Schedule 1 which must be provided in respect of a design notification under paragraph (1) are to be construed as if all references to "operator" were references to the owner of the non-production installation to be converted.

(4) Paragraph (1) only requires the particulars in the design notification to address the matters referred to in that paragraph to the extent that it is reasonable to expect the duty holder to address them at the time of sending the design notification to the competent authority.

(5) Where there is a material change in any of the particulars notified pursuant to paragraph (1) prior to the duty holder sending—

(a) a safety case to the competent authority in accordance with regulation 7(1); or

(b) revisions to the current safety case to the competent authority in accordance with paragraph (6),

the duty holder must notify the competent authority of that change as soon as practicable.

(6) Where a non-production installation operated pursuant to a current safety case is converted to a production installation, the operator of that production installation must ensure that it is not operated as a production installation in relevant waters unless—

(a) he has prepared revisions to the current safety case for that installation containing the particulars specified in regulation 12 and Schedule 2 not contained in that current safety case;

(b) he has sent a version of the current safety case which incorporates the proposed revisions, showing clearly where they are to be made, to the competent authority at least 3 months (or such shorter period as the competent authority may specify) before commencing the operation in accordance with regulation 7(2); and

(c) the competent authority has accepted those revisions to the current safety case.

(7) For the purposes of regulation 2(4) and paragraph (6), the operation of that production installation is treated as commenced—

(a) on the commencement of the first well drilling operation from the installation which may involve the release of petroleum from beneath the sea-bed; or

(b) when petroleum is brought onto the installation for the first time through a pipeline or well,

whichever is earlier.

Notification of combined operations

10.—(1) A duty holder for an installation which is to be involved in a combined operation in relevant waters must ensure that that installation does not engage in a combined operation unless a notification containing the particulars specified in Schedule 4 (other than those already notified to the competent authority pursuant to regulation 17) in respect of that combined operation is sent to

the competent authority at least 21 days (or such shorter period as the competent authority may specify) before it is due to commence.

(2) The requirements of paragraph (1) will be satisfied if—

(a) the duty holders for every installation involved in the combined operation prepare and agree a notification containing the particulars specified in that paragraph; and

(b) one of them sends it to the competent authority at least 21 days (or such shorter period as the competent authority may specify) before it is due to commence.

(3) Where there is a material change in any of the particulars notified pursuant to paragraph (1) prior to completion of the relevant combined operation, the duty holder must notify the competent authority of that change as soon as is practicable.

(4) Where there is a change in the duty holder or of the installation, the duty holder must send a notification pursuant to paragraph (1).

(5) A duty holder for an installation which is or is to be involved in a combined operation must not commence the combined operation where the competent authority expresses objections to the content of the notification.

Safety case for dismantling fixed installation

11.—(1) The operator of a fixed installation in relevant waters must ensure that it is not dismantled unless—

(a) he has prepared revisions to the current safety case containing, subject to paragraph (2), the particulars specified in regulation 12 and Schedule 5 not contained in the current safety case for that installation;

(b) he has sent a version of the current safety case which incorporates the proposed revisions, showing clearly where they are to be made, to the competent authority at least 3 months (or such shorter period as the competent authority may specify) before the commencement of the dismantling; and

(c) the competent authority has accepted those revisions to the current safety case.

(2) Paragraph (1) only requires the particulars in the proposed revisions to the current safety case to describe the matters referred to in that paragraph to the extent that it is reasonable to expect the operator to address them at the time of sending the proposed revisions to the competent authority.

(3) Where there is a material change in any of the particulars notified pursuant to paragraph (1) prior to the competent authority deciding whether to accept the proposed revisions to the current safety case, the operator must notify the competent authority of that change as soon as practicable.

Management system and control of major accident hazards

12.—(1) The duty holder who prepares a safety case pursuant to these Regulations must, subject to paragraphs (2) and (3), include in the safety case sufficient particulars to demonstrate that—

(a) The duty holder's management system is adequate to ensure—

(i) that the relevant statutory provisions will, in respect of matters within the duty holder's control, be complied with; and

(ii) the satisfactory management of arrangements with contractors and sub-contractors;

(b) he has established adequate arrangements for audit and for the making of reports thereof;

(c) all hazards with the potential to cause a major accident have been identified;

(d) all major accident risks have been evaluated, their likelihood and consequences assessed, including any environmental, meteorological and seabed limitations on safe operations, and that suitable measures, including the selection and deployment of associated safety and environmental-critical elements have been, or will be, taken to control those risks to ensure that the relevant statutory provisions will be complied with; and

(e) in the case of a non-production installation, that all the major hazards have been identified for all operations the installation is capable of performing.

(2) Paragraph (1)only requires the particulars in the safety case to demonstrate the matters referred to in that paragraph to the extent that it is reasonable to expect the duty holder to address them at the time of sending the safety case to the competent authority.

(3) In this regulation, "audit" means systematic assessment of the adequacy of the management system to achieve the purpose referred to in paragraph (1)(a) carried out by persons who are sufficiently independent of the system (but who may be employed by the duty holder) to ensure that such assessment is objective.

(4) The demonstration in paragraph (1)(d) must include the estimate of the effectiveness of oil spill response effectiveness contained in the oil pollution emergency plan in respect of the installation, prepared pursuant to regulation [*4(1)(c)*] of the [*Merchant Shipping (Oil Pollution Preparedness, Response and Co-operation Convention) Regulations 1998*].

Review of safety case

13.—(1) A duty holder must thoroughly review a current safety case when directed to do so by the competent authority.

(2) In the absence of a direction under paragraph (1), a duty holder must thoroughly review a current safety case within 5 years of—

(a) the date on which the competent authority accepted that current safety case; and

(b) the date of the previous review.

(3) A duty holder must send a summary, including the results, of each such review to the competent authority—

(a) where the review is conducted at the direction of the competent authority, within such reasonable time, being a period of not less than 28 days of the direction, as may be specified by the competent authority; or

(b) in all other cases, within 28 days of its conclusion.

Revision of safety case

14.—(1) In addition to the other occasions on which a duty holder must revise a current safety case pursuant to these Regulations, a duty holder must revise a current safety case—

(a) when appropriate; and

(b) when directed to do so by the competent authority pursuant to regulation 15(1).

(2) Revisions made under paragraph (1)(a) which make a material change to the current safety case are not effective unless

(a) the duty holder has sent a version of the current safety case which incorporates the proposed revisions, showing clearly where they are to be made, to the competent authority—

(i) at least 3 months, or such shorter period as the competent authority may specify; or

(ii) where the revisions relate to a combined operation, at least 6 weeks, or such shorter period as the competent authority may specify, before the revisions are to be made; and

(b) the competent authority has accepted the revisions.

(3) Without prejudice to the generality of paragraph (2)—

(a) no well operation constitutes a material change;

(b) no revision prepared or made pursuant to regulation 27 constitutes a material change;

(c) the movement of a production installation to a new location to be operated there constitutes a material change; and

(d) the conversion of a production installation to enable it to be operated as a non-production installation constitutes a material change,

to the current safety case for the purposes of paragraph (2).

(4) For the purposes of paragraph (1), it is to be regarded as appropriate to revise a safety case in respect of material changes to an installation.

(5) Where appropriate the duty holder must include in the version of the current safety case incorporating the proposed revisions pursuant to paragraph (2)(a), sufficient details to update the description of the internal emergency response arrangements (see regulation 41)—

(a) in the case of a production installation, under paragraph 17 of Schedule 2; or

(b) in the case of a non-production installation, paragraph 15 of Schedule 3.

(6) A revised safety case for a production installation must contain the particulars specified in regulation 12 and Schedule 2.

(7) A revised safety case for a non-production installation must contain the particulars specified in regulation 12 and Schedule 3.

Power of competent authority in relation to safety cases and related documents

15.—(1) The competent authority may direct a duty holder to prepare revisions to a current safety case in relation to such matters as the competent authority may notify to him.

(2) When making a direction for the purposes of paragraph (1), the competent authority must explain why it believes that each revision is necessary and must specify a period, not being less than 28 days, within which the duty holder must submit such revisions to the competent authority.

(3) Revisions submitted pursuant to paragraph (1) are not effective unless—

(a) the duty holder has sent a version of the current safety case which incorporates the proposed revisions, showing clearly where they are to be made, to the competent authority; and

(b) the competent authority has accepted the revisions.

(4) After the submission of a design notification required under regulation 6 or 9 and prior to the submission of a safety case in respect of a production installation, the duty holder for that installation must provide the competent authority with a copy of any document which, in the opinion of the competent authority, may be directly or indirectly relevant to the duty holder's preparation of the safety case for that installation within such reasonable time of the demand, being a period of not less than 14 days, as may be specified by the competent authority.

(5) The competent authority may suspend any current safety case where it does not accept any proposed revision thereto submitted to it pursuant to regulation 15(3) or 27(12).

(6) When suspending a current safety case in accordance with paragraph (5), the competent authority must explain why it believes that a suspension is necessary.

(7) During any period in which the current safety case for an installation is suspended, the duty holder for that installation must ensure that it is not operated.

(8) The competent authority may lift any suspension in respect of a current safety case when it is satisfied that the health and safety of persons who are likely to be affected by the lifting of any suspension will not be prejudiced in consequence of it.

(9) Where further information is necessary before a safety case or revisions to a safety case can be accepted, the duty holder must provide, at the request of the competent authority, such information and make any necessary changes to the submitted safety case.

Duty to conform with safety case and notifications of operation

16.—(1) The duty holder must ensure that the procedures and arrangements described in the current safety case which may affect health, safety or the environment are followed.

(2) In criminal proceedings for a contravention of paragraph (1), it is a defence for the accused to prove that—

(a) in the particular circumstances of the case, it was not in the best interests of the health and safety of persons to follow the procedures or arrangements concerned and there was insufficient time to revise the safety case pursuant to regulation 14; or

(b) the commission of the offence was due to a contravention by another person of regulation 8 of the Management Regulations and the accused had taken all reasonable precautions and exercised all due diligence to ensure that the procedures or arrangements were followed.

(3) The duty holder must ensure that a combined operation or well operation is conducted in pursuance of the plans stated in, respectively, the notification of combined operations sent pursuant to regulation 10(1) or the notification of well operations sent pursuant to regulation 17(1).

Notification of well operations

17.—(1) Subject to paragraph (2), an operator must ensure that no well operation is commenced in relevant waters unless the operator has sent a notification containing the particulars specified in Schedule 6 to the competent authority at least 21 days (or such shorter period as the competent authority may specify) before commencing that operation.

(2) In the case of a production installation the operator must ensure that —

(a) no well operation which involves—

(i) insertion of a hollow pipe in the well; or

(ii) altering the construction of the well,

is commenced unless the operator has sent a notification containing the particulars specified in Schedule 6 to the competent authority at least 10 days (or such shorter period as the competent authority may specify) before commencing that operation; and

(b) no well operation which involves drilling is commenced unless the operator has sent a notification containing the particulars specified in Schedule 6 to the competent authority at least 21 days (or such shorter period as the competent authority may specify) before commencing that operation.

(3) Where the operator plans or prepares a material change to any of the particulars notified pursuant to paragraph (1) or (2), the operator must consult the independent and competent persons selected under the arrangements described in regulation 18(2) of the Offshore Installations and Wells (Design and Construction, etc.) Regulations 1996 about the planned or prepared material change.

(4) Where there is a material change in any of the particulars notified pursuant to paragraph (1) or (2) prior to completion of the relevant well operation, the operator must notify the competent authority of that change as soon as practicable.

(5) The operator must not commence a well operation (of any description) where the competent authority expresses objections to the content of the notification sent in respect of the well operation or any change to that content notified to the competent authority pursuant to paragraph (4).

(6) Subject to paragraph (7), the operator must include a copy of the corporate major accident prevention policy with a notification sent to the competent authority pursuant to paragraph (1) or (2).

(7) Paragraph (6) does not apply where the operator has previously sent its corporate major accident prevention policy to the competent authority.

Keeping of documents

18.—(1) A duty holder must—

(a) ensure that, when the duty holder sends—

(i) the design notification, in the case of a production installation; or

(ii) the safety case, in the case of a non-production installation,

to the competent authority, it is notified of an address in Great Britain for the purposes of sub-paragraphs (b) and (e) below;

(b) keep copies, at the address referred to in sub-paragraph (a) and on the installation, of the following documents relating to the installation—

(i) the current safety case;

(ii) any summary of any review of the current safety case prepared pursuant to regulation 13(2); and

(iii) each audit report;

(c) keep copies on the installation of the following documents relating to the installation—

(i) any relocation notification and any material changes thereto;

(ii) any notification of combined operations and any material changes thereto; and

(iii) any notification of well operations and any material changes thereto;

(d) ensure that, in respect of each audit report, a written statement is made, recording—

(i) the main findings of the report;

(ii) the recommendations in the report; and

(iii) the action proposed to implement those recommendations, including the timescales involved, and a copy of that statement kept on the installation; and

(e) ensure that a record is made of any action taken in consequence of an audit report, and a copy of that record kept at the address referred to in sub-paragraph (a) and on the installation.

(2) The copy of the current safety case referred to in paragraph (1) and any other relevant documents must be kept for so long as they are current, and the copy of the audit report, the written statement and the record referred to in that paragraph must be kept for a period of 3 years after being made.

(3) The duty holder for an installation must ensure that—

(a) its verification scheme, any modification of that scheme and any note made pursuant to regulation 19(2)(c) or 20(b) is kept at the address notified to the competent authority pursuant to paragraph (1)(a) until the expiration of 6 months after such scheme or, as the case may be, modification of that scheme, has ceased to be current; and

(b) records, sufficient to show the matters described in paragraph 5 of Schedule 7, are kept at the address notified to the competent authority pursuant to paragraph (1)(a) until the the expiration of 6 months after completion of the offshore oil and gas operations to which they relate.

(4) In this regulation, "audit report" means a report made pursuant to the arrangements referred to in regulation 12(1)(b).

Verification schemes

19.—(1) The duty holder for an installation must ensure that a record of the safety and environmental-critical elements and the specified plant is made.

(2) After a record has been made in accordance with paragraph (1), the duty holder must ensure that, in accordance with paragraph (3)—

(a) comment on that record by an independent and competent person is invited;

(b) a verification scheme providing for the matters contained in Schedule 7 and complying with paragraph (4) is drawn up by or in consultation with such person;

(c) a note is made of any reservation expressed by such person as to the contents of—

(i) that record; or

(ii) that scheme; and

(d) that scheme is put into effect.

(3) The matters set out in paragraph (2) must be completed—

(a) in the case of a production installation, before completion of its design; and

(b) in the case of a non-production installation, before it is moved into relevant waters with a view to its being operated there.

(4) A verification scheme complies with this paragraph if—

(a) tasks under the scheme are appropriately allocated by the independent and competent person to personnel qualified to undertake them;

(b) includes suitable arrangements for the flow of information between the duty holder and the independent and competent person;

(c) the independent and competent person is given suitable authority by the duty holder to be able to carry out the functions under the scheme effectively;

(d) material changes are referred to the independent and competent person for further comment in accordance with the scheme.

(5) The outcomes of referral of the kind described in paragraph (4)(d) must be communicated to the competent authority, if it so requests.

Review and revision of verification schemes

20. The duty holder must ensure that, as often as may be appropriate—

(a) the verification scheme for the duty holder's installation is reviewed and, where necessary, revised or replaced by or in consultation with an independent and competent person; and

(b) a note is made of any reservation expressed by such person in the course of drawing it up.

Continuing effect of verification schemes

21. The duty holder must ensure that effect continues to be given to the verification scheme for the duty holder's installation, or any revision or replacement of it, while that installation remains in being.

Defence

22.—(1) In any proceedings for an offence for a contravention of any of the provisions of regulations 19 to 21 it is, subject to paragraphs (2) and (3), a defence for the person charged to prove—

(a) that the commission of the offence was due to the act or default of another person not being an employee of the person charged (hereinafter called "the other person"); and

(b) that the person charged took all reasonable precautions, and exercised all due diligence, to avoid the commission of the offence.

(2) The person charged may not, without the leave of the court, be entitled to rely on the defence in paragraph (1) unless, within a period ending 7 clear days—

(a) before the hearing to determine mode of trial, where the proceedings are in England and Wales; or

(b) before the intermediate diet, where the proceedings are summary proceedings in Scotland; or

(c) before the first diet, where the proceedings are solemn proceedings in Scotland,

the person charged has served on the prosecutor a notice in writing giving such information identifying or assisting in the identification of the other person as was then in the possession of the person charged.

(3) For the purpose of enabling the other person to be charged with and convicted of the offence by virtue of section 36 of the 1974 Act, a person who establishes a defence under this regulation is nevertheless to be treated for the purposes of that section as having committed the offence.

Exemptions

23.—(1) Subject to paragraph (2), the competent authority may, by a certificate in writing, exempt any person, installation or well or class of persons, installations or wells from any requirement or prohibition imposed by these Regulations and any such exemption may be granted subject to conditions and with or without limit of time and may be revoked by a certificate in writing at any time.

(2) The competent authority must not grant any such exemption unless, having regard to the circumstances of the case, and in particular to—

(a) the conditions, if any, which it proposes to attach to the exemption; and

(b) any other requirements imposed by or under any enactments which apply to the case,

it is satisfied that the health and safety of persons who are likely to be affected by the exemption will not be prejudiced in consequence of it, and that the exemption will be compatible with Article 3(2) of 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(**a**) and with Directive 2013/30/EU on safety of offshore oil and gas operations and amending Directive 2004/35/EC(**b**).

Appeals

24.—(1) Any person who is aggrieved by a decision of the competent authority—

(a) as to a finding of fact made by the competent authority for the purposes of these Regulations which affects the person as a duty holder or licensee or any installation for which the person is or may be responsible;

(b) not to accept a safety case prepared by the person and submitted to the competent authority pursuant to regulation 7(1) or 8;

(c) to direct the person to prepare revisions to a current safety case in accordance with regulation 15(1);

(d) not to accept a revision to a current safety case prepared by the person and submitted to the competent authority in accordance with regulation 9(5), 11(1), 14(2), 15(3) or 27(12) or (12);

(e) to suspend pursuant to regulation 15(5) a current safety case held by the person;

(f) not to lift a suspension pursuant to regulation 15(8) in respect of a current safety case held by the person;

(g) to revoke an exemption certificate granted to the person pursuant to regulation 23(1);

(h) to grant to the person an exemption certificate subject to a condition or a limit of time pursuant to regulation 23(1);

(i) to express objections to the content of the notification sent by the person in respect of a well operation (or any change of that content notified to the competent authority) pursuant to regulation 17(5);

(j) to determine that the person no longer has the capacity to meet the requirements of the relevant statutory provisions pursuant to regulation 32 as an operator; or

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(**a**) O.J. No. L348, 28.11.92, p.9.
(**b**) O.J. No. L178, 28.06.13, p.66.

(k) to notify the person that the competent authority has formed the opinion that measures for the prevention or limiting the consequences of a major accident proposed in the cases referred to in regulation 33(1) are insufficient to fulfil the requirements set out in the relevant statutory provisions,

may appeal to the Secretary of State.

(2) The provisions of Schedule 8 apply where an aggrieved person appeals to the Secretary of State.

(3) Any decision of the competent authority which is the subject of an appeal under this regulation is not suspended pending final determination of the appeal.

Amendments

25. The instruments referred to in Schedule 9 are amended in accordance with that Schedule.

Revocations

26.—(1) The following regulations are revoked—

(a) the Offshore Installations (Logbooks and Registration of Death) Regulations 1972(**a**);

(b) the Offshore Installations (Inspectors and Casualties) Regulations 1973(**b**)

(c) the Offshore Installations (Safety Zones) Regulations 1987(**c**);

(d) the Offshore Safety (Miscellaneous Amendments) Regulations 2002(**d**); and

(e) the 2005 Regulations.

(2) In consequence of the revocation in paragraph (1)(a), in column 1 of the table in Part I of the Management Regulations omit the entry "The Offshore Installations (Logbooks and Registration of Death) Regulations 1972" and the corresponding entries in columns 2 and 3 of that table.

(3) Despite the revocation of the Offshore Safety (Miscellaneous Amendments) Regulations 2002 pursuant to paragraph (1)(d), the amendments by those regulations continue to have effect.

(4) Despite the revocation of the 2005 Regulations, pursuant to paragraph (1)(e), the amendments by those regulations continue to have effect (and see regulation 27).

Transitional provisions

27.—(1) Despite their revocation by regulation 26(1)(e), the 2005 Regulations continue to apply as provided for in this regulation.

(2) The 2005 Regulations continue to apply in relation to the owner of a non-production installation, in respect of that non-production installation—

(a) where the non-production installation is an existing non-production installation, until—

(i) 19 July 2016; or

(ii) if earlier (but after 18 July 2015), the date of thorough review;

(b) where the non-production installation is not an existing non-production installation and is established before 19 July 2016, until that date.

(3) The 2005 Regulations continue to apply in relation to the operator of a production installation, in respect of that production installation—

(a) subject to paragraph (6), where the production installation is an existing production installation, until—

(i) 19 July 2018; or

(**a**) S.I. 1972/1542.
(**b**) S.I. 1973/1842.
(**c**) S.I. 1987/1331.
(**d**) S.I. 2002/2175.

(ii) if earlier (but after 18 July 2015), the date of thorough review;

(b) where the production installation is not an existing production installation and is established before 19 July 2016, until that date.

(4) The 2005 Regulations continue to apply to the preparation and sending to the Executive of a design notification for a production installation which is to be established, until 19 July 2016.

(5) Where the 2005 Regulations continue to apply these regulations do not apply, apart from—

(a) regulations 1, 2, 4, 24 and this regulation; and

(b) as provided for by this regulation.

(6) In the case of an existing production installation, where the transitional period provided for by paragraph (3)(a) continues until after 19 July 2016, these Regulations (and not the 2005 Regulations) apply to an operator planning or executing a well operation from that installation, but without prejudice to the continued application of the 2005 Regulations otherwise to the installation pursuant to that paragraph.

(7) Nothing in paragraph (4) prevents an operator of a production installation which is to be established to prepare and send a design notification pursuant to these Regulations, but where this paragraph is relied on paragraphs (2) to (4) do not apply.

(8) Nothing in paragraphs (2) to (4) prevents a duty holder who would otherwise be subject to the 2005 Regulations pursuant to those paragraphs from preparing and sending a safety case to the competent authority pursuant to these Regulations, but this paragraph does not apply where there is a current safety case for the installation.

(9) Where a duty holder prepares and sends a safety case to the competent authority pursuant to these Regulations in reliance on paragraph (8), paragraphs (2) to (4) do not apply.

(10) Paragraph (11) applies to the duty holder of an installation, in respect of that installation, where—

(a) paragraph (2) or (3) applies to the installation;

(b) there is no more than three months remaining until the end of the transitional period;

(c) there is a current safety case; and

(d) there is an intention, after the transitional period ends—

(i) in the case of a non-production installation, to operate it in relevant waters or move it in relevant waters with a view to its being operated there; or

(ii) in the case of a production installation, to operate it in relevant waters.

(11) Where this paragraph applies the duty holder may make revisions to the current safety case—

(a) containing the particulars, not required pursuant to the 2005 Regulations, specified in—

(i) regulation 12 and Schedule 3 of these Regulations, in the case of a non-production installation; and

(ii) in regulation 12 and Schedule 2 of these Regulations in relation to a production installation; and

(b) in consequence, as are appropriate.

(12) Revisions made under paragraph (11) which make a material change to the current safety case are not effective unless—

(a) the duty holder sends a version of the current safety case which incorporates the proposed revisions, showing clearly where they are to be made, to the competent authority at least three months, or such shorter period as the competent authority may specify, before the revisions are to be made; and

(b) the competent authority accepts the revisions.

(13) Where revisions to current safety case under paragraph (11)—

(a) may take effect without the acceptance of the competent authority; or

(b) are accepted by the competent authority;

the current safety case together with those revisions is to be treated—

(a) as a current safety case until the end of the transitional period; and

(b) as a current safety case within the meaning of these Regulations after the end of the transitional period.

(14) A notification which is completed by the end of the transitional period is to be treated as a notification made under the corresponding provision of these Regulations when the transitional period ends.

(15) Where a notification is not completed by the end of the transitional period, but particulars of it have been notified within the transitional period pursuant to the 2005 Regulations—

(a) the particulars notified are to be treated as particulars notified pursuant to the corresponding provision of these Regulations;

(b) the absence of particulars not required pursuant to the 2005 Regulations, but required pursuant to the corresponding provision of these Regulations, is to be treated as a material change in the particulars notified pursuant to the corresponding provision of these Regulations; and

(c) the corresponding provision of these Regulations (and such other provision of these Regulations as is required to give it effect) applies.

(16) Nothing in this regulation permits a person who is not a duty holder for the purposes of these Regulations to act in that capacity.

(17) In this regulation—

"corresponding provision of these Regulations" means, in relation to a provision of the 2005 Regulations, the provision of these Regulations which re-enacts it;

"current safety case," unless the context otherwise provides, has the meaning given by the 2005 Regulations;

"date of thorough review" means the date immediately before the fifth anniversary of—

(a) the date on which the Executive accepted the current safety case; or

(b) where there has been a review under regulation 13 of the 2005 Regulations, the date—

(i) of that review, or

(ii) if there has been more than one review, the last of those reviews.

"design notification," unless the context otherwise provides, has the meaning given by the 2005 Regulations;

"duty holder," except in paragraphs (8), (9) and (16), has the meaning given by the 2005 Regulations;

"existing non-production installation" means a non-production installation that existed immediately before 18 July 2013;

"existing production installation" means a production installation that that existed immediately before 18 July 2013;

"non-production installation" has the meaning given by the 2005 Regulations;

"notification" means a notification under the provisions of the 2005 Regulations specified in the first column of Table 1;

"operator," except in paragraph (6) and (7), has the meaning given by the 2005 Regulations;

"owner" has the meaning given by the 2005 Regulations;

"production installation" has the meaning given by the 2005 Regulations;

"transitional period" means the period for which the 2005 Regulations continue to apply in a case in paragraphs (2) and (3).

(18) In this regulation a notification is "completed" where in the case of a notification specified in the first column of Table 1 the corresponding event specified in the second column of that table has occurred in relation to the notification.

Table 1

Notifications and completion

Notification under 2005 Regulations	*Notification complete*
Regulation 6(1) (design)	Submission of the field development programme
Regulation 6(2) (relocation of a production installation)	Submission of the field development programme
Regulation 9 (conversion of non-production installation to operate as a production installation)	Completion of the design
Regulation 10 (combined operation)	Engagement in the combined operation
Regulation 17(1) (general well operation)	Commencement of well operation
Regulation 17(2) (specific well operation)	Commencement of well operation

Safety zones

28. The prohibition under section 23(1) of the Petroleum Act 1987 on a vessel entering or remaining in a safety zone established around an installation by virtue of that Act do not apply to a vessel entering or remaining in the safety zone—

(a) in connection with the laying, inspection, testing, repair, maintenance, alteration, renewal or removal of any submarine cable or pipe-line in or near that safety zone;

(b) to provide services for, to transport persons or goods to or from, or under the authority of a government department to inspect, any installation in that safety zone;

(c) if it is a vessel belonging to a general lighthouse authority performing duties relating to the safety of navigation(**a**);

(d) in connection with the saving or attempted saving of life or property;

(e) owing to stress of weather;

(f) when in distress;

(g) if there is consent from the duty holder.

Major accident prevention policy

29.—(1) The duty holder must prepare in writing a corporate major accident prevention policy, including in respect of installations of the duty holder outside of the European Union.

(2) The corporate major accident prevention policy must address at least the particulars set out in Schedule [10] and must be prepared in accordance with Schedule [11].

(3) The corporate major accident prevention policy may in addition outline the commitment of the duty holder to mechanisms for effective tripartite consultation established between the competent authority, duty holders and workers' representatives.

(4) In preparing a corporate major accident prevention policy an operator must take account of the operators' primary responsibility for, among other things, the control of risks of a major accident that are a result of its operations and for continuously improving control of those risks so as to ensure a high level of protection at all times.

(**a**) See section 193 of the Merchant Shipping Act 1995 for definition of general lighthouse authority for the purposes of Part VIII of that Act.

(5) A duty holder must—

(a) implement the corporate major accident prevention policy throughout its offshore oil and gas operations; and

(b) set up appropriate monitoring arrangements to assure effectiveness of the policy.

Safety management system

30.—(1) The duty holder must prepare a document setting out its safety management system.

(2) The safety management system is to include organisational structure, responsibilities, practices, procedures, processes and resources for determining and implementing the corporate major accident prevention policy.

(3) The safety management system is to be integrated with the overall management system of the duty holder, taking into account the accepted EMS applicable to the installation under the Offshore Petroleum Activities (Offshore Safety Directive) (Environmental Functions) Regulations 2015.

(4) The safety management system must address the particulars in Schedule [12] and must be prepared in accordance with Schedule [11].

(5) The document setting out the safety management system must include a description of—

(a) the organisational arrangements for the control of major hazards;

(b) the arrangements for preparing and submitting documents under the relevant statutory provisions; and

(c) the verification scheme (which description must comply with regulation 31).

Description of verification scheme

31. For the purposes of regulation 7(1)(a) and paragraph 18 of Schedule 2, regulation 8(1)(a) and paragraph 16 of Schedule 3, and regulation 30(5)(c), a description of the verification scheme complies with this regulation if it includes—

(a) a description of the criteria for selection of independent and competent persons to carry out functions under the scheme;

(b) a description of the means of verifying that the safety and environmental-critical elements and any specified plant remain in good repair and condition; and

(c) details of the arrangements to carry out the functions under the scheme and to keep the scheme under review throughout the lifecycle of the installation including—

(i) the examination and testing of the safety and environmental-critical elements by independent and competent persons;

(ii) verification of the design, standard, certification or other system of conformity of the safety and environmental-critical elements;

(iii) examination of work in progress;

(iv) the reporting of any instances of non-compliance; and

(v) remedial actions taken by the duty holder.

[Capacity of operator to meet requirements

32. Where the competent authority determines that the operator no longer has the capacity to meet the requirements of the relevant statutory provisions, it must immediately inform the [*licensing authority*].**]**

Power of the competent authority to prohibit operations

33.—(1) This regulation applies where the competent authority is of the opinion that the measures for preventing or limiting the consequences of a major accident proposed in—

(a) a safety case;

(b) a notification of well operations; or

(c) a notification of combined operations,

are insufficient to fulfil the requirements set out in the relevant statutory provisions.

(2) Where this regulation applies—

(a) the competent authority must notify the duty holder who sent the document referred to in paragraph (1)(a) to (c) that it is of the opinion described in paragraph (1), and

(b) the duty holder must not operate or commence operation of the installation to which the document relates.

Duty to control risk

34.—(1) Where an activity carried out by a duty holder—

(a) poses an immediate danger to human health; or

(b) significantly increases the risk of a major accident,

the duty holder must take suitable measures to ensure that the danger or risk is reduced as low as is reasonably practicable.

(2) The measures referred to in paragraph (1) include, where necessary, suspending the relevant activity until the danger or risk is adequately controlled.

(3) The duty holder must notify the competent authority where it has taken measures under paragraph (1).

(4) The duty holder must comply with paragraph (3) immediately after and in any event no later than 24 hours after adopting the measures.

Information on operations conducted outside of the European Union

35.—(1) A UK-registered company conducting, itself or through a subsidiary, offshore oil and gas operations outside the European Union including as licence holder must report to the competent authority, on request, the circumstances of any major accident in which it or its subsidiary has been involved.

(2) The details of the information to go in the report must be specified by the competent authority in the request.

(3) In paragraph (1)—

"subsidiary" has the meaning given by section 1159 of the Companies Act 2006;

"UK-registered company" has the meaning given by section 1158 of the Companies Act 2006.

Standards and guidance on best practice

36.—(1) Duty holders must cooperate with the competent authority to establish and implement a priority plan for the development of standards, guidance and rules which will give effect to best practice in major accident prevention, and limitation of consequences of major accidents should they nonetheless occur.

(2) Duty holders must participate in the preparation and revision of standards and guidance on best practice in relation to the control of major hazards throughout the design and operational lifecycle of offshore oil and gas operations.

(3) The duty in paragraph (2) must be carried out in consultation with the competent authority and making use of the exchanges of knowledge, information and experience provided for by [*provisions implementing Article 27(1) of the Directive on co-operation between Member States*].

(4) In performing the duty in paragraph (2), duty holders must consider the matters in Schedule [12] with a view to establishing priorities for the development of standards and guidance and giving practical effect to the prevention of major accidents and limitation of their consequences.

Communication of national arrangements for confidential reporting of safety concerns etc.

37.—(1) A duty holder must communicate to the persons specified in paragraph (2) the details of arrangements made by the competent authority for—

(a) the confidential reporting of safety and environmental concerns relating to offshore oil and gas operations from any source; and

(b) the investigation of such concerns while maintaining the anonymity of individuals in connection with the confidential reporting of those concerns.

(2) The persons are—

(a) employees of the duty holder;

(b) persons contracted by the duty holder to conduct offshore oil and gas operations; and

(c) employees of the persons referred to in sub-paragraph (b).

(3) A duty holder must make reference to the confidential reporting mentioned in paragraph (1)(a) in relevant training and notices.

Notification of major accident etc.

38.—(1) The operator or, if appropriate, the owner must notify the competent authority without delay of—

(a) a major accident; or

(b) a situation where there is an immediate risk of a major accident.

(2) The notification must describe the circumstances, including, where possible, the origin, the potential impacts on the environment and the potential major consequences.

Enforcement

39.—(1) To the extent they would not otherwise do so, the following provisions of the 1974 Act apply to these Regulations as if they were health and safety regulations for the purposes of that Act and any function of the Executive under any other provision of the 1974 Act under or in respect of health and safety regulations (including their enforcement) is exercisable as if these Regulations were, to the extent they would not otherwise be so, health and safety regulations for the purposes of that Act—

(a) sections 16 to 22 (approval of codes of practice and enforcement);

(b) section 23 (provisions supplementary to sections 21 and 22) and section 24 (appeal against improvement or prohibition notice);

(c) section 26 (power to indemnify inspectors); and

(d) sections 33 to 42 (provisions as to offences).

(2) Section 18(1) of the 1974 Act (duty to make adequate arrangements for enforcement) applies in relation to enforcement of these Regulations as if the reference to the Executive included a reference to environmental inspector, but nothing in this paragraph has the effect of making the Secretary of State or such an inspector appointed by him an enforcing authority for the purposes of the 1974 Act.

(3) Without prejudice to the provisions of the 1974 Act referred to in paragraph (1), regulation [*8*] of the [*Offshore Petroleum Activities (Offshore Safety Directive) (Environmental Functions) Regulations 2015*] has effect in relation to an environmental inspector as if the reference in that regulation to regulations 5 and 7 of the [*Offshore Petroleum Activities (Offshore Safety Directive) (Environmental Functions) Regulations 2015*] included a reference to these Regulations and as if the function of inspecting an installation to which the said regulations 5 and 7 apply with a view to assessing compliance with any of the obligations in those regulations included a reference to any function conferred or imposed on the Secretary of State by or under these Regulations.

(4) Without prejudice to the functions of an inspector appointed under section 19 of the 1974 Act, an environmental inspector may, notwithstanding that the person is not an inspector so

appointed, serve an improvement notice under section 21 of that Act or a prohibition notice under section 22 of that Act in respect of a contravention of these Regulations, and the reference to an inspector in section 23(4) of that Act is to have effect accordingly.

(5) A failure to discharge a duty placed on the competent authority by these Regulations is not an offence, and section 33(1)(c) of the 1974 Act has effect accordingly.

(6) In this regulation "environmental inspector" means an inspector appointed by the Secretary of State under regulation [*8*] of the [*Offshore Petroleum Activities (Offshore Safety Directive) (Environmental Functions) Regulations 2015*].

Internal emergency response

40.—(1) The duty holder must perform the internal emergency response duties consistently with the external emergency response plan;

(2) The duty holder must perform the internal emergency response duties, taking into account the risk assessment undertaken during preparation of the most recent safety case for the installation;

(3) Where the duty holder has adopted other measures, the duty holder must perform the internal emergency response duties so as to secure a good prospect of personal safety and survival, taking into account the adoption of those other measures.

(4) Where the duty holder performs the internal emergency response duties in relation to an installation engaged in a combined operation—

(a) the duty holder must make arrangements for coordinating escape, evacuation and rescue between the installations concerned, to secure a good prospect of survival for persons on the installations during a major accident; and

(b) where the installation is a non-production installation—

(i) the internal emergency response duties must be performed taking into account the combined operation; and

(ii) a revised description of the internal emergency response arrangements must be sent to the competent authority (unless a revised description has been sent to the competent authority pursuant to regulation 14(5)(b) in connection with the same operation).

(5) Where a mobile non-production installation is to be used for carrying out a well operation—

(a) the duty holder must perform the internal emergency response duties taking into account the risk assessment undertaken during the preparation of the notification of well operations; and

(b) where the particular nature or location of a well calls for the internal emergency response duties to be performed in a manner different from the manner of performance in the absence of such circumstances (but for this provision) then the duty holder must perform them in that manner and the owner must send a revised description of the internal emergency response arrangements to the competent authority (unless a revised description has been sent to the competent authority pursuant to regulation 14(5)(b) in connection with the same operation).

(6) Where revisions which make a material change to a current safety case are accepted pursuant to regulation 14(2)(b)—

(a) the duty holder must perform the internal emergency response duties in the light of the revisions; and

(b) send a revised description of the internal emergency response arrangements to [*the authorities responsible for executing the external emergency response plan*].

(7) Paragraph (8) applies where there is a material change to the particulars notified pursuant to—

(a) regulation 6(1), (2) and (5);

(b) regulation 9(1);

(c) regulation 10(1); and

(d) regulation 17(1).

(8) Where this paragraph applies the duty holder must—

(a) perform the internal emergency response duties in the light of the material change; and

(b) send a revised description of the internal emergency response arrangements to [*the authorities responsible for executing the external emergency response plan*].

(9) The duty holder must maintain expertise relevant to the internal emergency response duties in order for that expertise to be available at all times and to be made available as necessary to [*the authorities responsible for the execution of the external emergency response plan*].

(10) In this regulation and regulation 41—

"the internal emergency response duties" means the duties in the following regulations of the PFEER Regulations—

(a) 5 (assessment);

(b) 6 (preparation for emergencies);

(c) 7 (equipment for helicopter emergencies);

(d) 8(1), (2), and (3) (emergency response plan);

(e) 9(1) (prevention of fire and explosion);

(f) 10 (detection of incidents);

(g) 11 (communication);

(h) 12 (control of emergencies);

(i) 13 (mitigation of fire and explosion);

(j) 14 (muster areas etc.);

(k) 15 (arrangements for evacuation);

(l) 16 (means of escape);

(m) 17 (arrangements for recovery and rescue);

(n) 25 (initiation and direction of emergency response, and liaison with external response authorities); and

(o) 26 (arrangements for early warning of major accidents).

"other measures" means measures relating to protection and rescue of personnel from a stricken installation, apart from any adopted in performance of the internal emergency response duties;

Description of internal emergency response arrangements

41. For the purposes of these Regulations a "description of the internal emergency response arrangements" in relation to an installation means a description of the manner of performance of the internal emergency response duties in relation to that installation, together with the oil pollution emergency plan produced pursuant to regulation [*4(3)(a) and (c) of, and Schedule 2 to, the Merchant Shipping (Oil Pollution Preparedness, Response and Co-operation Convention) Regulations 1998*].

Review clause

42.—(1) The Secretary of State must from time to time—

(a) carry out a review of these Regulations,

(b) set out the conclusions of the review in a report, and

(c) publish the report.

(2) In carrying out the review the Secretary of State must, so far as is reasonable, have regard to how Directive 92/91/EEC and Directive 2013/30/EU (which are implemented by means of these regulations) are implemented in other member States.

(3) The report must in particular—

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

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

(4) The first report under this regulation must be published before the end of the period of five years beginning with the day on which these Regulations come into force.

(5) Reports under this regulation are afterwards to be published at intervals not exceeding five years.

Signed by authority of the Secretary of State for Work and Pensions.

[*Name*]
Parliamentary Under Secretary of State
[*Date*] Department for Work and Pensions

SCHEDULE 1 Regulations 6(1) and (2) and 9(1)

PARTICULARS TO BE INCLUDED IN A DESIGN NOTIFICATION OR A RELOCATION NOTIFICATION

1. The name and address of the operator of the installation.

2. A description of the design process from an initial concept to the submitted design or selection of an existing installation, the relevant standards used and the design philosophy used to guide the process.

3. A description of—

(a) the chosen design concept in relation to the major hazard scenarios for the particular installation and its intended location, and the primary risk control features, including suitable diagrams, and a summary of the other design options which were considered;

(b) how the chosen design concept is intended to ensure—

(i) compliance with the requirements set out in regulations 5 (requirements as to operational integrity and composition) and 10 (integrity in dismantlement) of the Offshore Installations and Wells (Design and Construction, etc.) Regulations 1996(**a**); and

(ii) that risks with the potential to cause a major accident are reduced to the lowest level that is reasonably practicable; and

(c) the criteria used to select the chosen design concept and the process by which the selection was made.

4. A description of

(a) the principal systems on the installation;

(b) the installation layout;

(c) the process technology to be used;

(**a**) S.I. 1996/913, to which there is an amendment not relevant to these Regulations.

(d) the principal features of any pipeline;

(e) any petroleum-bearing reservoir intended to be exploited using the installation; and

(f) the basis of design for any wells to be connected to the installation.

5. A suitable plan of the intended location of the installation and of anything which may be connected to it, and particulars of

(a) the meteorological and oceanographic conditions to which the installation may foreseeably be subject; and

(b) the properties of the sea-bed and subsoil at its location.

6. Particulars of the types of operation, and activities in connection with an operation, which the installation may perform.

7. A general description of the means by which the management system of the operator will ensure that the structure and plant of the installation will be designed, selected, constructed and commissioned in a way which will control major accident risks to comply with the relevant statutory provisions.

8. A description of the verification scheme prepared pursuant to sub-paragraph (b) of paragraph (2) of regulation 19 and an initial list of the safety and environmental-critical elements and their required performance.

9. Where a non-production installation is to be converted for use as a production installation, a justification demonstrating that the installation is suitable for such conversion.

10. Where a production installation is to be moved to a new location to serve a different production operation, a demonstration that the installation is suitable for the proposed production operation.

11. A description of any environmental, meteorological and seabed limitations on safe operations, and the arrangements for identifying risks from seabed and marine hazards such as pipelines and the moorings of adjacent installations.

12. A general description of the safety management system by which the intended major accident risk control measures are to be maintained in good effect and a general description of the proposed environmental management system.

SCHEDULE 2

Regulations 7(1) and 9(5)

PARTICULARS TO BE INCLUDED IN A SAFETY CASE FOR THE OPERATION OF A PRODUCTION INSTALLATION

1. The name and address of the operator of the installation.

2. A description of the extent to which the duty holder has taken into account any matters raised by the competent authority pursuant to regulations 6(1) and (5)(a) and 9(1) and (4).

3. A summary of any worker involvement in the preparation of the safety case, including how any safety representatives for that installation were consulted with regard to the revision, review or preparation of the safety case pursuant to regulation 23(2)(c)(i) of the Offshore Installations (Safety Representatives and Safety Committees) Regulations 1989(**a**).

4. A description, with suitable diagrams, of the installation, including a description of—

(a) the main and secondary structure of the installation and its materials;

(**a**) S.I. 1989/971, amended by S.I. 1992/2885, 1995/738 and 1999/3242 and to which there are other amendments not relevant to these Regulations.

(b) its plant;

(c) the layout and configuration of its plant;

(d) the connections to any pipeline or installation; and

(e) any wells connected or to be connected to the installation.

5. A suitable plan of the location of the installation and of anything connected to it, and particulars of—

(a) the meteorological and oceanographic conditions to which the installation may foreseeably be subjected; and

(b) the properties of the sea-bed and subsoil at its location.

6. Particulars of the types of operation, and activities in connection with an operation, including both those—

(a) which the installation is capable of performing; and

(b) which are to be carried out.

7. The maximum number of persons—

(a) expected to be on the installation at any time;

(b) that may be on the installation at any time; and

(c) for whom accommodation is to be provided.

8. Particulars of the plant and arrangements for—

(a) the control of well operations, including those—

(i) to control pressure in a well;

(ii) to prevent the uncontrolled release of hazardous substances; and

(iii) to minimise the effects of damage to subsea equipment by drilling equipment

(b) process safety;

(c) containment of hazardous substances (not already addressed under subparagraph (1)(b));

(d) prevention of fire and explosion; and

(e) protection of the environment from an incipient major accident.

9. A description of any pipeline with the potential to cause a major accident, including—

(a) the fluid which it conveys;

(b) its dimensions and layout;

(c) its contained volume at declared maximum allowable operating pressure; and

(d) any apparatus and works intended to secure safety,

together with a summary of the document prepared under regulation 23 of the Pipelines Safety Regulations 1996(**a**).

10. A description of how the duty holder has ensured, or will ensure, compliance with regulation 4(1) of the PFEER Regulations.

11. A description of the plant used and arrangements made for protecting persons on the installation from hazardous substances, including toxic gas, at all times.

12. A description of the measures taken or to be taken or the arrangements made or to be made for the protection of persons on the installation from hazards, including explosion, fire, heat, smoke, toxic gas or fumes and for enabling such persons to be evacuated or rescued from the installation where necessary, including provision for—

(**a**) S.I. 1996/825, to which there are amendments not relevant to these Regulations.

(a) temporary refuge;

(b) routes from locations where persons may be present to temporary refuge and for egress therefrom to points from where the installation may be evacuated;

(c) means of evacuation at those points; and

(d) facilities within temporary refuge for the monitoring and control of the incident and for organising evacuation.

13. A description of the main requirements in the specification for the design of the installation and its plant, which must include—

(a) any limits for safe operation or use specified therein;

(b) a description of how the duty holder has ensured, or will ensure, compliance with regulation 4 of the Offshore Installations and Wells (Design and Construction, etc.) Regulations 1996;

(c) a description of how the duty holder has ensured, or will ensure, the suitability of the safety and environmental-critical elements;

(d) a description of how the duty holder—

(i) where the duty holder is also the operator in relation to a pipeline (see paragraph 24), has ensured, or will ensure, compliance with regulation 11 of the Pipelines Safety Regulations 1996; or

(ii) where the duty holder is not also the operator in relation to a pipeline, has co-operated or will cooperate with the operator in relation to a pipeline to ensure compliance with regulation 11 of the Pipelines Safety Regulations 1996; and

(e) relevant codes, standards and guidance used in the construction and commissioning of the installation.

14. Particulars of any combined operations which may involve the installation, including

(a) a summary of the arrangements in place for co-ordinating the management systems of all duty holders involved in any such combined operation;

(b) a summary of the arrangements in place for a joint review of the safety aspects of any such combined operation by all duty holders involved, which must include the identification of hazards with the potential to cause a major accident and the assessment of risks which may arise during any such combined operation;

(c) the plant likely to be used during any such combined operation; and

(d) the likely impact any such combined operation may have on the installations involved.

15. Arrangements for the maintenance of control systems to prevent damage to the installation and the environment in the event that all personnel are evacuated.

16. An adequate description of the document setting out the safety management system prepared pursuant to regulation 30 and the accepted EMS (within the meaning of regulation 3 of the Offshore Petroleum Activities (Offshore Safety Directive) (Environmental Functions) Regulations 2015), and, where there is not an integrated safety and environmental management system, a demonstration of how the safety management system and the environmental management system are integrated.

17. A description of the internal emergency response arrangements.

18. A description of the verification scheme pursuant to regulation 31.

19. Particulars of information obtained pursuant to the PFEER Regulations and the Management Regulations, so far as—

(a) relevant to the prevention of a major accident, and

(b) not otherwise already required to be provided pursuant to this Schedule.

20. In respect of operations to be conducted from the installation, any information relating to the prevention of major accidents resulting in significant or serious damage to the environment relevant to other requirements under the relevant statutory provisions, obtained pursuant to Directive 2011/92/EU of the European Parliament and of the Council of 13 December 2011 on the assessment of the effects of certain public and private projects on the environment(**a**).

21. The assessment produced pursuant to paragraph 2(9) of Schedule 2 to the Merchant Shipping (Oil Pollution Preparedness, Response and Co-operation Convention) Regulations 1998.

22. A copy of the operator's corporate major accident prevention policy.

23. Any other relevant details.

24. In paragraph 13(d) "operator", in relation to a pipeline, means—

(a) the person who is to have or (once fluid or any mixture of fluids is conveyed) has control over the conveyance of fluid or any mixture of fluids in the pipeline;

(b) until that person is known (should there be a case where at a material time that person is not yet known) the person who is to commission or (where commissioning has started) commissions the design and construction of the pipeline; or

(c) when a pipeline is no longer used or is not for the time being used, the person last having control over the conveyance of fluid or any mixture of fluids in it.

SCHEDULE 3

Regulation 8

PARTICULARS TO BE INCLUDED IN A SAFETY CASE FOR A NON-PRODUCTION INSTALLATION

1. The name and address of the owner of the installation.

2. A summary of any worker involvement in the preparation of the safety case, including how any safety representatives for that installation were consulted with regard to the revision, review or preparation of the safety case pursuant to regulation 23(2)(c)(i) of the Offshore Installations (Safety Representatives and Safety Committees) Regulations 1989.

3. A description, with suitable diagrams, of the installation, including a description of—

(a) the main and secondary structure of the installation and its materials;

(b) its plant;

(c) the layout and configuration of its plant, and

(d) in the case of a mobile installation, its means of transfer between locations and its stationing system.

4. Particulars of the types of operation, and activities in connection with an operation, which the installation is capable of performing.

5. The maximum number of persons—

(a) expected to be on the installation at any time;

(b) that may be on the installation at any time; and

(c) for whom accommodation is to be provided.

6. Particulars of the plant and arrangements for the control of—

(1) well operations, including those—

(a) to control pressure in a well;

(**a**) O.J. L26, 28.1.2012, p. 1-21.

(b) to prevent the uncontrolled release of hazardous substances; and

(c) to minimise the effects of damage to subsea equipment by drilling equipment;

(2) process safety;

(3) containment of hazardous substances (not already addressed under subparagraph (1)(b);

(4) prevention of fire and explosion; and

(5) protection of the environment from a major accident.

7. A description of how the duty holder has ensured, or will ensure, compliance with regulation 4(1) of the PFEER Regulations.

8. A description of the plant used and arrangements made for protecting persons on the installation from hazardous substances including toxic gas.

9. A description of the measures taken or to be taken or the arrangements made or to be made for the protection of persons on the installation from hazards, including explosion, fire, heat, smoke, toxic gas or fumes from the installation where necessary, including provision for—

(a) temporary refuge;

(b) routes from locations where persons may be present to temporary refuge and for egress therefrom to points from where the installation may be evacuated;

(c) means of evacuation at those points; and

(d) facilities within temporary refuge for the monitoring and control of the incident and for organising evacuation.

10. A description of the main requirements in the specification for the design of the installation and its plant, which must include—

(a) any limits for safe operation or use specified therein;

(b) a description of how the duty holder has ensured, or will ensure, compliance with regulation 4 of the Offshore Installations and Wells (Design and Construction, etc.) Regulations 1996;

(c) a description of how the duty holder has ensured, or will ensure, the suitability of the safety and environmental-critical elements; and

(d) relevant codes, standards and guidance used in the construction and commissioning of the installation.

11. Particulars of—

(a) the limits of the environmental and meteorological conditions beyond which the installation cannot safely be stationed or operated;

(b) the properties of the sea-bed and subsoil which are necessary for the safe stationing and operation of the installation; and

(c) the locations in which the installation may be stationed and operated safely.

12. A description of the arrangements for—

(a) identifying the risks from seabed and marine hazards, including the routes and locations of pipelines, moorings of adjacent installations, wells and other subsea equipment; and

(b) assessing the risks that they pose to the installation.

13. Particulars of any combined operations which may involve the installation, including

(a) a summary of the arrangements in place for co-ordinating the management systems of all duty holders involved in any such combined operation;

(b) a summary of the arrangements in place for a joint review of the safety aspects of any such combined operation by all duty holders involved, which must include the identification of hazards with the potential to cause a major accident and the assessment of risks which may arise during any such combined operation;

(c) the plant likely to be used during any such combined operation; and

(d) the likely impact any such combined operation may have on the installations involved.

14. An adequate description of the document setting out the safety management system prepared pursuant to regulation 31 and the accepted EMS (within the meaning of regulation 3 of the Offshore Petroleum Activities (Offshore Safety Directive) (Environmental Functions) Regulations 2015), and, where there is not an integrated safety and environmental management system, a demonstration of how the safety management system and the environmental management system are integrated.

15. A description of the internal emergency response arrangements;

16. A description of the verification scheme pursuant to regulation 31.

17. In respect of operations to be conducted from the installation, any information relating to the prevention of major accidents resulting in significant or serious damage to the environment relevant to other requirements under the relevant statutory provisions, obtained pursuant to Directive 2011/92/EU of the European Parliament and of the Council of 13 December 2011 on the assessment of the effects of certain public and private projects on the environment(**a**);

18. The assessment produced pursuant to paragraph 2(9) of Schedule 2 to the Merchant Shipping (Oil Pollution Preparedness, Response and Co-operation Convention) Regulations 1998.

19. A copy of the owner's corporate major accident prevention policy.

20. Any other relevant details.

SCHEDULE 4

Regulation 10(1)

PARTICULARS TO BE INCLUDED IN A NOTIFICATION OF COMBINED OPERATIONS

1. The name and address of each duty holder preparing the notification and a confirmation that every such duty holder has agreed to the contents of the notification.

2. A description, by reference to a bridging document authorised by all parties to the document, of how the management systems for the installations involved in the combined operation will be co-ordinated so as to reduce the risks from a major accident to comply with the relevant statutory provisions.

3. Particulars of any plant to be used in connection with the combined operation but which is not described in the current safety case for any of the installations involved in the combined operation.

4. A summary of the joint review referred to in paragraph 14(b) of Schedule 2 or paragraph 13(b) of Schedule 3, which must include

(a) a description of any activities during the combined operation which may involve hazards with the potential to cause a major accident on or in connection with an installation; and

(b) a description of any risk control measures introduced as a result of that review.

5. A description of the combined operation and a programme of work, which must include the dates on which the combined operation is expected to commence and finish.

6. The name and address of the duty holder submitting the notification.

(**a**) O.J. L26, 28.1.2012, p. 1-21.

SCHEDULE 5

Regulation 11

PARTICULARS TO BE INCLUDED IN A CURRENT SAFETY CASE IN RESPECT OF THE DISMANTLING OF A FIXED INSTALLATION

1. The name and address of the operator of the installation.

2. The dates on which dismantling is expected to commence and finish.

3. A summary of any worker involvement in the revised safety case, including how any safety representatives for that installation were consulted with regard to the revision of the safety case pursuant to regulation 23(2)(c)(i) of the Offshore Installations (Safety Representatives and Safety Committees) Regulations 1989.

4. The maximum number of persons expected to be on the installation at any time during its dismantling.

5. A description of how the duty holder will comply with regulation 4(1) of the PFEER Regulations with regard to the dismantling of the installation.

6. A description of arrangements made for protecting persons on the installation from toxic gas at all times other than during any period while they may need to remain on the installation following an incident which is beyond immediate control.

7. A description of how the proposed arrangements, methods and procedures for dismantling the installation and connected pipelines take adequate account of the design and method of construction of the installation and its plant.

8. Sufficient details to update the description of the internal emergency response arrangements—

(a) in the case of a production installation, under paragraph 17 of Schedule 2; or

(b) in the case of a non-production installation, paragraph 15 of Schedule 3.

9. In the case of the dismantling of a fixed production installation—

(a) information on the means of isolating all hazardous substances and, in the case of wells connected to the installation, the permanent sealing of the wells from the installation and the environment.

(b) a description of the risks of a major accident associated with the decommissioning of the installation to workers and the environment, the total exposed population, and the risk control measures.

(c) information on the emergency response arrangements to secure safe evacuation and rescue of personnel and to maintain control systems for preventing a major accident to the environment.

SCHEDULE 6

Regulation 17

PARTICULARS TO BE INCLUDED IN A NOTIFICATION OF WELL OPERATIONS

1. The name and address of the operator.

2. Where the well operation is to be carried out—

(a) from an installation, the name of the installation and the name and address of the duty holder for that installation; or

(b) by means of a vessel, the name of that vessel.

3. Particulars of the fluids to be used to control the pressure of the well.

4. Particulars of any plant, not described in the current safety case for the installation, which is to be used in connection with the well operation.

5. Particulars of the type of well, its number, and slot number, association with installations, and the name of any field development of which it may be part.

6. A description of the well operation and a programme of works which includes—

(a) the date on which each well operation is expected to commence and finish;

(b) the intended operational state of the well at the end of each well operation, including whether it is intended to be permanently or temporarily abandoned and whether production equipment is to be placed into the well for future use;

(c) details of barriers against loss of well control (including the equipment, drilling fluids and cement);

(d) directional control of the well path; and

(e) limitations on safe operations in keeping with the risk management.

7. A description of—

(a) any activities on or in connection with an installation or a vessel during the well operation described pursuant to paragraph 6 which may involve any hazards with the potential to cause a major accident; and

(b) such hazards.

8. In the case of a well which is to be drilled—

(a) particulars, with suitable diagrams, of—

(i) the location of the top of the well;

(ii) the directional path of the well-bore;

(iii) its terminal depth and location; and

(iv) its position, and that of nearby wells, relative to each other;

(b) particulars of the geological strata and formations, and of fluids within them, through which it will pass, and of any hazards with the potential to cause a major accident which they may contain;

(c) the procedures for effectively monitoring the direction of the well-bore, and for minimising the likelihood and effects of intersecting nearby wells; and

(d) a description of the design of the well, including the limits on its safe operation and use.

9. In the case of an existing well—

(a) a diagram of the well;

(b) a summary of earlier operations in relation to it;

(c) the purposes for which it has been used;

(d) its current operational state;

(e) its state of repair;

(f) the physical conditions within it; and

(g) its production capacity.

10. Where a well operation is to be carried out by means of a non-production installation or a vessel—

(a) particulars of—

(i) the meteorological and oceanographic conditions to which that installation or, as the case may be, vessel may foreseeably be subjected;

(ii) the depth of water; and

(iii) the properties of the sea-bed and subsoil at the location at which the well operation will be carried out; and

(b) a description of how the operator and—

(i) the owner of the installation; or

(ii) the operator and owner of the vessel involved in the well operation will co-ordinate their management systems so as to reduce the risks from a major accident to comply with the relevant statutory provisions.

11. The findings and comments of the independent and competent persons, obtained under the arrangements described in regulation 18(2) of the Offshore Installations and Wells (Design and Construction, etc.) Regulations 1996, in relation to the well operation, together with a description of the actions of the operator in response to those findings and comments.

12. In the case of an existing well, information regarding its history and condition.

13. A risk assessment incorporating a description of—

(a) the particular hazards associated with the well operation including any environmental, meteorological and seabed limitations on safe operations;

(b) the subsurface hazards;

(c) any surface or subsea operations which introduce simultaneous major hazard potential;

(d) suitable control measures;

14. In the case of a modification to a previously submitted notification of well operations, sufficient details fully to update the notification.

15. Where a well is to be constructed, modified or maintained by means of a non-production installation, additional information as follows—

(a) a description of any environmental, meteorological and seabed limitations on safe operations, and arrangements for identifying risks from seabed and marine hazards such as pipelines and the moorings of adjacent installations;

(b) a description of environmental conditions that have been taken into account within the internal emergency response arrangements for the installation;

(c) a description of the internal emergency response arrangements and a description of arrangements for responding in cases of environmental incidents that are not described in the safety case; and

(d) a description of how the management systems of the operator of the well and the owner are to be coordinated to ensure effective control of major hazards at all times.

16. A report with findings of the independent and competent persons pursuant to regulation 18 of the Offshore Installations and Wells (Design and Construction etc.) Regulations 1996 (and where the operator plans or prepares a material change, regulation 17(4) of these regulations), including in particular on the matters in paragraph 6(c) to (e).

17. A statement by the operator of the well, after considering the report referred to in paragraph 16—

(a) that the risk management relating to well design and its barriers to loss of control are suitable for all anticipated conditions and circumstances;

(b) the proposed actions in response to the report referred to in paragraph 16.

18. Particulars of information obtained pursuant to the PFEER Regulations and the Management Regulations 1995, so far as—

(a) relevant to the prevention of a major accident, and

(b) not otherwise already required to be provided pursuant to this Schedule.

19. In respect of the well operations to be conducted, particulars of information relevant to the relevant statutory provisions obtained pursuant to Directive 2011/92/EU relating to the prevention of major accidents resulting in significant or serious damage to the environment.

SCHEDULE 7

Regulation 19(2)(b)

MATTERS TO BE PROVIDED FOR IN A VERIFICATION SCHEME

1. The principles to be applied by the duty holder for the installation in selecting persons—

(a) to perform functions under the scheme; and

(b) to keep the scheme under review.

2. Arrangements for the communication of information necessary for the proper implementation, or revision, of the scheme to the persons referred to in paragraph 1.

3. The nature and frequency of examination and testing.

4. Arrangements for review and revision of the scheme.

5. The arrangements for the making and preservation of records showing—

(a) the examination and testing carried out;

(b) the findings;

(c) remedial action recommended; and

(d) remedial action performed.

6. Arrangements for communicating the matters specified in paragraph 5 to an appropriate level in the management system of the duty holder for the installation.

SCHEDULE 8

Regulation 24(2)

APPEALS

PART 1

1. In this Schedule—

"appeal" means an appeal under regulation 24;

"appellant" means a person who has brought an appeal;

"appointed person" means a person appointed in accordance with paragraph 2;

"hearing" means a hearing to which Part 2 of this Schedule applies; and

"the parties" means the appellant and the Executive.

2. The Secretary of State must direct that an appeal be determined by a person whom the Secretary of State appoints for the purpose and the Secretary of State must notify the parties in writing of the name of the appointed person.

3. Before the determination of an appeal, the appointed person must ask the parties whether they wish to appear and be heard on the appeal and—

(a) the appeal may be determined without a hearing of the parties if both of them express a wish not to be heard as aforesaid; or

(b) the appointed person must, if either party expresses a wish to appear and be heard, afford both of them an opportunity of so doing, in which case the provisions of Part 2 of this Schedule apply.

4. An appointed person may give such directions as thought appropriate to give effect to the determination.

5. The Secretary of State may pay to an appointed person such remuneration and allowances as the Secretary of State may, with the approval of the Minister for the Civil Service, determine.

PART 2

6.—(1) Subject to the following sub-paragraphs of this paragraph, a date, time and place for the holding of the hearing must be fixed by the appointed person, who must give not less than 28 days' notice in writing of such date, time and place to the parties.

(2) With the consent of the parties, the appointed person may give such lesser period of notice as is agreed with the parties and in that event the appointed person may specify a date for service of the statement referred to in paragraph 7(1) later than the date determined in accordance with that paragraph.

(3) Where it becomes necessary or advisable to vary the date, time or place fixed for the hearing, the appointed person must give such notice of the variation as may appear to the appointed person to be reasonable in the circumstances.

7.—(1) Not later than 21 days before the date of the hearing, or such later date as the appointed person may specify in accordance with paragraph 6(2), the competent authority must serve on the appellant a written statement of any submission which the competent authority proposes to put forward at the hearing and supply a copy of the statement to the appointed person.

(2) Where the competent authority intends to refer to or put in evidence documents (including photographs and plans) at the hearing—

(a) the statement of the competent authority must be accompanied by a list of those documents together with a written notice stating the times and place at which the documents may be inspected by the appellant; and

(b) the competent authority must afford the appellant a reasonable opportunity to inspect and, where practicable, to take copies of those documents.

(3) If so required by the appointed person, the appellant must—

(a) serve on the competent authority and on the appointed person, within such time before the hearing as the appointed person may specify, a written statement of the submissions which the appellant proposes to put forward at the hearing accompanied by a list of any documents (including photographs and plans) which the appellant intends to refer to or put in evidence at the hearing; and

(b) afford the competent authority a reasonable opportunity to inspect and, where practicable, to take copies of those documents.

8.—(1) The parties are entitled to appear at the hearing.

(2) Any other person may appear at the discretion of the appointed person provided that the person has, not later than 7 days before the date of the hearing, served on the competent authority a statement of the person's proposed submissions.

(3) The competent authority must send a copy of every statement served on it in accordance with subparagraph (2) to the appointed person and to the appellant.

(4) A body corporate may appear by its clerk or secretary or by any other officer appointed for the purpose by that body, or by counsel or a solicitor.

(5) A person may appear in person or be represented by counsel, a solicitor or any other person.

(6) Where there are two or more persons having a similar interest in the subject matter of the hearing, the appointed person may allow one or more persons to appear for the benefit of some or all persons so interested.

9.—(1) All hearings must be held in private.

(2) Except as otherwise provided in this Part of the Schedule, the procedure of the hearing is to be such as the appointed person determines and the appointed person must state at the commencement of the hearing the procedure which, subject to consideration of any submission by the parties, it is proposed to adopt.

(3) Unless in a particular case the appointed person, with the consent of the appellant, otherwise determines, the appellant must be heard first and must have the right of final reply.

(4) The parties must be entitled to make an opening statement, call evidence and cross-examine persons giving evidence but any other person appearing at the hearing may only do so to the extent permitted by the appointed person.

(5) Subject to sub-paragraph (6), any evidence may be admitted at the discretion of the appointed person, who may direct that documents tendered in evidence may be inspected by any person entitled or permitted to appear at the hearing and that facilities be afforded to take or obtain copies thereof.

(6) The appointed person may not require or permit the giving or production of any evidence, whether written or oral, which would be contrary to the public interest.

(7) The appointed person may allow the parties to alter or add to the submissions contained in any statement served under paragraph 7(1) or (3), or to any list of documents which accompanied such statement, so far as may be necessary for the purpose of determining the questions in controversy between them, but must (if necessary, by adjourning the hearing) give the other party an adequate opportunity of considering any such fresh submission or document.

(8) If any person entitled to appear at the hearing fails to appear, the appointed person may proceed with the hearing.

(9) The appointed person is entitled (subject to disclosure thereof at the hearing) to take into account any written representations or statements received before the hearing from any person.

(10) The appointed person may from time to time adjourn the hearing, and where this occurs, must give reasonable notice to every person entitled or permitted to appear at the hearing of the date, time and place of the adjourned hearing.

10.—(1) Where, after the hearing, the appointed person proposes to take into consideration—

(a) any new evidence, including expert opinion on a matter of fact; or

(b) any new issue of fact, not being a matter of government policy or a matter affecting the safety of the State, which was not raised at the hearing and which the appointed person considers to be material to a decision, the appointed person must not come to a decision without first notifying the parties of the substance of the new evidence or of the new issue of fact and affording them an opportunity of making representations thereon in writing within 21 days or of asking within that time for the re-opening of the hearing.

(2) If the appointed person thinks fit, the appointed person may cause the hearing to be re-opened and must cause it to be re-opened if asked to do so in accordance with sub-paragraph (1).

(3) Where a hearing is re-opened, paragraph 6(1) applies as it applied to the original hearing.

11. The appointed person must notify the decision on the appeal, and the reasons therefor, in writing to the parties and to any person who, having appeared at the hearing, has asked to be notified of the decision.

SCHEDULE 9

Regulation 25

AMENDMENTS

[***Drafting note: consideration is being given to how to regulate operations in internal waters. Depending on the final policy, adaptations will be made to the existing principal relevant statutory provisions, including PFEER, DCR, and MAR. For this reason proposed amendments (or savings of past amendments) are not stated here. A copy of the proposed significant amendments to MAR is provided as part of the consultation in an 'as amended' format. Amendments to DCR are likely to entail minor amendments to well report content, but verification for wells offshore may be treated as part of verification generally under these Regulations rather than under those regulations.***]

SCHEDULE 10

Regulation 29

PARTICULARS TO BE ADDRESSED IN A CORPORATE MAJOR ACCIDENT PREVENTION POLICY

1. The responsibility at corporate board level (or in the absence of a board, at a senior level in the organisation) for ensuring, on a continuous basis, that the corporate major accident prevention policy is suitable, implemented, and operating as intended.

2. Measures for building and maintaining a strong safety culture with a high likelihood of continuous safe operation.

3. The extent and intensity of process auditing.

4. Measures for rewarding and recognising desired behaviours.

5. The evaluation of the organisation's capabilities and goals.

6. Measures for maintenance of safety and environmental protection standards as an organisational core value.

7. Formal command and control systems that include board members and senior management of the organisation.

8. The approach to competency at all levels of the organisation.

9. The extent to which the particulars in paragraphs 1 to 8 of this Schedule are applied in the company's offshore oil and gas operations conducted outside the European Union.

SCHEDULE 11

Regulations 29(2) and 30(3)

MATTERS IN ACCORDANCE WITH WHICH THE CORPORATE MAJOR ACCIDENT PREVENTION POLICY AND SAFETY MANAGEMENT SYSTEM MUST BE PREPARED

1. The need to pay particular attention to evaluation of the reliability and integrity requirements of all safety and environmental-critical systems and base inspection and maintenance systems on achieving the required level of safety and environmental integrity.

2. The need to take appropriate measures to ensure as far as reasonably practicable that there is no unplanned escape of hazardous substances from pipelines, vessels and systems intended for their safe confinement. In addition, the need to ensure that no single failure of a containment barrier can lead to a major accident.

3. The need to ensure there is a suitable framework for monitoring compliance with all relevant statutory provisions by incorporating statutory duties in respect of major hazards control and environmental protection into standard operating procedures; and

4. The need to pay particular attention to building and maintaining a strong safety culture with a high likelihood of continuous safe operation, including with regard to securing cooperation of employees and contractors through, inter alia:

(a) visible commitment to tripartite consultations and actions arising from them;

(b) encouraging and rewarding reporting of accidents and near-misses;

(c) working effectively with elected safety representatives;

(d) protecting whistleblowers.

5. The need to adopt suitable measures to use suitable technical means or procedures in order to promote the reliability of the collection and recording of relevant data and to prevent possible manipulation of that data.

SCHEDULE 12

Regulation 30(3)

PARTICULARS TO BE ADDRESSED IN A SAFETY MANAGEMENT SYSTEM

1.Organisational structure and personnel roles and responsibilities.

2. Identification and evaluation of major hazards as well as their likelihood and potential consequences.

3. Controls of the major hazards during normal operations.

4. Management of change.

5. Emergency planning and response.

6. Monitoring of performance.

7. Audit and review arrangements.

8. The measures in place for participating in tripartite consultations and how actions resulting from those consultations are put into effect.

SCHEDULE 13

Regulation 36(4)

MATTERS TO BE CONSIDERED IN PREPARING AND REVISING STANDARDS AND GUIDANCE ON BEST PRACTICE IN RELATION TO THE CONTROL OF MAJOR HAZARDS

1. Improving well integrity, well control equipment and barriers and monitoring their effectiveness.

2. Improving primary containment.

3. Improving secondary containment that restricts escalation of an incipient major accident, including well blow-outs.

4. Reliable decision making.

5. Management and supervision of major hazard operations.

6. Competency of key post holders.

7. Effective risk management.

8. Reliability assessment for safety and environmental-critical systems.

9. Key performance indicators.

10. Effectively integrating safety and environmental management systems between operators and owners and other entities involved in oil and gas operations.

EXPLANATORY NOTE

(This note is not part of the Regulations)

[***The explanatory note will be added at a later date.***]

Annex 2(b)

STATUTORY INSTRUMENTS

1995 No. 743

HEALTH AND SAFETY

Offshore Installations (Prevention of Fire and Explosion, and Emergency Response) Regulations 1995

Made - - - -	*23rd March 1995*
Laid before Parliament	*3rd April 1995*
Coming into force - -	*20th June 1995*

The Secretary of State, in exercise of the powers conferred on him by sections 15(1), (2), (3)(a), and (5)(b), and 82(3)(a) of, and paragraphs 1(2), 8, 9, 11, 12, 13(1) and (3), 14, 15(1), 16, 18 and 20 of Schedule 3 to, the Health and Safety at Work etc Act 1974 ("the 1974 Act") and of all other powers enabling him in that behalf and for the purpose of giving effect without modifications to proposals submitted to him by the Health and Safety Commission under section 11(2)(d) of the 1974 Act after the carrying out by the said Commission of consultations in accordance with section 50(3) of that Act, hereby makes the following Regulations

Citation and commencement

1. These Regulations may be cited as the Offshore Installations (Prevention of Fire and Explosion, and Emergency Response) Regulations 1995 and shall come into force on 20th June 1995.

Interpretation

2.—(1) In these Regulations, unless the context otherwise requires—

"the [20~~01~~13] Order" means the Health and Safety at Work etc Act 1974 (Application outside Great Britain) Order [~~2001~~2013];

"the 1974 Regulations" means the Offshore Installations (Construction and Survey) Regulations 1974;

"the 1995 Regulations" means the Offshore Installations and Pipeline Works (Management and Administration) Regulations 1995;

"acoustic signal" means a coded sound signal which is released and transmitted by a device designed for that purpose, without the use of a human or artificial voice;

"competent authority" means the Health and Safety Executive and the Secretary of State acting jointly;

…

["duty holder" means—

(a) in relation to a production installation, the operator; and

(b) in relation to a non-production installation, the owner;]

"emergency" means an emergency of a kind which can require evacuation, escape or rescue;

"emergency response" means action to safeguard the health and safety of persons on or near an installation in an emergency;

"evacuation" means the leaving of an installation and its vicinity, in an emergency, in a systematic manner and without directly entering the sea;

~~"the Executive" means the Health and Safety Executive;~~

"explosion" means unplanned explosion;

"external emergency response" means the response planned pursuant to the external emergency response plan;

"external emergency response plan" means the national plan for pollution emergencies prepared by the Secretary of State pursuant to section 293(2)(za) of the Merchant Shipping Act 1995 and the Search and Rescue Framework for the United Kingdom of Great Britain and Northern Ireland as published by the Secretary of State from time to time;

"fire" means unplanned or uncontrolled fire;

…

"illuminated sign" means a sign produced by a device made of transparent or translucent materials which are illuminated from the inside or the rear in such a way as to give the appearance of a luminous surface;

"installation" means an offshore installation within the meaning of regulation 3 of the 1995 Regulations;

~~["licensee" means any person to whom a licence to search and bore for and get petroleum in respect of any area within relevant waters is granted pursuant to section 3 of the Petroleum Act 1998;]~~

"major accident" has the same meaning as in regulation 2(1) of the Offshore Installations (Offshore Safety Directive) (Safety Case etc.) Regulations [~~2005~~2015];

…

"muster areas" shall be construed in accordance with regulation 14(1)(a);

["non-production installation" means an installation other than a production installation;]

~~[~~"operator" ~~means~~has the meaning given by the Offshore Petroleum Licensing (Offshore Safety Directive) Regulations 2015;

~~(a) the person appointed by the licensee to manage and control directly or by any other person the execution of the main functions of a production installation; or~~

~~(b) the licensee, where—~~

~~(i) it is not clear to the Executive that one person has been appointed to perform the functions described in paragraph (a); or~~

~~(ii) in the opinion of the Executive, any person appointed to perform the functions described in paragraph (a) is incapable of performing those functions satisfactorily;]~~

["owner" means the person who controls or is entitled to control the operation of a non-production installation;]

"personal protective equipment" has the same meaning as in regulation 2(1) of the Personal Protective Equipment at Work Regulations 1992

["petroleum"—

(a) includes any mineral oil or relative hydrocarbon and natural gas, whether or not existing in its natural condition in strata; and

(b) does not include coal or bituminous shales or other stratified deposits from which oil can be extracted by destructive distillation; and

"production installation" means an installation which—

(a) extracts petroleum from beneath the sea-bed by means of a well;

(b) ~~stores gas in or under the shore or bed of relevant waters and recovers gas so stored~~; or

(c) is used for the conveyance of petroleum by means of a pipe,

and—

(a) includes a—

(i) non-production installation converted for use as a production installation for so long as it is so converted;

(ii) production installation which has ceased production for so long as it is not converted to a non-production installation; and

(iii) production installation which has not come into use; and

(b) does not include an installation which, for a period of no more than 90 days, extracts petroleum from beneath the sea-bed for the purposes of well testing];

(2) Unless the context otherwise requires, any reference in these Regulations to—

(a) a numbered regulation is a reference to the regulation in these Regulations so numbered;

(b) a numbered paragraph is a reference to the paragraph so numbered in the regulation in which the reference appears.

Application

3.—(1) These Regulations shall apply—

(a) in Great Britain, and

(b) to and in relation to installations and activities outside Great Britain to which sections 1 to 59 and 80 to 82 of the 1974 Act apply by virtue of articles 4(1) and (2)~~(b)~~, 5 and 6 of the [~~2001~~2013] Order.

(2) Regulations 4 to 22, and 24 to 26 shall not apply in relation to an installation which is in transit to or from a station; and an installation is not in transit to or from a station while it is being manoeuvred at the station.

(3) [***Drafting note: consideration is being given to how to regulate operations in internal waters. Depending on the final policy, adaptations will be made to the existing principal relevant statutory provisions, including these regulations, DCR and MAR. It is not intended that requirements of Directive 2013/30/EU apply in internal waters.***]

General duty

4.—(1) The duty holder shall take appropriate measures with a view to—

(a) protecting persons on the installation from fire and explosion; and

(b) securing effective emergency response.

(2) Any more detailed requirement in regulations 6 to 21, and 24 to 26, for the purposes referred to in paragraph (1) shall be without prejudice to the generality of paragraph (1).

Assessment

5.—(1) The duty holder shall perform, and thereafter repeat as often as may be appropriate a process (in this regulation called "an assessment") described in paragraph (2) in relation to the installation.

(2) An assessment shall consist of—

(a) the identification of the various events which could give rise to—

(i) a major accident involving fire or explosion; or

(ii) the need (whether or not by reason of fire or explosion) for evacuation, escape or rescue to avoid or minimise a major accident;

(b) the evaluation of the likelihood and consequences of such events;

(c) the establishment of appropriate standards of performance to be attained by anything provided by measures for—

(i) ensuring effective evacuation, escape, recovery and rescue to avoid or minimise a major accident; and

(ii) otherwise protecting persons from a major accident involving fire or explosion; and

(d) the selection of appropriate measures.

(3) The duty holder shall—

(a) record the assessment (including each repetition of it);

(b) keep the record at an address in Great Britain; and

(c) notify the ~~Executive~~ competent authority of such address.

Preparation for emergencies

6.—(1) The duty holder shall establish such appropriate organisation and arrangements as are to have effect in, or in anticipation of, an emergency and which shall include arrangements—

(a) for command by competent persons which can be maintained, so far as is practicable, throughout an emergency;

(b) for there to be a sufficient number of persons on the installation competent to undertake emergency duties and operate relevant equipment;

(c) in the case of an installation on which personnel are present, for a sufficient number of such persons to be in attendance at the helicopter landing area during helicopter movements; ~~and~~

(d) for lists of persons referred to in sub-paragraphs (a), (b) and (c) above to be posted at suitable locations on the installation when persons are present~~.~~; and

(e) for coordinating the emergency response with the external emergency response.

(2) The duty holder shall ensure that every person on the installation—

(a) is provided with adequate instruction and training in the appropriate action to take in an emergency, including how to co-ordinate with persons responding to an emergency who are not on the installation when the emergency begins; and

(b) can consult written information on the use of emergency plant.

Equipment for helicopter emergencies

7. The duty holder shall ensure that there is kept available near the helicopter landing area equipment necessary for use in the event of an accident involving a helicopter.

Emergency response plan

8.—(1) The duty holder shall, after consulting persons who are likely to become involved in emergency response, prepare and, as often as is appropriate, revise a document (in this regulation called "the emergency response plan") containing sufficient information, for the guidance of such persons, on—

(a) the organisation and arrangements which are to have effect in an emergency; and

(b) procedures by way of emergency response to be followed in different circumstances.

(2) The duty holder shall ensure that—

(a) the emergency response plan is available to all persons on the installation; and

(b) each person on the installation, and each person who may be called upon to assist in implementing the emergency response plan, are given such notification of its contents as is sufficient for them.

(3) The duty holder shall ensure that the organisation, arrangements and procedures referred to in paragraph (1) are tested, by practice and otherwise, as often as may be appropriate.

(4) Every person on the installation shall, in an emergency, so far as is practicable, conform to the appropriate procedure in the plan.

Prevention of fire and explosion

9.—(1) The duty holder shall take appropriate measures with a view to preventing fire and explosion, including such measures to—

(a) ensure the safe production, processing, use, storage, handling, treatment, movement and other dealings with flammable and explosive substances;

(b) prevent the uncontrolled release of flammable or explosive substances;

(c) prevent the unwanted or unnecessary accumulation of combustible, flammable or explosive substances and atmospheres; and

(d) prevent the ignition of such substances and atmospheres.

(2) The measures to prevent ignition referred to in paragraph (1) shall include—

(a) identifying and designating areas in which there is a risk of a flammable or explosive atmosphere occurring;

(b) controlling the carrying on of hazardous activities in such areas;

(c) ensuring that, save under procedures pursuant to sub-paragraph (b) above, no plant is used in such areas unless suitable for use within them; and

(d) controlling the placing or use in such areas of electrical fixtures or other sources of ignition.

Detection of incidents

10. The duty holder shall take appropriate measures—

(a) with a view to detecting fire and other events which may require emergency response, including the provision of means for—

(i) detecting and recording accumulations of flammable or toxic gases; and

(ii) identifying leakages of flammable liquids; and

(b) with a view to enabling information regarding such incidents to be conveyed forthwith to places from which control action can be instigated.

Communication

11.—(1) The duty holder shall make appropriate arrangements—

(a) for giving warning of an emergency, by audible and, where necessary, visual alarm systems, to all persons on the installation; and

(b) for the purpose of emergency response, for communication between—

(i) persons on the installation;

(ii) the installation and persons not on it and engaged in activities in connection with it; and

(iii) the installation and persons beyond it;

and shall ensure that, so far as is reasonably practicable, the arrangements are capable of remaining effective in an emergency.

(2) Subject to paragraph (3), the duty holder shall ensure that—

(a) an illuminated sign provided pursuant to paragraph (1)(a) is—

(i) in the case of a warning of toxic gas, a red flashing sign; and

(ii) in all other cases, a yellow flashing sign; and

(b) an acoustic signal provided pursuant to paragraph (1)(a) is—

(i) in the case of a warning to prepare for evacuation, a continuous signal of variable frequency;

(ii) in the case of a warning of toxic gas, a continuous signal of a constant frequency; and

(iii) in all other cases, an intermittent signal of a constant frequency.

(3) Where an illuminated sign or acoustic signal is in lawful use immediately before the date of coming into force of these Regulations, but it does not meet the requirements of paragraph (2), it shall be sufficient compliance with that paragraph if a change to a sign or signal so complying is made before 20th December 1997.

Control of emergencies

12. The duty holder shall—

(a) take appropriate measures with a view to limiting the extent of an emergency, including such measures to combat fire and explosion; and

(b) shall ensure that—

(i) where appropriate, those measures include provision for the remote operation of plant; and

(ii) so far as is reasonably practicable, any arrangements made and plant provided pursuant to this regulation are capable of remaining effective in an emergency.

Mitigation of fire and explosion

13. The duty holder shall—

(a) take appropriate measures with a view to protecting persons on the installation during an emergency from the effects of fire and explosion; and

(b) ensure that, so far as is reasonably practicable, any arrangements made and plant provided pursuant to this regulation are capable of remaining effective in an emergency.

Muster areas etc

14.—(1) The duty holder shall make appropriate provision for—

(a) areas for persons to muster safely in an emergency (in these Regulations referred to as "muster areas");

(b) safe egress from accommodation and work areas, and safe access to muster areas, temporary refuge, and evacuation and escape points; and

(c) safe evacuation and escape points.

(2) The duty holder shall ensure that the muster areas, egress, access and evacuation and escape points referred to in paragraph (1)—

(a) are kept unobstructed;

(b) are provided with adequate emergency lighting; and

(c) are marked by suitable signs,

and shall take appropriate measures to ensure that, so far as is reasonably practicable, the egress and access remain passable in an emergency.

(3) The duty holder shall ensure that—

(a) doors for use in an emergency—

(i) open in the appropriate direction or, if this is not possible, are sliding doors; and

(ii) are not so fastened that they cannot readily be opened by any person who may require to use them in an emergency; and

(b) accommodation areas are provided at each level with at least two means of egress situated a proper distance apart.

(4) The duty holder shall—

(a) ensure that—

(i) each person on the installation is assigned to a muster area; and

(ii) for each muster area a list of names of persons assigned to it is kept up-to-date and displayed; and

(b) establish procedures—

(i) for mustering at such areas; and

(ii) for accounting for persons.

Arrangements for evacuation

15. The duty holder shall ensure that such arrangements are made which include, to the extent necessary—

(a) the provision of plant on the installation; and

(b) such arrangements with suitable persons beyond the installation,

as will ensure, so far as is reasonably practicable, the safe evacuation of all persons and their being taken to a place of safety, or to a place from which they can be recovered and taken to a place of safety under arrangements made pursuant to regulation 17.

Means of escape

16. The duty holder shall provide such means as will ensure, so far as is reasonably practicable, the safe escape of all persons from the installation in case arrangements for evacuation fail.

Arrangements for recovery and rescue

17. The duty holder shall ensure that effective arrangements are made, which [shall] include such arrangements with suitable persons beyond the installation, for—

(a) recovery of persons following their evacuation or escape from the installation; and

(b) rescue of persons near the installation; and

(c) taking such persons to a place of safety,

and for the purposes of this regulation arrangements shall be regarded as being effective if they secure a good prospect of those persons being recovered, rescued, and taken to a place of safety.

Suitability of personal protective equipment for use in an emergency

18.—(1) In relation to personal protective equipment which protects a person in an emergency against risks to his health and safety—

(a) in conditions of fire, heat, smoke, fumes or toxic gas; or

(b) in the event of his immersion in the sea,

the duty holder shall, for the purposes of the Personal Protective Equipment at Work Regulations 1992, be treated as the only employer of all persons on the installation, and such persons shall be treated as only employed by him.

(2) The duty holder shall ensure that there is prepared and operated a written scheme for the systematic examination and, where appropriate, testing, by a competent person, of the equipment referred to in paragraph (1) and for recording the results thereof.

Suitability and condition of plant

19. The duty holder shall ensure that all plant on the installation provided in compliance with these Regulations (other than aircraft, or equipment to which regulation 18 applies)—

(a) is so constructed or adapted as to be suitable for the purpose for which it is used or provided; and

(b) is maintained in an efficient state, in efficient working order and in good repair.

Life-saving appliances

20. The duty holder shall ensure that survival craft, life-rafts, life-buoys, life-jackets and plant for like purposes—

(a) are of such colour as will make them conspicuous when in use;

(b) are (where applicable) suitably equipped; and

(c) are kept available for immediate use in sufficient numbers.

Information regarding plant

21. The duty holder shall ensure that information, giving the location of—

(a) areas in which there is a risk of a flammable or explosive atmosphere occurring;

(b) non-automatic plant for fighting fire; and

(c) plant to which regulations 18(1) and 20 apply (other than plant issued to particular persons),

is available to all persons on the installation.

Certificates of exemption

22.—(1) Subject to paragraph (2) and to any of the provisions imposed by the [European Union] in respect of the encouragement of improvements in the safety and health of workers at work or by Directive 2013/30/EU, the ~~Executive~~ competent authority may, by a certificate in writing, exempt any person, installation or class of persons or installations from any requirement or prohibition imposed by these Regulations and any such exemption may be granted subject to conditions and with or without limit of time and may be revoked by a certificate in writing at any time.

(2) The ~~Executive~~ competent authority shall not grant any such exemption unless, having regard to the circumstances of the case and, in particular, to—

(a) the conditions, if any, which it proposes to attach to the exemption; and

(b) any other requirements imposed by or under any enactments which apply to the case,

it is satisfied that the health and safety of persons who are likely to be affected by the exemption will not be prejudiced in consequence of it.

…

Revocation

23. The instruments specified in column 1 of the Schedule hereto are hereby revoked to the extent specified in column 3 of the Schedule.

Inventory of equipment etc.

24.—(1) The duty holder must prepare an inventory of available equipment, its ownership, location, transport to and mode of deployment at the installation and any person relevant to the performance of the duties in these regulations (except regulations 5, 18, 19, 20).

(2) The inventory referred to in paragraph (1) must identify measures in place to ensure equipment and procedures are maintained in operable condition.

(3) The duty holder must ensure all plant on the installation provided in compliance with paragraph (1) is made available at all times and made available as necessary to [*the authorities responsible for the execution of the external emergency response plan*].

(4) Duty holders must prepare and maintain a complete inventory of emergency response equipment pertinent to their offshore oil and gas operations.

Initiation and direction of emergency response, and liaison with external response authorities

25. The duty holder must authorise a person or persons—

(a) to initiate an emergency response;

(b) to direct an emergency response; and

(c) to liaise with [*the authority or authorities responsible for the external emergency response plan*]

Arrangements for early warning of major accidents

26. The duty holder must make arrangements for providing early warning of a major accident to [*the authority or authorities responsible for initiating the external emergency response plan*] including the type of information which is to be contained in an initial warning and make arrangements for the provision of more detailed information as it becomes available.

Annex 2(c)

STATUTORY INSTRUMENTS

1995 No. 738

HEALTH AND SAFETY

Offshore Installations and Pipeline Works (Management and Administration) Regulations 1995

Made - - - -	*21st March 1995*
Laid before Parliament	*3rd April 1995*
Coming into force	
All regulations except regulation 23(2)	*20th June 1995*
regulation 23(2)	*20th June 1997*

The Secretary of State, in exercise of the powers conferred on him by sections 15(1), (2), (3)(a) and (5)(b), and 82(3)(a) of, and paragraphs 6, 14, 15(1) and 16 of Schedule 3 to, the Health and Safety at Work etc. Act 1974 and of all other powers enabling him in that behalf and for the purpose of giving effect without modifications to proposals submitted to him by the Health and Safety Commission under section 11(2)(d) of the 1974 Act after the carrying out by the said Commission of consultations in accordance with section 50(3) of that Act, hereby makes the following Regulations:

Citation and Commencement

1. These Regulations may be cited as the Offshore Installations and Pipeline Works (Management and Administration) Regulations 1995 and shall come into force on 20th June 1995, except regulation 23(2), which shall come into force on 20th June 1997.

Interpretation

2.—(1) In these Regulations, unless the context otherwise requires—

"the 1969 Act" means the Employers' Liability (Compulsory Insurance) Act 1969;

"the 1971 Act" means the Mineral Workings (Offshore Installations) Act 1971;

"the 1995 Order" means the Health and Safety at Work etc Act 1974 (Application outside Great Britain) Order 1995;

"apparatus or works" means—

(a) apparatus or works described in paragraphs (a) to (f); and

(b) a structure described in paragraph (g),

of the definition of "pipeline" in article 6(2) of the 1995 Order;

"associated structure" means, in relation to an offshore installation, a vessel, aircraft or hovercraft attendant on the installation or any floating structure used in connection with the installation;

…

["duty holder" means—

(a) in relation to a production installation, the operator; and

(b) in relation to a non-production installation, the owner;]

…

"installation manager" means, in relation to an offshore installation, the person appointed for the purposes of regulation 6(1)(a) who is for the time being in charge of it;

["licensee" means any person to whom a licence to search and bore for and get petroleum in respect of any area within relevant waters is granted pursuant to section 3 of the Petroleum Act 1998;]

…

["non-production installation" means an installation other than a production installation;]

"offshore installation" shall be construed in accordance with regulation 3;

"offshore oil and gas operations" means all activities associated with an installation relating to exploration and production of petroleum, including the design, planning, construction, operation and decommissioning of the installation, but excluding the conveyance of petroleum from one coast to another;

~~["operator" means—~~

~~(a) the person appointed by the licensee to manage and control directly or by any other person the execution of the main functions of a production installation; or~~

~~(b) the licensee, where—~~

~~(i) it is not clear to the Executive that one person has been appointed to perform the functions described in paragraph (a); or~~

~~in the opinion of the Executive, any person appointed to perform the functions described in paragraph (a) is incapable of performing those functions satisfactorily;~~

~~]~~"operator," in relation to offshore waters, has the meaning given by the Offshore Petroleum Licensing (Offshore Safety Directive) Regulations 2015;

["owner" means the person who controls or is entitled to control the operation of a non-production installation;]

["petroleum"—

(a) includes any mineral oil or relative hydrocarbon and natural gas, whether or not existing in its natural condition in strata; and

(b) does not include coal or bituminous shales or other stratified deposits from which oil can be extracted by destructive distillation;]

"pipeline" means a pipeline within the meaning of article 6(2) of the [2001] Order;

"pipeline works" means pipeline works within the meaning of article 6(2) of the [2001] Order;

["production installation" means an installation which—

(a) extracts petroleum from beneath the sea-bed by means of a well; or

(b) ~~stores gas in or under the shore or bed of relevant waters and recovers gas so stored; or~~

(c) is used for the conveyance of petroleum by means of a pipe,

and—

(a) includes a—

(i) non-production installation converted for use as a production installation for so long as it is so converted;

(ii) production installation which has ceased production for so long as it is not converted to a non-production installation; and

(iii) production installation which has not come into use; and

(b) does not include an installation which, for a period of no more than 90 days, extracts petroleum from beneath the sea-bed for the purposes of well testing;]

"relevant employee" means an employee—

(a) who is ordinarily resident in the United Kingdom, or

(b) who is not ordinarily resident in the United Kingdom but who has been present in the United Kingdom and relevant waters in the course of employment there for a continuous period of not less than 7 days;

"relevant waters" means—

(a) ~~tidal waters and parts of the sea~~ the territorial sea ~~in or~~ adjacent to Great Britain ~~up to the seaward limits of territorial waters~~; and

(b) any area designated by order under section 1(7) of the Continental Shelf Act 1964; …

["supplementary unit" means a fixed or floating structure, other than a vessel, for providing energy, information or substances to an offshore installation; and]

"vessel" includes a hovercraft and any floating structure which is capable of being staffed.

(2) Any reference in these Regulations to operating an offshore installation is a reference to using the installation for any of the purposes described in regulation 3(1).

(3) For the purpose of these Regulations any structures and devices on top of a well shall be treated as forming part of the well.

(4) Unless the context otherwise requires, any reference in these Regulations to—

(a) a numbered regulation is a reference to the regulation in these Regulations so numbered;

(b) a numbered paragraph is a reference to the paragraph so numbered in the regulation in which the reference appears; and

(c) a numbered Schedule is a reference to the Schedule in these Regulations so numbered.

Meaning of "offshore installation"

3.—(1) Subject to the provisions of this regulation, in these Regulations the expression "offshore installation" means a structure which is, or is to be, or has been used, while standing or stationed in relevant waters~~, or on the foreshore or other land intermittently covered with water~~—

(a) for the exploitation, or exploration with a view to exploitation, of mineral resources by means of a well;

(b) ~~for the storage of gas in or under the shore or bed of relevant waters or the recovery of gas so stored;~~

(c) for the conveyance of things by means of a pipe;

(d) for undertaking activities that involve mechanically entering the pressure containment boundary of a well; or

(e) ~~mainly~~ primarily for the provision of accommodation for persons who work on or from a structure falling within any of the provisions of this paragraph,

[together with any supplementary unit which is ordinarily connected to it or any part of it (including those parts described in paragraph (3) below) and all of the connections].

(2) [Any reference in paragraph (1) to a structure or unit does not include]—

(a) a structure which is connected with dry land by a permanent structure providing access at all times and for all purposes;

(b) a well;

(c) a structure or device which does not project above the sea at any state of the tide;

(d) ~~a structure which has ceased to be used for any of the purposes specified in paragraph (1), and has since been used for a purpose not so specified;~~

(e) a mobile structure which has been taken out of use and is not [yet being moved with a view to its being] used for any of the purposes specified in paragraph (1); and

(f) any part of a pipeline.

(3) For the purposes of these Regulations there shall be deemed to be part of an offshore installation—

(a) any well for the time being connected to it by pipe or cable;

(b) such part of any pipeline connected to it as is within 500 metres of any part of its main structure;

(c) any apparatus or works which are situated—

(i) on or affixed to its main structure; or

(ii) wholly or partly within 500 metres of any part of its main structure and associated with a pipe or system of pipes connected to any part of that installation.

(4) Where two or more structures are, or are to be, connected permanently above the sea at high tide they shall for the purposes of these Regulations be deemed to comprise a single offshore installation.

Application

4.—(1) These Regulations shall apply—

(a) in Great Britain; and

(b) to and in relation to offshore installations, wells, pipelines and activities outside Great Britain to which sections 1 to 59 and 80 to 82 of the Health and Safety at Work etc Act 1974 apply by virtue of articles 4(1) and (2)(b), 5 and 6 of the 1995 Order.

(2) Regulations 6 to 21 shall not apply in relation to an offshore installation which is in transit to or from a location; and an offshore installation is not in transit to or from a location while it is being manoeuvred at the location.

(3) Save where otherwise expressly provided, nothing in regulations 6 to 13 or 15 to 18 shall impose a duty in relation to an offshore installation while there are no persons aboard.

(4) Regulations 24 to 28 do not apply to an offshore installation registered as a vessel (whether registered in the United Kingdom or elsewhere) or which is in transit to or from a station, or which is unmanned.

Notification concerning offshore installations

5.—(1) The duty holder shall, ~~no later than~~before the date on which an offshore installation is due to enter or leave relevant waters, notify the Executive in writing of the date of its intended entry into or departure from such waters.

(2) Where there is a change of duty holder in relation to an offshore installation, the new duty holder shall ensure that it is not operated until the Executive has been notified in writing of—

(a) the date of such change;

(b) the name and address of the new duty holder; and

(c) where the address furnished pursuant to sub-paragraph (b) is outside Great Britain, an address in Great Britain to which communications to him may be sent.

Managers

6.—(1) The duty holder shall ensure that—

(a) the offshore installation is at all times under the charge of a competent person appointed by him to manage on his behalf the installation and the persons on it; and a reference to the installation manager is a reference to such person while he is in charge;

(b) the installation manager is provided with appropriate resources to be able to carry out effectively his function, and the duties he may have to discharge under regulation 8; and

(c) the identity of the installation manager is known to or readily ascertainable by every person on the installation.

(2) For the purpose of paragraph (1)(a), a person is not in charge of an offshore installation when he is not on it unless he remains in communication with it and, in a case where it might be necessary to exercise his functions, is able to reach it promptly.

Restraint and putting ashore

7.—(1) If an installation manager has reasonable cause to believe that it is necessary or expedient to do so for the purpose of securing the safety of the offshore installation or the safety or health of persons on or near it, he may take such measures against a person on the installation, including—

(a) restraint of his person; and

(b) putting him ashore in the United Kingdom as soon as is practicable thereafter,

as are reasonable.

(2) If it appears likely that a person will not be put ashore within twenty-four hours of being put under restraint, the installation manager shall forthwith give notice to the duty holder of his being kept under restraint and of the reason for it.

Co-operation

8.—(1) Every person shall co-operate—

(a) with the installation manager, and any other person on whom any duty is placed by regulations 5 to 19, so far as is necessary to enable him to comply with the relevant statutory provisions, including this regulation;

(b) with the installation manager, so far as is necessary to enable him to discharge his functions described in regulations 6 and 7; and

(c) with the helicopter landing officer, so far as is necessary to enable him to perform his function referred to in regulation 13.

(2) In addition to the duty placed on him by paragraph (1), an installation manager shall co-operate with the manager of another offshore installation, where an activity carried out from, by means of or on one of the installations could affect the health and safety of persons on the other installation or of persons engaged in an activity in connection with the other installation.

(3) The duty in paragraph (1) is without prejudice to any duty owed by a master, captain or person in charge of any vessel or aircraft.

Records

9.—(1) The duty holder shall ensure that there is kept on the offshore installation or at a suitable place nearby a record of the persons who are for the time being on, or working from the installation, and containing, in relation to each such person—

(a) his full name; and

(b) the name and address of his employer, if any,

and in this regulation such a record is referred to as “the offshore record”.

(2) The duty holder shall ensure that, as soon as possible after an entry is made in the offshore record, a like entry is made together with the following additional information—

(a) the nationality of the person working on or from the installation;

(b) his date of birth;

(c) his usual residence; and

(d) the name, address and relationship of any next of kin of his,

in another record, in this regulation referred to as "the onshore record".

(3) The duty holder shall ensure that an entry in the onshore record relating to any person is thereafter kept readily available at an address in Great Britain until 28 days after he ceases to be on or to work from the installation.

Permits to work

10. In cases where, because of—

(a) the kind of work which may be done on the offshore installation; or

(b) the circumstances in which work may be done on the offshore installation,

it is necessary for the health or safety of persons to do so, the duty holder shall introduce arrangements for securing that, in such a case, a person does not do such work save in accordance with the terms of a permit in writing, given by a competent person authorised by or on behalf of the duty holder.

Instructions

11. The duty holder shall ensure that, where necessary for the health and safety of persons—

(a) comprehensible instructions on procedures to be observed on the offshore installation are put in writing; and

(b) the relevant part of such instructions is brought to the attention of every person who is to do anything to which that part relates.

Communication

12. The duty holder shall ensure that arrangements, which are appropriate for health and safety purposes, are in place for effective communication—

(a) between the offshore installation and the shore, vessels, aircraft and other installations; and

(b) where a helicopter is to land on or take off from an offshore installation aboard which there will be no persons immediately before the landing, or after the take-off, between the helicopter and—

(i) a suitable offshore installation with persons on board; or

(ii) where there is no such installation, suitable premises ashore.

Helicopters

13. The duty holder shall ensure that—

(a) a competent person appointed to be in control of helideck operations on the offshore installation (in these Regulations referred to as "the helicopter landing officer") is present on the installation;

(b) such person is in control throughout such operations; and

(c) such procedures are established, and plant provided, as will secure, so far as is reasonably

Operational information

14. The duty holder shall make arrangements for the collection and keeping of—

(a) such meteorological and oceanographic information; and

(b) such information relating to the motions of the offshore installation,

as is necessary for securing, so far as is reasonably practicable, the safe operation of the installation and the safety of persons on or near it.

Information to persons

15.—(1) The duty holder shall ensure that the address and telephone number of the office of the Executive for the sector in which the offshore installation is situated is known to or readily ascertainable by every person on the installation.

(2) The employer of a person who is not on an offshore installation, and who is engaged in—

(a) an activity in connection with an offshore installation;

(b) an activity in connection with a well;

(c) pipeline works; or

(d) any of the following activities in connection with pipeline works—

(i) the loading, unloading, fuelling or provisioning of a vessel;

(ii) the loading, unloading, fuelling, repair and maintenance of an aircraft on a vessel,

being in either case a vessel which is engaged in pipeline works,

shall ensure that the address and telephone number of the office of the Executive for the sector in which the installation or well is situated, or the pipeline works, or activity described in sub-paragraph (d) above, is or are carried out, is known to or readily ascertainable by such person.

Health surveillance

16.—(1) An employer of a person engaged in work on an offshore installation shall ensure that he is provided with such health surveillance as is appropriate to the health and safety risks incurred in the work; and, where that person is assigned to the work after the coming into force of these Regulations (apart from regulation 23(2)), the health surveillance shall be commenced before he is so assigned.

(2) In this regulation "appropriate" means appropriate having regard to the nature and magnitude of the risks to the safety and health of the employee created by the relevant work.

Drinking water

17. The duty holder shall ensure that—

(a) an adequate supply of clean, wholesome drinking water is available at suitable locations on the offshore installation; and

(b) such locations are clearly marked to show that drinking water is there.

Provisions

18. The duty holder shall ensure that all provisions for consumption by persons on the offshore installation are fit for human consumption, palatable and of good quality.

Identification of the offshore installation

19. Save where the nature of the structure makes it impracticable to do so, the duty holder shall ensure that the offshore installation—

(a) displays its name or other designation in such a manner as to make the installation readily identifiable on approach by sea or air; and

(b) displays no name, letters or figures likely to be confused with the name or other designation of another offshore installation.

Certificates of exemption

20.—(1) Subject to paragraph (2) and to any of the provisions imposed by the [European Union] in respect of the encouragement of improvements in the safety and health of workers at work, and in particular, of Directive 2013/30/EU on safety of offshore oil and gas operations and amending Directive 2004/35/EC(**a**), the Executive may, by a certificate in writing, exempt any person, offshore installation or class of persons or offshore installations from any requirement or prohibition imposed by these Regulations and any such exemption may be granted subject to conditions and with or without limit of time and may be revoked by a certificate in writing at any time.

(2) The Executive shall not grant any such exemption unless, having regard to the circumstances of the case and, in particular, to—

(a) the conditions, if any, which it proposes to attach to the exemption; and

(b) any other requirements imposed by or under any enactments which apply to the case,

it is satisfied that the health and safety of persons who are likely to be affected by the exemption will not be prejudiced in consequence of it.

Application of the Employers' Liability (Compulsory Insurance) Act 1969

21.—(1) The 1969 Act shall apply to employers of relevant employees employed for work on or from offshore installations, or on or from associated structures in the course of activities undertaken on or in connection with such installations, subject to such modifications and extensions as are hereafter in this regulation prescribed.

(2) In section 1 of the 1969 Act applied as aforesaid—

(a) in subsection (1) the words "carrying on any business in Great Britain" shall be omitted and, for the words from "his employees" to the end of the subsection, there shall be substituted the words "those of his relevant employees who are employed by him for work on or from an offshore installation, or on or from an associated structure in the course of an activity undertaken on or in connection with an offshore installation, and arising out of and in the course of their employment for that work"; and

(b) at the end of paragraph (d) of subsection (3) there shall be added the following paragraph—

"(e) any expression to which a meaning is given by the Offshore Installations and Pipeline Works (Management and Administration) Regulations 1995, and to which a meaning is not given by this Act, shall have the same meaning in this Act."

(3) Section 2(2)(b) of the 1969 Act applied as aforesaid shall have no effect.

(4) In section 4(2)(a) of the 1969 Act applied as aforesaid, after the word "insurance" there shall be inserted the words "or make arrangements to secure the maintenance of such copies on offshore installations or associated structures".

(5) After section 5 of the 1969 Act applied as aforesaid there shall be inserted the following sections—

"**Liability of owners of offshore installations**

5A.—(1) In respect of any offshore installation, it shall be the duty of the owner of the installation to ensure that requirements imposed by or under this Act are complied with and where, in respect of that installation—

(a) any employer is on any day not insured in accordance with this Act, the owner of the installation shall be guilty of an offence and liable on summary conviction to a fine not exceeding level 3 on the standard scale; or

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(**a**) O.J. No. L178, 28.06.13, p.66.

(b) any person fails to comply with a requirement imposed by or under section 4 of this Act, the owner of the installation shall be guilty of an offence and liable on summary conviction to a fine not exceeding level 2 on the standard scale.

(2) In proceedings against the owner of an installation for an offence under this section it shall be a defence for the accused to prove—

(a) that he has used all due diligence to prevent the commission of the offence; and

(b) that any relevant contravention was committed without his consent, connivance or wilful default.

(3) Section 37 of the Health and Safety at Work etc Act 1974 shall apply in relation to an offence under this section as if it were an offence under that Act.

(4) In proceedings for an offence under this section an averment in any process of the fact that anything was done or situated within relevant waters shall, until the contrary is proved, be sufficient evidence of that fact as stated in the averment.

(5) Proceedings for any offence under this section may be taken, and the offence may for all incidental purposes be treated as having been committed, in any place in Great Britain.

(6) References in this section to "the owner", in relation to an offshore installation, are to the person who controls the operation of the installation.

5B. No proceedings shall be instituted in England and Wales for any offence under this Act in respect of an offshore installation except by the Secretary of State or by a person authorised in that behalf by the Secretary of State.".

Repeals and modifications of the 1971 Act

22.—(1) The provisions of the 1971 Act specified in column 1 of Part I of Schedule 1 are repealed to the extent specified in the corresponding entry in column 3 of that Part.

(2) Section 12(1) of the 1971 Act shall have effect subject to the modifications specified in Part II of Schedule 1.

Revocation and modification of instruments

23.—(1) The instruments specified in column 1 of Part I of Schedule 2 shall be revoked to the extent specified in column 3 of that Part.

(2) …

(3) The instruments specified in Part II of Schedule 2 shall have effect subject to the modifications specified in that Part.

Obligation to notify death or loss of person

24.—(1) Where any person—

(a) dies on an offshore installation or is lost from an installation; or

(b) dies in or on a lifeboat, liferaft or other emergency survival craft belonging to an offshore installation or is lost from any of those places; or

(c) otherwise dies or is lost in the neighbourhood of an offshore installation while engaged in any operation connected with the installation;

and the death or loss is not required to be registered under any regulations made under section 108 of the Merchant Shipping Act 1995(**a**) (which relates to returns of births and deaths in ships), a return of death in the form set out in Schedule [3] must be made in accordance with regulation 25.

(**a**) 1995 c. 21.

(2) In paragraph (1) and regulations 25 and 26 'lost' means lost in circumstances such that it is reasonable to believe that the person has died and 'loss' is to be construed accordingly.

Notification of death or loss to appropriate Registrar

25.—(1) Where an obligation to make a return of death arises, the manager of the relevant installation must complete and sign Part 1 of a form of return and despatch the form to the duty holder as soon as is practicable and in any event within 10 days of becoming aware of the death or loss to which the return relates.

(2) A duty holder receiving from a manager a form of return of death with Part 1 completed must within 10 days of receipt complete Part 2 of the form and send the form duly signed (whether by or on behalf of the duty holder) to the Registrar General of Shipping and Seamen.

(3) Without prejudice to the preceding provisions of this regulation and to the provisions of regulation 28, a return of death which is not made within the times specified in this regulation for making it is not invalid by reason only that it is not made within those times.

Notification of death or loss to other persons

26.—(1) When a person dies or is lost in circumstances in which an obligation to make a return of death arises under regulation 24, the duty holder of the relevant installation must as soon as is practicable and in any event within 48 hours of first becoming aware of the death or loss—

(a) if the duty holder was the employer of the dead or lost person, notify any person known to the duty holder to be, or nominated to the duty holder as, the next-of-kin of such dead or lost person; or

(b) if the duty holder was not the employer of the dead or lost person, notify any person known to the duty holder to have been the employer of the dead or lost person at the time of death or loss.

Registration of death or loss

27.—(1) When the Registrar General of Shipping and Seamen receives a return made pursuant to regulation 25 the Registrar must send a copy of that return, certified as being a true copy of that return (whether by the Registrar or a person authorised by the Registrar)—

(a) where the deceased was immediately before death ordinarily resident in Scotland or Northern Ireland, to the Registrar General of Births, Deaths and Marriages for Scotland or the Registrar General for Northern Ireland, as the case may be; and

(b) in any other case, to the Registrar General for England and Wales.

(2) If the Registrar General of Shipping and Seamen is satisfied that there is an error or omission in any return received, the Registrar may, in accordance with evidence of the true state of affairs relating to the return, send corrected or supplementary particulars in respect of that evidence to the appropriate Registrar General.

(3) A Registrar General who receives a certified copy must record information contained in it in the marine register kept by that Registrar General, together with such additional information as appears to the Registrar General desirable for the purpose of ensuring the completeness and correctness of the register.

Mode of trial and penalties in relation to registration of death or loss

28.—(1) In relation to an offence consisting of a contravention of the requirement imposed by regulation 25(1)—

(a) proceedings on indictment are excluded; and

(b) the punishment which can be imposed is restricted to a fine not exceeding level 3 on the standard scale.

(2) In relation to an offence consisting of a contravention of a requirement of regulations 25(2) or 26—

(a) proceedings on indictment are excluded; and

(b) the punishment which can be imposed is restricted to a fine not exceeding level 3 on the standard scale.

(3) It is a defence in any proceedings for an offence consisting of a contravention of a requirement imposed by regulations 25(1), (2) and 26 for the person charged to prove—

(a) that the person exercised all due diligence to prevent the commission of the offence; and

(b) that the relevant contravention was committed without the person's consent, connivance or wilful default.

Powers of inspectors; duty to provide accommodation and subsistence for inspectors

29.—(1) An inspector may exercise the powers in paragraph (2) for the purpose of carrying into effect the relevant statutory provisions within the field of responsibility of the enforcing authority that appointed the inspector.

(2) The powers are—

(a) to require a duty holder, at any reasonable time, to convey to and from an installation or vessel associated with offshore oil and gas operations—

(i) the inspector;

(ii) the equipment or materials of the inspector; and

(iii) any article or substance of which the inspector has taken possession pursuant to section 20 of HSWA;

(b) to inspect any operation or work in or on the sea bed and subsoil under or near an offshore installation; and

(c) to require the duty holder or manager of an offshore installation or the licensee concerned to assist the inspector in carrying out an inspection of the sea bed or subsoil under or near the installation.

(3) The duty holder must provide an inspector with reasonable accommodation and means of subsistence while on an offshore installation for the purposes of these regulations.

(4) In paragraphs (2)(a)(i) and (ii), and (3) a reference to an inspector includes a reference to a person acting under the direction of the competent authority who is not an inspector.

(5) In relation to an offence consisting of a contravention of the duty under paragraph (3)—

(a) proceedings on indictment are excluded; and

(b) the punishment which can be imposed is restricted to a fine not exceeding level 3 on the standard scale.

(6) This regulation applies in Great Britain and to the waters adjacent to the Great Britain up to the seaward limits of territorial waters, and the waters in any area designated by order under section 1(7) of the Continental Shelf Act 1964.

SCHEDULE 1

Repeals and Modifications of the 1971 Act

SCHEDULE 2

Regulation 23

Revocations and modifications of Instruments

SCHEDULE 3

Regulation 25

Form to be completed in respect of the death or loss of a person pursuant to regulation 25

Part 1

1. Name or other designation of offshore installation .....
2. Date of death or loss.....
3. Place of death or loss(*a*).....
4. Full names of deceased or person lost(*b*).....
5. Sex.....
6. Capacity in which engaged or other reason for presence at the installation.....
.....
7. Cause of death or loss(*c*).....

I certify that the particulars entered above are true to the best of my knowledge and belief:

Signature of installation owner furnishing information or person on behalf .....
Name of installation owner furnishing information.....
Status of signatory.....
Date of signing.....

Part 2(*d*)

8. Date of birth .....
9. Usual place of residence.....
10. Nationality of deceased or person lost .....
11. Name and address of next-of-kin .....
12. Relationship of next-of-kin .....

I certify that the particulars entered above are true to the best of my knowledge and belief:

Signature of installation owner furnishing information or person on behalf .....
Name of installation owner furnishing information.....
Status of signatory.....
Date of signing.....

NOTES

(*a*) To be given by geographical co-ordinates.
(*b*) Forenames in full, followed by surname, all in block capitals.
(*c*) To be accompanied by the certificate of a registered medical practitioner who holds a licence to practise as to the cause of death or a statement of the reason why such a certificate is not available.
(*d*) This part of the form to be completed so far as information available to the owner permits.

Annex 3(a)

STATUTORY INSTRUMENTS

1998 No. 1056

MARINE POLLUTION

Merchant Shipping (Oil Pollution Preparedness, Response and Co-operation Convention) Regulations 1998

Made - - - -	*16th April 1998*
Laid before Parliament	*23rd April 1998*
Coming into force - -	*15th May 1998*

The Secretary of State for the Environment, Transport and the Regions, in exercise of the powers conferred by article 2 of the Merchant Shipping (Oil Pollution Preparedness, Response and Co-operation) Order 1997(**a**) and of all other powers enabling him in that behalf, hereby makes the following Regulations:

Citation and commencement

1.These Regulations may be cited as the Merchant Shipping (Oil Pollution Preparedness, Response and Co-operation Convention) Regulations 1998 and shall come into force on 15th May 1998.

Interpretation

2.In these Regulations, unless the context requires otherwise:

"combined operation" has the meaning given article 2(25) of the Directive;

"connected infrastructure" has the meaning given article 2(21) of the Directive;

"the Directive" means Directive 2013/30/EU of the European Parliament and of the Council on safety of offshore oil and gas operations and amending Directive 2004/35/EC(**b**);

"GT" means gross registered tonnage, and the gross registered tonnage of a ship having alternative gross registered tonnages shall be taken to be the larger of those tonnages;

"licence" has the same meaning as the Offshore Petroleum Licensing (Offshore Safety Directive) Regulations 2015(**c**);

"MCA" means the Maritime and Coastguard Agency, an executive agency of the Department of the Environment, Transport and the Regions;

"National Contingency Plan" means the national plan for pollution emergencies prepared by the Secretary of State pursuant to section 293(2)(za) of the Merchant Shipping Act 1995;

(**a**) SI 1997/2567.
(**b**) O.J. No. L178, 28.06.13, p.66.
(**c**) …

"~~offshore~~ non-production installation" means an~~y fixed or floating~~ offshore installation~~-~~, other than a production installation~~or structure engaged in gas or oil exploration or production activities, or loading or unloading of oil~~;

"offshore installation" means a stationary, fixed or mobile facility, or a combination of facilities permanently inter-connected by bridges or other structures, used for offshore oil and gas operations or in connection with such operations. Offshore installations include mobile offshore drilling units only when they are stationed in offshore waters for drilling, production or other activities associated with offshore oil and gas operations;

"offshore oil and gas operations" has the meaning given in article 2(3) of the Directive;

"oil" means petroleum in any form including crude oil, fuel oil, sludge, oil refuse and refined products;

"oil handling facility" means a facility which presents a risk of an oil pollution incident and includes, inter alia, an oil terminal, pipeline and any other facility handling oil but does not include an offshore installation or connected infrastructure relating to a production installation;

"oil pollution emergency plan" means a contingency plan (other than the National Contingency Plan) setting out arrangements for responding to incidents which cause or may cause marine pollution by oil, with a view to preventing such pollution or reducing or minimising its effect;

"oil pollution incident" means an occurrence or series of occurrences having the same origin, which results or may result in a discharge of oil and which poses or may pose a threat to the marine environment, or to the coastline or related interests of the United Kingdom and which requires emergency action or other immediate response;

"oil spill response effectiveness" has the meaning given in article 2(32) of the Directive;

"operator" means-

(a) ~~,~~in relation to an oil handling facility a person having, for the time being, the management of such facility in the United Kingdom, and

(b) in relation to a production installation, this term has the same meaning as in the Offshore Petroleum Licensing (Offshore Safety Directive) Regulations 2015~~in relation to an offshore installation, includes any person having the management of the installation~~;

"owner" means an entity legally entitled to control the operation of a non-production installation;

"production installation" means an offshore installation used for the offshore extraction of oil and gas from the underground strata of the geographical area covered by a licence, including offshore processing of oil and gas and its conveyance through connected infrastructure;

"responsible person" means:

(a) in relation to a production installation, the operator of that installation; and

(b) in relation to a non-production installation, the owner of that installation;

"safety zone" means a safety zone within the meaning of Part 3 of the Petroleum Act 1987(**a**).

"standard reporting requirements" means the requirements stated in--

(a) part 2 (Standard Reporting Format and Procedures); and

(**a**) 1987 c. 12.

(b) sections 3.1, 3.2 and 3.3 of part 3 (Guidelines for Detailed Reporting Requirements);

of the Appendix to the Annex to Resolution A. 648(16) adopted by the Assembly of the International Maritime Organization on 19th October 1968;

"United Kingdom ship" has the meaning given by section 85(2) of the Merchant Shipping Act 1995; and

"well operation" has the meaning given in article 2(24) of the Directive.

Application

3.—(1) In their application to harbours and oil handling facilities these Regulations apply to:

(a) any harbour for which there is a statutory harbour authority having an annual turnover, as defined in the Schedule hereto, of more than £1 million;

(b) any other harbour, and any oil handling facility, offering berths alongside, on buoys or at anchor, to ships of over 400 GT or oil tankers of over 150 GT;

(c) any other harbour, and any oil handling facility, in respect of which the Secretary of State has served the harbour authority or operator (as the case may be) with a notice stating that he is of the opinion that maritime activities are undertaken at that harbour or facility which involve a significant risk of discharge of over 10 tonnes of oil; and3

(d) any other harbour or oil handling facility in respect of which the Secretary of State has served the harbour authority or operator (as the case may be) a notice stating that he is of the opinion that it is located in an area of significant environmental sensitivity, or in an area where a discharge of oil or other substances could cause significant economic damage.

(2) In their application to offshore installations, these Regulations apply to every offshore installation in United Kingdom waters and in any area designated under the Continental Shelf Act 1964 and in any area designated under section 41(3) of the Marine and Coastal Access Act 2009(**a**).

Oil pollution emergency plans

4.—(1) Every—

(a) harbour authority of a harbour to which these Regulations apply;

(b) operator of an oil handling facility to which these Regulations apply; and

(c) responsible person in respect~~operator~~ of an offshore installation to which these Regulations apply,

shall have an oil pollution emergency plan in accordance with this regulation.

(2) There shall be a separate plan for each harbour, oil handling facility and offshore installation except that:

(a) there may be joint plans between harbour authorities and operators of oil handling facilities, within an area;

(b) there may be joint plans in respect of related offshore installations and oil handling facilities which are pipelines associated with that installation; and

(c) there may be joint plans between related offshore installations.

(3)

(a) Subject to paragraphs (4) and (7) below, within 15 months of the coming into force of these Regulations every harbour authority and every responsible person~~operator~~ shall

(**a**) 2009 c. 23.

submit an oil pollution emergency plan relating to its harbour or oil handling facility or offshore installation, as the case may be, to the MCA for approval.

(b) In preparing an oil pollution emergency plan a harbour authority, operator of an oil handling facility or responsible person ~~or operator~~ shall take into account any guidance issued by the MCA.

(c) An oil pollution emergency plan in respect of an offshore installation must comply with Schedule 2.

(4)

(a) Where, after the coming into force of these Regulations:

(i) a harbour comes into being;

(ii) an oil handling facility comes into being; or

(iii) operations relating to ~~in respect of~~ an offshore installation ~~activities~~ are to be commenced ~~on the site of drilling for, or production of oil~~,

paragraph (3) above shall apply so as to require the submission of a plan at least two months before:

(aa) such harbour or oil handling facility comes into being, or as the case may be

(bb) operations relating to that ~~activities are commenced in respect of an~~ offshore installation are to be commenced

(b) In relation to a harbour referred to in sub-paragraph (a)(aa) above, where there is no harbour authority at that time, paragraph (3) above shall apply so as to require submission of a plan by the promoter of the proposed harbour.

(5)

(a) Every harbour authority , every operator of an oil handling facility and every responsible person~~operator~~ shall fully review its oil pollution emergency plan no later than 5 years after submission of the plan in accordance with paragraph (3) or (4) above, as the case may be, and re-submit a plan within that period.

(b) Where any major change occurs which affects or could affect the validity or effectiveness of a plan to a material extent then the harbour authority or operator of the oil handling facility or responsible person in question shall submit a new plan, or amendments to the existing plan, within 3 months of such change becoming known

(c) Where there has been a material change to:

(i) the safety case submitted under the Offshore Installations (Offshore Safety Directive) (Safety Case etc.) Regulations 2015(**a**) associated with an offshore installation; or

(ii) any of the documents required to be submitted to the Competent Authority by Article 11 of the Directive which are associated with an offshore installation,

then the responsible person in respect of that installation must submit a new plan, or amendments to the existing plan, within 3 months of such change becoming known.

(d) Where the Secretary of State requires a responsible person to review its plan that person must review its plan in accordance with the requirements of the Secretary of State and must submit to the Secretary of State an amended plan within such reasonable time as the Secretary of State may require, for approval.

(e) Where an offshore installation's plan needs to be amended due to the particular nature or location of a well, the responsible person in relation to the installation must amend the plan and submit the amended plan or an adequate description of the amendment to the Secretary of State for approval.

(a) …

(f) Any amended plan required by sub-paragraph (e) to be submitted to the Secretary of State must be submitted to complement the relevant notification of well operations required by regulation 17 of the Offshore Installations (Offshore Safety Directive) (Safety Case etc.) Regulations 2015.

(g) Where a non-production installation is to be used for carrying out combined operations for which a notification needs to be submitted in accordance with regulation 10 of the Offshore Installations (Offshore Safety Directive) (Safety Case etc.) Regulations 2015, the operator of any production installation involved in those combined operations must amend the plan for that installation so that it covers the combined operations and must submit the amended plan to the Secretary of State for approval.

(h) Any amended plan required by sub-paragraph (g) to be submitted to the Secretary of State must be submitted to complement the relevant notification of combined operations, required by regulation 10 of the Offshore Installations (Offshore Safety Directive) (Safety Case etc.) Regulations 2015.

(5A) Where any document which is required to be submitted to the Secretary of State under any of sub-paragraphs (a) to (e) or (g) of paragraph (5) is not submitted as so required, the plan in respect of which the document should have been submitted ceases to be approved for the purposes of this regulation~~, to that authority or operator~~.

(6) Where the MCA consider that any plan or amendment submitted under paragraph (3), (4) or (5) above is:

(i) not compatible with the National Contingency Plan for the time being in force; or

(ii) not appropriate for dealing with oil pollution incidents which may occur in the area in which the harbour authority or operator has jurisdiction or exercises responsibility,

the MCA may, after consultation with the harbour authority or operator of an oil handling facility or responsible person, direct that the plan shall be altered accordingly. It shall be the duty of the harbour authority or operator of an oil handling facility or responsible person to alter the plan in accordance with any such direction.

(7) In relation to offshore installations and oil handling facilities which are pipelines this regulation shall apply with the substitution, for any reference to the MCA, of a reference to the Secretary of State for Energy and Climate Change.

(8) It shall be the duty of every harbour authority, every operator of an oil handling facility and every responsible person ~~harbour authority~~ to implement its oil pollution emergency plan approved or altered under this regulation in the event of an oil pollution incident.

(9) Every responsible person must—

(a) maintain equipment and expertise relevant to their plan;

(b) ensure that such equipment and expertise is available for use at all times;

(c) make such equipment and expertise available to the authorities responsible for the execution of the National Contingency Plan;

(d) undertake exercises to maintain relevant expertise for the implementation of the plan, including interaction with the National Contingency Plan; and

(e) retain evidence of those exercises, such evidence to be provided to the Secretary of State on request.

(10) Every responsible person must ensure that no operations, including decommissioning, which are not the subject of a plan approved by the Secretary of State under this regulation are carried out on or in relation to an offshore installation for which that person is responsible.

(11) Every operator of an oil handling facility that is a pipeline must ensure that no activities that present a risk of an oil pollution incident are undertaken which are not the subject of a plan approved by the Secretary of State under this regulation.

Reporting of incidents: ships and offshore installations

5.—(1) The master of a United Kingdom ship, when—

(a) his ship is in United Kingdom waters or controlled waters, and

(b) when his ship is elsewhere,

who observes or otherwise becomes aware of any event involving discharge of oil at sea from another ship or from an offshore installation, shall report it without delay—

(i) in the circumstances at sub-paragraph (a) above, to HM Coastguard; and

(ii) in the circumstances at sub-paragraph (b) above, to the nearest coastal state.

(2) A responsible person or an operator of ~~An individual having charge of an offshore installation or~~ an oil handling facility which is a pipeline who observes or otherwise becomes aware of any event involving discharge of oil at sea from another installation or a ship shall without delay report it to HM Coastguard.

(3) In this regulation "controlled waters" means water specified as areas within which the jurisdiction and rights of the United Kingdom are exercisable by the Merchant Shipping (Prevention of Pollution) (Limits) Regulations 1996.

Reporting of incidents: harbour authorities and oil handling facilities

6.—(1) A harbour master, or other individual having charge of a harbour, and any individual having charge of an oil handling facility (except those which are pipelines), who observes or is made aware of any event involving a discharge of or probable discharge of oil, or the presence of oil in the sea shall without delay report the event, or the presence of oil, as the case may be, to HM Coastguard.

(2) A report under this regulation shall so far as appropriate as to form and content comply with the standard reporting requirements.

Offences

7.—(1) Any harbour authority or any operator of an ~~offshore installation or of an~~ oil handling facility or any responsible person who without reasonable cause:

(a) fails to submit or re-submit an oil pollution emergency plan in accordance with regulation 4(3), (4) or (5);

(b) does not maintain an oil pollution emergency plan, as approved (with alterations directed by the MCA or the Secretary of State, as the case may be, if so directed) under regulation 4(5) to (7); or

(c) fails to implement its oil pollution emergency plan in contravention of regulation 4(8),

shall be guilty of an offence punishable on summary conviction by a fine not exceeding the statutory maximum or on conviction on indictment by a fine.

(2) Any person required to make a report under regulation 5 or 6, as the case may be who, without reasonable cause, fails to comply with that requirement in all respects shall be guilty of an offence punishable on summary conviction by a fine not exceeding the statutory maximum or on conviction on indictment by a fine.

(3) Any responsible person who without reasonable cause-

(a) fails to comply with a duty under regulation 4(9); or

(b) breaches the obligation in regulation 4(10),

is guilty of an offence punishable on summary conviction by a fine not exceeding the statutory maximum, or on conviction on indictment by a fine.

(4) Any operator of an oil handling facility who, without reasonable cause, breaches the obligation in regulation 4(11) is guilty of an offence punishable on summary conviction by a fine not exceeding the statutory maximum, or on conviction on indictment by a fine.

Inspection of offshore installations

8.Any person duly authorised by the Secretary of State may inspect any offshore installation or oil handling facilities which are pipelines to which these Regulations apply.

SCHEDULE 1

Meaning of "Annual Turnover"

Regulation 3(1)(a)

1 References in this Schedule to the authority's harbour undertaking are references to all activities of the authority in relation to which the authority is required under section 42(1) of the Harbours Act 1964 to prepare annual statement of accounts.

2 For the purposes of regulation 3(1)(a), the annual turnover of a harbour authority's harbour undertaking for any accounting year of the authority is the aggregate, as stated in any statement of accounts prepared under section 42(1) of the Harbours Act 1964 in respect of that accounting year, of all sums received by the authority during that year.

3 The reference in paragraph 2 above to sums received by the authority does not include sums received by way of grant from any public authority or any capital receipts or loans.

4 Where a harbour authority is required under section 42(2) of the Harbours Act 1964 to prepare annual statements or accounts relating to activities carried on by the authority and subsidiaries of the authority--

(a) the reference in paragraph 1 above to activities of the authority shall be read as including a reference to activities of any subsidiary of the authority;

(b) the references in paragraphs 1 and 2 above to section 42(1) shall be read as references to section 42(2); and

(c) the reference in paragraph 2 above to sums received by the authority shall be read as including a reference to sums received by any subsidiary of the authority which are shown in the statement of accounts there mentioned (and paragraph 3 above shall be construed accordingly).

SCHEDULE 2

1. The plan must take into account but not be limited to the major accident risk assessment undertaken during preparation of the most recent safety case.

2.— The plan must include but not be limited to the following information—

(1) Positions of persons authorised to initiate emergency response procedures and the positions of persons directing the internal emergency response to an oil pollution incident.

(2) Positions of persons responsible for liaising with the authority or authorities responsible for the external National Contingency Plan.

(3) Arrangements for training personnel in the duties they will be expected to carry out in the event of any incident, where necessary co-ordinating the training with the National Contingency Plan.

(4) A description of the worst case scenario which could cause any release of oil to the sea, or cause a major environmental incident as described in the report on major hazards including any relevant details when two or more installations operate in combination in a way that affects the major hazard potential.

(5) Arrangements for limiting risks to the environment, including a description of equipment and arrangements for the protection of the environment from an incipient major accident and how warnings are to be given and the actions persons are expected to take on receipt of a warning.

(6) A description of the equipment and resources available to respond to a release of oil to the sea, including the equipment and resources available for the capping of any potential release from a well. This should include a complete and up-to-date inventory of emergency response equipment pertinent to the operations, and should include details of the ownership, the storage location, the arrangements for transport to, and mode of deployment at, the incident location, and the measures in place to ensure that the response equipment and procedures are maintained in an operable condition.

(7) An estimate of the effectiveness of the oil spill response effectiveness, including consideration of the following environmental conditions—

(a) weather, including wind, visibility, precipitation and temperature;

(b) sea states, tides and currents;

(c) presence of ice and debris;

(d) hours of daylight; and

(e) other known environmental conditions that might influence the efficiency of the response equipment or the overall effectiveness of a response effort.

(8) Evidence that prior assessment of any relevant chemical dispersants has been carried out to minimise public health implications and any further environmental damage.

(9) An assessment of the identified potential environmental effects resulting from a release of oil and a description of the technical and non-technical measures envisaged to prevent, reduce or offset them, including monitoring.

(10) Arrangements for providing early warning of a major environmental incident or potential major environmental incident to the authority or authorities responsible for initiating the National Contingency Plan, details of the type of information that should be contained in any warning and the arrangements for the provision of more detailed information as it becomes available.

3. The plan must be consistent with the National Contingency Plan.

Annex 3(b)

STATUTORY INSTRUMENTS

2015 No.

MARINE POLLUTION

The Offshore Petroleum Activities (Offshore Safety Directive) (Environmental Functions) Regulations 2015

Made - - - -	***
Laid before Parliament	***
Coming into force - -	*19th July 2015*

The Secretary of State, being a Minister designated(**a**) for the purposes of section 2(2) of the European Communities Act 1972(**b**) in relation to the Environment, hereby makes the following Regulations:

Citation and commencement

1.These Regulations may be cited as the Offshore Petroleum Activities (Offshore Safety Directive) (Environmental Functions) Regulations 2015 and come into force on 19th July 2015.

Interpretation

2. In these Regulations—

"accepted EMS" means an EMS that-

(a) has been accepted in accordance with regulation 5; and

(b) where that acceptance has not been revoked;

"connected infrastructure" has the meaning given article 2(21) of the Directive;

"the Directive" means Directive 2013/30/EU of the European Parliament and of the Council on safety of offshore oil and gas operations and amending Directive 2004/35/EC(**c**);

"EMS" means an environmental management system;

"enforcement notice" means a notice issued under regulation 8;

"inspector" means a person who is appointed in accordance with regulation 7(1)

"installation" has the meaning given in article 2(19) of the Directive;

"licence" has the same meaning as in the Offshore Petroleum Licensing (Offshore Safety Directive) Regulations 2015(**d**);

"non-production installation" means an installation other than a production installation;

(**a**) S.I. 2008/301.
(**b**) 1972 c. 68. Section 2(2) was amended by section 27 of the Legislative and Regulatory Reform Act 2006 (c. 51) and section 3 of, and Part 1 of the Schedule to, the European Union (Amendment) Act 2008 (c. 7). The power of Ministers to make regulations in relation to matters in or regards Scotland is preserved by section 57(1) of the Scotland Act 1998 (c. 46).
(**c**) O.J. No. L178, 28.06.13, p.66.
(**d**) …

"offshore oil and gas operations" has the meaning given in article 2(3) of the Directive;

"operator" has the same meaning as in the Offshore Petroleum Licensing (Offshore Safety Directive) Regulations 2015;

"owner" means an entity legally entitled to control the operation of a non-production installation;

"production installation" means an installation used for the offshore extraction of oil and gas from the underground strata of the geographical area covered by a licence, including offshore processing of oil and gas and its conveyance through connected infrastructure;

"prohibition notice" means a notice issued under regulation 9; and

"responsible person" means-

(a) in relation to a production installation, the operator; and

(b) in relation to a non-production installation, the owner;

"safety zone" means a safety zone within the meaning of Part 3 of the Petroleum Act 1987(**a**).

Application

3. These Regulations only apply to installations in United Kingdom waters, in any area designated under the Continental Shelf Act 1964(**b**) and in any area designated as an Exclusive Economic Zone under section 41(3) of the Marine and Coastal Access Act 2009(**c**).

Requirement for an EMS

4.—(1) Every responsible person must hold an EMS applicable to the installations for which they are responsible which is an accepted EMS, for the duration of operations relating to those installations.

(2) Every responsible person who holds an accepted EMS must ensure that it has been integrated into that responsible person's overall management system.

Submission and acceptance of an EMS

5.—(1) Every responsible person who is required by regulation 4 to have an accepted EMS must submit to the Secretary of State for acceptance a document setting out:

(a) the EMS applicable to their installation; or

(b) an adequate description of that EMS.

(2) The document referred to in paragraph (1), including where it is amended in accordance with regulation 6(3), must include the information set out in Schedule 1.

(3) Where the Secretary of State considers that the EMS set out or described in the document submitted under paragraph (1), including where it is amended in accordance with regulation 6(3), meets an appropriate standard, he must accept the EMS.

Maintenance and review of an accepted EMS

6.—(1) Every responsible person who holds an accepted EMS must ensure that it-

(a) is implemented;

(b) is kept up to date; and

(c) remains effective.

(2) Every responsible person who holds an accepted EMS must fully review it—

(**a**) 1987 c. 12.
(**b**) 1964 c. 29.
(**c**) 2009 c. 23.

(a) where they are of the view that a review should be undertaken in order to ensure their compliance with the obligation in paragraph (1).

(b) where any material change occurs which could affect the effectiveness of that EMS;

(c) when required to do so by the Secretary of State; and

(d) no more than 5 years after-

(i) the most recent review required by this paragraph; or

(ii) the submission of the EMS under regulation 5(1), where no other review has taken place under this paragraph.

(3) Following the review required by paragraph (2) the responsible person who holds the accepted EMS must—

(a) if that person is satisfied that the EMS remains effective, inform the Secretary of State of that and the reasons for that satisfaction; or

(b) if that person is of the view that the EMS is no longer effective, submit to the Secretary of State—

(i) an amendment to the document setting out the accepted EMS; or

(ii) an amendment to the document setting out the description of the accepted EMS,

for acceptance in accordance with regulation 5.

(4) Where, following receipt by the Secretary of State of any of the matters set out in paragraph (3), the Secretary of State considers that an EMS no longer meets the criteria set out in paragraphs (2) and (3) of regulation 5 he must withdraw acceptance of the EMS.

Inspection of installations undertaking offshore oil and gas operations

7.—(1) The Secretary of State may, if he thinks fit, appoint one or more inspectors to inspect any installation in respect of which these Regulations require an accepted EMS to be in place, with a view to assessing compliance with any of the obligations in these Regulations.

(2) The inspectors must report to the Secretary of State in such manner as he may direct.

(3) An inspector may for the purposes mentioned in that paragraph and on producing evidence of that appointment—

(a) at any reasonable time board any installation;

(b) on boarding an installation, take any other person authorised by the Secretary of State for the purposes mentioned in paragraph (1) and any equipment or materials that the inspector thinks may be required;

(c) make such examination or investigation as the inspector considers necessary (including any examination or investigation of the installation or of the maintenance or monitoring of apparatus on the installation);

(d) give a direction requiring that any part of the installation be left undisturbed (whether generally or in particular respects) for so long as is reasonably necessary for the purposes of any examination or investigation under sub-paragraph (c);

(e) take such measurements and photographs and make such recordings as the inspector considers necessary for the purpose of any examination or investigation under sub paragraph (c);

(f) require any person whom the inspector has reasonable cause to believe is able to give any information relevant to any examination or investigation under sub paragraph (c);

(i) to attend at a place and time specified by the inspector;

(ii) answer such questions as the inspector thinks fit to ask; and

(iii) to sign a declaration as to the truth of that person's answers;

(g) require the production of, and inspect and take copies of any records which the inspector considers it necessary for the inspector to see for the purposes of any examination or inspection under sub paragraph (c); and

(h) require any person to afford the inspector such facilities and assistance with respect to any matters or things within that person's control or in relation to which that person has responsibilities as the inspector considers are necessary to enable the inspector to exercise any of the powers as conferred by this regulation.

(4) An answer given by a person in compliance with a requirement imposed under paragraph (3)(f) is admissible in evidence in England and Wales or Northern Ireland against that person in any proceedings or, in Scotland, against that person in criminal proceedings.

(5) In criminal proceedings in which such person as is mentioned in paragraph (4) is charged with an offence to which this paragraph applies no evidence relating to that person's answer may be adduced and no question relating to it may be asked by or on behalf of the prosecution unless evidence relating to it is adduced by or on behalf of that person.

(6) Paragraph (5) applies to any offence other than one—

(a) under regulation 11(1)(b)(ii);

(b) under section 5 of the Perjury Act 1911(**a**) (false statements made otherwise than on oath);

(c) under section 44(2) of the Criminal Law (Consolidation) (Scotland) Act 1995(**b**) (false statements made otherwise than on oath); or

(d) under article 10 of the Perjury (Northern Ireland) Order 1979(**c**).

(7) Nothing in this regulation may be taken to compel the production by any person of a document of which he would on ground of legal professional privilege be entitled to withhold production on an order for disclosure or discovery in an action in the High Court or the High Court in Northern Ireland or, in relation to Scotland, on an order for the production of documents in an action in the Court of Session.

Enforcement notices

8.—(1) If the Secretary of State or an inspector is of the opinion that a responsible person is, or is likely to become, in breach of an obligation set out in regulation 4 or 6, then the Secretary of State or, as the case may be, the inspector may serve a notice on that responsible person ("an enforcement notice").

(2) An enforcement notice must specify-

(a) that the Secretary of State or, as the case may be, inspector is of the opinion referred to in paragraph (1), including which obligation is, in that person's opinion, being or is likely to be breached;

(b) the matters constituting the breach of the obligation or, as the case may be, the matters making such a breach likely;

(c) the steps that must be taken to withdraw the notice; and

(d) the period within which those steps must be taken.

(3) A person entitled to issue an enforcement notice under this regulation may at any time:

(a) vary the period within which the person upon whom the notice is served must comply with the notice; or

(b) withdraw the notice.

(4) The person who issued an enforcement notice must withdraw the notice once the steps referred to in sub-paragraph (c) of paragraph (2) have been met.

(**a**) 1911 c. 6.
(**b**) 1995 c. 39.
(**c**) S.I. 1979/1714 (N.I. 19).

(5) Any person who receives an enforcement notice must comply with the notice within the time specified in the notice.

Prohibition notices

9.—(1) If the Secretary of State or an inspector is of the opinion that-

(a) a person has received an enforcement notice; and

(b) that person has failed to comply with that notice in the time specified in that notice,

then the Secretary of State or, as the case may be, the inspector may serve a notice on that person ("a prohibition notice").

(2) A prohibition notice must specify—

(a) that the Secretary of State or, as the case may be, inspector is of the opinion referred to in paragraph (1);

(b) the enforcement notice which was not complied with;

(c) that the person upon whom the notice is served must cease all operations in respect of such parts of the installation as directed in the notice; and

(d) the steps that must be taken to withdraw the notice.

(3) Any person who receives a prohibition notice must immediately cease all operations in respect of such parts of the installation as are identified in the notice.

(4) The Secretary of State or an inspector may by notice withdraw a prohibition notice at any time and must withdraw a notice when satisfied that the steps required by the notice have been taken.

Appeal to the High Court, Court of Session or High Court in Northern Ireland

10.—(1) Subject to paragraph (3), any person who is aggrieved by a decision of the Secretary of State or an inspector to issue an enforcement notice or a prohibition notice to that person may appeal to the court.

(2) Unless the court otherwise orders, any decision of the Secretary of State or an inspector which is the subject of an appeal under paragraph (1) shall remain in force pending a final disposal of that appeal.

(3) Any appeal under this regulation shall be made within 28 days of written notification of the decision in question.

(4) In this regulation—

(a) "the English area", "the Scottish area" and "the Northern Irish area" have the same meanings as in the Civil Jurisdiction (Offshore Activities) Order 1987;

(b) "the court" means—

(i) in respect of a decision relating to an installation in the English area, the High Court;

(ii) in respect of a decision relating to an installation in the Scottish area, the Court of Session;

(iii) in respect of a decision relating to an installation in the Northern Irish area, the High Court of Northern Ireland.

Offences

11.—(1) Subject to paragraph (2) any person is guilty of an offence where they-

(a) act, without reasonable excuse, in breach of an obligation—

(i) in regulation 4; or

(ii) in regulation 6;

(b) knowingly or recklessly, make a statement which they know to be false or misleading in a material particular where such a statement-

(i) is made in connection with or for the purposes of obtaining acceptance of an EMS;

(ii) is made for the purposes of satisfying any requirement under these Regulations for the supply of information to the Secretary of State or an inspector.

(c) wilfully obstruct an inspector;

(d) without reasonable excuse-

(i) fail to comply with a requirement imposed in pursuance of regulation 7; or

(ii) prevent another person from complying with such a requirement; or

(e) fail to comply with the terms of an enforcement notice or a prohibition notice within the time specified in that notice.

(2) A person guilty of an offence under this regulation is guilty of an offence punishable on summary conviction by a fine not exceeding level 5 on the standard scale, or on conviction on indictment by a fine.

Transitional provisions

12.—(1) These Regulations apply to Owners of non-production installations which commenced operations before 20th July 2013 from-

(a) 19th July 2016; or

(b) if sooner, the date of thorough review, within the meaning of the Offshore Installations (Offshore Safety Directive) (Safety Case etc) Regulations 2005(**a**).

(2) These Regulations apply to Owners of non-production installations which had not commenced operations before 20th July 2013, from 19th July 2016.

(3) These Regulations apply to Operators of production installations which were planned installations on 20th July 2013, from 19th July 2016.

(4) Subject to paragraph (5) these Regulations apply to the Operator of a production installation which commenced operations before 20th July 2013, from the earlier of-

(a) The date of thorough review, within the meaning of the Offshore Installations (Offshore Safety Directive) (Safety Case etc) Regulations 2005; or

(b) 19th July 2018.

(5) In relation to Operators who, on or after 20th July 2013, were planning or executing well operations, the provisions of these Regulations relating to the carrying out of well operations apply from the earlier of-

(a) 19th July 2016; or

(b) where paragraph (4) applies, the relevant date in paragraph (4).

Amendment of the Merchant Shipping (Oil Pollution Preparedness, Response and Co-operation) Regulations 1998

13.—(1) The Merchant Shipping (Oil Pollution Preparedness, Response and Co-operation) Regulations 1998 are amended as follows.

…

Review

14.—(1) The Secretary of State must from time to time—

(a) carry out a review of regulations 2 to 12,

(**a**) S.I. 2005/3117.

(b) set out the conclusions of the review in a report, and

(c) publish the report.

(2) In carrying out the review the Secretary of State must, so far as is reasonable, have regard to how the Directive is implemented in other member States.

(3) The report must in particular—

(a) set out the objectives intended to be achieved by the regulatory system established by those regulations,

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

(4) The first report under this regulation must be published before the end of the period of five years beginning with the day on which regulation 3 comes into force.

(5) Reports under this regulation are afterwards to be published at intervals not exceeding five years.

SCHEDULE

1. The document setting out or, as the case may be, describing the environmental management system must include at least—

(a) a description of the—

(i) organisational arrangements for the control of major hazards;

(ii) arrangements for preparing and submitting reports on major hazards, and other documents as appropriate, pursuant to the Directive; and

(iii) schemes for independent verification established pursuant to Article 17 of the Directive.

(b)

(i) organisation structure and personnel roles and responsibilities;

(ii) identification and evaluation of major hazards as well as their likelihood and potential consequences;

(iii) integration of environmental impact into major accident risk assessments in the report on major hazards;

(iv) controls of the major hazards during normal operations;

(v) management of change;

(vi) emergency planning and response;

(vii) limitation of damage to the environment;

(viii) monitoring of performance;

(ix) audit and review arrangements;

(x) the measures in place for participating in tripartite consultations and how actions resulting from those consultations are put into effect; and

(xi) such other information as may be required by the Secretary of State; and

(c) the organisational structure, responsibilities, practices, procedures, processes and resources for determining and implementing the corporate major accident prevention policy.

[Matthew Hancock]
Minister of State
Department of Energy and Climate Change

Date

Annex 3(c)

STATUTORY INSTRUMENTS

2015 No.

PETROLEUM

Offshore Petroleum Licensing (Offshore Safety Directive) Regulations 2015

Made - - - -	***
Laid before Parliament	***
Coming into force - -	*19th July 2015*

The Secretary of State, being a Minister designated(**a**) for the purposes of section 2(2) of the European Communities Act 1972(**b**) in relation to matters relating to the conditions for granting and using authorisations for the prospection, exploration and production of hydrocarbons, hereby makes the following Regulations:

Citation and Commencement

1. These Regulations may be cited as the Offshore Petroleum Licensing (Offshore Safety Directive) Regulations 2015 and come into force on 19th July 2015.

Interpretation

2.In these Regulations:

"applicant" means:

(a) a person who is applying to be granted a new Licence, including as part of a number of persons applying together to be granted such a Licence; or

(b) where a Licensee is seeking the consent of the Licensing Authority to the transfer of a Licence, including where that Licence is held by more than one person, to another person, that other person;

"competent authority" means the Health and Safety Executive and the Secretary of State, acting jointly;

"connected infrastructure" has the meaning given in article 2(21) of the Directive;

"the Directive" means Directive 2013/30/EU of the European Parliament and of the Council on safety of offshore oil and gas operations and amending Directive 2004/35/EC(**c**);

"installation" has the meaning given in article 2(19) of the Directive;

(**a**) S.I. 1994/1327.
(**b**) 1972 c. 68. Section 2(2) was amended by section 27 of the Legislative and Regulatory Reform Act 2006 (c. 51) and section 3 of, and Part 1 of the Schedule to, the European Union (Amendment) Act 2008 (c. 7). The power of Ministers to make regulations in relation to matters in or regards Scotland is preserved by section 57(1) of the Scotland Act 1998 (c. 46).
(**c**) O.J. No. L178, 28.06.13, p.66.

"licence" means, subject to regulation 8, a licence granted under section 3(1) of the Petroleum Act 1998(**a**) which confers on the Licensee the exclusive right to prospect or explore for or produce petroleum, in respect of an area situated in:

(a) the territorial sea of the United Kingdom;

(b) any area for the time being designated under section 41(3) of the Marine and Coastal Access Act 2009(**b**); or

(c) an area for the time being designated under section 1(7) of the Continental Shelf Act 1964(**c**);

"licensee" means, subject to regulation 8:

(a) the holder of a Licence; or

(b) where there are multiple persons who together hold a single licence, all of those people collectively;

"licensing authority" means the executive agency of the Department of Energy and Climate Change which exercises the functions of the Minister under Licences.

"offshore petroleum operations" means all activities associated with an installation or connected infrastructure, including design, planning, construction, operation and decommissioning thereof, relating to exploration and production of oil or gas, but excluding conveyance of petroleum from one coast to another;

"operator" means, in respect of any Licence or part of a Licence, the entity for the time being appointed by the Licensee or the Licensing Authority under regulation 4(2) to conduct offshore petroleum operations under that Licence or part of it, including planning and executing a well operation or managing and controlling the functions of a production installation;

"petroleum" has the same meaning as in section 1 of the Petroleum Act 1998;

"production installation" means an installation used for offshore extraction of petroleum from the underground strata of the geographical area covered by a Licence, including offshore processing of petroleum and its conveyance through connected infrastructure;

"proposed operator" has the meaning set out in regulation 4(3); and

"safety zone" means a safety zone within the meaning of Part 3 of the Petroleum Act 1987(**d**).

Grant and transfer of Licences

3.—(1) In considering whether or not to carry out either of the actions described in paragraph (2) the Licensing Authority must:

(a) take into account the capability, including technical and financial capability, of the Applicant to meet the requirements for operations within the framework of the Licence; and

(b) where appropriate, consult the Competent Authority.

(2) The actions referred to in paragraph (1) are:

(a) the granting of a Licence; and

(b) consenting to the transfer of a Licence including, where a Licence is held by multiple persons, a transfer to a differently constituted group of persons.

(3) Without prejudice to the generality of matters that may be considered when deciding whether or not to carry out an action described in paragraph (2), when considering the technical

(**a**) 1998 c. 17.
(**b**) 2009 c. 23.
(**c**) 1964 c. 29.
(**d**) 1987 c. 12.

and financial capability of an Applicant, the Licensing Authority must ensure that due account is given to the following considerations:

(a) the risk, the hazards and any other relevant information relating to the licensed area concerned, including, where appropriate, the cost of degradation of the marine environment referred to in point (c) of Article 8(1) of Directive 2008/56/EC of the European Parliament and of the Council establishing a framework for community action in the field of marine environmental policy(**a**);

(b) the particular stage of offshore petroleum operations;

(c) the Applicant's financial capabilities, including any financial security, to cover liabilities potentially deriving from the offshore petroleum operations in question including liability for potential economic damages; and

(d) the available information relating to the safety and environmental performance of the Applicant, including in relation to major accidents, as may be appropriate to the operations for which the Licence was requested.

(4) When assessing the technical and financial capabilities of an Applicant, the Licensing Authority must ensure that special attention is paid to any environmentally sensitive marine and coastal environments, in particular-

(a) ecosystems which play an important role in mitigation and adaptation to climate change, such as salt marshes and sea grass beds; and

(b) marine protected areas, such as-

(i) special areas of conservation pursuant to the Council Directive 92/43/EEC on the conservation of natural habitats and of wild fauna and flora(**b**);

(ii) special protection areas pursuant to Directive 2009/147/EC of the European Parliament and of the Council on the conservation of wild birds(**c**); and

(iii) areas that are designated as marine protected areas within the framework of any international or regional agreement entered into by the European Union or the United Kingdom.

(5) The Licensing Authority may not grant a Licence unless the Applicant has submitted to the Licencing Authority, evidence which satisfies it that the Applicant has made or will make adequate provision to cover liabilities potentially deriving from the Applicant's offshore petroleum operations.

(6) In considering whether or not it is satisfied of the matters set out in paragraph (5), the Licensing Authority must consider whether the Applicant has, or will have at the start of offshore petroleum operations, sufficient financial resources for the immediate launch and uninterrupted continuation of all measures necessary for effective emergency response and subsequent remediation.

(7) In order to make an assessment under paragraph (5), including matters to be considered under paragraph (6), the Licensing Authority may request from an Applicant:

(a) evidence of technical and financial capacity;

(b) any other relevant information relating to the area covered by the Licence; and

(c) any other relevant information relating to the particular stage of offshore petroleum operations.

Appointment of Operators

4.—(1) Offshore petroleum operations, including planning and executing a well operation or managing and controlling the functions of a production installation, may only be conducted:

(**a**) O.J. No. L162, 25.06.2008, p.19.
(**b**) O.J. No. L206, 22.07.1992, p.7.
(**c**) O.J. No. L20, 26.01.2010, p.7.

(a) by a person who has for the time being been appointed, in accordance with paragraph (2), as an Operator in respect of a Licence or a part of a Licence; and

(b) in respect of the area covered by that Licence or that part of one.

(2) The Operator may only be appointed:

(a) At any time, subject to the remaining provisions of this regulation, by the Licensee who holds the Licence in respect of which the Operator is to be appointed; or

(b) at any time where no Operator is appointed (including where an appointment has been terminated), by the Licensing Authority.

(3) Where the Licensee is to appoint a person to be an Operator the Licensee must notify the Licensing Authority in advance of the proposed appointment of the identity of the person it wishes to appoint as Operator ("the Proposed Operator").

(4) Where a notice under paragraph (3) is provided to the Licensing Authority it may, if necessary in consultation with the Competent Authority, object to the appointment of the Proposed Operator as Operator.

(5) Where the Licence in respect of which the Operator is to be appointed requires the consent of the Minister to the appointment of an Operator(**a**) then consent granted under that Licence is taken to mean that the Licensing Authority is not exercising the power set out in paragraph (4) to object to the appointment of the Proposed Operator as Operator.

(6) Where the Licence in respect of which the Operator is to be appointed does not contain the requirement described in paragraph (5) then the Licensing Authority may, within 28 days of receipt of the notification referred to in paragraph (3), notify the Licensee that the Licensing Authority may wish to object to the appointment of the Proposed Operator as Operator.

(7) Where a notification described in paragraph (6) is made to the Licensee the Licensing Authority will set out the period, of not more than 6 months, within which it will confirm whether or not it objects to the appointment of the Proposed Operator as Operator.

(8) The Licensee may appoint the Proposed Operator as Operator where:

(a) the Licensing Authority has granted consent under paragraph (5);

(b) the period referred to in paragraph (6) has expired without the Licensing Authority making the notification referred to in that paragraph; or

(c) the Licensing Authority has made the notification referred to in paragraph (6) but-

(i) subsequently informed the Licensee that it will not object to the appointment of the Proposed Operator as Operator; or

(ii) the period referred to paragraph (7) has expired.

(9) Where the Licensing Authority informs the Licensee that it is objecting to the appointment of the Proposed Operator as Operator, the Licensee-

(a) may not appoint the Proposed Operator as Operator; and

(b) has the responsibilities that that Proposed Operator would have undertaken under the Directive for such period as there is no Operator which has been appointed in accordance with this regulation.

Obligations on the Licensee

5.A Licensee must:

(a) ensure that provision of the nature described in the evidence it submitted to the Licensing Authority under regulation 3(5) is in place for the duration of offshore petroleum operations;

(**a**) Certain licences require, in certain circumstances, the consent of the Minister before the licensees can appoint an operator to carry out functions permitted by that licence.

(b) maintain sufficient capacity to meet all of its financial obligations resulting from liabilities for offshore petroleum operations carried out under its Licences;

(c) ensure that production installations and connected infrastructure are only operated-

(i) in a geographical area covered by a Licence held by it; and

(ii) only by an Operator appointed in accordance with regulation 4(2) for that purpose;

(d) ensure that no Operator carries out offshore petroleum operations under a Licence held by it unless that Operator has the capacity to meet the requirements for specific operations within the framework of the Licence; and

(e) take all reasonable steps to ensure that Operators appointed to carry out offshore petroleum operations under the terms of a Licence held by it meet the requirements, carry out their functions and discharge their duties under the Directive.

Liability for environmental damage

6. A Licensee is financially liable for the prevention and remediation of environmental damage, as defined in Directive 2004/35/EC of the European Parliament and of the Council on environmental liability with regard to the prevention and remedying of environmental damage(**a**), caused by offshore petroleum operations carried out-

(a) by that Licensee;

(b) on that Licensee's behalf;

(c) by an Operator appointed in respect of that Licensee's Licence; or

(d) on behalf of such an Operator.

Capacity of the Operator

7.—(1) Subject to paragraph (2), where the Competent Authority determines that an Operator no longer has the capacity to meet the relevant requirements under the Directive it must notify the Licensing Authority.

(2) The Competent Authority may not make a determination under paragraph (1) where that determination could be made under regulation 32 of the Offshore Installations (Offshore Safety Directive) (Safety Case etc) Regulations 2015(**b**).

(3) When the Licensing Authority receives a notification under paragraph (1) or regulation 32 of the Offshore Installations (Offshore Safety Directive) (Safety Case etc) Regulations 2015 it must notify the Licensee which holds the Licence in respect of which that Operator has been appointed, of this determination.

(4) Where-

(a) a notification under paragraph (1); or

(b) a notice under regulation 10(1),

has been communicated to the Licensee, the appointment of the Operator identified in that notification or notice, as the case may be, is terminated and the Licensee is responsible for the discharge of the duties of that Operator and must, without delay, propose a different Operator to the Licensing Authority in accordance with regulation 4(3).

Decommissioning etc

8.—(1) This regulation applies where-

(a) an installation or connected infrastructure is situated in an area in which a Licence has been revoked, been surrendered or expired; and

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(**a**) O.J. No. L143, 30.04.2004, p.56.
(**b**) …

(b) the Competent Authority has not issued a notice to the effect that no further decommissioning is necessary.

(2) Where this regulation applies then these Regulations apply with the following modifications:

(a) any reference to "Licence" is to be read as a reference to the installation or connected infrastructure referred to in sub-paragraph (1)(a),

(b) any reference to "Licensee" is to be read as a reference to the person who was the Licensee of the area in which the installation or connected infrastructure was situated immediately before the relevant Licence was revoked, was surrendered or it expired,

(c) any reference to a Licence being held by a Licensee is a reference to the installation or connected infrastructure resting in an area described in sub-paragraph (b),

(d) the appointment of a new Operator must be carried out in accordance with the process described in paragraphs (6)-(9) of regulation 4 and not paragraph (5) of that regulation.

(3) Where this regulation applies-

(a) the obligations on the Licensee under these Regulations transfer to the person described in sub-paragraph (a) of paragraph (2) of this regulation, and

(b) The appointment of the Operator is not affected.

(4) This regulation does not apply to regulation 3.

Information

9.—(1) The Licensing Authority may make a request to any Proposed Operator, Licensee or Operator for information relating to compliance with-

(a) that person's obligations under these Regulations; or

(b) the Licensing Authority's obligations under these Regulations.

(2) The Competent Authority may make a request to any-

(a) Proposed Operator for information relating to the fulfilment of the Competent Authority's functions under these Regulations, including its function as a consultee under regulation 4(4);

(b) Licensee or Operator for information relating to the fulfilment of the Competent Authority's functions under these Regulations; and

(c) Licensee for information relating to compliance with that Licensee's obligations under regulation 5(b), (d) or (e).

(3) It is the duty of any person who receives a request under paragraph (1) or (2) to comply with that request within such reasonable time as the body requesting the information may require.

(4) The Licensing Authority and the Competent Authority may exchange any information relevant to the exercise of their functions under these Regulations.

Enforcement

10.—(1) In the event that an Operator fails to comply with any obligations placed on it-

(a) by these Regulations; or

(b) by the Licensing Authority under these Regulations,

the Licensing Authority may issue the Licensee with a notice terminating the appointment of the Operator.

(2) In the event that a Licensee fails to comply with any obligations placed on it-

(a) by these Regulations; or

(b) by the Licensing Authority under these Regulations,

the Licensing Authority may revoke the Licence.

(3) Any revocation of a Licence under paragraph (2) has effect as if it was a revocation in accordance with the terms of the Licence.

(4) In the event that a Proposed Operator fails to comply with its duty under regulation 9(3):

(a) the Competent Authority may recommend to the Licensing Authority that that Proposed Operator is not appointed as Operator; or as the case may be,

(b) the Licensing Authority may object to the appointment of the Proposed Operator as Operator.

(5) The power in sub-paragraph (4) is without prejudice to the generality of circumstances in which the objections referred to may be raised.

Offences

11.—(1) It is an offence for any person, without reasonable excuse, to:

(a) carry out any action contrary to regulation 4(1); or

(b) provide false information to the Licensing Authority or the Competent Authority in satisfaction or purported satisfaction of an obligation imposed by or under these Regulations.

(2) It is an offence for any Licensee or Operator, without reasonable excuse, to fail to comply with the duty in regulation 9(3).

(3) A person guilty of an offence under paragraph (1) or (2) is liable-

(a) on summary conviction to a fine of-

(i) not more than level 5 on the standard scale; or

(ii) £100 per day;

(b) on conviction on indictment, to a fine.

Transitional provisions

12.—(1) These Regulations apply to Operators of installations which were planned installations on 20th July 2013, from 19th July 2016.

(2) Subject to paragraph (3) these Regulations apply to the Operator of an installation which commenced operations before 20th July 2013, from the earlier of-

(a) The date of thorough review, within the meaning of the Offshore Installations (Offshore Safety Directive) (Safety Case etc) Regulations 2005(**a**); or

(b) 19th July 2018.

(3) In relation to Operators who, on or after 20th July 2013, were planning or executing well operations, the provisions of these Regulations relating to the carrying out of well operations apply from the earlier of-

(a) 19th July 2016; or

(b) where paragraph (2) applies, the relevant date in paragraph (2).

Review

13.—(1) The Secretary of State must from time to time—

(a) carry out a review of regulations 2 to 12,

(b) set out the conclusions of the review in a report, and

(c) publish the report.

(**a**) S.I. 2005/3117.

(2) In carrying out the review the Secretary of State must, so far as is reasonable, have regard to how the Directive is implemented in other member States.

(3) The report must in particular—

(a) set out the objectives intended to be achieved by the regulatory system established by those regulations,

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

(4) The first report under this regulation must be published before the end of the period of five years beginning with the day on which regulation 3 comes into force.

(5) Reports under this regulation are afterwards to be published at intervals not exceeding five years.

[*Matthew Hancock*]
Minister of State
Department of Energy and Climate Change

Date

Annex 4

OPEP and EMS - DECC's proposed approach to implementation of the Directive requirements

Oil Pollution Emergency Plans (OPEPs)

A4.1 The OPEP is a response document which is implemented by operators when responding to any oil pollution event, irrespective of whether the instigating incident constitutes a major accident. The current OPEP regime is in place to satisfy the requirements of the International Convention on Oil Pollution Preparedness, Response and Co-operation (OPRC) as adopted by the International Maritime Organisation (IMO). Parties to the IMO are required to ensure that "operators of offshore units" have oil pollution emergency plans or similar arrangements which must be co-ordinated with national systems for responding promptly and effectively to oil pollution incidents.

A4.2 The UK has not historically required operators of offshore installations to prepare one emergency response plan covering environmental and safety requirements and the Directive does not require that we do so now. It is envisaged that the OPEP and the PFEER emergency response plan required by HSE will together meet the Internal Emergency Response Plan (IERP) requirements of the Directive. These will collectively be called the internal emergency response arrangements in SCR 2015, to reflect that one plan is not required. The environmental elements of these internal emergency response arrangements will be transposed into UK legislation through amendments to the Merchant Shipping (Oil Pollution Preparedness, Response and Co-operation Convention) Regulations 1998 (OPRC 1998).

A4.3 OPRC 1998 requires that an OPEP is submitted to DECC in respect of all offshore oil and gas operations where a risk of oil pollution is present. Under the current regime, the responsibility for the submission rests with the operators undertaking relevant exploration and production activity (including the transmission of fluids through any offshore pipelines).

A4.4 To meet the requirements of the Directive, DECC envisage that the OPEP will be separately submitted to the Secretary of State for review and approval (through the proposed CA portal), and the OPEP will only be briefly signposted in the safety case[1].

A4.5 The CA will not accept the safety case until the associated environmental submissions (e.g. the OPEP and the EMS) have been approved/accepted. There will continue to be a minimum legal requirement to submit the OPEP at least 2 months before operations commence, but in practice, as will be made clear in guidance, the timing of the OPEP submission and review process will be linked to the submission and review of the safety case. The amended regulations will, however, introduce a requirement for all operators/owners to hold an approved plan prior to commencing operations.

[1] As detailed at paragraph 0.6, the Directive requires that a report on major hazards is produced by operators and owners. DECC and HSE propose to use the safety case as the vehicle to effectively deliver this requirement. However, we consider that duplicating information already included in the OPEP, EMS & EIA processes, would introduce unnecessary administrative burdens on the industry and regulators. We are therefore proposing that the safety case only contains short descriptions of the environmental information where appropriate with links to existing environmental demonstrations and assessments (e.g. OPEPs, EMSs and EIAs).

A4.6 To satisfy the requirements of the Directive, DECC propose to introduce the following OPEP requirements for Production Installations, Non-Production Installations, Well Operations, Decommissioning Operations and Pipeline Operations through amendments to OPRC 1998 (the draft regulations can be found in Annex 3 to this document). Whilst we have specified the minimum requirements nothing in the OPEP guidance prohibits operators from producing a document which goes beyond the minimum requirements, indeed, we would encourage and welcome continuous improvement of the plans and procedures detailed in the OPEP.

Production installations

A4.7 Operators of all production installations will be required to hold an approved OPEP to cover all offshore oil and gas operations. They will be able to continue to hold a plan that covers all installations within a field or a field complex. To reflect the requirements of the Directive the amended OPRC regulations will be extended to include a new requirement for an OPEP for related decommissioning operations (see below).

A4.8 Under the current regime, operators are required to submit an OPEP prior to undertaking activities from any production installation. The amended requirements will require the OPEP to take account of the major accident risk assessment undertaken during preparation of the most recent safety case to include (but not be limited to) the information detailed below. At least 3 months before the amended regulations come into force (in July 2015), DECC will produce detailed guidance regarding the amended requirements.

1. Positions of persons authorised to initiate emergency response procedures and the positions of persons directing the internal emergency response to an oil pollution incident.

2. Positions of persons responsible for liaising with the authority or authorities responsible for the external National Contingency Plan (NCP).

3. Arrangements for training personnel in the duties they will be expected to carry out in the event of any incident, where necessary co-ordinating the training with the NCP.

4. A description of the scenario which would result in the worst-case release of oil to the sea, or, if applicable, cause a major environmental incident as described in the safety case. This must include any relevant details when two or more installations operate in combination in a way that affects the major hazard potential. *(Dependant on the nature of installation and associated operations, the worst-case scenario could be the loss of the fuel inventory or a potential release during well operations.)*

5. Arrangements for limiting risks to the environment, including a description of equipment and arrangements for the protection of the environment from an incipient major accident and how warnings are to be given and the actions persons are expected to take on receipt of a warning.

6. A description of the equipment and resources available to respond to a release of oil to the sea, including the equipment and resources available for the capping of any potential release from a well. This should include a complete and up-to-date inventory of emergency response equipment pertinent to the operations, and should include details of the ownership, the storage location, the arrangements for transport to, and mode of deployment at, the incident location, and the measures in place to ensure that the response equipment and procedures are maintained in an operable condition. *(There could be a generic list of emergency response equipment, as maintained by the operator/oil spill response contractor, supplemented by addenda to cover any specific equipment held in the field.)*

7. An estimate of the effectiveness of the oil spill response equipment and resources, including consideration of the following environmental conditions:

   (a) weather, including wind, visibility, precipitation and temperature;

   (b) sea states, tides and currents;

   (c) presence of ice and debris;

   (d) hours of daylight; and

   (e) other known environmental conditions that might influence the efficiency of the response equipment or the overall effectiveness of a response effort.

   (It may be possible to generate generic documents covering areas with comparable metocean data, e.g. West of Shetland, Northern North Sea, Central North Sea, Southern North Sea and Liverpool Bay, supplemented by addenda to cover any specific factors that would influence oil spill response effectiveness, such as a particular operator's oil spill response equipment inventory.)

8. Evidence that prior assessment of any relevant chemical dispersants has been carried out to minimise public health implications and any further environmental damage. *(This is covered by the UK dispersant approval process.)*

9. An assessment of the identified potential environmental effects resulting from a release of oil and a description of the technical and non-technical measures envisaged to prevent, reduce or offset them, including monitoring. *(The operator will be required to continue to model and assess the potential impact of the worst-case hydrocarbon release scenario.)*

10. Arrangements for providing early warning of a major environmental incident or potential major environmental incident to the authority or authorities responsible for initiating the National Contingency Plan, details of the type of information that should be contained in any warning and the arrangements for the provision of more detailed information as it becomes available.

A4.9 Operators will also be required to maintain equipment and expertise relevant to the OPEP addendum. The OPEP addendum will therefore also have to contain sufficient information to demonstrate that:

   (a) such equipment and expertise is available for use at all times;

   (b) such equipment and expertise would be made available to the authorities responsible for the execution of the National Contingency Plan;

   (c) the operator will undertake exercises to maintain relevant expertise for the implementation of the plan, including interaction with the National Contingency Plan; and

   (d) the operator will retain evidence of those exercises, such evidence to be provided to the Secretary of State on request.

Non-production installations

A4.10 Under the current regime, the operator using a non-production installation is responsible for the submission of the OPEP to cover the activities undertaken by that installation. The Directive amends this position and introduces a requirement on the owners

of non-production installations to hold an accepted IERP for each non-production installation, and under the new SCR 2015 this will mean that the owner must provide an adequate description of these internal emergency response arrangements (e.g. PFEER and OPEP arrangements) in the safety case. To be in a position to deliver this requirement, owners will therefore be required to hold an approved OPEP prior to commencing any operations. As this is a new obligation, the information to be included in the OPEP for a non-production installation will be limited to the requirements of the Directive.

A4.11 The OPEP for each non-production installation will only address the required oil spill emergency response plan, procedures and arrangements for potential oil releases from the non-production installation. It is therefore hoped that owners will be able to amend the existing Ship Oil Pollution Emergency Plan (SOPEP) to produce a document that meets both the IMO and Directive requirements.

A4.12 The operator responsible for any subsequent well operations or combined operations involving the non-production installation will be required to produce an addendum to the applicable non-production installation's OPEP, which must be approved by DECC prior to the commencement of the operations.

A4.13 It is currently envisaged that the OPEP for a non-production installation will include the information detailed below. At least 3 months before the amended regulations come into force, DECC will produce detailed guidance regarding the requirements.

1. Details of the on scene commander and trained personnel on the installation;

2. Details of the arrangements for oil spill response exercises;

3. Details of how the non-production installation OPEP will interface with any subsequent OPEP addendums prepared by operators undertaking well operations or combined operations;

4. Details of internal reporting channels;

5. Details of required external reporting channels/arrangements;

6. Positions of persons authorised to initiate emergency response procedures and the positions of persons directing the internal emergency response to an oil pollution incident;

7. Details of how persons on the installation will comply with all reporting requirements in the event of any oil release;

8. Positions of persons responsible for liaising with the authority or authorities responsible for the external National Contingency Plan;

9. A description of the worst-case potential release of oil to sea. *(In the majority of cases, this would be total loss of the fuel inventory. The owner of the non-production installation would not be required to model this worst-case release, as modelling would have to relate to a specific location.)*; and

10. Arrangements for limiting risks to the environment, including a description of equipment and arrangements for the protection of the environment from any incipient major accident and how warnings are to be given and the actions persons are expected to take on receipt of a warning.

Well operations

A4.14 DECC currently requires operators to prepare an OPEP that covers each well operation or series of well operations. In line with current practice, DECC will continue to require that operators submit the OPEP to DECC at least 2 months prior to the commencement of each well operation or series of well operations. However, the timing of the submission may need to align with the HSE Well Notification requirements.

A4.15 In the case of well operations undertaken from a production installation, the anticipated well operations can be covered in the OPEP that includes the production installation, or specific operations can be covered in an addendum to that OPEP. These procedures will be unchanged.

A4.16 In the case of well operations undertaken from a non-production installation, it is proposed that the operator responsible for the well should prepare an addendum to the approved OPEP for the non-production installation that would cover each well operation or series of well operations to be undertaken from the non-production installation, and the addendum would then form part of the internal emergency response arrangements for the oil and gas activities. The OPEP addendum would be required to interface with the non-production installation's OPEP.

A4.17 Where the non-production installation was operating in combination with a production installation, the OPEP addendum would have to include details relevant to the combined operations. The OPEP addendum would be required to interface with both the production installation's OPEP and the non-production installation's OPEP.

A4.18 Each OPEP addendum will be required to take account of the major accident risk assessment undertaken during preparation of relevant safety cases and would have to address the information requirements detailed for production installations, including assessments of the worst-case scenarios relating to the loss of fuel inventories and loss of well control. At least 3 months before the amended regulations come into force, DECC will produce detailed guidance regarding the requirements.

Decommissioning operations

A4.19 The current OPRC regulations require that operators submit an OPEP to DECC 2 months prior to activities being commenced on any offshore installation on the site of drilling for, or production of oil. 'Activities' are not defined in the OPRC regulations, but an 'offshore installation' is defined as any structure engaged in 'gas or oil exploration or production activities, or loading or unloading of oil'.

A4.20 The definition of oil and gas operations in the Directive specifically encompasses the decommissioning of offshore installations, and operators of production installations to be decommissioned will be required to include within the decommissioning safety case an adequate description of their internal emergency response arrangements for each installation until final decommissioning is complete (and the risk of oil pollution has been removed).

A4.21 Article 12(5) of the Directive requires that operators of production installations prepare an amended safety case when any modifications are made that constitute a material change, or it is intended to dismantle any fixed production installation, and Member States are required to ensure that neither any planned modifications nor any dismantlement are commenced until the CA has accepted the amended safety case. Operators will therefore be required to submit an OPEP for the decommissioning operations to enable the Internal Emergency Response arrangements to be adequately described in the safety case.

A4.22 As this is a new requirement the information to be included in the OPEP for a decommissioning installation is limited to the requirements of the Directive and will be broadly similar to the information requirements detailed for non-production installations. However, it would have to include assessments of the worst-case scenarios relating to both the loss of fuel inventories and loss of well control during any well abandonment activities. At least 3 months before the amended regulations come into force, DECC will produce detailed guidance regarding the requirements.

Pipelines

A4.23 Under the current regime, operators are required to submit OPEPs to cover all offshore pipelines (including interconnectors) where there is a risk of oil pollution. All pipelines that are not covered by an OPEP relating to a field or field complex are considered as 'oil handling facilities' for the purpose of OPRC 1998.

A4.24 The Directive requirements only apply to installations and connected infrastructure. Connected Infrastructure is defined as any:

- well and associated structures, supplementary units and devices connected to the installation;
- apparatus or works on or fixed to the main structure of the installation; and
- attached pipeline apparatus or works

that is within the safety zone or within a nearby zone of a greater distance at the discretion of the Member State.

Pipelines attached to an installation within the safety zone

A4.25 To maintain current standards and meet the requirements of the Directive, operators will be expected to continue to submit a single OPEP covering production installations and the connected infrastructure directly related to the field or field complex.

A4.26 The OPEPs would be required to meet the standards set out for production installations. At least 3 months before the amended regulations come into force, DECC will produce detailed guidance regarding the requirements.

Pipelines outside a safety zone

A4.27 The Directive does not require an OPEP for pipelines outside the safety zone. Those pipelines, including terminations of export trunk lines within the safety zone that are the responsibility of another operator, will continue to be considered as oil handling facilities and the amended regulations have been drafted in such a way that the additional Directive requirements do not apply.

A4.28 The amended OPRC regulations will introduce a new requirement to ensure that no activities that present a risk of an oil pollution incident are undertaken which are not the subject of an approved OPEP, but there are no other changes to the OPEP requirements for pipelines that do not constitute connected infrastructure.

Environmental management systems (EMSs)

Directive Requirements

A4.29 The Directive requires owners and operators to submit an applicable safety and environmental management system (SEMS), or an adequate description of the SEMS, to the Competent Authority. In addition information in the SEMS that is relevant to the installation in question must be submitted as part of the Report on Major Hazards. As previously stated in this Consultation Document DECC and HSE propose to use the safety case as the vehicle to effectively deliver the Report on Major Hazards.

A4.30 The requirement for submission of an environmental management system (EMS), or an adequate description of the EMS, will be transposed into UK legislation in the proposed new Offshore Petroleum Activities (Offshore Safety Directive) (Environmental Functions) Regulations 2015 (the OSDEF Regulations), and the information that must be contained in an EMS is defined in a schedule to the OSDEF regulations (see Annex 3).

A4.31 DECC recognises that some operators and owners may utilise an integrated SEMS containing safety and environmental components, and the proposed approach does not require the separation of those components. Submission of a SEMS, or a description of the SEMS, that satisfies the SMS requirements detailed in SCR 2015 and addresses the EMS requirements detailed in the OSDEF Regulations will therefore be perfectly acceptable, and would satisfy both regulatory requirements.

A4.32 Operators and owners will also need to provide a reference to their accepted EMS within the safety case and when operators/owners do not have an integrated SEMS they will need to demonstrate in the safety case how the two systems are integrated.

A4.33 In addition to the Directive requirements, DECC anticipates that the OSDEF requirements will link to the current licensing arrangements, whereby DECC will not award a licence in response to any application that is not supported by an EMS that satisfies the requirements of OSPAR Recommendation 2003/5, or does not provide a commitment to comply with those requirements prior to any offshore operations taking place.

Production and non-production installations

A4.34 To ensure compliance with the requirements of the Directive and the OSPAR Recommendation, an EMS for a production installation, or the environmental component of a SEMS for the installation, must satisfy the requirements of both regimes.

A4.35 As the OSPAR Recommendation only applies to offshore operators, the EMS for a non-production installation, or the environmental component of a SEMS for the non-production installation, must only satisfy the Directive requirements, as detailed in the OSDEF regulations, i.e. in relation to major accident hazards.

A4.36 The submission and review of the EMS or the environmental component of the SEMS documentation will be linked to the review of the safety case, as the CA cannot accept/approve the safety case unless it has approved all of the supporting submissions.

Compliance

A4.37 Where the Secretary of State has accepted an EMS or the environmental component of the SEMS, the relevant owner or operator will have a duty to ensure that it is maintained and reviewed. In practice, every person who holds an accepted EMS or the environmental component of the SEMS will be required by regulation to ensure the environmental

components are implemented, kept up to date, remain effective and are adequately reviewed.

A4.38 It is proposed that the OSDEF regulations would allow the Secretary of State to appoint inspectors with a view to assessing compliance with the EMS or environmental components of the SEMS. If the Secretary of State or an appointed inspector is of the opinion that a relevant owner or operator is in breach of the requirements to hold, maintain or review the system, they would have the authority to issue an enforcement notice to secure compliance. If the requirements of the enforcement notice were not met, the inspector would be able to issue a prohibition notice requiring the cessation of all operations in respect of such parts of the installation as directed.

A4.39 The OSDEF regulations will also introduce criminal offences should any relevant operator or owner breach, without reasonable excuse, the duties to hold, maintain or review an EMS or the environmental components of a SEMS.

Design/relocation notifications for a production installation

A4.40 The Directive also requires that a general description of the SEMS is contained in the design/relocation notification, outlining the intended major accident control measures and how they are to be maintained. It is proposed that this requirement is introduced into UK legislation through the new safety case regulations.

A4.41 In practice, the HSE and DECC, as the CA, will review the design/relocation notification submitted by the operator, with DECC focusing on the review of the environmental and relevant integrated components. The CA will then issue a statement and/or comments concerning all elements of the submission.

Annex 5

Proposed Changes to HSE's ACoPs

Changes to the Prevention of Fire and Explosion, and Emergency Response (PFEER) on Offshore Installations Approved Code of Practice (ACoP))

ACoP	Original Para	Original text / heading	Changed text / summary
PFEER	Whole doc.	"so far as is reasonably practicable".	HSE now uses the phrase; "so far as reasonably practicable".
	Whole doc.	All references to 'UKOOA'	Have been changed to read; 'Oil & Gas UK'
	Whole doc.	All references to 'Safety Case Regs.(SCR) 2005'	Changed to read; 'Safety Case Regs.(SCR) 2015'
	Whole doc.	All references to 'A guide to the Offshore Installations (Safety Case) Regulations. 1992'	Are changed to read; 'A guide to the Offshore Installations (Safety Case) Regulations. 2015' (at this point in time HSE is assuming this will be the title of this document)
	Page (iv)	Notice of Approval	This can now be found at Appendix 1
	Pages 1 & 2	Introduction & Scope	HSE now has an updated standardised template for all ACoP Introductory pages, which has been applied to this ACoP. All key information previously contained within the 'Introduction' section has been retained. Although Para 1 has now been removed.
	Para 5	General health and safety legislation	To make the Para shorter and easier to read the Para has been split into two.
	Para 10 and 11	Safety Case Regulations	HSE has removed these two Para's as they only had a historical value
		Regulation 2 'Interpretation' (Reference to 'the 1995 Order')	New explanatory guidance text has been inserted to explain that the reference to "the 1995 Order' is in fact a reference to the Application outside Great Britain Order 2013.
	Para 14	Interpretation - Guidance	This Para has now been removed as it is no longer applicable.
	Para 20	Reg 2 Guidance	The final sentence has been slightly changed to read; "The means of evacuation offers protection from the hazard, and have its own motive power to enable people to move quickly away from the installation".

ACoP	Original Para	Original text / heading	Changed text / summary
	Para 27	Reg. 3 Guidance	To make the Para shorter and easier to read the Para has been split into two.
	Para 29	Reg. 3 Guidance	To make the Para shorter and easier to read the Para has been divided into two. In addition the second and third sentences that read; "Dutyholders <u>will need</u> to pay particular attention etc. etc" and "Emergency response arrangements need to be established etc. etc." <u>Will / Need to</u> has in both instances been changed to "<u>should</u>"
	Para 30	Regulation 3 Application - Guidance	HSE has updated the Para to highlight that consideration needs to be given to hazard identification, risk assessment, risk reduction measures. The Para reads; "Particular attention should be paid to the hazard identification, risk assessment, risk reduction measures, identification and application when defining and evaluating the arrangements for managing fire and explosion hazards and emergency response during combined operations. This is necessary to ensure that the measures and arrangements take account of all the installations involved and the hazards they present as a result of their proximity to other installations" etc. etc. To make the Para shorter and easier to read the Para has been split into two.
	Para 35 – 1st bullet point	Regulation 4 General Duty - Guidance	The bullet point has been slightly amended to include control of ignition sources, the underlined text has been inserted, it now reads; "protecting persons from fire and explosion covers all the measures which may be needed to safeguard people from fires and explosions, i.e. inherent safety by design, preventive <u>(including the appropriate control of all ignition sources)</u> detection, control and mitigation measures".

ACoP	Original Para	Original text / heading	Changed text / summary
	Para 35 - 3rd bullet point	Regulation 3 Relationship with other Regulations – Guidance	The bullet point has been slightly amended to remove repetition and the final sentence has been reworded as underlined. The revised text reads; "*appropriate measures with a view to protecting people and securing effective emergency response* should be suitable for their purpose. Taken together, they should also allow the regulations' requirements to be met in the light of the circumstances on the installation, the stage in its life cycle, the nature of the hazard, the likelihood of it being realised and the potential consequences. In determining what is appropriate dutyholders should take account of any specific requirements in the regulations, the outcome of the assessments required by regulation 5 of these regulations and regulation 3 of MHSWR, and the risks and the costs of various measures. <u>Appropriate measures should be reasonably practicable.</u>
	Para 36	Regulation 4 Relationship with other Regulations - Guidance	The 3rd sentence reads; "Dutyholders will need to <u>satisfy</u> themselves etc. etc. Now reads; "Dutyholders will need to <u>ensure</u> themselves etc. etc.
	Para 38		The Managing of health and safety at work Approved Code of Practice has been withdrawn and replaced by HSG65 'Managing of health and safety' "The Principles for Health and Safety Management" that follow Para 38, will be removed and replaced with text that mirrors the requirements in HSG 65
	Para 39 - 1st bullet point	Regulation 4 Relationship with other Regulations - ACoP	Para has been updated to clarify that timely detection, reporting and recording of incidents takes place, the following has been added; "……. preventing hazardous events occurring, timely detection of events that have occurred, appropriate reporting and recording of such events, controlling their escalation, and mitigating their consequences"
	Para 41	Regulation 5 Assessment - Guidance	The final sentence of this Para is no longer necessary and has been removed; "Fax or other electronic transmission of the address is acceptable"

ACoP	Original Para	Original text / heading	Changed text / summary
	Para 43	Regulation 5 Assessment - Guidance	The following explanatory text has been added after the final sentence as a new Para; “Any changes (even those considered as an “improvement”) to a Safety Critical Element (SCE), performance standard or planned maintenance routine require assessment to ensure any interaction with other existing SCE’s are adequately evaluated”
	Para 45	Regulation 5 Assessment - Guidance	HSE has updated the performance standard definition, the underlined text shows the proposed changes, to read; A performance standard is a statement <u>of requirements</u> which can be expressed in qualitative or quantitative terms, of the performance required of a system, item of equipment, person or procedures and which is used as the basis for managing the hazard - eg, planning, measuring, control or audit - through the life cycle of the installation. <u>A performance standard should contain sufficient information against which to assess the suitability and condition of the item to which it applies and covers functionality, reliability, availability and survivability where appropriate</u>. The regulation does not specify what performance standards should be – that is for the dutyholder to decide, taking account of the circumstances on the particular installation.
	Para 50 1st bullet point	Regulation 5 Relationship with other Regulations - ACoP	HSE has added to the bullet point the need for assessments to include the release of toxic and asphyxiating gases, it now reads; “identifying fire and explosion major accident hazards, and major accident hazards with the potential to require evacuation, escape or rescue; <u>including those that concern the release of toxic and asphyxiating gases</u>”
	Para 50 3rd bullet point	Regulation 5 Relationship with other Regulations - ACoP	HSE has updated this bullet point to be clear what is expected in this step. The underlined text has been added; “identifying the measures needed to meet the requirements of these Regulations, <u>to identify, monitor, control, mitigate and adequately protect people</u> in respect of major accident hazards from fire and explosion, and major accident hazards requiring evacuation, escape and rescue”

ACoP	Original Para	Original text / heading	Changed text / summary
	Para 50 4th bullet point	Regulation 5 Relationship with other Regulations - ACoP	HSE has updated this bullet point to be clear what is expected in this step. The underlined text has been added; "identifying performance standards <u>including consideration of risk assessment for offshore installations and human vulnerability criteria and</u> for those measures to protect people from fire and explosion and to ensure effective evacuation, escape and rescue"
	Para 53	Regulation 5 Relationship with other Regulations - ACoP	The final sentence (underlined text) of this Para has been added for greater clarity; "Assumptions should be justified, <u>sensitivities identified and considered and uncertainty adequately addressed ensuring a realistic perspective of risk is taken</u>"
	Para 55	Regulation 5 Relationship with other Regulations - ACoP	The opening sentence has been updated to provide greater clarity, it now reads; "In recording the assessment process, provide enough information to justify decisions on appropriate measures. The assessment will form the basis for selecting plant and equipment, and drawing up procedures etc. Record information from the assessment in an appropriate way…"
	Para 62	Regulation 6	This Para has been split into two to make it easier to read. In addition, the third and fourth sentences have been reworded to provide greater understanding. It reads: " For normally unattended installations such people should be identified in advance. They should carry the relevant notification with them to the installation, so the identity of those with emergency duties is clear to all those visiting the normally unattended installation"
	Para 65	Regulation 6 Relationship with other Regulations – Guidance	The Para has been slighted updated to reflect a requirement, where 'must' replaces 'will need to' the Para reads; "In making the arrangements for appointing people to undertake emergency duties, dutyholders must consult safety representatives etc. etc."
	Para 88 3rd bullet point	Regulation 9 Prevention of Fire and Explosion – Guidance	The original bullet point "optimising the plant layout" has now become the 4th bullet point and a new 3rd bullet point inserted it reads; "the elimination, minimisation or control of all potential sources of ignition"

ACoP	Original Para	Original text / heading	Changed text / summary
	Para 95 1st bullet point		HSE has slightly re-worded the bullet point to read; "control of ignition sources including those from mechanical operations and equipment, use of electrical equipment not designed for use in areas of flammable and explosive atmospheres and hot work e.g. welding, flame-cutting"
	Para 98	Regulation 10 Detection of incidents - Guidance	HSE has slightly adjusted the underlined wording and added to the final sentence the underlined text; "Regulation 10(a)(i) and (ii) contains some specific requirements for <u>providing means</u> of detecting and recording flammable and toxic gas and identifying leakages of flammable liquids; <u>other relevant reasonably foreseeable events may include the presence of asphyxiating atmospheres</u>".
	Para 99 (e)	Regulation 10 Detection of incidents – Guidance	This has now become Para 99 (f).
	Para 99 (e)	Regulation 10 Detection of incidents – Guidance	A new sub Para has been added, it reads; "suitable detection systems for asphyxiating atmospheres"
	Para 100	Regulation 10 Detection of incidents – Guidance	This Para has been moved and reinserted before Para 98. As it explains the terms used in the regulations.
	Para 101	Regulation 10 Relationship with other Regulations – Guidance	The Para has been split into 3 separate Para's for easier reading.
	Para 103	Regulation 10 Relationship with other Regulations – ACoP	The Para has been divided into separate Para's and sub Para's for easier reading.

ACoP	Original Para	Original text / heading	Changed text / summary
	Para 104	Regulation 10 Relationship with other Regulations - ACoP	HSE has updated the Para to further explain the requirements of detection systems and their detection settings, the following has been added; “Detection systems for fire and explosion hazards should be able to ensure the timely detection of flammable, explosive and toxic gas and other atmospheres such as those that are asphyxiating. Where a flammable atmosphere is possible, detector alarm and action levels should be set so as to minimise such circumstances through early detection and system activation. Consideration should be given to the detection system capabilities and its ability to detect and advise where a potential hazard is developing. Detection system action and alarm levels should be set at values that enhance system performance. For example, gas detector alarm levels should be set at values as low as possible but above a value where system dynamics result is spurious trips. Flame detection systems should only have voting if this does not delay emergency action on alarm, i.e. when multiple detectors are monitoring the same location or equipment. Appropriate measures…….” etc. etc.
	Para 108	Regulation 11 Communication - Guidance	The 2nd sentence (underlined text) of this Para has been slightly re-worded to avoid repetition, it reads; On some installations lights may be used to provide information and warning in addition to the general platform, prepare to abandon and toxic gas alerts. <u>The colours of these additional information and warning lights are not specified in this regulation</u>.
	Para 130	Regulation 13 Mitigation of Fire and Explosion – Guidance	‘Temporary Refuge’ has been added to the list of examples.

ACoP	Original Para	Original text / heading	Changed text / summary
	Para 137		The Para has been divided for greater clarity and the opening sentence “will need to” has been replaced with “must”, it reads; “For measures to remain effective in an emergency dutyholders must consider suitable contingency arrangements etc etc” Also the following text has been added after the final sentence, it reads; “The temporary refuge survival time should be adequately defined and demonstrated through the development of suitable performance criteria, underpinned by testing where required. Such performance standards include, but are not limited to, the air change rate, fire resistance and concentrations of substances which could give rise to toxic atmospheres. Where it is reasonably forseeable that an event will compromise temporary refuge integrity within this time this must be clearly addressed by the emergency response plan".
	Para 154	Regulation 15 Arrangements for Evacuation – ACoP	The Para has been divided and sub divided to make it easier to read
	Para 155	Regulation 15 Arrangements for Evacuation – ACoP	The Para has been updated and the underlined text highlights the changes, it reads; “…….In these circumstances there should be sufficient TEMPSC places for <u>at least</u> 150% of the persons on board, unless an alternative standard is justified, or called for, on the basis of the assessment required by regulation 5”. The following text has been added for further guidance, it reads; <u>As part of the Regulation 5 assessment, consideration should be given to, amongst other matters, the following;</u> <u>(a) TEMPSC availability in areas where personnel are likely to congregate or be trapped in an emergency</u> <u>(b) Impact on TEMPSC provision where changes in trim and list may become a factor</u> <u>(c) The need to evacuate possible stretcher-bound casualties and the associated space required.</u>

ACoP	Original Para	Original text / heading	Changed text / summary
	Para 161		The final sentence of this Para has been slightly re-worded, it now reads; "In addition, sufficient means of descent to the sea should be provided on all installations, including fixed ladders, stairways or personal devices for controlled descent, where reasonably practicable."
	Para 172	Regulation 17 Arrangements for recovery and rescue - ACoP	The Para has been divided and sub divided to make it easier to read and the penultimate sentence has been slightly re-worded for clarity, it reads; "Some installations may need a combination of recovery and rescue arrangements. In their assessment, dutyholders should include a justification of their choice of arrangements to demonstrate the effectiveness of their contribution to securing the survival of people in the water, particularly a realistic time of response"
	Para 182 1st bullet point	Regulation 18 Suitability of personal protective equipment for use in an emergency - ACoP	This bullet point has replaced the wording "all persons" with "everyone" as below; "personal protective equipment for <u>everyone</u> on the installation for use in conditions of fire, heat, gas escape, or smoke, etc. etc. "
	Para 182 3rd bullet point	Regulation 18 Suitability of personal protective equipment for use in an emergency - ACoP	This Para has been updated by adding the following underlined text; "life-jackets (<u>suitable to the mode of evacuation</u>) and survival suits for all <u>people</u> on the installation <u>who may require them</u> to maximise their chance of survival" etc. etc
	Para 194	Regulation 19 Suitability and condition of plant – Relationship with other Regulations - Guidance	The Para has been updated to reflect the revocation of the Offshore Installations (Construction and Survey) Regulations it now reads; "Regulation 19(6) excludes from the PFEER scheme of examination equipment covered by a current certificate of fitness (COF) under the Offshore Installations (Construction and Survey) Regulations (CSR). <u>These Regulations are no longer current and were revoked by the Offshore Installations and wells (Design and Construction etc) regulations (DCR). The transitional arrangements between CSR and DCR (in force until 30 June 1998) have expired</u>".

Changes to the Health Care and First Aid on Offshore Installations and Pipeline works Approved Code of Practice (ACoP)

ACoP	Original Para	Original text / heading	Changed text / summary
First Aid	Page iv	Notice of Approval	This can now be found at Appendix 1
	Whole doc.	"so far as is reasonably practicable".	HSE now uses the phrase; "so far as reasonably practicable".
	Whole doc.	Health & Safety Commission	All references to the 'Commission' have been changed to read; "Health & Safety Executive"
	Pages 1 & 2	Introduction	HSE now has an updated standardised template for all ACoP Introductory pages, which has been applied to this ACoP. All key information previously contained within the 'Introduction' section has been retained.
	Para 14 and following Para's	Reg 2 - Guidance	HSE has updated the Para to reflect the (Application outside Great Britain) Order 2013 (rather than the 1995 Order). Along with explanatory text to confirm the revocation of previous Orders.
	Para 22 (a)	Reg 2 - ACoP	HSE has inserted a new Para 22 (a), to provide clarity for the definition of a 'medical practitioner'. It now reads; "a registered medical practitioner (in the case of regulation 5 (1)(a) and 5(1)(c)) means someone who holds a current General Medical Council (GMC) registration and has a license to practice in the United Kingdom." NB. all other Para 22 sub Para's remain unchanged, except for (a) becoming (b) and (b) becoming (c) etc. etc.
	Text following Para 22 (e)	Reg 2 ACOP	This Para has been slightly re-worded to provide greater clarity, it reads; "Words and expressions used in the ACoP which are also found in 'the Regulations' have the same meaning. Other words and expressions which are used and are found in the Health and Safety at Work etc Act 1974, (but not in 'the Regulations'), only have the same meaning as those in the 1974 Act."
	Para 23	ACoP 4	The Para has been deleted as it provides no information specific to Regulation 4.

ACoP	Original Para	Original text / heading	Changed text / summary
	Para 38	Assessment of needs - Guidance	HSE has deleted the opening sentence as it is implicit within the preceding Para's that First aid includes treatment to preserve life and minimise the consequences of injury etc. The opening sentence now reads; "When it is necessary to evacuate a casualty ashore the person in control must ensure that adequate arrangements are in place for the care of the casualty during evacuation."
	Para 39	Assessment of needs - Guidance	This Para has been merged into Para 38 and slightly updated to make clear the arrangements and people involved in evacuating a casualty. Following the opening sentence of Para 38 the text now reads; "This will involve providing an offshore first -aider or offshore medic as escort (see Appendices 3 and 4). Where this is not possible or necessary the person in control should ensure, that attendant personnel are competent to provide an adequate level of care during evacuation. Once the sick or injured person has been transferred to the care of a hospital or other onshore medical facility, the person in control no longer has to provide for their needs"
	Para 44	Arrangements during the construction and dismantling of offshore installations - Guidance	The opening sentence; "Arrangement should be made during etc." Has been amended to read; "Make arrangements during etc."
	Para 46	Basic First Aid training - Guidance	The final sentence is updated to clarify that the offshore medic can carry out the basic first aid training to unqualified offshore workers provided they have the skills to do so. The sentence now reads; "The offshore medic can carry out this training if necessary provided they have the appropriate skills and experience to undertake this task"
	Para 48	Basic First Aid training – Guidance	The opening sentence of this Para has been re-worded as follows; "As well as equipment kept in the sick bay, provide offshore first-aiders with appropriate first-aid and medical equipment; which should be a type they are familiar with"
	Para 49	Guidance – Reg. 5(1)	The Para has been slightly re-worded to confirm that Appendix 3 & 4 now include guidance on 'Competence'

ACoP	Original Para	Original text / heading	Changed text / summary
	Following Para 49	Training and Selection - Guidance	A new Para has been inserted to explain the 'employer' is responsible for the selection and recruitment of people to act as medics and that person should demonstrate a basic understanding of Health Sciences. The new Para reads; "The employer is responsible for the selection and recruitment of individuals competent to act as offshore medics. As offshore medic training is challenging potential candidates are required to demonstrate that they have a basic understanding of health sciences".
	Para 50	Training and Selection - Guidance	The Para has been slightly amended by removing the words "special" and "of prime" from the 1st sentence. It now reads; "Because of the attributes required of those employed as offshore medics, selection of suitable applicants is important……." etc. etc.
	Para 51	Training and Selection – Guidance	This Para has been updated to remove un-necessary comment, the following text has been removed; "the requirements of the courses and the qualities likely to make a good offshore medic or offshore first aider should be borne in mind". The Para now reads; "People in control may need to recruit or select candidates for offshore medic or offshore first-aid training courses. In recruiting or selecting people for training, remember that training alone does not ensure that a person will be 'suitable……..'. etc. etc."
	Para 52	Training and Selection – Guidance	The Para is slightly updated to read; "The HSE-approved training for offshore medics (see Appendix 3) is designed to build on the medical or nursing skills already held by candidates. Successful candidates are likely to be experienced nurses registered with the Nursing and Midwifery Council or experienced paramedics registered with the Health Care Professions Council. Other candidates may be suitable, but it is for the employer and training organisation to determine if they have the necessary underpinning core skills allied to medicine and nursing". The final sentence has been removed; "All candidates should have knowledge of the offshore working environment, which may have been obtained through means other that practical experience"

ACoP	Original Para	Original text / heading	Changed text / summary
	Para 53	Training and Selection – Guidance	From the opening sentence HSE has removed; “In the course of their duties”. The Para now commences; “Offshore medics and offshore first aiders will…….” etc. etc.
	Para 54	Medical Supervision - Guidance	Due to the length of this Para it has now been split into two Para’s. The first part of the Para has not been changed. It ends with; “(See Appendices 3 and 4)”
	Para 54	Medical Supervision - Guidance	The second half of this Para commences with; “The medical practitioner should etc.” The final sentences have been slightly re-worded to be more succinct, it reads; “'Suitably qualified' means having knowledge and experience managing health issues likely to occur offshore. In many cases this will also indicate a need to have experience or a qualification in occupational medicine”
	Para 56	Medical Supervision - Guidance	The underlined text identifies the updates made to this Para; “Regular supervision of the offshore medic <u>by the medical practitioner</u> should include such things as oversight of the ordering and supply of drugs and medical equipment, the application of medical policy and procedures, the provision of non-urgent medical advice and involvement in the continuing <u>professional development through regular update training of the medic to ensure competency is maintained</u>”
	Para 57	Duty to provide information - Guidance	The final sentence has been slightly re-worded, it now says; “Make workers aware of any alterations in the arrangements (for example, when they are required to use different facilities or go to different personnel)”
	Following Para 60	Heading – Approval of training organisations	This heading has been re-titled to; “Approved training organisations”

ACoP	Original Para	Original text / heading	Changed text / summary
	Para 61	Approval of training organisations - Guidance	The Para has been deleted due to changes in the current guidance for offshore first-aid and offshore medic training (WEB 43 & 44) and is replaced with the following explanatory text; "Details of organisations approved by HSE to offer qualifications in offshore first aid and/or offshore medic can be found on the HSE website. Organisations wishing to be approved by HSE to offer these qualifications should refer to the relevant HSE guidance"
	Para 63	Approval of training organisations - Guidance	HSE has inserted the underlined text to the guidance to provide greater clarity; "Regulations 5(2)(b) and (c) <u>and 5(3) (b) (i) and (iii) where it makes reference to the supply of water to the bath only</u> are not reproduced in this publication. They deal with transitional arrangements only, and are no longer relevant"
	Para 64	Approval of training organisations - Guidance	HSE has inserted the underlined text provide more clarity; "Sick bays introduced since 13 September 1990 cannot take advantage of this provision. <u>Where an installation has a sick bay which has not been refurbished since the 13 September 1990 this provision is still valid</u>"
	Appendix 1	Assessment of first-aid and basic health care needs	Appendix 1 is now the 'Notice of Approval. (To be consistent with HSE's current ACoP template)
	Appendix 1	Assessment of first-aid and basic health care needs	This is now labelled Appendix 2
	Appendix 2	Roles and responsibilities of offshore medics	This is now labelled Appendix 3 and re-titled; "Roles, responsibilities and competencies of offshore medics"
	Appendix 2	Roles and responsibilities of offshore medics	The following are a list of changes to this appendix; Para 1:- Final sentence, "objectives" has been replaced by "Competencies". It now reads: "The competencies set out in this appendix are based on the principle that the offshore medic's general responsibilities are:" Para 1(c) has been sub divided as follows; "to arrange, in conjunction with shore-based medical services, for the continued treatment and further care of ill or injured people. While minor ailments may be treated on the offshore installation or vessel, some conditions may involve sending the person ashore. The offshore medic should be able to:

ACoP	Original Para	Original text / heading	Changed text / summary
			(i) carry out resuscitation and stabilise a patient before evacuation ashore; (ii) advise management of the need for an evacuation; (iii) assess in consultation with the approved medical practitioner (likely to be onshore) the seriousness of the condition and the urgency of the treatment. This assessment should take account of weather conditions and the distance and accessibility of onshore emergency medical services; Para 1(f):- Now reads; "to give simple advice on the management of health, welfare and wellbeing issues offshore" Para 2:- The opening line now reads; "Offshore medics may have other functions <u>but these additional roles must not conflict</u> with……. etc. etc." Para 3:- The underlined text has been added to the final sentence; "……..providing basic first-aid training <u>provided they have the appropriate training, skills experience and time resource to undertake these tasks</u>" Following Para 3 a new sub heading has been inserted titled; "Competencies" Under this 'Competencies' heading the contents of Appendix 4 has been inserted. However, the original sub headings "Course Content" and "Refresher Courses for Offshore Medics" have been replaced by the sub headings:- "Offshore Medic Course Structure" and "Requalification Courses for Offshore Medics". The following updated text replaces Para's 2 – 7 of Appendix 4 and reflects the guidance found in the following HSE publication:- "Offshore medic training and qualifications for the purposes of The Offshore Installations and Pipeline Works (First-Aid) Regulations 1989, A guide for training organisations. New heading is inserted; **"Offshore Medic Course Structure"**

ACoP	Original Para	Original text / heading	Changed text / summary
			The text now reads; “The course should equip offshore medics to meet the competencies set out above. Training organisations will therefore need to regularly review their course content to keep pace with developments in law and practice. Further detailed guidance for training organisations covering offshore medic training and qualifications can be found in “Offshore medic training and qualifications for the purposes of The Offshore Installations and Pipeline Works (First-Aid) Regulations 1989, A guide for training organisations www.hse.gov.uk/pubns/web44.pdf The course, including examinations, should normally take at least four full weeks (120 contact hours). Courses should include considerable practical training, where appropriate, as well as providing a summary of advances in knowledge. Practical training is essential and does not have to be entirely classroom-based, for example offshore medics may be able to obtain some practical experience through placement in a hospital and general practice”. **Requalification courses for offshore medics** “Requalification training is needed to prevent skills declining through infrequent use and to keep offshore medics up to date with developments in knowledge and practice. The person in control should also be alert to the continuing education needs of an offshore medic (under the supervision of a medical practitioner). Offshore Medic Certificates are valid for three years only and it is the employers responsibility that requalification training is scheduled to occur before the certificate expires. A requalification course, followed by re-examination, will be required before re-certification. Where offshore medics attend a requalification up to three months before the expiry the date of any re-certification will take place from the date of the expiry of the existing certificate. Offshore medics may attend a requalification course after the expiry of their certificate but if the interval between expiry and attendance on the course is greater than three months it may be prudent to attend the full course again. However, an offshore medic cannot practice unless they hold a valid certificate of competency. Requalification training for offshore medics should occupy at least two weeks (60 contact hours), including examinations. Courses should include considerable practical retraining, where appropriate, as well as providing a summary of advances in knowledge, and a review of relevant practical offshore experience. Practical retraining does not have to be entirely

ACoP	Original Para	Original text / heading	Changed text / summary
			classroom-based, for example offshore medics may be able to obtain some practical experience through placement in a hospital or general practice. Requalification courses should include the following subjects":- (THE SUBJECTS ARE THOSE LISTED in APPENDIX 4 PARA 7 (a) – (n))
	Appendix 3	Roles and responsibilities of offshore first-aiders	This is now labelled Appendix 4, updated and re-titled; "Roles, responsibilities and competencies of offshore first-aiders"
	Appendix 3	Roles and responsibilities of offshore first-aiders	Following Appendix 3 Para 2 a new sub heading is inserted; "Competencies" Under this heading the contents of Appendix 5 has been inserted. However, the original sub heading "Refresher Courses for Offshore First-aiders" is replaced by the sub heading:- "Requalification Courses for Offshore First-aiders". The following updated text replaces Para's 1 – 4 of Appendix 5 and also reflects the guidance that can be found in the HSE publication:- "Offshore medic training and qualifications for the purposes of The Offshore Installations and Pipeline Works (First-Aid) Regulations 1989, A guide for training organisations The updated text reads; "On completion of their training successful candidates need to be able to demonstrate the following competencies": *(these are as listed in the original Appendix 5 Para 1 sub Para's)* "Training courses in offshore first aid, including examinations, should not be less than 30 contact hours, spread over no less than four days. Offshore first-aid certificates are valid for three years and offshore first-aiders may attend a requalification course up to three months before the expiry of their certificate. Re-certification will then take effect from the date of expiry of the existing certificate. However, it is the employer's responsibility to ensure that offshore first aiders undertake requalification training before their existing certificate expires. If a certificate expires before a requalification course is taken, they will not be considered competent until they have requalified" **Requalification courses for offshore first-aiders**

ACoP	Original Para	Original text / heading	Changed text / summary
			"Requalification training helps to ensure that the knowledge and skills of an offshore first-aider do not deteriorate. The offshore medic may assist with continuing training for offshore first-aiders. Requalification courses to renew certificates for offshore first-aiders should be at least two days (12 contact hours) in length. Provided an individual has completed the initial 4 day course they can attend a requalification course at any time but they are not considered to be competent until they re-qualify. Where the certificate has expired in excess of three months HSE would suggest that attendance on the longer course may be beneficial. The competence of offshore first-aiders should be re-tested in accordance with the competencies listed and should also include:"(this is as listed in the original Appendix 5 Para 3 sub Paragraphs)
	Appendix 4	Training objectives for offshore medics	Has been merged into the new Appendix 3 ("Roles, responsibilities and competencies of offshore medics") and used to provide guidance on 'Competencies
	Appendix 5	Competencies for offshore first-aiders	Has been merged into the new Appendix 4 ("Roles, responsibilities and competencies of offshore first-aiders")
	Appendix 6	Criteria for approval of training providers	HSE has deleted this Appendix as the current guidance contained within 'Offshore First-Aid training & qualifications (WEB 43) and Offshore Medic training & qualifications (WEB 44) now supersedes this Appendix.

Annex 6

Title: **Implementation of Directive 2013/30/EU on the safety of oil and gas operations and on updating UK oil and gas legislation** IA No: 0088 Lead department or agency: **Health and Safety Executive** Other departments or agencies: **Department of Energy and Climate Change** **Department for Transport** **Department for Environment Food and Rural Affairs**	**Impact Assessment (IA)** **Date:** 17th April 2014 **Stage: Consultation** **Source of intervention:** European **Type of measure:** Secondary Legislation **Contact for enquiries:** Jim.Neilson@hse.gsi.gov.uk Irene.Thomson@decc.gsi.gov.uk
Summary: Intervention and Options	**RPC Opinion: GREEN**

Cost of Preferred (or more likely) Option

Total Net Present Value	Business Net Present Value	Net cost to business per year (EANCB on 2009 prices)	In scope of One-In, Two-Out?	Measure qualifies as
£142.99m	£142.99m	£12.67m	No	N/A

What is the problem under consideration? Why is government intervention necessary?

In 2011, the EC published proposals for a direct acting European Regulation to strengthen the EU Offshore oil and gas regulatory system. The UK argued strongly for a Directive to enable it to build the new requirements into its existing world-class regime. The Directive, which must be implemented by 19th July 2015, contains requirements relating to licensing, environmental protection and oil spill response, and liability in addition to safety matters, and therefore requires a coordinated implementation approach between the relevant Government departments. Intervention is necessary to establish an offshore competent authority (CA), to amend existing legislation or implement new provisions and to introduce administrative measures to fully transpose the Directive within the stated time-frame. Offshore oil and gas legislation needs to be updated to simplify definitions, fill gaps, reduce the stock of regulations and to bring emerging energy technologies within the scope of the legislation.

What are the policy objectives and the intended effects?

The UK Policy objectives are: (1)To fully transpose the Directive by: Building on the UK's exemplary offshore safety and environmental regimes and further enhancing it; maintaining the existing high levels of protection for worker's safety and the environment; and keeping burdens on industry to a minimum.
(2) To simplify and update oil and gas major hazard legislation to take account of operational lessons learned and maintain industry/public confidence in the regulation of emerging energy technologies

What policy options have been considered, including any alternatives to regulation? Please justify preferred option (further details in Evidence Base)

Alternatives to regulation do not apply as they would not fulfil our obligations under EU Law. Our preferred legislative option is to mesh the majority of requirements into existing legislation and incorporate new provisions where necessary. We will use copy out where possible, but will also use elaboration to ensure consistency with domestic regulations and also use administrative procedures. The bulk of the requirements will be implemented via new Offshore Installations (Safety Case) Regulations 2015 (SCR 2015) which will replace SCR 2005. The remaining environmental requirements will be implemented by new Offshore Petroleum Activities (Offshore Safety Directive) Regulations 2015 that will amend The Merchant Shipping (Oil Pollution Preparedness, Response and Co-operations Convention) Regulations 1998. There are 4 options for establishing the CA (plus the notional do-nothing option): (2) a partnership CA to regulate the major hazard risks covered by the Directive; (3) a partnership CA to cover all offshore safety and environmental regulation; (4) HSE becoming the offshore CA; (5) the creation of a 'stand-alone' CA. The preferred option is option 2. This would provide a single regulatory face of the CA to industry and achieve compliance by July 2015 without incurring Machinery of Government change.

Will the policy be reviewed? It will be reviewed. **If applicable, set review date: July 2020**

Does implementation go beyond minimum EU requirements?			No		
Are any of these organisations in scope? If Micros not exempted set out reason in Evidence Base.	**Micro** Yes	**< 20** Yes	**Small** Yes	**Medium** Yes	**Large** Yes
What is the CO_2 equivalent change in greenhouse gas emissions? (Million tonnes CO_2 equivalent)			**Traded:** N/a	**Non-traded: N/a**	

I have read the Impact Assessment and I am satisfied that, given the available evidence, it represents a reasonable view of the likely costs, benefits and impact of the leading options.

Signed by the responsible SELECT SIGNATORY: ..... Date: .....

Summary: Analysis & Evidence

Policy Option 1

Description: Status quo

FULL ECONOMIC ASSESSMENT

Price Base Year 2014	PV Base Year 2015	Time Period Years 10	Net Benefit (Present Value (PV)) (£m) Nil		
			Low: Nil	High: Nil	Best Estimate: Nil

COSTS (£m)	Total Transition (Constant Price)	Years	Average Annual (excl. Transition) (Constant Price)	Total Cost (Present Value)
Low	Nil	4	Nil	**Nil**
High	Nil		Nil	**Nil**
Best Estimate	Nil		Nil	**Nil**

Description and scale of key monetised costs by 'main affected groups'

This is the notional baseline and no monetised costs have been estimated.

Other key non-monetised costs by 'main affected groups'

By failing to implement the Directive, the UK Government would face a reputational risk from failing to comply with its legal obligations and likely face infraction proceedings by the European Commission.

BENEFITS (£m)	Total Transition (Constant Price)	Years	Average Annual (excl. Transition) (Constant Price)	Total Benefit (Present Value)
Low	Nil	4	Nil	**Nil**
High	Nil		Nil	**Nil**
Best Estimate	Nil		Nil	**Nil**

Description and scale of key monetised benefits by 'main affected groups'

This is the notional baseline and no monetised benefits have been estimated.

Other key non-monetised benefits by 'main affected groups'

No non-monetised benefits have been considered.

Key assumptions/sensitivities/risks **Discount rate (%)** 3.5

No applicable.

BUSINESS ASSESSMENT (Option 1)

Direct impact on business (Equivalent Annual) £m:			In scope of OITO?	Measure qualifies as
Costs: Nil	**Benefits:** Nil	**Net:** Nil	N/A	N/A

Summary: Analysis & Evidence

Policy Option 2

Description: Transpose Offshore Directive into UK law with partnership Competent Authority for offshore major hazard risk

FULL ECONOMIC ASSESSMENT

Price Base Year 2014	PV Base Year 2015	Time Period Years 10	Net Benefit (Present Value (PV)) (£m)		
			Low: -74.50	High: -220.01	Best Estimate: -142.99

COSTS (£m)	**Total Transition** (Present Value, Constant Price)		**Average Annual** (excl. Transition) (Constant Price)	**Total Cost** (Present Value)
Low	32.1	4 Years	5.1	**74.5**
High	82.9		16.4	**220.0**
Best Estimate	57.3		10.2	**143.0**

Description and scale of key monetised costs by 'main affected groups'

The costs of transposing the Directive would be mostly borne by business, either directly or through cost recovery by the Offshore Competent Authority. Based on best estimate ten-year present values, the direct cost to industry of complying with changes to HSE legislation to implement the Directive would be around £107m and to comply with changes to DECC legislation, around £24m. Costs recovered by the Competent Authority would be around £2.4m for its set-up and management, around £8.3m for assessments related to changes to HSE legislation and around £0.75m for changes related to DECC legislation. The costs of the simplification and update of additional HSE legislation would be a ten-year present value of around £0.4m to industry.

Other key non-monetised costs by 'main affected groups'

The costs to industry of amendments to the environmental liability requirements have not been estimated in this consultation stage IA. A new requirement for owners or operators to have the independent verifier consider well notifications has not been costed in this consultation stage IA as the necessary information could not be gathered from the industry focus groups. This will be sought during consultation.

BENEFITS (£)	**Total Transition** (Constant Price)	Years	**Average Annual** (excl. Transition) (Constant Price)	**Total Benefit** (Present Value)
Low		4 Years		
High				
Best Estimate				

Description and scale of key monetised benefits by 'main affected groups'

No benefits have been monetised.

Other key non-monetised benefits by 'main affected groups'

The Directive is intended to reduce the likelihood of offshore major accidents. While the current UK regime is well-established and robust, it is expected that the greater oversight provided by the joint Competent Authority for safety and environmental risks would provide greater assurance. Further amendments to safety legislation would permit the control of health and safety risks in emerging onshore gas and hydrocarbon sectors.

Key assumptions/sensitivities/risks **Discount rate (%)** 3.5

The key assumption for costs to industry over the appraisal period is the number of installations, as discussed in section 7. The number of new installations coming into scope of the regulations each year and the number dropping out is not certain and is subject to a reduction in viable fields on the UK Continental Shelf (UKCS). While pragmatic assumptions have been made for this consultation stage IA, further work will be undertaken to refine this for the final stage.

BUSINESS ASSESSMENT (Option 2)

Direct impact on business (Equivalent Annual) £m:			**In scope of OITO?**	**Measure qualifies as**
Costs: £12.7	**Benefits:** £0.0	**Net:** -£12.7	No	N/A

Summary: Analysis & Evidence

Policy Option 3

Description: Transpose Offshore Directive into UK law with partnership Competent Authority for all offshore oil and gas risks

FULL ECONOMIC ASSESSMENT

Price Base Year 2014	PV Base Year 2015	Time Period Years 10	Net Benefit (Present Value (PV)) (£m)		
			Low: -74.80	High: -220.39	Best Estimate: -143.33

COSTS (£m)	Total Transition (Present Value, Constant Price)		Average Annual (excl. Transition) (Constant Price)	Total Cost (Present Value)
Low	32.1	4 Years	5.1	**74.8**
High	82.9		16.4	**220.4**
Best Estimate	57.3		10.3	**143.3**

Description and scale of key monetised costs by 'main affected groups'

Monetised costs under Option 3 are similar to those under Option 2. The only difference is in the set up and operating costs of the Offshore Competent Authority, which under Option 3 would be a partnership between HSE and DECC covering all offshore risks, not just those for major accidents. The costs recovered from industry for Competent Authority set-up and management would be a present value of around £2.7m.

Other key non-monetised costs by 'main affected groups'

As under Option 2, the costs to industry of amendments to the environmental liability requirements have not been estimated in this consultation stage IA. Costs to industry for having the independent verifier consider the well notification have not been possible to estimate at this stage. Further work will be undertaken during consultation to do so for the final stage IA.

BENEFITS (£)	Total Transition (Constant Price) Years		Average Annual (excl. Transition) (Constant Price)	Total Benefit (Present Value)
Low		4 Years		
High				
Best Estimate				

Description and scale of key monetised benefits by 'main affected groups'

No benefits have been monetised

Other key non-monetised benefits by 'main affected groups'

The Directive is intended to reduce the likelihood of offshore major accidents. While the current UK regime is well-established and robust, it is expected that the greater oversight provided by the joint Competent Authority for safety and environmental risks would provide greater assurance. Further amendments to safety legislation would permit the control of health and safety risks in emerging onshore gas and hydrocarbon sectors.

Key assumptions/sensitivities/risks **Discount rate (%)** 3.5

As under Option 2, the key assumption for costs to industry is the number of installations in scope over time. Further work will be undertaken to refine assumptions about numbers of new and discontinued installations during consultation.

BUSINESS ASSESSMENT (Option 3)

Direct impact on business (Equivalent Annual) £m:			In scope of OITO?	Measure qualifies as
Costs: £12.7	**Benefits:** £0.0	**Net:** -£12.7	No	N/A

Summary: Analysis & Evidence

Policy Option 4

Description: Transpose Offshore Directive into UK law with HSE becoming Competent Authority for offshore major hazard risks

FULL ECONOMIC ASSESSMENT

Price Base Year 2014	PV Base Year 2015	Time Period Years 10	Net Benefit (Present Value (PV)) (£m)		
			Low: -74.52	High: -220.04	Best Estimate: -143.02

COSTS (£m)	Total Transition (Present Value, Constant Price)		Average Annual (excl. Transition) (Constant Price)	Total Cost (Present Value)
Low	32.7	4 Years	5.0	**74.5**
High	83.6		16.3	**220.0**
Best Estimate	57.9		10.1	**143.0**

Description and scale of key monetised costs by 'main affected groups'

Monetised costs under Option 4 are similar to those under Options 2 & 3. The only difference would be the set up and operating costs of the Offshore Competent Authority, which under Option 4 would be HSE having taken on a team from DECC environmental. The costs recovered from industry related to Competent authority set-up and management estimated at this stage would be a present value of around £1.8m. Additional costs of around £0.6m would be borne by Government for administrative management in bringing the team into HSE, which would not be recovered from industry.

Other key non-monetised costs by 'main affected groups'

As under Option 2, the costs to industry of amendments to the environmental liability requirements have not been estimated in this consultation stage IA. Costs to industry for having the independent verifier consider the well notification have not been possible to estimate at this stage. In addition, the costs for HSE to operate as the Offshore Competent Authority, which would be passed onto industry have not been estimated at this stage. Further work will be undertaken during consultation to do so for the final stage IA.

BENEFITS (£)	Total Transition (Constant Price)	Years	Average Annual (excl. Transition) (Constant Price)	Total Benefit (Present Value)
Low		4 Years		
High				
Best Estimate				

Description and scale of key monetised benefits by 'main affected groups'

No benefits have been monetised

Other key non-monetised benefits by 'main affected groups'

The Directive is intended to reduce the likelihood of offshore major accidents. While the current UK regime is well-established and robust, it is expected that the greater oversight provided by the joint Competent Authority for safety and environmental risks would provide greater assurance. Further amendments to safety legislation would permit the control of health and safety risks in emerging onshore gas and hydrocarbon sectors.

Key assumptions/sensitivities/risks **Discount rate (%)** 3.5

As under Options 2 & 3, the key assumption for costs to industry is the number of installations in scope over time. Further work will be undertaken to refine assumptions about numbers of new and discontinued installations during consultation.

BUSINESS ASSESSMENT (Option 4)

Direct impact on business (Equivalent Annual) £m:			In scope of OITO?	Measure qualifies as
Costs: £12.6	**Benefits:** £0.0	**Net:** -£12.6	No	N/A

Summary: Analysis & Evidence

Policy Option 5

Description: Transpose Offshore Directive into UK law with standalone Competent Authority for offshore major hazard risks

FULL ECONOMIC ASSESSMENT

Price Base Year 2014	PV Base Year 2015	Time Period Years 10	Net Benefit (Present Value (PV)) (£m)		
			Low: -74.10	High: -221.66	Best Estimate: -143.62

COSTS (£m)	Total Transition (Present Value, Constant Price)		Average Annual (excl. Transition) (Constant Price)	Total Cost (Present Value)
Low	32.3	4 Years	5.0	**74.1**
High	85.2		16.3	**221.7**
Best Estimate	58.5		10.1	**143.6**

Description and scale of key monetised costs by 'main affected groups'

Monetised costs under Option 5 are similar to those under Options 2 to 4. The only difference is in the set up and operating costs of the Offshore Competent Authority, which under Option 5 would be a standalone statutory body incorporating the current relevant sections of HSE and DECC. The costs recovered from industry for Competent Authority set-up and management estimated at this stage would be a present value of around £3m.

Other key non-monetised costs by 'main affected groups'

As under Options 2 to 4, the costs to industry of amendments to the environmental liability requirements have not been estimated in this consultation stage IA. Costs to industry for having the independent verifier consider the well notification have not been possible to estimate at this stage. In addition, the running costs for the standalone Offshore Competent Authority have not been estimated at this stage. Further work will be undertaken during consultation to do so for the final stage IA.

BENEFITS (£)	Total Transition (Constant Price)	Years	Average Annual (excl. Transition) (Constant Price)	Total Benefit (Present Value)
Low		4 Years		
High				
Best Estimate				

Description and scale of key monetised benefits by 'main affected groups'

No benefits have been monetised

Other key non-monetised benefits by 'main affected groups'

The Directive is intended to reduce the likelihood of offshore major accidents. While the current UK regime is well-established and robust, it is expected that the greater oversight provided by the joint Competent Authority for safety and environmental risks would provide greater assurance. Further amendments to safety legislation would permit the control of health and safety risks in emerging onshore gas and hydrocarbon sectors.

Key assumptions/sensitivities/risks **Discount rate (%)** 3.5

As under Options 2 to 4, the key assumption for costs to industry is the number of installations in scope over time. Further work will be undertaken to refine assumptions about numbers of new and discontinued installations during consultation.

BUSINESS ASSESSMENT (Option 5)

Direct impact on business (Equivalent Annual) £m:			In scope of OITO?	Measure qualifies as
Costs: £12.7	**Benefits:** £0.0	**Net:** -£12.7	No	N/A

Evidence Base (for summary sheets)

1 Introduction to the Sector

1. The UK oil and gas industry is the UK's largest industrial investor, supporting around 350,000 jobs directly and indirectly in extraction and exploration, plus another 100,000 in exporting goods and services[1]. It makes a substantial contribution to the UK's economy and in 2012-13 it paid £6.5 billion in direct taxes[2]. To-date the UK has produced around 42 billion barrels of oil and gas and further overall recovery is forecast to be around 20 billion more[3].

2. In addition to the economic importance, maximising recovery of the UK's indigenous supplies of oil and gas will help maintain security of supply as the UK transitions to a low-carbon future, with DECC's projections showing that in 2030 oil and gas will still be providing 70% of the UK's primary energy requirements. In 2012, the UK Continental Shelf (UKCS) produced 67% of the UK's oil product demand and 53% of gross UK gas demand[4].

2 Problem under consideration

3. Following the Deepwater Horizon incident in the Gulf of Mexico in April 2010, the European Commission (EC) expressed its initial views on the safety of offshore oil and gas operations in its communication "Facing the challenge of the safety of offshore oil and gas activities" (published on 13 October 2010).[5] The EC communication concluded that the existing divergent and fragmented regulatory framework applying to the major hazards relating to offshore oil and gas operations in Europe, along with current industry safety practices, did not provide adequate assurance that risks from offshore accidents were minimised throughout the European Union.

4. In October 2011, the EC published its proposals for a direct acting European Regulation to strengthen the EU offshore oil and gas regulatory system. During negotiations on the draft instrument, the UK stakeholders (Ministers, industry and offshore workforce representatives) argued strongly for a Directive rather than a direct acting European Regulation, as the latter would have resulted in the need to revoke many of the UK's existing offshore oil and gas regulations. Industry argued that totally different regulations would result in excessive burdens and a potential reduction in safety. Furthermore, since the EC claimed to be using the UK's regulatory system as a template for the proposals, it was felt that its intention was to maintain and promote this exemplary regime.

5. The UK also negotiated the inclusion in the Directive of additional key safety and environmental requirements from the UK regime that were considered to be essential to mitigating the risk of major accidents (e.g. the design notifications for production installations, relocation notifications and weekly well reports). By the end of these negotiations, the UK had successfully secured a Directive, the aim of which is to reduce as far as possible the occurrence of major accidents related to offshore oil and gas operations and to limit their consequences.

6. Directive 2013/30/EU (the Directive) was published on 28th June 2013. It contains requirements relating to licensing, safety and environmental protection so the Department of Energy and Climate Change (DECC) and the Health and Safety Executive (HSE) will jointly lead the transposition to fully implement the Directive by 19 July 2015.

[1] http://www.oilandgasuk.co.uk/employment.cfm
[2] https://www.gov.uk/oil-and-gas-taxation#government-revenues-from-uk-oil-and-gas-production
[3] DECC reserve and resource estimates, last updated September 2012
[4] Energy Trends Table 1.3 June 2013
[5] http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2010:0560:FIN:EN:PDF

7. To ensure that industry can maintain existing procedures as far as possible to keep administrative burdens to a minimum, the majority of the Directive requirements will be transposed into new Offshore Installations (Safety Case Regulations) 2015 (SCR 2015). Many of the requirements are already implemented through the existing Offshore Installations (Safety Case Regulations) 2005 (SCR 2005), but where existing regulations need to be amended or elaborated and where new provisions are necessary, these will be incorporated into SCR 2015, which will replace SCR 2005.

8. The Directive requires that a report on major hazards is produced by operators and owners. HSE and DECC propose to use the safety case as the vehicle to deliver this requirement. As the UK's offshore safety regime already requires operators and owners to produce a safety case, which has a great deal of the information required to be in the report on major hazards, the regulations requiring a safety case will be amended to provide details of the relevant environmental information required to meet the Directive requirements. However, duplicating environmental information already provided for assessment and acceptance under the Oil Pollution Emergency Plan (OPEP), Environmental Management System (EMS) and Environmental Impact Assessment (EIA) processes, would introduce unnecessary administrative burdens on the Industry and regulators. We are therefore proposing that the safety case only contains relevant short descriptions of such environmental information and/or with appropriate links to existing environmental demonstrations and assessments (e.g. OPEPs, EMS and EIA). Guidance will be provided in relation to the relevant content of the environmental information submitted to DECC and the descriptions that will be required in the safety case.

9. In practice, this will mean that operators and owners will not have to include within the safety case the same environmental information and/or demonstrations and assessments that they have already provided to DECC for assessment and acceptance, and short descriptions or links will be sufficient. However, additional, or revised, environmental information not assessed and accepted by DECC, for example information that forms part of a combined safety and environmental submission will have to be submitted with the safety case for the competent authority to assess, and when appropriate, accept. From a competent authority perspective, this will mean that the safety case cannot be accepted, until the assessment and acceptance procedures under the OPEP, EMS and EIA processes have also been completed. However, we do not see this being an obstacle, as the existing timescales for all relevant assessment and acceptance procedures will remain unchanged, with the use of the new competent authority IT portal expected to improve the efficiency and effectiveness of the submission and acceptance processes over time.

10. In addition, further legislative amendments are required to implement the environmental requirements of the Directive.

11. The UK environmental legislative regime relating to offshore oil and gas operations is very comprehensive. Following a review of the Articles of the Directive, it is apparent that the majority of its obligations are already met by existing legislation. Therefore, to ensure effective transposition, DECC proposes to introduce one set of Regulations which will amend the Merchant Shipping (Oil Pollution Preparedness, Response Co-operation Convention) Regulations 1998 (the "OPRC Regulations") to implement other Directive requirements.

12. With respect to the national emergency response plans and emergency preparedness provisions of the Directive, it is considered that existing UK legislation and guidance meets those requirements. On that basis, the Department for Transport (DfT) and the Maritime and Coastguard Agency (MCA) do not need to introduce new legislation for the purposes of implementing the Directive's provisions in Articles 29 and 30. Consequently, no Impact Assessment is needed for these aspects.

13. The Department for Environment, Food and Rural Affairs (Defra) and the Devolved Administrations (DAs) are responsible for transposing Article 38 of the Directive, which extends the offshore scope of the Environmental Liability Directive (ELD) to cover water damage in marine waters that fall within the scope of the Marine Strategy Framework Directive. Defra and the DAs will achieve transposition via appropriate amendments to their respective Environmental Damage (Prevention and Remediation) Regulations.

14. Some of the requirements will also be delivered by updating existing administrative mechanisms (e.g. confidential systems for reporting safety and environmental concerns).

15. The Directive requires Member States to establish a new offshore Competent Authority (CA) by 19 July 2015 to oversee industry compliance with the Directive and to undertake certain related functions such as accepting and/or assessing reports on major hazards and other required documentation. Under the current UK regime, the Health and Safety Executive (HSE) is responsible for implementing health and safety legislation as it relates to offshore oil and gas operations, and this is performed by their Energy Division. The Department of Energy and Climate Change (DECC) is responsible for implementing offshore environmental legislation, and this is performed by their Offshore Oil and Gas Environment and Decommissioning team (OGED).

16. DECC and HSE already work closely together, albeit separately, under a Memorandum of Understanding (MoU) which establishes a framework for liaison between the two regulators and their regimes. Examples include a coordinated sign-off procedure for all new exploration and appraisal wells, and joint environmental and safety inspections if this is considered appropriate. The MoU is supported by a high-level Cross-Departmental group.

17. These existing liaison arrangements are not sufficient to comply with the requirements of the Directive. Four options for a new CA are considered in this impact assessment. The preferred option is for DECC and HSE to extend the existing arrangements and to work in partnership to deliver the CA functions specified in the Directive, with each party concentrating on their areas of expertise. This CA would be governed via an enhanced MoU between DECC and HSE, and would be similar to the existing model used for the regulation of onshore major hazard installations[6].

2.1 Updating the regime and reducing the stock of regulation

18. In parallel with the changes to the UK offshore oil and gas safety regime in relation to the Directive, HSE is also considering some simplifications and updates to existing oil and gas major hazard legislation to take account of operational lessons and to bring some emerging energy technologies (e.g. underground coal gasification) within scope. We are also taking this opportunity to reduce the stock of offshore legislation when appropriate:

- Under Directive 92/91 on the minimum requirements for improving the safety and health of workers in the mineral-extracting industries through drilling, we are proposing to bring the emerging technology of underground coal gasification within the scope of our onshore oil and gas major hazard legislation;

- Hydrocarbon gas is now being stored onshore in solution mined salt caverns, with operators voluntarily complying with the UK's onshore major hazard regime. To achieve consistency longer-term, and maintain public and investor confidence that robust regulation is in place, we plan to update our onshore oil and gas major hazard legislation to cover these activities;

[6] The COMAH Competent Authority for onshore major hazard installations involves HSE and the Environment Agency (in England and Wales) and the Scottish Environment Protection Agency (in Scotland).

- We propose updating the definition of an offshore installation in the Offshore Installations and Pipelines (Management and Administration) Regulations 1995 to provide clarity and consistency with the definition in the 2013 Health and Safety at Work etc Act (Application Outside Great Britain) Order;

- We plan to amend the definition of operator of a production installation and well operator to ensure that an operator can be identified for high risk decommissioning activities if a petroleum licence holder is no longer in place.

- We plan to mesh the Offshore Installations (Safety Zones) Regulations 1987 into the new SCR 2015 and then revoke the 1987 regulations;

- We plan to place the requirement to register deaths on onshore installations into the Offshore Installations and Pipeline Works (Management and Administration) Regulations and then revoke the Logbook and Registration of Deaths Regulations 1972; and

- We propose to revoke the Offshore Safety (Miscellaneous Amendments) Regulations 2002 (which extends the definition of offshore installation) and incorporate the requirements in the updated definition of offshore installation (mentioned above).

3 Rationale for intervention

3.1 Transposition approach

19. The rationale for the transposition approach takes full account of the Government's Guiding Principles for EU Legislation. The key focus is on minimising the burdens on the offshore oil and gas industry and fulfilling the UK's goal (regulator, industry and trade unions) of keeping intact the high standards maintained under the UK's current offshore regulatory regimes. Therefore, although the Government's preferred approach is to use 'copy out' for transposition where possible, we intend to mesh the majority of Directive requirements into the existing safety and environmental regimes. We do not intend to 'gold plate' any of the Directive's minimum requirements that will be new to the UK offshore regimes, but there are a few elements of the current legislation that go beyond the Directive, which we propose to keep in order to maintain the standards of the existing regime. Similarly, where necessary we will elaborate the Directive requirements to ensure that they are clear to industry and to maintain consistency with the current regulations.

20. In summary, we will 'copy out' where possible but also use a variety of approaches to implement the Directive. We will:

- Transpose Directive requirements using existing UK regulations and amending them as necessary to fully meet the duties. The SCR 2005 will be revoked and re-introduced as SCR 2015 with the existing provisions expanded and new duties included;

- Amend The Merchant Shipping (Oil Pollution Preparedness, Response Co-operation Convention) Regulations 1998 to implement other Directive requirements;

- Amend the respective UK Environmental Damage (Prevention and Remediation) Regulations to transpose Article 38 of the Directive;

- Maintain standards under the current oil and gas regime (e.g. definitions of major accident enter and leave notifications and the existing coverage of oil spill response plans) and justify any gold-plating of Directive requirements in this IA;

- Elaborate the Directive's wording to clarify what is required (e.g. by adding 'as low as is reasonably practicable' or other UK legal terms) to ensure consistency with the existing UK health and safety regime;

- Not fully implement any requirements that are not enforceable (e.g. The Directive places an absolute duty on operators and owners of offshore installations to prepare standards and guidance. However, it does not indicate which operators or owners must do this, and what guidance they must produce. These omissions make this requirement unenforceable. We will modify this requirement to meet with the current UK practice, that operators and owners are encouraged to take part in producing guidance and standards; and

- Implement some of the Directive's requirements by using administrative means (e.g. the functions of the new offshore CA and mechanisms for reporting safety and environmental concerns).

3.2 Gold Plating

21. By maintaining the current offshore oil and gas regime and existing standards for safety and environmental protection there are a few areas where we potentially gold plate the Directive implementation. In each case, this is to maintain the current scope and standards, for example by keeping existing UK legislative requirements within SCR 2015 or relevant environmental legislation. In summary, the three areas of gold plating proposed to maintain the scope of the current UK offshore oil and gas regimes and the present health, safety and environmental standards are:

- Maintaining the definition of major accident that industry is used to, and to keep diving operations of fewer than five people in scope;

- Keeping non-production installations within scope for enter and leave notification requirements to maintain health and safety standards;

- Maintaining an approval procedure for operator appointments rather than weakening it by replacing it with a notification procedure.

3.3 Updating HSE domestic oil and gas legislation and reducing stock

22. Learning from operational experience over the past ten years, HSE has identified that amendments to health and safety legislation are necessary to clarify what structures fall within the definition of offshore installation. DECC legislative amendments will give legal certainty about who is the operator when a Petroleum Licence holder is not in place (e.g. as it has been revoked, relinquished or expired); some amendments to health and safety legislation will be required to complement this new approach.

23. Experience of regulating the early exploration phase of shale gas operations in the UK has highlighted to the Government the importance of having robust regulation in place to build public and investor confidence. To ensure that future emerging energy technologies (e.g. underground coal gasification) are covered by a robust regulatory regime for their exploration phase, while making sure that the UK fully implements Directive 92/91, steps need to be taken to bring such activities within scope of our onshore oil and gas regulatory regime.

24. To maintain public and investor confidence in hydrocarbon gas storage in salt caverns, and ensure that any future operators follow the robust regulation that has been voluntarily adopted by this sector, we plan to update our onshore oil and gas major hazard legislation to cover these activities. Non-legislative approaches would not deliver the same

outcome in terms of ensuring future operators comply, maintaining public and investor confidence that a robust regulatory regime is in place, and ensuring that operational information is delivered to the regulator on time so that they can intervene effectively.

25. Under the Red Tape Challenge and the commitment to meet Professor Lofstedt's recommendations following his review of health and safety[7], HSE also agreed to take steps to contribute to the Governments goal of reducing the stock of regulation and consider if it can simplify its oil and gas regulation and approved codes of practice.

4 Policy objectives

26. The UK policy objectives are to fully transpose the Directive requirements into Domestic Legislation by July 2015 in a way that:

- Minimises the adverse impact of any changes on the oil and gas industry and UK interests by adopting the least burdensome approach;
- Maintains the current levels of protection for safety and the environment;
- Embeds the new requirements so that they further enhance the UK's world class offshore oil and gas regulatory regime; and
- Is open and transparent and ensures consistency with current regulations.

27. In addition, the UK will also look to deliver policy objectives related to:

- Updating and simplifying existing oil and gas legislation and guidance;
- Maintaining public and investor confidence in emerging energy technologies by bringing them within scope of a robust and appropriate health and safety regime; and
- Contributing to the Government's goal of reducing the stock of regulations.

5 Description of options considered (including do nothing)

5.1 Offshore Competent Authority

28. There are several options for establishing the offshore CA, all of which will fulfil the Directive, but which would function slightly differently and impose slightly different costs on industry through the cost recovery of their set-up costs.

29. For all the options, outlined, below, opinions differ between various stakeholders as to their preferred option e.g. health and safety stakeholders and other offshore industry representatives favouring maximised integration of safety and environmental regulation, and NGOs, industry environmental representatives and other industry representatives being concerned that environmental priorities could be lost as a result of such integration. This IA will aid them to understand the rationale behind the proposed partnership CA approach, and why it is preferred to other possible options. It briefly outlines the range of CA options that have been considered, and the estimated costs of setting up each option, which would then be recovered from industry.

[7] Reclaiming Health and Safety for all: An independent review of health and safety legislation by Professor Ragnar Lofstedt; November 2011

5.1.1 Option 1: Do Nothing

30. When considering options for transposition of the Directive within the Impact Assessment, the 'do nothing' option was not considered viable as it would not deliver UK obligations under EU law. Although DECC and HSE already work closely together under a Memorandum of Understanding (MoU) which establishes a framework for liaison between the two regulators and their regimes, these existing liaison arrangements are not sufficient to comply with the requirements of the Directive. The 'do nothing' or status quo option appears in this impact assessment as Option 1 only as the notional baseline against which the other options are assessed.

5.1.2 Option 2: A DECC/HSE partnership Competent Authority to deliver the requirements of the Offshore Directive 2013/30/EU

31. This option would involve relevant functions of DECC and HSE being brought together under a partnership CA whose role it is to regulate major hazard offshore safety and environmental risks covered by the Directive. Each party[8] would concentrate on their areas of expertise, working under shared policies, procedures and information portals and reporting to a senior CA Management Group. It would provide a single regulatory face for the offshore industry covering all major safety and environmental issues that are contained in the Directive on the safety of offshore oil and gas operations.

32. There are strong advantages to this proposed option. Work has already started to deliver this option as it provides the minimum change necessary to comply with Directive 2013/30/EU. It is the easiest option to achieve compliance with the Directive by July 2015 as current established systems would be broadly maintained and it is similar to the approach used to regulate the onshore major hazards industries via the COMAH Competent Authority.[9] In addition, it avoids any disruption from Machinery of Government changes, which is particularly important at this time, given the changes already proposed under the Wood Review.[10]

33. The scope of the CA would be limited to major hazard safety/environmental regulation under the requirement arising from Directive 2013/30/EU. Thus, the CA would include the substantial majority of HSE's offshore work, and HSE considers that its residual personal health, safety and welfare responsibilities offshore could easily follow the CA policies, processes and procedures to provide an integrated approach to safety, health and welfare offshore. However, the CA would only cover a small proportion of DECC's offshore environmental inspection/regulation remit, so the existing, separate, DECC regulatory regime for non-safety related environmental risk (such as major oil spill prevention where there is no link to safety i.e. pipelines, chemical permitting, oil discharge permitting and environmental impact/habitat assessment) would remain a parallel regime outside the CA, whilst continuing to work closely with it.

5.1.3 Option 3: A DECC/HSE partnership Competent Authority covering all offshore safety and environmental regulation

34. This option is similar to Option 2 above, with relevant parts of DECC and HSE working in a partnership CA, but the difference is that the scope of the CA would include all offshore safety and environmental regulation, not just those aspects limited to the major hazard safety/environmental issues covered by the Directive. It would therefore provide a" single regulatory face for the offshore industry and stakeholders for all aspects of safety & environment. As with Option 2, each party[11] would concentrate on their areas of expertise,

[8] Primarily staff from DECC's Oil & Gas Environmental and Decommissioning Team (OGED) and HSE's Energy Division
[9] http://www.hse.gov.uk/comah/authority.htm
[10] http://www.woodreview.co.uk/
[11] Primarily staff from DECC's Oil & Gas Environmental and Decommissioning Team (OGED) and HSE's Energy Division

but working under shared policies, procedures and a single information portal, reporting to a senior CA Management Group. The CA Management Group could thus have the opportunity to consider any differing priorities/approaches between major and non-major hazard safety and environmental regulation, and take any efficiencies forward if both partners agreed. However, such a role already exists under the terms of reference of the Senior Oversight Board, established following the Government response to the Maitland recommendation on continuous improvement[12] which includes the MCA and covers at sea response, whereas a CA Management Board, under this option, would not.

35. This option shares some advantages of Option 2 as it avoids Machinery of Government changes, is similarly easy to implement as current established systems would be broadly maintained, and is feasible, if challenging, to put in place by the July 2015 deadline. However, although this Option 3 would provide full compliance with Directive, the wider responsibilities of the CA would actually go beyond the Directive's requirements. This option would mean greater integration of the offshore health, safety and environmental regimes. HSE and DECC have no remit in environment or safety, respectively elsewhere in their organisations and as such integration is likely to be challenging given the differing regulatory regimes. The UK's offshore environmental legislation differs significantly to the goal-setting safety regime as it is governed by a complex set of EU and internationally derived legal instruments, which adopt the precautionary principle and in many cases are prescriptive in their approach.

5.1.4 Option 4: HSE becomes the offshore safety and environment Competent Authority

36. This option is a progression from the partnership offshore safety/environmental regulator of Option 2. Under it, HSE would become the UK's single offshore safety & environmental regulator/CA, undertaking offshore environmental regulation as well as its current responsibilities. This would be done initially under an agency arrangement (or similar) from DECC until the necessary legislative change could be put in place. Its offshore environmental expertise would be provided by staff moving to HSE from DECC's Oil & Gas Environmental Directive.

37. Whilst this option would provide full compliance with the Directive as with Option 3 above this option means incorporation of the, necessarily, very different environmental regulatory regime into HSE, which has no remit in this area elsewhere. It would also mean that the environmental synergies with other parts of DECC would be lost, for example, OGED undertake the Strategic Environmental Assessment process which covers all offshore energy activities (e.g. renewables, gas storage, carbon capture and storage etc).

38. Like Option 3, Option 4 goes beyond the Directive's requirements. It would be a challenging timescale to implement by the July 2015 date, given the necessarily different regimes and regulatory frameworks, required Machinery of Government changes, with attendant resource and cost implications.

12 https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/84191/Offshore_Oil_and_Gas_in_the_UK_Maitland_Response_Final.pdf - Government response to an independent review of the regulatory regime (Maitland Review) "*DECC, HSE and MCA will establish a senior oversight group, to provide assurance that the offshore regulatory regime remains fit for purpose and, where appropriate to agree recommendations for further change as they arise."*

5.1.5 Option 5: An independent "stand alone" offshore safety & environmental Competent Authority

39. This option would create a completely new body to fulfil the functions of UK's offshore safety and environment regulator, separate from both DECC and HSE. This would fully meet the Directive's requirements (and would go beyond it, as do Options 3 and 4), and would provide the most focused CA of all the options. However, it would involve the most significant, costly and disruptive machinery of government change, especially at a time when industry and its regulators face other significant changes arising from implementation the Wood Review recommendations. This option would mean bringing together the two very different health and safety and environmental regulatory regimes and the associated challenges. In addition, this approach would also change the regulatory mechanisms recommended by the Cullen Report following the Piper Alpha disaster which recognised the benefits of integrating the work of the offshore safety regulator with the broader major hazard functions of HSE. Crucially, this option presents a very significant risk of infraction, as there would be an extremely challenging transition timescale to meet the implementation date of July 2015 for a CA.

5.2 Legislation

40. The preferred legislative option is to transpose the bulk of the Directive requirements into the new Offshore Installations (Safety Case Regulations) 2015 (SCR 2015) which will replace the SCR 2005. This will include amending existing regulations, and incorporating new requirements to fully implement the Directive.

41. The environmental requirements will be implemented by the Offshore Petroleum Activities (Offshore Safety Directive) Regulations 2015 that will introduce new environmental provisions and amend the Merchant Shipping (Oil Pollution Preparedness, Response Co-operation Convention) Regulations 1998, and through amendments to the respective UK Environmental Damage (Prevention and Remediation) Regulations.

42. A range of approaches will also be used to further integrate the new requirements into the UK regime and this will include using administrative mechanisms and procedures when appropriate, for example, to establish the offshore CA.

43. In terms of the additional updates to the UK's onshore major hazard oil and gas legislative regime to bring emerging energy technologies within scope, non-legislative options were considered. However, these would not deliver the goal of maintaining public and investor confidence that a robust regulatory regime was in place, or ensure that future operators complied with the necessary standards.

44. The Option of copying-out the Directive and creating a new piece of legislation, was considered, and although simpler from a legal perspective, would place unnecessary burdens on industry. A key goal of the transposition is to minimise the impact on industry by maintaining as much as possible of the existing regime. Since the introduction of the Safety Case regime in 2005, the UK has developed an exemplary oil and gas regulatory system. During negotiations the EU also used the UK regime as a template and as an example of good practice. Changing this regime would put the UK at a significant disadvantage and create unnecessary administrative burdens.

6 Summary of research undertaken to inform consultation stage IA

45. Representatives of the offshore oil and gas industry have been heavily involved in the research to inform estimation of the direct costs to industry in this analysis, which was

completed in two phases. The first phase was to estimate the baseline costs to industry of the existing major hazard regimes, both offshore and onshore, and which led to the creation of the Baseline Assessment in 2012. This was in anticipation of the need for robust baseline estimates for this impact assessment and was a major undertaking as such an exercise to cost compliance had never been undertaken before.

46. The second phase has sought to estimate the costs to industry of the changes to the major hazard regimes brought about to implement the Directive in UK law, thereby adjusting the current costs faced by industry as estimated by the Baseline Assessment. This has run from late 2013 up until completion of this consultation-stage impact assessment in April 2014. This research will continue into the consultation period as the cost estimates are refined through consultation responses and any necessary further work is carried out to fill gaps or address emerging issues.

47. The same method was used for both pieces of research to ensure consistency. Both used a heavily adapted version of the Delphi method[13] across two focus groups, with an interim period for the participants to gather data. The idea behind this was to take a small sample, but to try to ensure that the measurements taken were consistent and accurate. A quantitative census survey of all companies in the sector was considered, but HSE social researchers deemed this too onerous on business to fill in and likely to have a low response rate. Non-response bias would be almost inevitable, as those who responded would necessarily be those with spare resource to fill in a lengthy survey. A survey of this type would also be prone to measurement error, as there would be no way to check that respondents had included or excluded the same costs from their measurements.

48. In creating the Baseline Assessment, an initial focus group was held in September 2011 with an industry group of representatives from several companies to go through a pre-prepared question set. The members of the group were selected to ensure that it captured a wide range of offshore companies that varied by size and type of installation. The initial meeting aimed to reduce measurement error by ensuring that members responded based on a common understanding of what should be included and excluded and clarifying what constituted 'good' and 'bad' evidence for costs. Based on the initial discussion with the group, the question set was refined to clarify some issues and cover additional areas raised by the group. This was then sent to participants to complete. The results were collated before the second focus group.

49. A second focus group was held in December 2011 with the same participants to provide an opportunity for the representatives to challenge each other's results, correct any errors and misunderstandings, and reach a consensus that allowed ranged costs to be estimated. This was followed by a stage of validation or 'reality checking' held in January 2012 with a group of five companies who had not been on the original group to challenge any unjustified assumptions and assess if the estimates were realistic. This took the form of a three-hour meeting and led to a few minor amendments, but no major changes.

50. Lastly, all of the participants were sent a copy of the final report for comment. This was to ensure that the information presented included the necessary caveats and reflected what was agreed at the second focus group and the validation meeting. Attendees were informed that a nil response would be treated as indication that they had no issues with the analysis. Although some comments were given regarding the background discussions, no comments were received on the costs.

51. As mentioned above, the method for the second phase of research to estimate the change in costs brought about through the Directive has been similar. An initial focus group

[13] Named after the Oracle of Delphi, the Delphi method involves consulting a panel of experts to gain understanding of a subject or area, particularly in forecasting changes, such as industry costs for changes to legislation.

was held at the start of March 2014 to discuss impacts and evidence and the second at the start of April to agree ranged cost estimates, which have been used as part of the analysis in this IA. Although no formal verification focus group will be held, as was done with the Baseline Assessment, the process of consultation will give the industry the chance to review and comment on the cost estimates, allowing for a wider verification of the estimates. .

7 Risks and Assumptions

52. All costs and benefits are appraised over a period of 10 years from the year of implementation, 2015, to 2024. This is in keeping with impact assessment guidance that a ten-year period should be used where the lifetime of the policy is not identifiable.

53. Many of the costs in this analysis have been estimated based on forecasts of the number of installations on the UK Continental Shelf (UKCS) over the ten-year appraisal period. At the time of writing in April 2014 there are estimated to be around 386 installations operating in 2015, the first year of this analysis and the year when the regulations would be implemented.

54. Based on observation of the last three years' submissions of new safety cases, each year on average around 15 more installations begin operating on the UKCS, either as installations fixed in position or as mobile installations that can move to different locations. However, the analysis in this consultation stage impact assessment acknowledges that this may include some degree of double-counting as some of these 15 installations might be mobile installations moving from one part of the UKCS to another, and therefore already be in scope of the regulations. Further work will be undertaken during consultation to estimate the scale of this effect and to produce a more robust model of new installations to refine ongoing costs for the final stage IA.

55. Each year on average around 1.5 installations begin decommissioning. This is also based on observation of the last three years' submission of dismantling installations safety cases. However, estimates from DECC's Decommissioning Unit are that this number is expected to increase sharply as fields come to the end of their usable lives. They have estimated that the number may increase to around 20 installations per annum in the next few years, which would lead to a net decrease in installations over time. However, this figure is subject to uncertainty as some installations may be mothballed for a period rather than decommissioned in case changes in the oil price make their operation economically viable. This analysis acknowledges that there is uncertainty in the number of installations to be decommissioned over the next ten years, but accepts that the recent figure of 1.5 per annum is too low. Further work will be undertaken during consultation to produce robust estimates for the number of installations expected to be decommissioned to refine cost estimates for the final stage IA.

56. For the consultation stage IA, this analysis will take a pragmatic approach and assume that each year 15 installations would begin decommissioning work. The decommissioning of installations can take several years to complete, depending on the size and complexity of the installation. This analysis will assume that each decommissioning operation would take between 1 and 5 years to complete and that of the 15 that begin decommissioning, 3 will be complete after 1 year, a further 3 after 2 years and so on. As such, this assumption delivers a 'steady state' of installation numbers after 5 years, as shown in Table 1.

Table 1: Forecast number of installations 2015 - 2024

Year	No. of installations
Year 0 (2015)	386
Year 1 (2016)	398
Year 2 (2017)	407
Year 3 (2018)	413
Year 4 (2019)	416
Year 5 (2020)	416
Year 6 (2021)	416
Year 7 (2022)	416
Year 8 (2023)	416
Year 9 (2024)	416

57. The impact assessment includes costs and benefits that extend into the future. Consequently, it is important that any monetised impacts are expressed in present values, to enable comparison over time. The discount rate used to generate these present values is defined in the H M Treasury Green Book[14] as 3.5% for any appraisal period of less than 30 years.

58. Costs are in terms of opportunity and financial costs. Where market values are not available, costs are expressed in terms of the best proxy value where relevant. For instance, for any compliance activities that take up the time of a worker or operator/owner, there is a cost of that time. The best proxy for the value of this time is what they could have produced during that time if they were not required to perform these compliance tasks. It is assumed that the worker's productivity is best reflected by the true cost of employing that person (they create as much value as they are paid). In reality this could be conservative for some occupations and staff, but is the best estimate available and is recommended by Government in the Green Book. The true economic cost of employing the person is assumed to be their gross hourly wage rate inflated by 30% to reflect the non-wage costs of employment (such as employer tax and NI contributions, employer contributions to pension and overheads).

59. Ranges are calculated around all estimates to reflect uncertainty in the estimates. The range is either that specified by industry at the focus groups or if a point estimate was provided, a range of +/-10% is added around the estimate. These ranges will be narrowed where possible in the final Impact Assessment.

60. In preparing the costs in this Impact Assessment, we met with industry in a series of focus groups to discuss likely impacts and for them to calculate the costs of each of the new requirements. However, we have to recognise that there are a number of uncertainties at this stage (e.g. the exact information that they will need to provide under a specific requirement), which means that these can only be approximate costs at this time.

61. We have prepared this Impact Assessment following a detailed gap analysis with supporting legal advice. In time, alternative legal interpretations may evolve. This could highlight infraction risks for the UK or identify additional potential areas of 'gold plating'. It is also possible that political developments (e.g. Scottish Independence) could have a future

[14] Available at: http://www.hm-treasury.gov.uk/d/green_book_complete.pdf

impact on these proposals and that some of the emerging energy technologies considered in the Impact Assessment start sooner or later than we have anticipated, and are undertaken to a smaller or greater degree than currently forecast. We recognise such risks, and proposals would have to be modified if any changes have a significant impact on the way forward outlined within this document.

8 Key Changes

8.1 Setting up the Offshore Competent Authority

62. The preferred option in this IA is for DECC and HSE to work in a partnership CA to deliver the functions specified in the Directive, with each party concentrating on their areas of expertise (Option 2). This CA would be governed via an enhanced MoU between DECC and HSE, and would be similar to the existing model used for the regulation of onshore major hazard installations[15]. A high-level oversight CA Board would provide the forum to agree on implementation arrangements and achieve shared perspectives and decisions.

63. Although the day-to-day functions of the CA would be delivered by the respective parts of DECC's OGED and HSE's Energy Division (ED), both partners would be working under a set of common CA arrangements. From a stakeholder perspective, this would manifest itself by a single regulatory face from the CA, including:

- DECC and HSE staff working seamlessly under a set of common CA systems and processes;
- A CA IT portal for all notifications and submissions to the CA, regardless of whether they relate to major hazard safety or environmental issues;
- A single, coherent set of CA assessment/acceptance procedures for safety cases, required notifications etc;
- A single CA intervention plan for each operator and owner, covering all planned CA inspection activities;
- CA proactive interventions fully coordinated and planned, with the presumption of joint DECC/HSE visits wherever appropriate;
- Coordinated CA investigations, with decisions made at an early stage as to which regulatory partner should lead;
- A single enforcement model covering all CA enforcement; and
- A CA website for all information relating to the CA.

64. These proposals would avoid major machinery of Government changes, and would provide a single, consistent regulatory face for industry with respect to the prevention of the major hazard safety and environmental events covered by the Directive (i.e. those of low probability/high consequence). It provides minimal changes to the already robust UK offshore regulatory regime, fully implements the Directive in line with UK Government policy, and avoids unnecessary 'gold plating'.

[15] The COMAH Competent Authority for onshore major hazard installations involves HSE and the Environment Agency (in England and Wales) and the Scottish Environment Protection Agency (in Scotland).

65. Under this proposal DECC's existing regulation of offshore chemical/oil discharge permits and their environmental assessment regime would not change and would not be covered by the CA.

66. The Directive requires that the UK ensure "the independence and objectivity of the competent authority in carrying out its regulatory functions". It further specifies that "conflicts of Interest shall be prevented between, on one hand, the regulatory functions of the competent authority and, on the other hand the regulatory functions relating to economic development of the offshore natural resources and licensing of offshore oil and gas operations". Although DECC is currently responsible for licensing and the economic development of oil and gas resources via the DECC Licensing, Exploration and Development (LED) Team, this will change shortly following the recommendation in the final report of Sir Ian Wood's "UKCS Maximising Recovery Review[16]". A new arm's length regulatory body will be created, charged with effective stewardship and economic regulation of UKCS hydrocarbon recovery. Implementation of this recommendation will reinforce the separation of the CA function and the regulatory functions relating to economic development of the offshore natural resources and licensing of offshore oil and gas operations.

8.2 Operating the Offshore Competent Authority

67. Working as a partnership CA, DECC and HSE would have new responsibilities under the Directive. They would be required to report to the Commission on national measures they have in place regarding access to knowledge, assets and expert resources. They would also be required to produce a report on transposition arrangements.

68. The CA would also need to have a system to receive, assess and accept safety cases, notifications and other documents that are submitted by operators/owners, in addition to providing publicly available information on the structure, accountability, policies, processes and procedures of the CA. DECC and HSE agree that the most effective way to achieve these requirements is to develop an IT portal and create a single point of contact for industry. Once set up this will be maintained as part of CA procedures.

69. There would be new administrative procedures required to manage CA operations. These include the CA Management Board, maintaining common operational systems and processes and planning co-ordinated regulatory activity.

70. The CA would also need to assess/approve the information that is submitted by operators/owners to comply with the new regulatory requirements (which are explained in more detail in the changes to legislation sections below). These relate to:

- Descriptions of the Internal Emergency Response Plan;
- The Independent Verification Scheme;
- Corporate Major Accident Policy (CMAPP);
- Safety and Environmental Management System (SEMS);
- Safety Cases;

[16] http://www.woodreview.co.uk/ The Wood Review examined key factors that affect UKCS performance and developed recommendations designed to enhance economic recovery of oil and gas reserves in the future. The interim report was published on 11 November 2013. The final report and recommendations were produced in early 2014 and funding announced in the March 2014 budget to implement the recommendations.

- Design and Relocation Notification;
- Well Notifications;
- Combined Operations Notifications;
- Dismantling;
- Reporting Imminent Danger or increased risks of a major accident; and
- Reporting major accidents outside the EU.

Other new regulatory requirements are for the CA to advise the Licensing Authority on the technical and financial aspects of new licensees on request. The CA would also be required to send an additional delegate to the European Offshore Authorities workgroup meetings.

8.3 Changes to HSE Legislation to implement the Directive

71. This section describes all of the changes to HSE legislation to implement the Directive; the costs follow in Section 9.

8.3.1 Internal Emergency Response Plans

72. Presently, owners or operators prepare and submit emergency response plans under safety legislation, the Offshore Installations (Prevention of Fire and Explosion, and Emergency Response) Regulations 1995 (PFEER); and operators submit oil pollution emergency plans (OPEPs) under environmental legislation, the Merchant Shipping (Oil Pollution Preparedness, Response and Co-operation Convention) Regulations 1998 (OPRC). Section 8.5.1 covers the amendments needed to address the revised OPEP requirements.

73. HSE would make amendments to require that the PFEER plan is updated to contain the additional information required under the Directive, including an inventory of emergency response equipment. Although this is currently not a legal provision, owners / operators already keep this type of safety information, and HSE's legislation will require that an inventory of safety emergency response equipment is prepared. Inventories of environmental emergency response equipment are covered in the OPEP.

74. Operators/owners would also need to provide a brief description of the Internal Emergency Response Plan (referring to both safety and environment submissions) in the safety case and well notifications.

8.3.2 Independent verification

75. Presently, under SCR 2005, owners or operators are required to have in place an independent verification scheme to provide assurance that safety-critical elements (SCE) of the installation's plant and equipment are suitable for their intended purpose.

76. Under SCR 2015, this verification scheme would need to be described in the safety case and extended to cover the verification of safety and environmental-critical elements (SECE). This has the potential to impose both a one-off cost to industry for the establishment of this expanded scheme and an ongoing cost from the increased resources necessary to manage a scheme with a wider remit.

77. The extent of any changes to the verification scheme relative to the present one would in part depend on whether installations have any plant or equipment that is

environmental-critical, but not safety critical, that would have to be included in the verification system. Early discussions with DECC and industry suggest that there are no such elements, but experience of onshore oil and gas operations suggests that the performance standards for SECE may be different depending on whether they are being considered from a safety or environmental perspective. If this proves to be the case, it will be assessed at the time of review of the SECE submissions, but it is not currently anticipated that there will be any additional costs to industry.

78. The verification scheme would need to comply with some new criteria outlined in the Directive (e.g. arrangements to manage the flow of information between the operator/owner and the independent verifier and to ensure the verifier is given sufficient authority to carry out their functions). The efforts necessary to make existing schemes compliant will depend in part on the extent to which they already fulfil the criteria through standard operating procedures.

8.3.3 Corporate Major Accident Prevention Policy (CMAPP)

79. There is a new requirement for operators/owners to prepare a Corporate Major Accident Prevention policy (CMAPP) that covers their installations. HSE and DECC believe that although operators/owners will already have some policies in place that may provide some of the information needed, they will not have one that specifically covers the prevention of major accidents. This will have to be produced under SCR 2015 and a copy of this policy will need to be submitted with the Safety Case.

8.3.4 Safety and Environmental Management System

80. There is already a legal requirement in the UK to have a safety management system (SMS) under the Offshore Installations (Safety Case) Regulations 2005 and DECC have in place a voluntary agreement implementing a requirement of the Convention for the Protection of the Marine Environment of the North East Atlantic (the OSPAR Convention) that operators should maintain an environmental management system (EMS).

81. To minimise the changes to the UK's offshore oil and gas regime and burdens on Industry, HSE and DECC propose to maintain the current arrangements that separately require safety and environmental management systems. It would be acceptable to bring these requirements together, although industry may prefer to maintain separate systems as DECC's EMS requirements cover the management and control of all environmental risks, not just major environmental incidents.

82. To ensure that safety management systems include the additional information required under the Directive, HSE will include these requirements within SCR 2015. Section 8.5.2 details how DECC will formalise their environmental management system requirements to ensure they contain the information required under the Directive.

83. Under the Directive, operators and owners will need to set out in a statement how the safety and environmental management systems will be brought together and integrated with the overall management system. In addition, operators and owners will need to provide a description of the safety and environmental management system in the safety case and design notifications.

8.3.5 Safety Cases

84. The UK already operates a safety case regime under the current SCR 2005. The Directive requires that a report on major hazards is produced. The UK propose to use the safety case, updated by the SCR 2015, to include relevant descriptions relating to environmental information, and include appropriate links to existing environmental

demonstrations and assessments, to meet the Directive requirements for a report on major hazards. Operators/Owners would need to submit short descriptions of the Verification Scheme, Safety and Environmental Management System, and Internal Emergency Response Plan in the safety case, but these requirements are assessed in the respective sections of this impact assessment.

85. Owners/operators would also need to include additional general information in the safety case, such as details of the relevant codes, standards and guidance used in the construction and commissioning of the installation. They also need to provide 'any other relevant details' that the CA considers is necessary before a safety case is accepted, but in practice this is probably already covered by the existing regime.

8.3.6 Design and Relocation Notifications

86. Under the current SCR 2005 Regulations, owners or operators of installations are required to submit a design notification in the case of a planned production installation. In addition, where an existing production installation is to be moved, the operator must submit a relocation notification. There are separate requirements to provide environmental information.

87. The key change under the Directive and the SCR 2015, is that Design and Relocation Notifications must now include reference to the environmental information, in addition to the existing safety information. For example, they will need to describe the design concept in relation to major hazard scenarios for both the environment and safety. Although HSE and DECC estimate that the information needed for these notifications may already be produced (e.g. in an Environmental Statement (ES) that describes the option selection process, the proposed re-allocation of a production installation and the environmental considerations relating to the selection and relocation), additional work would be needed to briefly describe and/or make appropriate links to this information within a design or relocation notification .

8.3.7 Well Notifications

88. Under the current UK regime, well operators are required to submit a well notification. This notification provides the regulator with a range of information, related to the planned well operations. This includes particulars of the well, a description of the well operations and the programme of work. The Directive requires that additional information is included in a well notification and the requirements will be included in the SCR 2015. The requirements include environmental information needing to be submitted along with safety information in the well notifications. Again HSE and DECC estimate that the information needed for these notifications may already be produced as a result of other requirements (e.g. an ES or a request for a Direction than an ES is not required). Additional work will be needed to briefly describe and/or make appropriate links to the information within a well notification.

89. The well notification must now include the findings and comments of the independent competent person (ICP) with a description of the actions taken by the well operator in response to these findings. The well operator must also consult the ICP before submitting a material change to a well notification.

8.3.8 Combined Operations Notifications

90. Combined Operations Notifications are already submitted under the current regime, but there are new requirements under the Directive. Under the SCR 2015, the operator would need to include environmental information within the notification. Again, HSE and DECC estimate that the information needed for these notifications may already be produced as a result of other requirements (e.g. a request for a navigational consent to locate a non-

production installation). Additional work would be needed to briefly describe and/or make appropriate links to this information within a combined operations notification

8.3.9 Dismantling a fixed production installation

91. Under the Directive, new information is required when a fixed production installation is being dismantled and the requirements will be included in the SCR 2015. The requirements include: information on the means of isolating hazardous substances and the permanent sealing of wells; a description of the risks to workers and the environment, the total exposed population; and information on the emergency response arrangements to secure safe evacuation and rescue of personnel and to maintain control systems for preventing a major accident to the environment. Again, HSE and DECC estimate that the information needed for these notifications may already be produced as a result of other requirements (e.g. the Decommissioning Programme and supporting documents). Additional work would be needed to briefly describe and/or make appropriate links to this information in the decommissioning safety case.

8.3.10 Reporting imminent danger or increased risks of a major accident

92. When an activity carried out by an operator or owner poses an immediate danger to human health or significantly increases the risk of a major accident, the Directive requires that they must take suitable measures, including suspending the activity, until the danger or risk is adequately controlled. When an operator takes such action, they must notify the offshore CA no later than 24 hours after taking the action. Although we would expect industry to already take such measures, there will be a requirement under the SCR 2015 to report this to the CA.

8.3.11 Reporting major accidents outside the EU

93. This is a new requirement on UK-registered companies with operations outside the EU. Under the SCR 2015, these companies will now need to report to the offshore CA on request details of any major accidents they, or their subsidiaries, have been involved in outside the EU.

8.3.12 Safety Zones

94. The UK Offshore Installations Safety Zones Regulations 1987 specify when a vessel can enter an offshore safety zone. Under the Directive, the owner or operator of the installation would be able to grant permission for a vessel to enter the safety zone for reasons other than those specified in the regulations. HSE believes there may be potential savings to industry if there are occasions when industry would use this provision.

8.3.13 Collecting and recording data

95. The Directive requires operators/owners to use suitable methods of recording and collecting data that ensures reliability and prevents the possibility of the data being manipulated. This is a new requirement, but industry report that they already have such measures in place.

8.3.14 Enter and Leave notifications

96. In addition, MAR currently requires a notification on the day the installation leaves or enters the UK but in reality industry sends these notifications to HSE prior to the installation leaving or entering the UK. The Directive requires the notification to be submitted prior to the day of entry or departure and HSE intend to copy out this definition and amend MAR. As industry already submit these notifications prior to the day of entry or departure, HSE

estimate that this will have no practical impact on industry and as such would pose no additional cost.

8.3.15 Promoting change to staff

97. The focus group reported that it would take effort to communicate and promote the changes required by the Directive across their organisations and to build the new requirements into their procedures and practices. The activities identified as necessary to familiarise all staff with the changes would include visiting installations, preparing and distributing promotional material, holding meetings and workshops, updating websites and training.

8.3.16 Implementing Act on data reporting criteria and format

98. The Directive indicates that an Implementing Act will be introduced to outline a new offshore data reporting system. This could consist of up to 10 new reporting criteria, as well as standard formats within which operators/owners would have to notify the CA. There will also be standard formats for the CA to use when preparing Annual Reports to the European Commission and for the CA making information publically available. As a result of these Implementing Acts, there would be additional burdens on the CA and Industry in terms of reporting systems.

8.4 Gold Plating of HSE Legislation

8.4.1 Definition of major accident

99. The current UK definition of major accident includes “the failure of life support systems for diving operations in connection with the installation, the detachment of a diving bell used for such operations or the trapping of a diver in a diving bell or other subsea chamber used for such operations”. This is not included in the Directive definition. The definition of major accident does make provision for ‘any other incident leading to fatalities or serious injury to five or more persons…’ and given that most diving operations associated with offshore installations involve five or more people, this is likely to be covered in most instances. It could also be argued that any subsea work on installations or pipelines is likely to be covered by other aspects of the Directive’s definition of a major accident. However, a small number of such diving operations will involve fewer than five people and we would prefer to make it legally clear that such diving operations remain within scope of the new SCR. Retaining the current diving-specific element in the definition of the major hazard definition would provide clarity and consistency.

100. HSE is concerned that the omission of such operations from the definition of major accident, and so consideration within the safety case, which is the document that lays out the measures in place to effectively control major accident risks, would have a detrimental effect on offshore diving safety. Commercial diving is widely recognised as a hazardous work activity – particularly offshore. Over the last 40 years, at least 52 divers have died while working in the offshore oil and gas industry in the North Sea.

101. As all operators/owners are currently required to address diving matters in the safety cases, there would be no additional burden on industry from maintaining all diving operations within the definition of major accident. Recent discussions with the Diving Industry Committee (DIC), and informal discussions with the offshore diving industry, indicate that retention of the diving-specific major hazard definitions would be widely supported. HSE is therefore proposing to keep this reference to diving operations within the UK definition of major accident.

102. The Directive's definition of major accident also only covers an event involving major damage to the structure of the installation, where there is a significant potential to cause fatalities or serious personal injury. The definition of major accident in SCR 2005 does not have the qualification relating to fatalities or serious injury, and so this could be seen as gold plating. As keeping the SCR wording will maintain current practices and standards we will keep the current wording in the UK definition.

8.4.2 Enter or Leave notifications for non-production installations

103. The Offshore Installations and Pipeline Works (Management and Administration) Regulations 1995 (MAR), currently covers this requirement. In the UK, HSE monitors the movements of both production and non-production installations (NPIs, e.g. drilling rigs), but the Directive only requires production installations to submit these notifications. As such the current regime includes an element of gold plating. However, HSE believes it is crucial to continue to monitor the movement of NPIs under the major hazard regime to maintain safety standards and minimise the possibility of major accidents on NPIs, such as the Deepwater Horizon disaster in the Gulf of Mexico. Industry is already following this regime so there is no additional burden in maintaining this requirement.

8.5 Changes to DECC Environmental Legislation to implement the Directive

104. This section of the Impact Assessment (IA) outlines the changes required to DECC's offshore environmental legislative regime to implement the Directive.

105. The environmental legislative regime relating to offshore oil and gas operations is very comprehensive. Following a review of the Articles of the Directive, it is apparent that the majority of the environmental requirements are already met by existing legislation. Only minimal changes are therefore necessary to meet the environmental requirements of the Directive. Apart from amendments to the emergency response legislation, no other changes to the existing offshore environmental legislation are anticipated.

106. DECC proposes to introduce one set of Regulations, which will amend the Merchant Shipping (Oil Pollution Preparedness, Response Co-operation Convention) Regulations 1998 (the "OPRC Regulations") and implement other Directive requirements. The proposed regulations would include provisions relating to specific elements of the Directive that are described below.

8.5.1 Amendments to the OPRC Regulations

107. The OPRC Regulations implement, in part, the International Convention on Oil Pollution Preparedness, Response and Co-operation 1990, and came into being as a consequence of the Merchant Shipping (Oil Pollution Preparedness, Response and Cooperation) Order 1997. The regulations require harbour authorities and operators of oil handling facilities and offshore installations, where there is a risk of an oil pollution incident, to have Oil Pollution Emergency Plans that are compatible with the National Contingency Plan and appropriate to deal with oil pollution in the area for which the harbour authority or operator is responsible. The Secretary of State (SoS) for DECC exercises the powers in relation to offshore installations and pipelines, and it is the duty of operators to implement the approved plan in the event of an oil pollution incident. There are also powers of inspection for the SoS in relation to offshore installations and pipelines. The OPRC Regulations also contain provisions requiring masters of United Kingdom ships, and individuals having charge of harbours, oil handling facilities and offshore installations to report certain events involving the discharge of oil. The OPRC Regulations do not currently extend to owners of non-production installations. The operator currently submits the OPEP, which includes details of the non-production installation.

108. The proposed regulations for transposing the Directive will amend the OPRC Regulations to align them with the requirements of the Directive. The existing OPRC regulations already require the following**:**

- Every operator of an offshore installation to have an OPEP in place;
- Every operator to submit a plan to the SoS for approval;
- In preparing the OPEP every operator to take into account any guidance;
- Every operator to fully review its OPEP every 5 years after submission;
- Every operator to implement its OPEP in the event of an oil pollution incident;
- Individuals in charge of offshore installations to report oil in the sea to HM Coastguard; and
- Persons duly authorised by the SoS to have the power to inspect any offshore installation.

109. To align the OPRC Regulation with the obligations of the Directive, a number of amendments are proposed. The OPRC requirements will be extended to:

(a) include the decommissioning of offshore installations. There will be a new requirement for offshore operators to prepare an OPEP for decommissioning operations, which will be the responsibility of the operator of the relevant production facilities that are being decommissioned.

(b) Include owners of non-production offshore installations, who will be required to submit an OPEP for their installations. The required content of a non-production OPEP will be aligned with the requirements of the Directive where it relates to an oil pollution incident as a consequence of a major accident and the response to such an incident.

(c) Require operators to submit an addendum to the owner's plan to cover specific well operations or a series of operations. Similarly, there is an additional requirement for the operator's OPEP to be amended to take into account any additional risks related to an oil pollution incident identified for combined operations, prior to those operations commencing.

(d) Amend the requirement under the OPRC to 'submit a plan' to a requirement for every offshore installation to have an approved OPEP (as part of the Directive's obligations to produce an Internal Emergency Response Plan, or IERP) prior to the commencement of the offshore oil and gas operations covered by the plan, This will also include requirements for operators and owners to:

- undertake a full review and re-submission of an OPEP every 5 years, measured from the date of approval of the original plan.
- to undertake a full review and re-submission of an OPEP following any relevant material change, or when directed to undertake such a review by DECC.

(e) require operators and owners to undertake OPEP exercises to maintain relevant preparedness for the implementation of the plan and interaction with

the external emergency response plan. Operators and owners will also be required to retain evidence of OPEP exercises undertaken both onshore and offshore and to provide that evidence on request.

(f) provide powers to prohibit operations where no OPEP is in place, where the plan is deemed insufficient or where the requirements of the plan are not being met; and for Inspectors to be able to serve notices when deemed appropriate.

(g) require operators/owners to include in the OPEP an analysis of the oil spill response effectiveness and a complete inventory of oil spill emergency response equipment pertinent to their offshore oil and gas operations.

8.5.2 Provisions in new Regulations concerning Environmental Management Systems (EMS)

110. There are no requirements regarding EMSs in the current environmental legislation. However, OSPAR Convention[17] Recommendation 2003/5 requires Contracting Parties to 'Promote the Use and Implementation of Environmental Management Systems by the Offshore Industry'. This Recommendation was implemented in the UK through voluntary agreement based on guidance issued by DECC. In relation to Traditional and Frontier Seaward Production Licences, including continuations of Promote Licences, the Department will not award a licence in response to any application that is not supported by an EMS that satisfies the guidance, or where the applicant does not provide a commitment to produce one before they wish to plan, develop and undertake any offshore operations. The current arrangements do not fully satisfy the Directive requirement, e.g. the EMS isn't an explicit mandatory requirement as part of a Safety and Environmental Management System and does not currently apply to the owners of non-production installations.

111. To ensure full alignment with the provisions of the Directive, a number of requirements pertaining to EMS are proposed in the new Regulations. There would be an obligation for every relevant operator and owner to have an EMS prior to the commencement of operations relating to production and non-production installations commencing.

112. Operators of production installations will be required to submit an EMS, which satisfies both the Directive and the OSPAR requirements. However, owners of non-production installations will be required to submit EMSs, which are restricted to the EMS requirements set out in the Directive. Although owners of non-production installations do not have to submit an EMS to DECC at present, research indicates that most owners will already have a suitable EMS, although minor changes may be required to meet the Directive requirements.

113. In addition operators/owners will be required to:

- Undertake a full review of the EMS, and to re-submit the EMS (or an adequate description) to DECC for acceptance following any relevant material change, or when directed to undertake such a review by DECC.

- Amend / change a submitted EMS (or the description of the EMS) when directed by DECC should the EMS be considered inappropriate for any reason.

[17] OSPAR is the mechanism by which fifteen Governments of the western coasts and catchments of Europe, together with the European Union, cooperate to protect the marine environment of the North East Atlantic.

8.5.3 Financial liability arrangements

114. Operators undertaking exploration and appraisal well drilling operations using a Mobile Drilling Unit (MoDU) are currently required to provide evidence of financial liability arrangements, to ensure that sufficient funds or indemnity provisions are available to cover both first party costs (well control) and third party costs (caused by pollution damage), associated with an oil pollution incident. This requirement is currently linked to the legal requirement to prepare and implement an OPEP as detailed in the OPRC Regulations. If the required financial arrangements are not in place, DECC would take the view that the operator had not demonstrated that the provisions of the OPEP could be fully implemented, so approval of the OPEP would be withheld.

115. The Directive requires that appropriate financial provisions are taken into account when assessing applicants for licences or for different stages of operatorship. The new regulations will therefore include powers to require details of financial liability arrangements to be submitted to support relevant OPEPs.

8.5.4 Existing Legislation – Charging Schemes

116. In accordance with Article 8(7) of the Directive, the UK intends to establish or amend charging schemes whereby the financial costs to the CA in carrying out its duties under the Directive will be recovered from licensees, operators or owners.

117. DECC is currently undertaking a major review of the charging schemes associated with the environmental legislative regime. This is a complex exercise and it is not intended to develop new schemes prior to implementation of the Directive. However, provisions will be brought forward in separate regulations which will provide for a scheme to recover relevant departmental costs. This will be addressed in a separate IA.

8.6 Changes to DECC Licensing Legislation to implement the Directive

118. At this stage it is anticipated that changes to the licensing regime for both DECC and industry will be limited, because there are existing procedures covering most of the points at which the Directive requires action by the Licensing Authority. While there will be some minor adjustments to ensure full implementation, we do not expect significant increases in the burden of licensing procedures. However this assessment may alter following consultation and further analysis.

119. The Directive requires the Licensing Authority to take into account, at licence award and assignment the potential licensee's capability to meet the requirements of the Directive. It also sets out procedures for the appointment and disqualification of operators. However, all these checks and procedures are already in place: DECC already checks a new licensee's financial capacity at both award and assignment of a licence; already checks a new operator’s financial security and competence, and already approves and can disqualify operators. It is likely that the existing checks and procedures will substantially satisfy the environmental requirements of the Directive without needing anything more than minor changes.

120. A new element of licensing procedure is that the Directive requires licensing decisions to take account of safety issues, and applicants will therefore have to provide new information to the Licensing Authority to inform them of the decisions. Assessment of the new information will entail adding the HSE, as part of the CA, as a new consultee in the licensing procedure, but existing IT systems can encompass this requirement without major new costs. For companies, there will be additional information requirements, which will be described in the licensing guidance.

121. The Directive requires Member States to impose a new duty on licensees to ensure that the operator has the capacity to meet its obligations, and that it actually does so. This duty will be implemented directly in the new regulations, but it will only constitute a legal duty to do what DECC expects every responsible licensee to be doing already. It will not therefore represent a new burden either on the Licensing authority or on business.

8.7 Maintaining Existing Standards and Gold Plating in DECC Legislation

8.7.1 Oil Pollution Emergency Plans

122. The International Convention on Oil Pollution Preparedness, Response and Cooperation[18] (OPRC Convention) was adopted by the International Maritime Organization (IMO) in 1990 and came into force in the United Kingdom (UK) on 16 December 1997 and was implemented through The Merchant Shipping (Oil Pollution Preparedness, Response and Co-operation Convention) Regulations 1998 (OPRC Regulations).

123. The OPRC Convention encourages States to: respond to a major oil pollution incident; maintain an adequate capability to deal with oil pollution emergencies; and have plans in place which are coordinated with its External Emergency Response Plan.

124. To satisfy the requirements of the OPRC Convention, DECC requires that an Oil Pollution Emergency Plan (OPEP) is submitted by the operator of all offshore installations and associated pipelines in the UKCS where there is a risk of oil pollution. The Convention requirements are also currently satisfied in submissions prepared by operators involved in well or combined operations. The OPEP is a response document which is implemented by operators when responding to any oil pollution event irrespective of whether the instigating event/incident constitutes a major accident.

125. DECC propose to maintain the existing OPEP requirements for operators in addition to imposing the additional Directive requirements for an IERP that relate to the environmental aspects.

126. DECC considers that restricting the OPEP to the content specified in the Directive would exclude important information in relation to modelling the scope of an oil release, where it may impact shorelines or cross international median lines, or identifying the environmental sensitivities which could be impacted by a release.

127. The additional detail required under OPRC is not considered to be gold-plating[19], as this is an international requirement for all qualifying oil pollution emergency plans. The additional detail provides valuable information for evaluating the potential extent of a major oil pollution incident, the suitability of the response plans and the environmental sensitivities that could be impacted. As this information is already provided, there will be no practical impact on industry.

8.7.2 Environmental Management Systems

128. The UK is a signatory to The Convention for the Protection of the Marine Environment of the North-East Atlantic (OSPAR Convention), and it is UK government policy to implement all OSPAR Recommendations. OSPAR Recommendation 2003/5 was introduced in 2003 and DECC currently complies with this recommendation by requiring operators of all Traditional and Frontier Seaward Production Licences, including continuations of promote licences, to have either an EMS certified to an internationally recognised standard (ISO14001 or EMAS) or an EMS that is verified to meet the

[18] http://www.imo.org/About/Conventions/ListOfConventions/Pages/International-Convention-on-Oil-Pollution-Preparedness,-Response-and-Co-operation-(OPRC).aspx
[19] In accordance with the Better Regulation Framework Manual 1.9.8.iii

requirements of the OSPAR recommendation. Existing operators' EMSs are generally integrated within the organisations' overall management systems and may also be integrated with safety and quality management systems. The current arrangements do not fully satisfy the Directive requirement in that the EMS isn't an explicit mandatory requirement as part of a Safety and Environmental Management System.

129. Under the new legislative requirements, operators will be required to have an EMS which meets both the OSPAR recommendation and the requirements of the Directive in relation to EMSs.

130. DECC considers that a single comprehensive EMS which covers all environmental aspects would be simpler to manage than two separate systems, and would meet both the Directive and OSPAR requirements. As such, this would not be gold plating as it would continue to fulfil the international obligation under OSPAR.[20] As industry is already providing EMS to the required standard, there would be no additional costs.

8.7.3 Licensing Provisions

131. The existing Model Clause that deals with operatorship provides that the licensee may not allow an operator to act as such without the prior approval of the Secretary of State. The Directive, however, requires only that the Licensing Authority should have a power to object to the appointment of an operator after the event. That would be a less robust system, and being less robust would support the Directive's objectives less well and DECC could not implement it without amending all existing licences (with or without the licensee's agreement). In those special cases where implementation will require the creation of new operatorship provisions, DECC will do so without gold-plating (i.e. it will give the Licensing Authority a right of objection after the event). In those cases where licences already implement satisfactory operatorship provisions, it is most reasonable (and most consistent with the Directive's objectives) to leave them as they are, even though to do so counts as gold-plating. However, as it maintains the current standard, it poses no additional burden.

8.8 Changes to Legislation to implement Article 38 of the Directive

132. The Directive also extends, through Article 38, the offshore scope of the Environmental Liability Directive (ELD) for oil and gas operations and other anthropogenic activities. The ELD already applies to damage affecting protected habitats and species out to 200 nautical miles and damage to all waters covered by the Water Framework Directive which extend to between 1 and 3 nautical miles of the landward baseline of the territorial sea within different countries of the UK. The Directive extends the scope of water damage to cover all marine waters within the scope of the Marine Strategy Framework Directive (MSFD).

133. Defra and the Devolved Administrations will be consulting on this issue during the summer separately to the other proposed changes discussed in this IA. However, the costs of this measure are included in this IA in Section 9.10.

134. The ELD only requires action where a business or other operator has caused – or is imminently about to cause - significant environmental damage. Evidence to date suggests this happens very rarely. In the five years since the law came into force between 2009 and 2014, there have been only three cases of water damage on land or in coastal waters in the UK. Across the EU from 2007 to 2014 there have been 389 cases of water damage[21]. By comparison there are likely to be fewer applicable cases on average in the area between 1

[20] In accordance with the Better Regulation Framework Manual 1.9.8.iii

[21] This figure masks a wide variation reported by Member States, three of which accounted for 80% of the incidents. The very great majority reported fewer than a dozen, with 14 reporting zero or one case.

and 200 nautical miles (as evidenced in the original ELD Impact Assessment (IA)) because of reduced levels of economic activity and owing to increased difficulty to monitor, detect and enforce offshore damage. This assessment is strengthened by the fact that no cases of damage to species and habitats in the marine environment have yet fallen under the ELD in any country in the EU. This suggests that damage to water beyond 1 or 3 nautical miles might happen once every ten years or more cross the UK.

135. If and where such damage does arise, there are likely to be costs under existing arrangements to address the damage, depending on the nature of damage caused. Analysis undertaken for the original ELD IA suggested that opportunities to directly restore damage will be limited in the marine environment and that the measures required will therefore largely be to compensate for the damage. There may be limited opportunities to take such measures in the marine environment so these may sometimes be taken on land. The compensatory measures for one case of water damage on land are estimated to have cost less than £200k (from the damage assessment for the case). The costs of cases across the EU range from £2440 to £2.07 million (for all types of cases, not just water damage) although this is likely to include some costs that would have been incurred irrespective of the ELD.

136. The main costs are therefore likely to relate to paying for environmental improvements.

137. Work from the original ELD IA suggests the following activities have the potential to cause damage in the marine environment: fisheries, shipping, activities releasing contaminants on land, contaminants from the oil and gas industries, mariculture, litter, disturbance, engineering operations and dredging and dumping. But that damage would have to be very significant to trigger action under the ELD.

138. Further investigation and discussion with stakeholders will be carried out by Defra during the consultation to consider:

- the likelihood of potential damage caused by different activities affecting environmental status as defined under the MSFD;
- the potential for “catastrophic” cases of damage with much larger costs;
- whether the actions to pay for environmental improvements to compensate for offshore water damage are likely to be within the range presented;
- the scale of benefits from the improvement works required;
- whether businesses and other operators will need to take time to familiarise themselves with the changes; and
- whether businesses or operators will take anticipatory action to reduce their liabilities.

8.9 Changes to HSE regulations for updating the safety regime and reducing the stock of regulation

8.9.1 Updating the health and safety regulatory regime

The definition of offshore installation

139. In April 2013, HSE introduced the Health and Safety at Work etc. Act 1974 (Application Outside Great Britain) Order 2013. In this Order, the definition of offshore installation was updated to give legal clarity that it was vessels whose primary purpose is

accommodation, or those undertaking activities that involved mechanically entering the pressure containment boundary of a well, that fell within the scope of this definition.

140. At this time, HSE also recognised that if an offshore installation was ever used for other purposes, these would likely be related to oil and gas activities (e.g. used as helicopter bases). When such installations came to the end of their life, HSE would want to ensure that it could still regulate future high risk decommissioning and demolition activities associated with such installations using its offshore major hazard regulations. HSE therefore removed the exclusion of any structure "which has ceased to be used for any of the purpose specified", from the Order. This was to ensure that all activities in relation to a non-mobile structure which was formally an offshore installation, continued to be covered by the Order.

141. For consistency, and to ensure health and safety standards are maintained when high risk decommissioning and dismantling activities on offshore installations occur, HSE is now proposing to make the same changes to the definition of the offshore installation in the Offshore Installations and Pipeline Works (Management and Administrative) Regulations 1995 (MAR).

Identifying an operator when there is no licensee

142. To ensure that the highest safety standards are maintained during the high risk decommissioning and dismantling operations associated with offshore installations and wells, HSE propose that the definition of well operator and operator of a production installation are changed across HSE's offshore oil and gas regulations (e.g. SCR and MAR). These amendments will ensure that an operator can still be identified for well abandonment and offshore installation decommissioning operations when a licensee is not in place to appoint an operator.

143. Under HSE legislation, the operator of the production installation submits a decommissioning safety case and the operator of the well prepares a well notification, which outline how decommissioning operations will be performed safely. HSE will tell DECC if they have any concerns in relation to the planned decommissioning work before DECC issue consent. DECC has indicated to HSE that some licenses for offshore installations and wells will not be renewed. Under HSE legislation, it is the licensee who appoints the operator of the production installation or the operator of the well, so if there is no licence in place this will mean that legally there is no appointed operator and HSE may not receive a decommissioning safety case or well notification to consider. This issue was brought to HSE and DECC's attention when the first well, where a licence was no longer in place, was considered for decommissioning. The proposed amendments will fill this legislative gap and maintain HSE's jurisdiction to regulate work activities on offshore installations and wells when a licence is not in place. Currently operators are complying with the regulations voluntarily and therefore there are no costs to industry associated with these amendments.

144. DECC Licensing legislative amendments (see Section 8.6), will give legal certainty about who is the operator when a Petroleum Licence holder is not in place (e.g. as it has been revoked, relinquished or expired). The amendments HSE propose to make to the offshore health and safety legislation will complement DECC's new approach and will maintain HSE's jurisdiction to regulate work activities

Underground Coal Gasification (UCG)

145. HSE's onshore major hazard regime delivers part of Directive 92/91, which covers the minimum requirements for improving the safety and health of workers in the mineral-extracting industries through drilling. It is relevant to note that the Framework Health and Safety Directive (89/391/EEC), under which the drilling Directive is made, requires advances in technology to be taken into account and used to deliver improved levels of protection with

regards to workers' health and safety over time. Therefore, it is expected that the minimum standards will evolve over time (in line with technological advances). At the time the UK implemented Directive 92/91, it did not foresee UCG taking place. However, a recent survey of Member States as part of a European Commission Review of Directive 92/91[22] indicated that some Member States already see this activity as being "mineral extraction through drilling" and so is covered by Directive 92/91.

146. Bringing UCG within the UK's onshore oil and gas major hazard framework will enable the UK to continue to meet the requirements of European Directive 92/91, making sure new technologies are brought within scope. Therefore, the costs associated with updating the UK regime are not governed by the one-in two-out rule.

147. Recent experience of the political and public interest in shale gas has resulted in a great deal of scrutiny of HSE's onshore oil and gas major hazard legal framework. The requirements contained within our onshore major hazard legislation have been seen as broadly sufficient to regulate health and safety. However, we are not in such a strong position for UCG. This activity is out of scope of our onshore major hazard legislation. As the first UCG pilot is expected to start onshore in 3-5 years (the Coal Authority does not anticipate an offshore project, if at all, within the next ten years), HSE (with support from DECC and the Coal Authority) is proposing to bring UCG within the scope of HSE's onshore oil and gas major hazard regime.

Onshore Combustible Gas Storage and Recovery

148. Natural gas storage and recovery activities have been taking place in the UK for many years in depleted oil and gas reservoirs both onshore and offshore. These are usually filled with natural gas through a borehole, which is designed and constructed to standards similar to those used for onshore and offshore gas extraction wells. The storage of hydrocarbon gas is likely to grow in the coming years as the need increases to store such gas when it is available in the summer, for recovery when it is required in the winter. There are three possible scenarios for offshore hydrocarbon gas storage and recovery:

- In depleted and partially depleted hydrocarbon fields - such activities have been taking place onshore and offshore for many years;

- Processes that will use naturally occurring geological formations that do not include petroleum (e.g. chalk) - this approach is still under development; and

- Storage in solution mined salt caverns (currently takes place onshore).

149. In the future as well as storing and recovering hydrocarbon gas, it may also be necessary to store and recover the products of UCG. We will therefore collectively call this "combustible gas storage and recovery". As combustible gas storage and recovery activities have major hazard potential, it is important to ensure HSE has the jurisdiction to regulate all three storage and recovery scenarios, using relevant onshore and offshore major hazard regulations. Currently, and for the foreseeable future, offshore storage and recovery will take place in depleted oil and gas reservoirs only, and these activities are already covered by our offshore oil and gas regime.

150. Onshore, combustible gas storage and recovery currently takes place in both depleted reservoirs and solution mined salt caverns. HSE currently regulates onshore hydrocarbon gas storage and recovery in depleted reservoirs using its onshore oil and gas major hazard regime (e.g. the Borehole Sites and Operations Regulations 1995 (BSOR) and the offshore wells regulations - which apply onshore and offshore). These regulations ensure

HSE receives notifications covering the design, construction and operation of wells used for hydrocarbon gas storage and recovery. Well notifications allow HSE to intervene early and provide advice before storage operations begin. The legislation also requires operators to have an independent well examination scheme in place, an important additional barrier to ensuring well integrity.

151. Legal advice suggests that underground storage of combustible gas in solution mined salt caverns and geological formations that do not contain oil and gas are not covered by BSOR or the well design and construction regulations. This is because of limitations in the current definitions contained in both regulations and which pre-date unconventional methods of gas storage and extraction.

152. To date there are nearly 75 active salt cavern combustible gas storage sites which HSE are responsible for, with over 85 associated wells. All the companies drilling these wells have voluntarily worked to the requirements of our onshore oil and gas major hazard regime, although sometimes the required information is provided slightly later than required under the regulations. The construction of two more underground salt cavern storage sites, with up to 24 new wells, has recently started by the same operators who have voluntarily provided information to HSE. We expect they will do this again in the future, so there will be no additional costs associated with these changes.

153. HSE anticipates that sometime in the future it is possible that new operators may enter this field who do not want to voluntarily meet the requirements of the legislation. If such a situation did arise, HSE would want to maintain standards and to ensure a level playing field between existing and new contractors. Therefore, HSE is proposing to formally bring these activities within the scope of its onshore oil and gas major hazard legislation. This will also help to maintain public and investor confidence, by ensuring a robust regulatory regime is in place for this emerging sector.

Reporting well dangerous occurrences

154. The Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 1995 (RIDDOR) require that well dangerous occurrences (e.g. a blowout) are reported to HSE. This allows HSE to investigate such incidents when appropriate, to identify the lessons learnt from such incidents and to ensure that action is taken by the operator when necessary. Amendments to these regulations are required to ensure that all well dangerous occurrences associated with the emerging energy technologies outlined above (e.g. UCG and onshore combustible gas storage and recovery) are reported. There is also a need to clarify who has the duty to report such occurrences. HSE proposes an amendment to the definition of “well” and “responsible person” in RIDDOR.

8.9.2 Further reducing the stock of offshore regulations

155. The Government is looking to reduce its overall stock of regulations that apply to businesses, including those associated with the safety of offshore oil and gas operations. HSE proposes meshing some existing Regulations, which were made a long time ago and now only have a few remaining requirements, into some of the core offshore health and safety legislation. In total HSE expects to reduce the stock of offshore regulations by three by taking these steps.

156. The remaining requirements of the Offshore Installations (Safety Zones) Regulations 1987 will be meshed into the new SCR 2015 and the 1987 regulations will be revoked.

157. The Logbook and Registration of Deaths Regulations 1972 will be revoked, with the remaining requirement to register deaths on offshore installations included in the Offshore Installations and Pipeline Works (Management and Administration) Regulations.

158. The Offshore Safety (Miscellaneous Amendments) regulations 2002, which extend the definition of offshore installation, will be revoked and these requirements incorporated into the updated definition of offshore installation included in the new and amended regulations.

9 Costs and Benefits Appraisal

9.1 Costs for Setting up the Offshore Competent Authority

159. Costs for setting up the CA would be recovered from industry through the existing charging scheme. The costs that follow are all to be recovered from industry, unless stated otherwise.

9.1.1 Option 1 set up costs

160. Under the notional Option 1, the status quo remains and no CA would be set up. The other options will be assessed against this baseline.

9.1.2 Option 2 set up costs

161. Under Option 2, HSE and DECC would work together in a partnership CA to regulate offshore health and safety and environmental major accident risks. HSE and DECC would continue to manage their own areas of specialism, but with a new over-arching management structure. The time necessary to set this up has been estimated by the joint working group including representatives from HSE and DECC currently engaged in managing the establishment of the CA. This included time to train staff, to set up new processes and procedures and to establish a user group. This has been converted to a cost of time by HSE economists using the full economic cost model and it is planned that this cost will be recovered from industry.

162. The estimated work time given by the joint working group covered over 11 thousand hours and nearly 20 different grades of staff, including administrators, technical specialists and senior civil servants. The cost has been estimated using each worker's Full Economic Cost (FEC) and is summarised in Table 2. Adding a range of +/- 10%, this gives an **estimated one-off cost to industry** of this time of between about £820 thousand and £1 million, with a **best estimate of around £911 thousand**. This would be recovered from industry through the CA's charge-out rate for cost-recoverable activity in Year 0 of the appraisal period, once established.

Table 2: Summary of calculation of Option 2 CA set up costs[23]

Government worker	Hours spent	FEC per hour	Total cost of time
DECC Senior Civil Servant	26.3	£56.75	£1,490
DECC Higher Executive Officer	652.5	£22.43	£14,636
DECC Grade 7	435.0	£40.64	£17,677
DECC Grade 6	438.8	£46.15	£20,248
DECC Environmental Inspector/Manager	435.0	£58.58	£25,484
DECC Senior Environmental Inspector/Manager	1,256.3	£63.17	£79,363
DECC Environmental Inspector/Manager Team Leader	153.8	£64.47	£9,913
DECC Environmental Investigator	45.0	£31.55	£1,420
DECC Senior Environmental Investigator	352.5	£34.96	£12,322
DECC Environmental Investigator Team Leader	135.0	£46.37	£6,260
DECC IT Specialist	780.0	£63.21	£49,305
HSE Band 1 Offshore Inspector (Higher)	525.0	£129.45	£67,963
HSE Band 2 Offshore Inspector (Higher)	2,115.0	£120.32	£254,476
HSE Band 3 Offshore Inspector (Higher)	2,737.5	£108.34	£296,589
HSE Band 4 Administrator	75.0	£50.67	£3,800
HSE Band 5 Administrator	165.0	£44.70	£7,376
HSE Band 6 Administrator	450.0	£37.86	£17,038
HSE Band 3 IT Worker	375.0	£63.21	£23,705
HSE Senior Civil Servant Band 2	15.0	£129.15	£1,937
TOTAL Option 2 set up costs	**11,245**	**-**	**£911,002**

Note: totals may not sum due to rounding

9.1.3 Option 3 set up costs

163. Under Option 3, HSE and DECC would enter into a partnership CA to regulate all health and safety and environmental risks. Even thought the remit of the CA under Option 3 would be wider than under Option 2, the joint working group estimated that the set up costs for the overarching management structure would be the same (and would be recovered from industry).

[23] Please note that a discrepancy has been identified in this consultation stage IA between the way in which DECC and HSE have estimated their costs of time, which has resulted in a slight underestimate in the DECC costs. The source of the discrepancy has been identified and the effect of this on total costs is small (less than 1%). Further work is underway to estimate DECC and HSE's costs of time in a consistent manner to correct this for the final stage IA.

164. This gives an **estimated one-off cost to industry** of between about £820 thousand and £1 million, with a **best estimate of around £911 thousand**. This would be recovered from industry in Year 0 of the appraisal period.

9.1.4 Option 4 set up costs

165. Under Option 4, the 75 staff (split roughly equally between technical support and environmental specialists, managers and inspectors) at DECC environmental would move to HSE. HSE would then operate as the CA for both health and safety and environmental risks offshore.

166. The cost of setting up this arrangement has been estimated based on recent experience of the Office of Nuclear Regulation (ONR) taking on ten staff from the Department for Transport (DfT)'s Radioactive Materials Transportation team in 2011. The time taken to manage and deliver this movement was estimated by ONR and reviewed by the CA joint working group who commented on how it should be adjusted to account for the movement of a larger group of staff. This cost would be borne by HSE and not recovered from industry.

167. The estimated cost of time is as follows:

- around 36 months of Band 4 Administrator time at a full economic cost of around £63 thousand per annum
- around 24 months of Band 3 Offshore Inspector time at a full economic cost of around £135 thousand per annum
- around 9 months of Band 2 Offshore Inspector time at a full economic cost of around £150 thousand per annum
- around 3-and-a-half months of Band 2 Senior Civil Servant time at a full economic cost of around £161 thousand per annum

168. Adding a range of +/- 10%, this gives an **estimated one-off cost to Government** of between about £556 thousand and £679 thousand, with a **best estimate of around £617 thousand**. This would be borne in Year 0 of the appraisal period.

169. In addition, the joint working group concluded that the costs of training, setting up procedures and establishing the user group, as described under Option 2, above, would also be necessary under Option 4. This gives an **estimated one-off cost to industry** of between about £820 thousand and £1 million, with a **best estimate of around £911 thousand**. This would be recovered from industry in Year 0 of the appraisal period.

9.1.5 Option 5 set up costs

170. Under Option 5, the CA would be established as a new statutory body, which would incorporate the relevant functions of HSE and DECC. The costs of this arrangement have been estimated based on recent experience of ONR becoming a statutory corporation in 2014[24] and of DECC in establishing the Committee on Climate Change (CCC) as a statutory body in 2008.

171. ONR have estimated[25] that the cost of their incorporation was around £960 thousand. This included around £590 thousand for setting up back-office functions, £200 thousand for

[24] http://www.onr.org.uk/legal-framework-and-regulations.htm
[25] https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/197622/onr_ia.pdf

specialist external advice on legal, human resource and other issues and around £170 thousand on external engagement.

172. DECC have estimated that the cost of setting up the CCC was around £3.3 million, which included staff, research, general support and running costs of the Committee itself.

173. It is not certain at this stage whether either of these examples would be perfect proxies for an offshore statutory CA and they may be either an over- or under-estimate. For example, the ONR cost may be an underestimate because the offshore sector includes more installations than does the nuclear sector. Similarly, ONR already existed as a semi-autonomous regulator before becoming a statutory corporation so parts of its infrastructure were already established. However, the CA joint working group have concluded that it is reasonable that the cost of the offshore CA would be within the range of these two estimates. This is an area of the costs requiring further development for the final stage impact assessment. Further work will be undertaken with the joint working group to refine this estimate during consultation and we will look to any cost estimates from DECC in establishing an executive agency responsible for operational regulation offshore oil and gas industry as recommended by the Wood Review.[26]

174. This gives an estimated **one-off cost to industry** of between around £960 thousand and £3.3 million, with a **best estimate of around £2.1 million**. This would be recovered from industry in Year 0 of the appraisal period.

9.1.6 Reporting to the European Commission on knowledge management

175. The CA would be required by the Directive to report to the European Commission (EC) on the arrangements put in place to manage access to knowledge, assets and expert resources. The CA working group have estimated that the full economic cost (FEC) of time necessary to complete this would be as follows:

- around 4 hours of DECC Grade 6 time at an FEC of £46.15 per hour
- around 22.5 hours of DECC Senior Environmental Inspector/Manager time at an FEC of £63.17 per hour
- around 7.5 hours of DECC Environmental Manager Team Leader time at an FEC of £64.47 per hour
- around 4 hours of HSE Band 1 Offshore Inspector time at an FEC of £129.45 per hour
- around 11 hours of HSE Band 2 Offshore Inspector time at an FEC of £120.32 per hour
- around 22.5 hours of HSE Band 3 Offshore Inspector time at an FEC of £108.34 per hour

176. This would be recovered from industry. Adding a range of uncertainty of +/- 10%, this gives an **estimated one-off cost to industry** of between around £5.7 thousand and £7.0 thousand, with a **best estimate of around £6.4 thousand**. This cost would be recovered in Year 0 of the appraisal period and would be borne under all Options 2 to 5.

[26] http://www.woodreview.co.uk/documents/UKCS%20Maximising%20Recovery%20Review%20FINAL%2072pp%20locked.pdf

9.1.7 Reporting to the European Commission on transposition

177. The CA would also be required by the Directive to report to the EC on the arrangements it has put in place to transpose the Directive in UK law. The CA working group have estimated that the full economic cost (FEC) of time necessary to complete this would be as follows:

- around 15 hours of DECC Higher Executive Officer time at an FEC of £22.43 per hour

- around 15 hours of HSE Band 2 Regulatory Inspector time at an FEC of £74.30 per hour

178. This would be recovered from industry. Adding a range of uncertainty of +/- 10%, this gives an **estimated one-off cost to industry** of between around £1.3 thousand and £1.6 thousand, with a **best estimate of around £1.5 thousand**. This cost would be recovered in Year 0 of the appraisal period and would be borne under all Options 2 to 5.

9.1.8 Setting up online portal

179. DECC and HSE propose to extend the online portal that DECC already have in place for the submission of documents by industry, the cost of which would be recovered from industry. DECC and HSE agree that this development of this existing system is the most effective way to carry out the functions required of it under the Directive. DECC have estimated this **one-off cost to industry** at between around £150 thousand and £200 thousand, with a **best estimate of around £175 thousand**. This would be recovered in Year 0 of the appraisal period and would be borne under all Options 2 to 5.

9.1.9 Implementing Act on data reporting criteria and format

180. HSE had estimated to the European Commission the cost of adapting existing databases and systems for the new reporting criteria at between around £13.5 thousand and £16.5 thousand, with a best estimate of around £15 thousand, which be recovered from industry. This estimate included both HSE time and charges from IT contractors and was based on the assumption that the reporting system enacted would be based on that currently in place in the UK under the Reporting of Injuries, Diseases and Dangerous Occurrences Regulations (RIDDOR). However, the EC has decided to introduce an Implementing Act that will outline a new offshore data reporting system. Initial estimates from HSE are that this would cost 5 to 10 times the cost of the simple adaptation, above. This gives an estimated **one-off cost to industry** of between around £67.5 thousand and £165 thousand, with a **best estimate of around £113 thousand**. This would be recovered in Year 0 of the appraisal period and would be borne under all Options 2 to 5. We acknowledge that this is a rough estimate at this stage and will attempt to refine it for the final stage IA as plans progress for construction of the new systems.

9.1.10 Summary of Set Up Costs to Competent Authority

181. Table 3 summarises the costs recovered from industry to set up the CA.

Table 3: Summarised costs to industry to set up Competent Authority (£thousands)

	Low	Best Estimate	High
CA Arrangement Set Up Costs			
Option 2	£820	£911	£1,002
Option 3	£820	£911	£1,002
Option 4	£1,376	£1,528	£1,681
of Option 4 costs, not recovered from industry	*£556*	*£617*	*£679*
Option 5	£960	£2,130	£3,300
Other CA Set Up Costs (All Options)			
Knowledge management report to EC	£6	£6	£7
Transposition report to EC	£1	£1	£2
Extending online portal	£150	£175	£200
Setting up reporting system	£68	£113	£165
Total (Options 2 to 5)			
Option 2	**£1,044**	**£1,206**	**£1,376**
Option 3	**£1,044**	**£1,206**	**£1,376**
Option 4	**£1,600**	**£1,824**	**£2,055**
of Option 4 costs, not recovered from industry	*£556*	*£617*	*£679*
Option 5	**£1,185**	**£2,425**	**£3,674**

Note: figures are ten-year present values. Totals may not sum due to rounding.

9.2 Costs for operating the Offshore Competent Authority

182. Costs for operating the CA would be recovered from industry through the existing charging scheme. The costs that follow are all recovered from industry, unless stated otherwise.

9.2.1 Option 1 management costs

183. Under the notional Option 1, the status quo remains and no CA would be set up. The other options will be assessed against this baseline.

9.2.2 Option 2 management costs

184. The processes required to manage the operations of the CA under Option 2 and the time required to do so have been estimated by the joint working group and these efforts have been costed by HSE economists using the full economic cost model. These costs would be recovered from industry. The management functions would include the CA management board, the maintenance of CA processes and procedures and operational

liaison between HSE and DECC. These costs would be additional to current operating costs of DECC and HSE, which would continue.

185. The time required to manage the CA estimated by the joint working group covered nearly 1 thousand hours and nearly 15 different grades of staff. The cost has been estimated using each worker's Full Economic Cost (FEC) and is summarised in Table 4. Adding a range of +/- 10%, this gives an estimated annual cost to industry of between around £70 thousand and £86 thousand, with a best estimate of around £78 thousand.

186. This ongoing cost would be borne from Year 1 to Year 9 of the appraisal period. This gives an **estimated present value over ten years** of between around £533 thousand and £652 thousand, with a **best estimate of around £592 thousand**.

Table 4: Summary of calculation of Option 2 CA annual management costs

Government worker	Hours spent	FEC per hour	Total cost of time
DECC Senior Civil Servant	37.5	£56.75	£2,128
DECC Senior Executive Officer	18.8	£28.24	£530
DECC Grade 7	37.5	£40.64	£1,524
DECC Grade 6	75.0	£46.15	£3,461
DECC Environmental Inspector/Manager	120.0	£58.58	£7,030
DECC Senior Environmental Inspector/Manager	157.5	£63.17	£9,950
DECC Environmental Inspector/Manager Team Leader	37.5	£64.47	£2,418
HSE Band 1 Offshore Inspector (Higher)	37.5	£129.45	£4,854
HSE Band 2 Offshore Inspector (Higher)	157.5	£120.32	£18,950
HSE Band 3 Offshore Inspector (Higher)	157.5	£108.34	£17,064
HSE Band 2 Administrator	37.5	£73.30	£2,749
HSE Band 3 Administrator	37.5	£59.86	£2,245
HSE Band 6 Administrator	18.8	£37.86	£710
HSE Senior Civil Servant Band 1	18.8	£96.93	£1,818
HSE Senior Civil Servant Band 2	18.8	£129.15	£2,422
TOTAL Option 2 Management Costs	**968**	**-**	**£77,852**

Note: totals may not sum due to rounding

9.2.3 Option 3 management costs

187. The time required to manage the operations of the CA under Option 3 have been estimated by the working group to be the same as under Option 2, but with additional costs required to maintain procedures to cover the CA's broader scope and more time spent on operational liaison to cover the wider responsibilities. The cost has been estimated using

each worker's Full Economic Cost (FEC) and is summarised in Table 5. Adding a range of +/- 10%, this gives an This gives an estimated annual cost to be recovered from industry of between around £110 thousand and £135 thousand, with a best estimate of around £123 thousand.

188. This ongoing cost would be borne from Year 1 to Year 9 of the appraisal period. This gives an **estimated present value over ten years** of between around £839 thousand and £1 million, with a **best estimate of around £923 thousand**.

Table 5: Summary of calculation of Option 3 CA annual management costs

Government worker	Hours spent	FEC per hour	Total cost of time
DECC Senior Civil Servant	37.5	£56.75	£2,128
DECC Senior Executive Officer	18.8	£28.24	£530
DECC Grade 7	37.5	£40.64	£1,524
DECC Grade 6	90.0	£46.15	£4,154
DECC Environmental Inspector/Manager	240.0	£58.58	£14,060
DECC Senior Environmental Inspector/Manager	292.5	£63.17	£18,479
DECC Environmental Inspector/Manager Team Leader	52.5	£64.47	£3,385
HSE Band 1 Offshore Inspector (Higher)	37.5	£129.45	£4,854
HSE Band 2 Offshore Inspector (Higher)	277.5	£120.32	£33,389
HSE Band 3 Offshore Inspector (Higher)	277.5	£108.34	£30,065
HSE Band 2 Administrator	37.5	£73.30	£2,749
HSE Band 3 Administrator	37.5	£59.86	£2,245
HSE Band 6 Administrator	18.8	£37.86	£710
HSE Senior Civil Servant Band 1	18.8	£96.93	£1,818
HSE Senior Civil Servant Band 2	18.8	£129.15	£2,422
TOTAL	**1492.5**	**-**	**£122,510**

Note: totals may not sum due to rounding

9.2.4 Option 4 management costs

189. The ongoing management costs under Option 4 are not estimated at this stage to be greatly different from those currently incurred by DECC and HSE. The joint working group considers that there may be some operational cost savings related to administration, but it is not certain at this stage what the scale of these might be. As such, there is estimated to be **no cost or cost saving in this consultation stage IA**, but further evidence will be sought during consultation.

9.2.5 Option 5 management costs

190. The ongoing management costs under Option 5 have not been estimated by the joint working group. As the statutory CA body proposed under Option 5 would incorporate the present offshore functions of HSE and DECC, any additional running costs of the CA would

be off-set to some extent by the saved running costs that HSE and DECC currently incur. It is not certain at this stage what these running costs would be and how they would compare to those currently incurred. As such, there is estimated to be **no cost or cost saving in this consultation stage IA**, but further evidence will be sought during consultation.

9.2.6 Running the online portal

191. Having been set up as discussed in paragraph 179, the online portal would require ongoing IT resource to be maintained, serviced and updated. This has been estimated by the joint working group to cost around between around £36 thousand per annum and £60 thousand per annum, with a best estimate of around £48 thousand. An additional estimated £30 thousand per annum in online hosting charges would be incurred. All of this cost would be recovered from industry.

192. This ongoing cost would be borne from Year 1 to Year 9 of the appraisal period. This gives an **estimated present value over ten years** of between around £502 thousand and £685 thousand, with a **best estimate of around £593 thousand**. This cost would be borne under all Options 2 to 5.

9.2.7 Summary of Costs for Operating Offshore Competent Authority

193. Table 6 summarises the costs recovered from industry for operating the CA.

Table 6: Summary of costs for Operating Offshore CA (£thousands)

	Low	Best Estimate	High
CA Management Costs			
Option 2	£533	£592	£652
Option 3	£839	£932	£1,025
Option 4	Unquantified	Unquantified	Unquantified
Option 5	Unquantified	Unquantified	Unquantified
Other CA Running Costs (All Options)			
Running online portal	£502	£593	£685
Total (Options 2 to 5)			
Option 2	**£1,035**	**£1,186**	**£1,336**
Option 3	**£1,341**	**£1,525**	**£1,710**
Option 4	**£502***	**£593***	**£685***
Option 5	**£502***	**£593***	**£685***

Note: figures are ten-year present values. Totals may not sum due to rounding. *Totals for Options 4 and 5 omit management costs, which have not been estimated in this consultation stage IA

9.3 Costs for CA assessments related to HSE Legislation

194. Costs for the CA assessing submissions related to HSE legislation would be recovered from industry through charging. The costs that follow are all recovered from industry, unless stated otherwise.

9.3.1 Internal Emergency Response Plans

195. The CA would be required to assess the description of the Internal Emergency Response Plans (IERPs). The joint working group have estimated that each assessment would require the following resources, to be cost recovered from industry:

- around 2 hours of DECC Environmental Inspector/Manager time at an FEC of £58.58 per hour
- around 4 hours of HSE Band 2 Offshore Inspector time at an FEC of £120.32 per hour
- around 22.5 hours of HSE Band 3 Offshore Inspector time at an FEC of £108.32 per hour

196. This gives an additional cost per assessment of around £3 thousand. There would be a one-off cost for assessing all 386 installations' existing descriptions of IERPs by 2018 when they are required to become compliant. For simplicity, this cost is assumed to be distributed equally across 2016, 2017 and 2018. Adding a range of +/- 10%, this gives a **ten-year present value cost to be recovered from industry** of between around £973 thousand and £1.2 million, with a **best estimate of around £1.1 million**.

197. In addition, there would be an ongoing cost to the CA to assess the descriptions of the IERPs of new installations, of which there are estimated by HSE inspectors to be around 15 per annum on average, based on observation of the last three years' data. New installations and new well operations must comply with the new regulations by 2016, so this ongoing cost will be borne from Year 1 of the appraisal period until Year 9.

198. The additional cost required to assess new installations' descriptions of IERPs is estimated to be the same as for existing installations. Applying a range of +/- 10%, this gives an average annual cost to industry of between around £40 thousand and £49 thousand, with a best estimate of around £45 thousand.

199. This gives a **ten-year present value cost to be recovered from industry** of between around £308 thousand and £376 thousand, with a **best estimate of around £342 thousand**. This cost would be borne under all Options 2 to 5.

9.3.2 Independent Verification

200. The CA would be required to assess the additional information in installations' verification schemes as they are extended to cover environment-critical elements and to verify additional criteria. This will impose additional burdens on the CA to assess this further information.

201. The joint working group have estimated that this would not be a substantially greater burden as this is expected to only be a small increase in the scope of operators' schemes. They have estimated that each scheme would only require around 2 hours of DECC Environmental Inspector/Manager time at an FEC of £58.58 and around 7.5 hours of HSE Band 3 Offshore Inspector time at an FEC of £108.34. This gives a total cost per scheme of just less than £1 thousand and would be recovered from industry.

202. There would be a one-off cost of assessing all 386 existing installations' schemes by 2018 when they are required to become compliant. For simplicity, this cost is assumed to be distributed equally across 2016, 2017 and 2018. Adding a range of +/- 10%, this gives a **ten-year present value cost to be recovered from industry** of between around £298 thousand

and £364 thousand, with a **best estimate of around £331 thousand**. This cost would be borne under all Options 2 to 5.

203. In addition, there would be an ongoing cost to assess new installations' verification schemes, of which there are estimated to be around 15 per annum on average. New installations must comply with the new regulations by 2016, so this ongoing cost would be borne from Year 1 of the appraisal period until Year 9.

204. The additional cost of assessing new installations' schemes is not estimated to be different from existing installations. Applying a range of +/- 10%, this gives an average annual cost to industry of between around £12.4 thousand and £15.1 thousand, with a best estimate of around £13.8 thousand.

205. This gives a **ten-year present value cost to be recovered from industry** of between around £94 thousand and £115 thousand, with a **best estimate of around £105 thousand**. This cost would be borne under all Options 2 to 5.

9.3.3 Corporate Major Accident Prevention Policy

206. The CA would be required to review Corporate Major Accident Prevention Policies (CMAPPs) and check that they fulfilled the Directive's requirements.

207. The joint working group have estimated that such a review would take around 2 hours of DECC Environmental Inspector/Manager time at an FEC of £58.58 per hour and around 11 hours of HSE Band 3 Offshore Inspector time at an FEC of £108.34 per hour. Adding a range of +/- 10%, this gives a total cost per CMAPP of between around £1.2 thousand and £1.5 thousand, with a best estimate of around £1.3 thousand and would be recovered from industry.

208. There would be a one-off cost of assessing the CMAPPs of the approximately 100 companies and contractors currently operating by 2018 when they are required to become compliant. For simplicity, this cost is assumed to be distributed equally across 2016, 2017 and 2018. This gives a **ten-year present value cost to be recovered from industry** of between around £112 thousand and £136 thousand, with a **best estimate of around £124 thousand**. This cost would be borne under all Options 2 to 5.

209. In addition, DECC have estimated that between 6 and 20 CMAPPs would need to be assessed for licensing purposes each year on average, with a best estimate of around 13. This gives an annual average cost of between around £7.2 thousand and £29 thousand, with a best estimate of around £17 thousand. This would be borne from Year 1 of the appraisal period to Year 9 and be recovered from industry.

210. This gives a **ten-year present value cost to be recovered from industry** of between around £55 thousand and £222 thousand, with a **best estimate of around £131 thousand**. This cost would be borne under all Options 2 to 5.

9.3.4 Safety and Environmental Management System

211. The CA would be required to review and assess operators/owners' descriptions of their Safety and Environmental Management System (SEMS) when submitted as part of the safety case. Each review is estimated by the joint working group to require the following additional resources:

- around 2 hours of DECC Higher Executive Officer time at an FEC of £22.43 per hour

- around 4 hours of HSE Band 2 Offshore Inspector time at an FEC of £120.32 per hour

- around 15 hours of HSE Band 3 Offshore Inspector time at an FEC of £108.34 per hour.

212. This gives an estimated cost per SEMS description of around £2.1 thousand and would be recovered from industry.

213. There would be a one-off cost of assessing all 386 existing installations' SEMS descriptions by 2018 when they are required to become compliant. For simplicity, this cost is assumed to be distributed equally across 2016, 2017 and 2018. Adding a range of +/- 10%, this gives a **ten-year present value cost to be recovered from industry** of between around £661 thousand and £807 thousand, with a **best estimate of around £734 thousand**. This cost would be borne under all Options 2 to 5.

214. In addition, there would be an ongoing cost to assess new installations' SEMS descriptions, of which there are estimated to be around 15 per annum on average. New installations must comply with the new regulations by 2016, so this ongoing cost would be borne from Year 1 of the appraisal period until Year 9.

215. The additional cost of assessing new installations' SEMS descriptions is not estimated to be different from existing installations. Applying a range of +/- 10%, this gives an average annual cost to industry of between around £28.6 thousand and £35.0 thousand, with a best estimate of around £31.8 thousand.

216. This gives a **ten-year present value cost to be recovered from industry** of between around £218 thousand and £266 thousand, with a **best estimate of around £242 thousand**. This cost would be borne under all Options 2 to 5.

9.3.5 Safety cases

217. The CA would be required to review and assess additional information added to installations' safety cases. Each review is estimated by the joint working group to require the following resources:

- around 2 hours of DECC Environmental Inspector/Manager time at an FEC of £58.58 per hour

- around 4 hours of HSE Band 2 Offshore Inspector time at an FEC of £120.32 per hour

- around 11 hours of HSE Band 3 Offshore Inspector time at an FEC of £108.34 per hour.

218. This gives an estimated cost per safety case of around £1.8 thousand and would be recovered from industry.

219. There would be a one-off cost of assessing all 386 existing installations' safety cases by 2018 when they are required to become compliant. For simplicity, this cost is assumed to be distributed equally across 2016, 2017 and 2018. Adding a range of +/- 10%, this gives a **ten-year present value cost to be recovered from industry** of between around £580 thousand and £709 thousand, with a **best estimate of around £644 thousand**. This cost would be borne under all Options 2 to 5.

220. In addition, there would be an ongoing cost to assess new installations' safety cases, of which there are estimated to be around 15 per annum on average. New installations must comply with the new regulations by 2016, so this ongoing cost would be borne from Year 1 of the appraisal period until Year 9.

221. The additional cost of assessing new installations' schemes is not estimated to be different from existing installations. Applying a range of +/- 10%, this gives an average annual cost to industry of between around £24 thousand and £29 thousand, with a best estimate of around £27 thousand.

222. This gives a **ten-year present value cost to be recovered from industry** of between around £184 thousand and £224 thousand, with a **best estimate of around £204 thousand**. This cost would be borne under all Options 2 to 5.

9.3.6 Design and Relocation Notifications

223. The CA would be required to review and assess additional information added to installations' design and relocations notifications each time such a notification were submitted.

224. The joint working group estimated that for design notifications, which are submitted prior to construction of the installation, the additional information included would be at quite a high level and the additional work required to assess it would be minimal. As such, it is assumed to be minimal in this estimation.

225. For each relocation notification, the joint working group estimated that the additional resources required to review would be around 4 hours of DECC Senior Executive Officer time at an FEC of £28.24 per hour and 7.5 hours of DECC Environmental Inspector/Manager time at an FEC of £58.58 per hour. This gives an estimated cost per assessment of around £550 and would be recovered from industry.

226. Based on the last three years' data the estimated number of relocation notifications submitted per annum is estimated to be around 76. Adding a range of +/- 10%, this gives an estimated annual average estimated cost to industry of between around £37 thousand and £46 thousand, with a best estimate of around £41 thousand. This would be borne from Year 1 of the appraisal period to Year 9.

227. This gives a **ten-year present value cost to be recovered from industry** of between around £284 thousand and £347 thousand, with a **best estimate of around £315 thousand**. This cost would be borne under all Options 2 to 5.

9.3.7 Well Notifications

228. The CA would be required to review and assess additional information added to installations' well notifications each time such a notification were submitted. For each notification, the joint working group estimated that the additional resources required to review would be around 7.5 hours of HSE Band 3 Offshore Inspector time at an FEC of £108.34 per hour. This gives an estimated cost per assessment of around £810 and would be recovered from industry.

229. Based on the last three years' data the estimated number of well notifications submitted per annum is estimated to be around 550. Adding a range of +/- 10%, this gives an estimated annual average estimated cost to industry of between around £402 thousand and £492 thousand, with a best estimate of around £447 thousand. This would be borne from Year 1 of the appraisal period to Year 9.

230. This gives a **ten-year present value cost to be recovered from industry** of between around £3.1 million and £3.7 million, with a **best estimate of around £3.4 million**. This cost would be borne under all Options 2 to 5.

9.3.8 Combined Operations Notifications

231. The CA would be required to review and assess additional information added to installations' combined operations notifications each time such a notification were submitted. However, the joint working group have estimated that the additional information is so little as to require no additional work. As such, this requirement is estimated to generate **no additional cost**.

9.3.9 Dismantling a Fixed Production Installation

232. The CA would be required to review and assess additional information added to installations' safety cases for installations being dismantled each time such a safety case were submitted. For each safety case, the joint working group estimated that the additional resources required to review would be as follows:

- around 2 hours of DECC Environmental Inspector/Manager time at an FEC of £58.58 per hour
- around 7.5 hours of HSE Band 2 Offshore Inspector time at an FEC of £120.32 per hour
- around 22.5 hours of HSE Band 3 Offshore Inspector time at an FEC of £108.34 per hour.

233. Adding a range of +/- 10%, this gives an estimated cost per assessment of between £3.1 thousand and £3.8 thousand, with a best estimate of around £3.5 thousand and would be recovered from industry.

234. Based on estimates from DECC's Decommissioning Team, the number of installations expected to commence decommissioning and so need to submit a decommissioning safety case over the next ten years is estimated to be around 15 per annum. This gives an annual average cost to industry of between around £47 thousand and £57 thousand, with a best estimate of around £52 thousand. This would be borne from Year 1 of the appraisal period to Year 9.

235. This gives a **ten-year present value cost to be recovered from industry** of between around £355 thousand and £434 thousand, with a **best estimate of around £395 thousand**. This cost would be borne under all Options 2 to 5.

9.3.10 Reporting imminent danger or increased risks of a major accident

236. The CA would be required to review and assess reports from industry on situations where they have to take action when operations pose an immediate danger to human health or significantly increase the risk of a major accident, and where there is immediate risk of a major accident. However, the joint working group have estimated that this would not impose any burden beyond work that would be completed anyway. As such, this requirement is estimated to generate **no additional cost**.

9.3.11 Reporting major accidents outside the EU

237. The CA would request reports from UK-registered companies regarding major accidents occurring outside of the European Union (EU). The joint working group have

estimated that they would request only around 1.5 reports per annum on average, due to the infrequent nature of major accidents and fact that only UK-registered companies would be in scope. For each report, the joint working group estimated that the additional resources required to receive and review would be as follows:

- around 15 hours of HSE Band 2 Offshore Inspector time at an FEC of £120.32 per hour
- around 30 hours of HSE Band 3 Offshore Inspector time at an FEC of £108.34 per hour
- around 4 hours of HSE Band 6 Administrator time at an FEC of £37.86 per hour

238. Adding a range of +/- 10%, this gives an estimated annual cost of between around £7 thousand and £8.6 thousand, with a best estimate of around £7.8 thousand and would be recovered from industry. This cost would be borne form Year 1 of the appraisal period to Year 9.

239. This gives a **ten-year present value cost to be recovered from industry** of between around £53 thousand and £65 thousand, with a **best estimate of around £59 thousand**. This cost would be borne under all Options 2 to 5.

9.3.12 Safety Zones

240. For the new provisions on granting permission for vessels to enter safety zones, the joint working group estimated there would be no impact on practice and so **no costs or savings**.

9.3.13 Implementing Act on data reporting criteria and format

241. HSE estimate that they would receive between around 180 and 220 additional reports against the new criteria, with a best estimate of around 200 per annum. The resources estimated to process reports once received, based on the current experience under RIDDOR, is around 15 minutes each for a Band 2 Administrator at an FEC of £73.30 per hour and a Band 6 Administrator at an FEC of £37.86 per hour. This gives an annual average cost of between about £5 thousand and £6.1 thousand, with a best estimate of around £5.6 thousand.

242. In addition, HSE would be required to produce a report to the Commission each year on report statistics. HSE have estimated that the resources to do this would be similar to those currently incurred to produce reports on RIDDOR. That is, between around 38 hours and 46 hours, with a best estimate of around 42 hours, spent by each of a Band 3 Offshore Inspector at an FEC of £108.34 and a Band 1 Offshore Inspector at an FEC of £129.45. This gives an annual average cost of between around £9 thousand and £11 thousand, with a best estimate of around £10 thousand.

243. This ongoing cost would be borne from Year 1 to Year 9 of the appraisal period and be recovered from industry. This gives a **ten-year present value cost to be recovered from industry** of between around £106 thousand and £130 thousand, with a **best estimate of around £118 thousand**. This cost would be borne under all Options 2 to 5.

9.3.14 Offshore Oil and Gas Authorities Group (EUOAG)

244. Following implementation, the CA would send an additional delegate to the EUOAG working group, which meets around 3 timers per year. This is estimated to require around

113 hours each year of an HSE Band 2 Regulatory Inspector's time at and FEC of £74.30 per hour, plus around £1,500 in travel and subsistence costs per annum.

245. Adding a range of +/- 10%, this gives an estimated annual average cost per annum of between around £9 thousand and £11 thousand, with a best estimate of around £10 thousand and would be recovered from industry. This would be borne from Year 1 of the appraisal period to Year 9.

246. This gives a **ten-year present value cost to be recovered from industry** of between around £69 thousand and £81 thousand, with a **best estimate of around £75 thousand**. This cost would be borne under all Options 2 to 5.

9.3.15 Summary of CA Costs for Assessments related to Changes in HSE Legislation

247. Table 7 summarises the costs to be recovered from industry from CA assessments related to changes in HSE legislation.

Table 7: Summary of CA costs for assessments related to changes in HSE legislation (£thousands)

	Low	Best Estimate	High
Internal Emergency Response Plans	£1,281	£1,423	£1,566
Independent Verification	£392	£435	£479
Corporate Major Accident Prevention Policy	£166	£255	£359
Safety and Environmental Management Systems	£878	£976	£1,073
Safety Cases	£763	£848	£933
Design and Relocation Notifications	£284	£315	£347
Well Notifications	£3,060	£3,400	£3,740
Dismantling a fixed installation	£355	£395	£434
Reporting major accidents outside the EU	£53	£59	£65
Implementing Act on data reporting criteria and format	£106	£118	£130
Offshore Oil & Gas Authorities Group	£69	£75	£81
Combined Operations Notifications	Nil	Nil	Nil
Reporting imminent danger or increased risk of a major accident	Nil	Nil	Nil
Safety Zones	Nil	Nil	Nil
Total (Options 2 to 5)	**£7,408**	**£8,300**	**£9,207**

Note: figures are ten-year present values. Totals may not sum due to rounding.

9.4 Costs for CA assessments related to DECC Legislation

248. This part of the Impact Assessment outlines the additional CA costs relating to the changes to DECC's offshore environmental and licensing legislative regimes required to

implement the Directive. These costs would all be recovered from industry, unless otherwise stated.

249. Table 8 below sets out the salary rates (inflated by 30% to reflect real economic costs e.g. overheads) for the DECC personnel that will be involved with various duties imposed by the Directive.

Table 8: Salaries and Full Economic Costs (FECs) for DECC personnel

Grade	Annual Salary	Daily Rate (FEC)	Hourly Rate (FEC)
Environmental Inspector / Manager	£114,231	£439.35	£58.58
Senior Executive Officer (SEO)	£55,068	£211.80	£28.24
Higher Executive Officer (HEO)	£43,739.80	£168.23	£22.43
Executive Officer (EO)	£33,538.70	£129	£17.43

9.4.1 Amendments to the OPRC Regulations

250. Workloads relating to changes to the OPRC Regulations to meet the Directive requirements for the 10 year assessment period are summarised below:

- New Oil Pollution Emergency Plans (OPEPs) for new Production Installation decommissioning operations from 2015 to 2024.
- Review OPEPs for existing Production Installations by 2018.
- New OPEPs for new Production Installations from 2015 to 2024.
- Review of new OPEPs for Production and Non-Production Installations five years after initial preparation during the period from 2015 to 2024 (one review for each OPEP).
- New OPEPs for existing Non-Production Installations, including MODUs / Intervention Vessels, from 2015 to 2016
- New OPEPs for new Non-Production Installations, including MODUs / Intervention Vessels, from 2015 to 2024
- New OPEP Addenda for well operations from 2015 to 2024.
- New OPEP Addenda for combined well operations from 2015 to 2024.

251. The requirements and associated costs relating to specific Directive obligations are outlined below.

9.4.1.1 Extend the OPEP requirements (as part of the Directive obligation to produce an Internal Emergency Response Plan (IERP)) to include the decommissioning of offshore installations

252. OPEPs for new decommissioning activity will have to be submitted and approved as soon as the new regulation comes into force (i.e. from 2015 until 2024). OPEPs for decommissioning activity would be time-limited and would expire when the decommissioning operations were completed, so there would not be a regular review requirement.

253. There is a significant amount of uncertainty as to the actual pace of decommissioning operations per year, due to certain factors such as the oil price e.g. a sudden increase in the price of a barrel of oil can lead to the deferral of proposed decommissioning plans by many years. Based on information currently available to DECC on expected future decommissioning activities on the United Kingdom Continental Shelf, it is at presently anticipated that, from 2015, approximately 15 installations per year will cease operations and three will be removed within a year of cessation of operations, with the remainder being subject to longer more complex decommissioning activities which could take many years before all structures and associated infrastructure are fully removed.

254. DECC assumptions for assessing / approving decommissioning OPEPs during 2015 to 2024.

Each year, DECC would need to review 15 OPEPs pertaining to potential decommissioning operations.

Based on estimates from the staff who would carry out the work, the resource implications for DECC in assessing / approving the decommissioning OPEPs are**:**

Environmental Inspector / Manager**:**

- Time required for assessing / approving one decommissioning OPEP would be 1 day at a day rate of £439.35
- 15 days required to assess / approve 15 OPEPs

255. Total annual costs to DECC to be recovered from industry for assessing and approving decommissioning OPEPs (calculated by deploying a low (-10%) / best estimate (medium) / high (+10%) approach)

The **NPV of the total costs to be recovered from industry** for undertaking the review and approval of 15 decommissioning OPEPs per year during the 10-year period 2015 and 2024 would be between £51.1 thousand and £62.4 thousand with a **best estimate of £56.7 thousand**.

9.4.1.2 Amend the OPEP requirements for Production Installations (as part of the Directive's obligations to produce an IERP)

256. **Existing OPEPs for Production Installations:** Production OPEPs can cover one or more fields, and will cover all the production installations associated with that field or fields. One OPEP could therefore cover a number of production installations. DECC will have to liaise with HSE to find out which production installations require / have a safety case, and then assign the relevant OPEP to all the relevant installations.

257. There are currently 101 existing Production Installation OPEPs that will all need to be updated by 2018 (e.g. to reflect the new Directive requirements relating to inventories of response equipment and the effectiveness of response plans), and future reviews will have to be aligned with the Safety Case review timetable. The implementation of the Directive will therefore result in a requirement to review the 101 existing production OPEPs including the additional elements required by the Directive by 2018, whereas the review process would normally have been spread over a five-year period under present legislation. As such, there would be an additional cost both because of the review of the additional elements in the OPEPs and the 'brought forward' cost of reviewing the rest of the OPEPs earlier than they would have been under the baseline. In this consultation stage IA, only the cost of reviewing the additional criteria has been estimated. The number of OPEP reviews to be brought forward and how far forward they would be brought is difficult to estimate and will depend on

the review schedules of the existing OPEPs, the review schedule of the safety cases with which they are to be aligned and the impact of decommissioning work. Further work will be undertaken during consultation to better model the number of 'brought forward' OPEP reviews to estimate this cost for the final stage IA if proportionate to do so.

258. It is currently projected that a total of 9 installations could be removed by decommissioning activities by 2018, potentially reducing the total number of existing OPEPs to 92.

259. DECC assumptions for reviewing / re-approving additional elements in existing OPEPs for Production Installations by 2018 *(Transitional element)*

92 existing OPEPs would be submitted to DECC for review

Based on estimates from the staff who would carry out the work, the resource implications for DECC in reviewing / re-approving 92 existing OPEPs are**:**

Environmental Inspector / Manager**:**

- Time required for reviewing / re-approving one existing OPEP would be 0.50 days at a half-daily rate of £219.68.
- 46 days required to review / re-approve 92 existing Production Installation OPEPs by 2018.

260. Total costs to DECC to be recovered from industry for reviewing and re-approving existing OPEPs for Production Installations by 2018 (calculated by deploying a low (-10%) / best estimate (medium) / high (+10%) approach)

The **NPV of the total costs to be recovered from industry** for undertaking the review / re-approval of existing OPEPs by 2018 would be between £17 thousand and £20.8 thousand with a **best estimate of £18.9 thousand**.

261. **New OPEPs for new Production Installations:** Based on data collated by DECC and HSE on new developments over recent years, it is estimated that 4 new OPEPs will be required per year from 2015 to 2024 to cover new Production Installations. During the 10-year appraisal period, DECC will therefore have to review and approve a total of 40 OPEPs for new Production Installations.

262. DECC assumptions for assessing/approving new OPEPs for Production installations from 2015 to 2024.

40 OPEPs for new Production Installations are expected to be submitted to DECC.

Based on estimates from the staff who would carry out the work, the resource implications for DECC in assessing / approving the new Production Installation OPEPs are**:**

Environmental Inspector / Manager**:**

- Time required for assessing / approving one OPEP would be 1 day at a day rate of £439.35.
- 40 days required to assess / approve 40 new OPEPs from 2015 to 2024.

263. Total costs to DECC to be recovered from industry for assessing/approving OPEPs for new Production installations from 2015 to 2024 (calculated by deploying a low (-10%) / best estimate (medium) / high (+10%) approach)

The **NPV of the total costs to be recovered from industry** for undertaking for assessing/approving OPEPs for new Production installations from 2015 to 2024 would be between £13.6 thousand and £16.6 thousand with a **best estimate of £15.1 thousand**.

264. **Subsequent five-yearly reviews of Production Installation OPEPs:** Taking into consideration the fact that over the timescale of 2015 to 2024:

- 150 installations will cease operations of which approximately 30 will be fully decommissioned and removed from the UKCS;
- It is assumed that 30 OPEPs would be permanently removed by 2024; and
- 40 new Production Installations are expected to come on stream (and, at this juncture, it is highly unlikely that any of these new Production Installations would be decommissioned prior to 2024),

265. It is estimated that during the 10-year appraisal period, 111 OPEPs for Production Installations would be subject to their five yearly review. This is based on the current 101 Production Installation OPEPs and adjusting for the 30 Production Installations expected to complete decommissioning work over the appraisal period and the 40 new Production Installations expected to begin work over the same period.

266. There could also be instances where existing Production Installation OPEPs might be submitted to DECC for review as a result of material changes to an installation's operations e.g. a new field being connected to a floating vessel or platform ('tied-back') and added to the OPEP. However, it is impossible to estimate whether this would have a significant effect on the review cycle. It also has to be borne in mind that the DECC OPEP review cycle will have to be aligned with the HSE safety case review cycle, and this could also have an effect on the review cycle. For the purpose of this Impact Assessment, it is therefore assumed for simplicity that there would be one full five-yearly review cycle for 111 OPEPs during the period up to 2024 and that these would be spread evenly over that period. In reality the timing of the creation/update of the Production Installation OPEPs, described above, would result in a greater concentration of reviews in some years than others. However, it has not been possible to estimate the impact of this at this stage due to uncertainties around the alignment of the OPEP review cycle with the safety case review cycle and the impacts of decommissioning work. Further work will be undertaken to model the OPEP cycle for the final stage IA if possible.

267. DECC assumptions for reviewing / re-approving OPEPs for Production installations under five-yearly review cycle.

Based on estimates from the staff who would carry out the work, the resource implications for DECC in carrying out the review of 111 Production Installation OPEPs would be**:**

Environmental Inspector / Manager:

- Time required for reviewing one OPEP would be 0.50 days at a half-day rate of £219.68

- 55.5 days required for reviewing / re-approving 111 Production Installation OPEPs over the period up to 2024.

268. Total costs to DECC to be recovered from industry for reviewing and re-approving OPEPs for Production Installations under the five year review process from 2020 to 2024 (calculated by deploying a low (-10%) / best estimate (medium) / high (+10%) approach)

The **NPV of the total costs to be recovered from industry** for undertaking the review / re-approval of OPEPs under the five year review process up to 2024 would be between £17.3 thousand and £21.1 thousand with a **best estimate of £19.2 thousand**.

9.4.1.3 Extend the OPEP requirements (as part of the Directive obligation to produce an IERP) to the owners of Non-production Installations

269. Responsibility for the development and maintenance of an OPEP will be extended to the owners of non-production installations.

270. **New OPEPs for existing Non-production Installations:** There are currently 40 non-production installations, e.g. Mobile Drilling Units (MoDUs) / Intervention Vessels / Flotels (i.e. floating accommodation units), operating in UK waters. The owners of these installations will be required to prepare OPEPs that will have to be submitted to DECC and approved within a year of the new regulations coming into force i.e. by July 2016. This will be new work directly related to implementation of the Directive.

271. DECC assumptions for assessing and approving new OPEPs for existing Non-production Installations by 2016 *(Transitional element).*

There will be 40 new OPEPs submitted for approval during 2015 and 2016

Based on estimates from the staff who would carry out the work, the resource implications for DECC in assessing / approving the new OPEPs are:

Environmental Inspector / Manager**:**

- Time required for assessing / approving one OPEP would be one day at a day rate of £439.35.
- 40 days required for assessing approving 40 new OPEPs by 2016

272. Costs to DECC to be recovered from industry for assessing and approving new OPEPs for Non-production installations by 2016 (calculated by deploying a low (-10%) / best estimate (medium) / high (+10%) approach)

The **NPV of the total costs to be recovered from industry** for undertaking the assessment / approval of 40 new OPEPs by 2016 would be between £15.5 thousand and £19 thousand with a **best estimate of £17.3 thousand**.

273. **New OPEPs for new Non-production Installations:** Based on data collated by DECC and HSE on new non-production installations operating in the UKCS over recent years, it is estimated that 5 new OPEPs will be required per year from 2015 to 2024 to cover new non-production Installations. However, as non-production installations move around the UKCS, this figure might be overestimated and this will be further explored with industry during the consultation period. From 2015 to 2024, DECC will therefore have to review and approve a total of 50 OPEPs for new non-Production Installations.

274. DECC assumptions for assessing and approving new OPEPs for new Non-production Installations from 2017-2024**.**

There will be 50 new OPEPs submitted for approval during the period 2015 to 2024

Based on estimates from the staff who would carry out the work, the resource implications for DECC in assessing / approving the new OPEPs are:

Environmental Inspector / Manager**:**

- Time required for assessing / approving one OPEP would be one day at a day rate of £439.35.
- 50 days required for assessing approving 50 new OPEPs by 2024

275. Costs to DECC to be recovered from industry for assessing and approving new OPEPs for Non-production installations from 2015 to 2024 (calculated by deploying a low (-10%) / best estimate (medium) / high (+10%) approach)

The **NPV of the total costs to be recovered from industry** for undertaking the assessment / approval of 50 new OPEPs by 2016 would be between £17 thousand and £20.8 thousand with a **best estimate of £18.9 thousand**.

276. **Subsequent five-yearly reviews of OPEPs for Non-production Installations:** The new OPEPs for Non-production Installations would have to be reviewed on a five-yearly cycle that would have to be aligned with the safety case review cycle. At this juncture, it is assumed that it is unlikely that there would be a material change to force an early review, and that every OPEP for a Non-production Installation will be reviewed once during the period 2020 up to 2024. It is assumed for simplicity that these reviews would be spread evenly over this period, but in reality the timing of the creation/update of the Non-Production Installation OPEPs, described above, would result in a greater concentration of reviews in some years than others. However, it has not been possible to estimate the impact of this at this stage due to uncertainties around the alignment of the OPEP review cycle with the safety case review cycle and the impacts of decommissioning work.

277. DECC assumptions for reviewing and re-approving OPEPs for Non-production installations up to 2024,

Based on estimates from the staff who would carry out the work, the resource implications for DECC in reviewing / re-approving existing OPEPs are**:**

Environmental Specialist**:**

- Time review and re-approve one OPEP would be 0.5 days at a half-day rate of £219.68.
- 20 days required to review 40 Non-production Installation OPEPs; during the period up to 2024.

278. Total costs to DECC to be recovered from industry for assessing and re-approving OPEPs for Non-production installations from 2020 up to 2024 (calculated by deploying a low (-10%) / best estimate (medium) / high (+10%) approach).

The **NPV of the total costs to be recovered from industry** for undertaking the review / approval of Non-production Installation OPEPs up to 2024 would be between £4.4 thousand and £5.4 thousand with a **best estimate of £4.9 thousand**.

279. **Well operations:** There is a requirement for the OPEP to be amended to take into account any additional risks identified for proposed well operations, prior to those operations commencing. For well operations involving Non-production Installations, the operator undertaking the well operations will be responsible for preparing an addendum to the owner's plan to cover specific well operations or groups of well operations. Similar addenda are already required for well operations undertaken from Production Installations. The addenda would be time-limited and would expire when the well operations were completed, so there would not be a regular review requirement. Based on well operations applications (drilling, intervention and abandonment) received by DECC in recent years, it is anticipated that 300 well operations addenda will be submitted each year from 2015 to 2024.

280. DECC assumptions for assessing / approving 'well operation' addenda (2015 to 2024).

Each year, 300 'well operations' addenda will be submitted to DECC for review.

Based on estimates from the staff who would carry out the work, the resource implications for DECC in assessing / approving the 'well operation' addenda are**:**

Environmental Inspector / Manager**:**

- Time required for assessing / approving one 'well operation' addendum would be 0.25 days at a quarter-day rate of £109.84.

- 75 days required to assess / approve 300 'well operations' addenda per year. Over 10 years this would equate to 750 days to deal with 3,000 addenda.

281. Total costs to DECC to be recovered from industry for assessing and approving 'well operation' addenda during the period 2015 to 2024 (calculated by deploying a low (-10%) / best estimate (medium) / high (+10%) approach).

The **NPV of the total costs to be recovered from industry** for assessing / approving 'well operation' addenda from 2015 to 2024 would be would be between £255 thousand and £312 thousand with a **best estimate of £284 thousand**.

282. **Combined Operations:** Addenda to the Production Installation and Non-production Installation OPEPs will be required to cover all combined operations (e.g. well operations and accommodation requirements). The addenda would be time-limited and would expire when the operations were completed, so there would not be a regular review requirement. The addenda to the Production Installation OPEPs are a current requirement and the addenda to the Non-production Installation OPEPs would be broadly similar. Each year around 61 combined operations notifications are submitted to HSE, based on the last three years data. Not all of these will require an individual OPEP addendum as some OPEPs cover more than one combined operation. As such, based on combined operations addenda received by DECC in recent years, it is anticipated that 40 addenda for 'combined operations' (additional to the well operations addenda) will be submitted each year from 2015 to 2024.

283. DECC assumptions for assessing / approving 'combined operations' addenda during the period 2015 to 2024.

Each year, 40 'combined operations' addenda will be submitted to DECC.

Based on estimates from the staff who would carry out the work, the resource implications for DECC in assessing / approving the 'combined well operation' addenda are**:**

Environmental Inspector / Manager**:**

- Time required for assessing / approving one 'combined operations' addendum would be 0.25 days at a quarter-day rate of £109.84

- 10 days required to assess / approve 40 'combined operations' addenda per year. Over 10 years this would equate to 100 days to deal with 400 addenda.

284. Total costs to DECC to be recovered from industry for assessing and approving 'combined operations' addenda during the period 2015 to 2024 (calculated by deploying a low (-10%) / best estimate (medium) / high (+10%) approach).

The **NPV of the total costs to be recovered from industry** for assessing / approving 'combined operations' addenda during the period 2015 to 2024 would be between £34 thousand and £41.6 thousand with a **best estimate of £37.8 thousand**.

9.4.1.4 Preparedness for the implementation of the plan and interaction with the external emergency response plan

285. Operators and owners are required to undertake OPEP exercises and to retain evidence of the exercises undertaken both onshore and offshore and to provide that evidence on request. Exercises are a current requirement and there are considered to be no additional administrative or financial burdens for the CA.

9.4.1.5 Powers of Inspectors to prohibit operations where no OPEP is in place, or where the plan is deemed insufficient or the requirements of the plan are not being met

286. Appointed Inspectors will be able to serve notices as and when deemed appropriate. Whilst there are already procedures in place that would prevent the issue of other approvals if there was no OPEP in place, or the OPEP was unacceptable, it is theoretically possible that DECC would use the new provisions to prohibit an activity if an offshore inspection confirmed that trained staff / equipment requirements referred to in an OPEP were not being met. However, in reality it is highly unlikely that this would happen and so this is estimated to impose **no cost on industry or the regulator**. .

9.4.2 Provisions in new Regulations concerning Environmental Management Systems (EMS)

287. Workloads relating to the EMS provisions to meet the Directive requirements are summarised as follows:

- Extend EMS requirements to cover decommissioning activities.

- Review amended EMS for existing Production Installations from 2015 to 2018.

- New EMS for new Production Installations from 2015 to 2024.

- New EMS for Non-Production Installations (e.g. MODUs / Intervention Vessels) from 2015 to 2016.

- Review of EMS for all installations from 2020 to 2024.

288. The above requirements and associated costs will apply as outlined below.

9.4.2.1 Extending EMS requirement to decommissioning operations

289. There will be an obligation for operators to maintain an EMS to cover decommissioning operations. The operators will already hold an EMS, but the requirement for a management system to cover the decommissioning phase will have legal force under the new regulations and operators will have to amend the system to specifically address environmental issues relating to the decommissioning activities. The EMS will also require amendment to satisfy the requirements of the Directive.

290. As indicated in paragraph 253, it is anticipated that from 2015 approximately 15 installations per year will cease operations with 3 being removed within a year of the cessation of operations and the remainder being subject to longer more complex decommissioning activities.

291. DECC assumptions for assessing / accepting decommissioning EMSs during 2015 to 2024:

From 2015 to 2024, DECC would need to review 150 EMSs pertaining to decommissioning operations.

Based on estimates from the staff who would carry out the work, the resource implications for DECC in assessing / accepting the decommissioning EMSs are**:**

Environmental Inspector / Manager**:**

- Time required for assessing / accepting one decommissioning EMS would be 1 day at a day rate of £439.35.
- 150 days required to assess / accept 150 decommissioning EMSs over the course of 2015 to 2024.

HEO

- Time required for assessing / accepting one decommissioning EMS would be 0.25 days at a quarter-day rate of £42.06.
- 37.5 days required to assess / accept 150 decommissioning EMSs; over the course of 2015 to 2024

292. Total costs to DECC to be recovered from industry for assessing and accepting the decommissioning EMSs from 2015 to 2024 (calculated by deploying a low (-10%) / best estimate (medium) / high (+10%) approach).

The **NPV of the total costs to be recovered from industry** for undertaking the review and approval of 150 decommissioning EMSs during 2015 to 2024 would be between £55.9 thousand and £68.4 thousand with a **best estimate of £62.2 thousand**.

9.4.2.2 Amending EMSs for existing production installations

293. EMSs are operator-specific systems that cover all the offshore exploration and production operations undertaken by the operator. One EMS will therefore cover a range of fields and production installations. DECC will have to liaise with HSE to assign the relevant EMS to all the relevant installations and their Safety Cases.

294. There are presently 57 active offshore operators that have an accepted EMS, and most of those systems will have to be updated during the transition period up to 2018 to

incorporate minor changes to meet the Directive requirements (e.g. to provide extra information on the potential environmental hazards of a major accident) as indicated, such updating exercises will have to be aligned with the safety case review timetable). In addition to the initial review, all production installation EMS will require a review on a five yearly cycle in line with the safety case review, which will occur once in the period 2018 to 2024 (see below).

295. DECC assumptions for assessing / accepting updated Production Installation EMSs during 2015 to 2018 *(transitional element).*

57 existing Production would be submitted for assessment / acceptance.

Based on estimates from the staff who would carry out the work, the resource implications for DECC in assessing / accepting the updated Production Installation EMSs are**:**

Environmental Inspector / Manager**:**

- Time required for assessing / accepting one updated Production Installation EMS would be 0.5 days at a half-day rate of £219.68.
- 28.5 days required to assess / accept 57 updated EMSs.

HEO

- Time required for assessing / accepting one updated EMS would be 0.25 days at a quarter-day rate of £42.06.
- 14.25 days required to assess / accept 57 updated EMSs.

296. Total costs to DECC to be recovered from industry for assessing / accepting updated Production Installation EMSs from 2016 to 2018 (calculated by deploying a low (-10%) / best estimate (medium) / high (+10%) approach).

The **NPV of the total costs to be recovered from industry** for assessing / accepting updated Production Installation EMSs from 2016 to 2018 would be between £12.5 thousand and £15.3 thousand with a **best estimate of £13.9 thousand**.

9.4.2.3 EMSs for new production installations

297. There are currently around 5 to 6 new operators established during each biannual offshore licensing round, but they will only require an EMS prior to undertaking offshore operations. Nevertheless, DECC expects 2 new EMSs on average to be created each year from 2015 to 2024.

298. DECC assumptions for assessing / accepting EMSs for new Production Installation EMSs from 2015 to 2024.

Based on an average of 2 new EMSs for new Production Installations each year, 20 EMSs will be submitted during the period from 2015 to 2024.

Based on estimates from the staff who would carry out the work, the resource implications for DECC in assessing / accepting the new Production Installation EMSs are**:**

Environmental Inspector / Manager**:**

- Time required for assessing / accepting one new Production Installation EMS would be 1 day at a day rate of £439.35.

- 20 days required to assess / accept 20 new Production Installation EMSs.

HEO

- Time required for assessing / accepting one new Production Installation EMS would be 0.5 days at a half-day rate of £84.12.

- 10 days required to assess / accept 20 new Production Installation EMSs.

299. Total costs to DECC to be recovered from industry for assessing and accepting new Production Installations EMSs during 2015 to 2024 (calculated by deploying a low (-10%) / best estimate (medium) / high (+10%) approach).

The **NPV of the total costs to be recovered from industry** for assessing / accepting new Production Installation EMSs from 2015 to 2024 would be between £8.1 thousand and £9.9 thousand with a **best estimate of £9 thousand**.

9.4.2.4 EMSs for non-production installations

300. All owners of non-production installations will be required to have an EMS that meets DECC's requirements. There are 40 non-production installations owned by 20 non-production companies, and each company will have to seek approval for a new EMS during the period 2015 to 2016.

301. DECC assumptions for assessing and accepting new EMSs for Non-production Installations between 2015 and 2016 *(Transitional element).*

There will be 20 new EMSs submitted for acceptance during the period 2015 to 2016.

Based on estimates from the staff who would carry out the work, the resource implications for DECC in assessing / accepting the new OPEPs are:

Environmental Inspector / Manager**:**

- Time required for assessing / accepting one new Non-production Installation EMS would be 1 day at a day rate of £439.35.

- 20 days required to assess / accept 20 new Non-production Installation EMSs during the period 2015 to 2016.

HEO

- Time required for assessing / accepting one new Non-production Installation EMS would be 0.5 days at a half-day rate of £84.12.

- 10 days required to assess / accept 20 new Non-production Installation EMSs during the period 2015 to 2016.

302. Costs to DECC to be recovered from industry for assessing and accepting new EMSs for Non-production installations during 2015 and 2016 (calculated by deploying a low (-10%) / best estimate (medium) / high (+10%) approach).

The **NPV of the one-off transitional costs to be recovered from industry** for undertaking the assessment / acceptance of 20 new EMSs would be between £9.3 thousand and £11.3 thousand with a **best estimate of £10.3 thousand**.

9.4.2.5 Five-yearly review of EMSs for all installations

303. The EMS for all Installations will have to be reviewed on a five-yearly cycle that would have to be aligned with the safety case review cycle. At this juncture, it is assumed that it is unlikely that there would be a material change to force an early review, and that every EMS will be reviewed once during the period up to 2024. This would include the 57 production installation EMSs and 20 non-production installation EMSs. It is assumed for simplicity that these reviews would be spread evenly across the period 2020 to 2024. In reality the timing of the creation/update of EMSs, described above, would result in a greater concentration of reviews in some years than others. However, it has not been possible to estimate the impact of this at this stage due to uncertainties around the alignment of the EMS review cycle with the safety case review cycle and the impacts of decommissioning work.

304. Costs relating to the review of the Safety and Environmental Management System (SEMS) descriptions provided for individual installations are detailed in the CA cost assessments related to the HSE legislation.

305. DECC assumptions for five-yearly review of EMSs for all installations during period from 2020 to 2024.

There will be 77 EMSs submitted for review and acceptance up to 2024.

Based on estimates from the staff who would carry out the work, the resource implications for DECC in reviewing / approving the new OPEPs are:

Environmental Inspector / Manager**:**

- Time required for reviewing / re-approving one EMS would be 0.5 days at a half-day rate of £219.68.
- 38.5 days required to review / accept 77 EMSs during the period 2020 to 2024.

HEO

- Time required for reviewing / accepting one updated EMS would be 0.25 days at a quarter-day rate of £42.06.
- 19.25 days required to review / accept 77 EMSs during the period 2020 to 2024.

306. Costs to DECC to be recovered from industry for reviewing and accepting EMSs for Non-production installations up to 2024 (calculated by deploying a low (-10%) / best estimate (medium) / high (+10%) approach).

The **NPV of the total costs to be recovered from industry** for undertaking the review / accepting of 77 EMSs up to 2024 would be between £14.3 thousand and £17.4 thousand with a **best estimate of £15.9 thousand**.

9.4.3 Financial liability arrangements

307. Based on the number of development wells drilled in recent years, expanding the scope of the financial responsibility provisions to wells other than exploration and appraisal wells will result in approximately 50 additional reviews per year.

308. DECC assumptions for undertaking financial reviews every year from 2015 to 2024.

Based on estimates from the staff who would carry out the work, the resource implications for DECC in undertaking 50 additional financial reviews every year are:

SEO**:**

- Time required for undertaking one financial assessment review would be 2 hours at a total cost of £56.48.
- 135 days required to review 500 financial assessments at a daily rate of £211.80 during the period 2015 to 2024.

HEO**:**

- Time required for undertaking one financial assessment review would be 2 hours at a total cost of £44.86.
- 135 days required to review 500 financial assessments at a daily rate of £168.23 during the period 2015 to 2024.

EO**:**

- Time required for undertaking one financial assessment review would be 3 hours at a total cost of £52.29.
- 203 days required to review 500 financial assessments at a daily rate of £129.00 during the period 2015 to 2024.

309. Costs to DECC to be recovered from industry for assessing and accepting 'combined operation' descriptions from 2016 to 2024 (calculated by deploying a low (-10%) / best estimate (medium) / high (+10%) approach).

The **NPV of the total costs to be recovered from industry** for reviewing financial data from 2015 to 2024 would be between £59.5 thousand and £72.7 thousand with a **best estimate of £66.1 thousand**.

9.4.4 Changes to DECC Licensing Legislation to implement the Directive

310. DECC does not expect these changes to its licensing procedures to create any additional costs for the CA beyond those described elsewhere in this paper. All procedures required of the Licensing Authority are already in place for control of licence awards and licence transfers; operator approvals and disqualifications; and licence revocation. For example, when a licensee seeks consent to a change of operator, the licensee will have to submit relevant documentation detailed in the guidance, but the additional cost will fall on the CA (DECC Offshore Oil and Gas Environment and Decommissioning (OGED) and HSE Energy Division (ED)) and is described in Section 8.6

311. The efficient deployment of existing IT systems will ensure that the Licensing Authority will incur no additional cost in making that information available to the CA. Nor does DECC expect a significant increase in the number of cases. The Licensing Authority

will also ensure that, in future, operatorship will survive the end of a licence, but that will not create a requirement for a new approval.

9.4.5 Financial and technical aspects

312. The CA would be required to advise the licensing authority on the technical and financial aspects of new licensees. This would be required on an annual basis for licence changes, of which around 50 are made each year, and during new licensing rounds, which occur on average every 2 years and would require consideration of around 250 licences. DECC already give such advice so this would impose no additional cost, but HSE have estimated that the additional resources required each year on average would be as follows:

- around 16 hours of HSE Band 1 Offshore Inspector time at an FEC of £129.45 per hour
- around 32.5 hours of HSE Band 2 Offshore Inspector time at an FEC of £120.32 per hour
- around 60 hours of HSE Band 3 Offshore Inspector time at an FEC of £108.34 per hour

313. Adding a range of +/- 10%, this gives an estimated annual average cost per annum of between around £11 thousand and £14 thousand, with a best estimate of around £12.5 thousand and would be recovered from industry. This would be borne from Year 1 of the appraisal period to Year 9.

314. This gives a **ten-year present value cost to be recovered from industry** of between around £85.5 thousand and £104.5 thousand, with a **best estimate of around £95 thousand**. This cost would be borne under all Options 2 to 5.

9.4.6 Summary of Costs for Assessments Related to DECC Legislation

315. Table 9 summarises the costs to be recovered from industry for assessments related to changes to DECC legislation.

Table 9: Estimated costs for assessments related to changes to DECC legislation

	Low	Best Estimate	High
OPEPs			
Decommissioning OPEPs	£51	£57	£62
Amendments to OPEPs for Production Installations	£48	£53	£59
Extending OPEPs to Non-Production Installations	£37	£41	£45
Well Operation OPEPs	£255	£284	£312
Combined Operations OPEPs	£34	£38	£42
OPEP Issuing Prohibition Notices	Nil	Nil	Nil
OPEP Exercises	Nil	Nil	Nil
EMSs			
Decommissioning EMSs	£56	£62	£68
Amendments to EMSs for Production Installations	£21	£23	£25
Extending EMSs to Non-Production Installations	£9	£10	£11
Five-Yearly Review of all EMSs	£14	£16	£17
Financial Liability Arrangements	£60	£66	£73
Financial and technical aspects	£85	£95	£104
Changes to DECC Licensing Legislation	Nil	Nil	Nil
Total (Options 2 to 5)	**£670**	**£745**	**£819**

Note: figures are ten-year present values. Totals may not sum due to rounding.

9.5 Costs to industry for complying with changes to HSE Legislation to implement the Directive

316. The costs to industry to comply with the new regulations have been estimated during two focus group meetings with industry representatives in Aberdeen in March and April 2014, as discussed in Section 6. The costs estimated by each company were based on the full economic cost of time of the workers involved and expectations about how long it would take to complete the work. However, when the group met to discuss the cost estimates, it was apparent that the different companies' time costs and length of time they expected the work to take were quite variable. As such, the focus group was not able to agree on a suitable duration and cost of time for each requirement; rather, they discussed their estimates and agreed a suitable total cost that reflected their expectations.

317. However, to illustrate the amount of work predicted by the group and to make it easier for the costs to be commented on during the consultation, the indicative hours spent have been generated using an average full economic cost of time for a Health, Safety and

Environment Manager. This has come from *Hays Oil & Gas Global Salary Survey 2013*[27] and is estimated at £71.67 per hour. This figure is broadly consistent with the costs of time given by the focus group.

9.5.1 Internal Emergency Response Plans

318. Under the regulations, owners or operators would be required to add additional environmental information to their emergency plan under the Offshore Installations (Prevention of Fire and Explosion, Emergency Response) Regulations 1995 (PFEER). Although the focus group agreed that they already supplied most of this information to the regulator, they estimated that the additional cost of time required to assemble this for the emergency plan per installation would be between around £1.4 thousand and £12 thousand, with a best estimate of around £6.6 thousand. This is the equivalent of between around 20 hours and 164 hours of a Health, Safety and Environment Manager, with a best estimate of around 92 hours.

319. In addition, owners or operators would be required to assemble an inventory of emergency response equipment. The focus group reported that many already had the required information in separate documents but the additional work would be collating all the information and adding new items if necessary. They estimated that this would cost between around £1.5 thousand and £8.6 thousand per installation, with a best estimate of around £5 thousand. This is the equivalent of between around 21 hours and 120 hours of a Health, Safety and Environment Manager, with a best estimate of around 70 hours.

320. Owners or operators would also be required to write a description of the IERP to be included in the safety case and well notification. The focus group estimated that the cost of time would be between around £1.3 thousand and £15.4 thousand per submission, with a best estimate of around £8.3 thousand. This is the equivalent of between around 18 hours and 215 hours of a Health, Safety and Environment Manager, with a best estimate of around 116 hours.

321. This gives a total one-off cost of compliance per installation of between around £4.2 thousand and £36 thousand, with a best estimate of around £20 thousand. This is the equivalent of between around 59 hours and 500 hours of a Health, Safety and Environment Manager, with a best estimate of around 279 hours. The focus group did note that this might provide an overestimate when scaled across the industry as companies with multiple installations may find it easier to complete the work as they did so across their fleet due to increased familiarity and economies of scale. However, the group was not able to agree a reasonable method to take account of this, so at this stage we will note it as a risk that the estimated cost across industry may be too high.

322. There would be a one-off cost of compliance for the 386 installations currently operating when they are required to become compliant by 2018, which is Year 3 of the appraisal period. For simplicity, this cost is assumed to be distributed equally across 2016, 2017 and 2018. This gives a **ten-year present value cost to industry** of between around £1.5 million and £12.4 million, with a **best estimate of around £6.9 million**. This cost would be borne under all Options 2 to 5.

323. In addition, there would be an ongoing cost for new installations to add additional information to IERPs, create inventories and descriptions. There are estimated to be around 15 new installations per annum. New installations must comply with the new regulations by 2016, so this ongoing cost would be borne from Year 1 of the appraisal period until Year 9.

[27] http://hays.clikpages.co.uk/Oil_and_Gas_Salary_Guide_2013/. *Hays* gives the average annual salary of a Manager Lead / Principal of Health, Safety and Environment as around £107,500 per annum. Multiplying by 1.3 to give the full economic cost, then dividing by 52 weeks per year and again by 37.5 hours per week gives an estimated hourly cost of £71.67.

324. The additional work for new installations to complete this work over and above what they would have to do under the existing requirements is not assumed to be different from the work for existing installations. This gives an annual average cost to industry of between around £63 thousand and £536 thousand, with a best estimate of around £300 thousand.

325. This gives a **ten-year present value cost to industry** of between around £483 thousand and £4.1 million, with a **best estimate of around £2.3 million**. This cost would be borne under all Options 2 to 5.

326. Lastly, the focus group were asked whether the additional components and criteria of the IERP would lead to an increase in the ongoing costs necessary to keep it up-to-date. The group felt that there would be a cost for some, but for others it would be absorbed into the existing running costs. They were not able to make a reasonable estimate of the proportion of installations that would incur any additional cost, so this analysis has assumed the proportion is between 25% and 75% with a best estimate of around 50% to test sensitivity. Further efforts will be made during consultation to refine this assumption for the final stage IA.

327. For those installations that would incur additional costs, the focus group estimated that this would cost between £5.2 thousand and £15.4 thousand per annum, with a best estimate of around £10.3 thousand. This is the equivalent of between around 73 hours and 215 hours of a Health, Safety and Environment Manager per annum, with a best estimate of around 144 hours and is assumed to be borne each year following the initial set up costs, above.

328. This cost would be borne by installations as they moved into scope. This would include all new installations from 2016 and existing installations as they became compliant from 2016 to 2018. Then from Year 4, all installations would bear this cost. Over the appraisal period, this gives a total estimated average annual cost of between around £419 thousand and £3.7 million, with a best estimate of around £1.7 million.

329. This gives a **ten-year present value cost to industry** of between around £3.1 million and £27.4 million, with a **best estimate of around £12.2 million**. This cost would be borne under all Options 2 to 5.

9.5.2 Independent verification

330. Under the regulations, owners or operators would be required to expand their independent verification schemes to incorporate new criteria and to include environmental-critical elements (ECEs) in addition to the safety-critical elements (SCEs). Although there was some disagreement in the focus group as to whether there would be any ECEs that are not already considered as SCEs, the focus group did agree that the average cost of time per installation to include new criteria would be between around £10 thousand and £30 thousand, with a best estimate of around £20 thousand. This is the equivalent of between around 140 hours and 420 hours of a Health, Safety and Environment Manager, with a best estimate of around 280 hours.

331. Owners or operators would also be required to provide a description of the extended scheme in the safety case. The focus group estimated that the cost of time would be between around £2.3 thousand and £2.8 thousand, with a best estimate of around £2.5 thousand. This is the equivalent of between around 31 hours and 38 hours of a Health, Safety and Environment Manager, with a best estimate of around 35 hours.

332. Lastly, the group estimated that the independent verifier would charge between around £10 thousand and £20 thousand to establish new criteria for the ECEs, with a best estimate of around £15 thousand.

333. This gives a total one-off cost of compliance per installation of between around £22.3 thousand and £52.8 thousand, with a best estimate of around £37.5 thousand.

334. There would be a one-off cost of compliance for the 386 installations currently operating when they are required to become compliant with the new regulations by 2018, which is Year 3 of the appraisal period. For simplicity, this cost is assumed to be distributed equally across 2016, 2017 and 2018. This gives a **ten-year present value cost to industry** of between around £8.0 million and £18.8 million, with a **best estimate of around £13.4 million**. This cost would be borne under all Options 2 to 5.

335. In addition, there would be an ongoing cost for new installations to add these provisions to their verification schemes. There are estimated to be around 15 new installations per annum. New installations must comply with the new regulations by 2016, so this ongoing cost would be borne from Year 1 of the appraisal period until Year 9.

336. The additional work for new installations to complete this work over and above what they would have to do under the existing requirements is not assumed to be different from the work for existing installations. This gives an annual average cost to industry of between around £334 thousand and £791 thousand, with a best estimate of around £563 thousand.

337. This gives a **ten-year present value cost to industry** of between around £2.5 million and £6.0 million, with a **best estimate of around £4.3 million**. This cost would be borne under all Options 2 to 5.

338. Lastly, the focus group were asked whether the additional components and criteria of the verification scheme would lead to an increase in the ongoing costs necessary to manage and keep it up-to-date. The focus group estimated that this would cost between around £0.5 thousand and £2 thousand per annum for each installation, with a best estimate of around £1.3 thousand. This is the equivalent of between around 7 hours and 28 hours of a Health, Safety and Environment Manager per annum, with a best estimate of around 17 hours and is assumed to be borne each year following the initial set up costs, above.

339. This cost would be borne by installations as they moved into scope. This would include all new installations from 2016 and existing installations as they became compliant from 2016 to 2018. Then from Year 4, all installations would bear this cost. Over the appraisal period, this gives a total estimated average annual cost of between around £162 thousand and £648 thousand, with a best estimate of around £405 thousand.

340. This gives a **ten-year present value cost to industry** of between around £1.2 million and £4.8 million, with a **best estimate of around £3.0 million**. This cost would be borne under all Options 2 to 5.

9.5.3 Corporate Major Accident Prevention Policy (CMAPP)

341. Under the regulations, owners or operators would be required to prepare a Corporate Major Accident Prevention Policy (CMAPP) that meets the criteria set out in the Directive. The focus group agreed an average cost of time per installation to complete this and clear it through internal review procedures. HSE analysts have adjusted this figure to give an estimated average cost for each of the approximately 100 companies currently operating that will need to produce a CMAPP. This gives between around £38.6 thousand and £77.2 thousand per company, with a best estimate of around £57.9 thousand. This is the equivalent of between around 555 hours and 1,110 hours of a Health, Safety and Environment Manager, with a best estimate of around 833 hours.

342. There would be a one-off cost of compliance for the 100 companies and contractors currently operating when they are required to become compliant with the new regulations by

2018, which is Year 3 of the appraisal period. For simplicity, this cost is assumed to be distributed equally across 2016, 2017 and 2018. This gives a **ten-year present value cost to industry** of between around £3.6 million and £7.2 million, with a **best estimate of around £5.4 million**. This cost would be borne under all Options 2 to 5.

343. In addition, there would be an ongoing cost for new companies to prepare CMAPPs, which would be borne from Year 1 of the appraisal period until Year 9. DECC have estimated that between around 6 and 20 CMAPPs would be submitted to the CA each year as part of licensing processes, with a best estimate of around 13. The additional work for new companies to complete this is not assumed to be different from the work for existing companies. However, it is not clear at this stage how many of these CMAPPs would be produced by companies who had not produced one before (and so would bear the full cost described in paragraph 341) and how many might be companies that have produced one previously, and so would be expected to bear a lower cost. Further work will be undertaken to estimate this for the final stage IA, but this analysis acknowledges that this cost estimate may be an overestimate in this consultation stage IA. The annual average cost to industry is estimated at this stage to be between around £232 thousand and £1.5 million, with a best estimate of around £753 thousand.

344. This gives a **ten-year present value cost to industry** of between around £1.8 million and £11.7 million, with a **best estimate of around £5.7 million**. This cost would be borne under all Options 2 to 5.

345. Lastly, the focus group were asked what the additional effort would be to keep the CMAPP up-to-date. The focus group estimated that this would most likely take the form of an annual review and cost between around £1.3 thousand and £5.8 thousand per annum per installation, with a best estimate of around £3.6 thousand. This is the equivalent of between around 18 hours and 81 hours of a Health, Safety and Environment Manager per annum, with a best estimate of around 50 hours and is assumed to be borne each year following the initial set up costs, above.

346. This cost would be borne by installations as they moved into scope. This would include all new installations from 2016 and existing installations as they became compliant from 2016 to 2018. Then from Year 4, all installations would bear this cost. Over the appraisal period, this gives a total estimated average annual cost of between around £421 thousand and £1.9 million, with a best estimate of around £1.1 million.

347. This gives a **ten-year present value cost to industry** of between around £3.1 million and £13.8 million, with a **best estimate of around £8.5 million**. This cost would be borne under all Options 2 to 5.

9.5.4 Safety and Environmental Management System

348. Under the regulations, owners or operators would be required to set out in a statement how their safety and environmental management systems work together and provide a description of these in the safety case and design notification. The focus group did not see a great deal of distinction between what they would have to produce to fulfil the requirement for the statement and for the description and reported that the amount of work needed to comply with these arrangements would depend on the current level of integration of the installations' existing management systems.

349. The group estimated that some installations would need only to add some additional information to the description of management systems they already have in place and that the rest would only need to create the statement explaining how the two integrate with the overall management system. However, the group was unable to make a reasonable estimate of the proportionate split of installations across these two activities. This analysis

will assume that between 25% and 75% of installations would need to add to expand their description with a best estimate of 50%, and that the remainder (75% to 25% with a best estimate of 50%) would need to create a statement for the safety case. This is in order to test the cost estimate's sensitivity to this assumption, and it turns out to not be particularly sensitive, as explained in the next three paragraphs.

350. The focus group estimated that the cost required to extend the safety management description would be between around £1.3 thousand and £7 thousand, with a best estimate of around £4.2 thousand. This is the equivalent of between around 18 hours and 98 hours of a Health, Safety and Environment Manager, with a best estimate of around 58 hours.

351. The focus group also estimated that the cost required to create a statement for the safety case would be between around £1.3 thousand and £5 thousand, with a best estimate of around £3.2 thousand. This is the equivalent of between around 18 hours and 70 hours of a Health, Safety and Environment Manager, with a best estimate of around 44 hours.

352. There would be a one-off cost of compliance for the 386 installations currently operating when they are required to become compliant with the new regulations by 2018, which is Year 3 of the appraisal period. For simplicity, this cost is assumed to be distributed equally across 2016, 2017 and 2018. This gives a **ten-year present value cost to industry** of between around £468 thousand and £2.3 million, with a **best estimate of around £1.3 million**. This cost would be borne under all Options 2 to 5.

353. In addition, there would be an ongoing cost for new installations to produce these descriptions and statements. There are estimated to be around 15 new installations per annum. New installations must comply with the new regulations by 2016, so this ongoing cost would be borne from Year 1 of the appraisal period until Year 9.

354. The additional work for new installations to complete this work over and above what they would have to do under the existing requirements is not assumed to be different from the work for existing installations. However, it must be noted that new installations would bear both costs above for producing the description and statement, rather than just one of them as the existing installations would. This gives an annual average cost to industry of between around £39 thousand and £180 thousand, with a best estimate of around £110 thousand.

355. This gives a **ten-year present value cost to industry** of between around £297 thousand and £1.4 million, with a **best estimate of around £833 thousand**. This cost would be borne under all Options 2 to 5.

9.5.5 Safety Case

356. Under the regulations, safety cases would be required to contain additional information as outlined in the Directive. This is in addition to the CMAPP and descriptions of the verification scheme, SEMS and IERP, the costs of which have already been calculated, above.

357. The focus group estimated that the cost of doing this could be substantial, including the time required for internal review and approval of the document. They estimated that this would cost between around £15 thousand and £45 thousand for a production installation safety case, with a best estimate of around £30 thousand. This is the equivalent of between around 209 hours and 628 hours of a Health, Safety and Environment Manager, with a best estimate of around 419 hours.

358. The focus group estimated that the cost for a non-production installation safety case would be between around £5 thousand and £15 thousand, with a best estimate of around

£10 thousand. This is the equivalent of between around 70 hours and 209 hours of a Health, Safety and Environment Manager, with a best estimate of around 140 hours.

359. There would be a one-off cost of compliance for the 386 installations currently operating when they are required to become compliant with the new regulations by 2018, which is Year 3 of the appraisal period. For simplicity, this cost is assumed to be distributed equally across 2016, 2017 and 2018. Based on the current make-up of the sector, it is estimated that 66% of installations would be production installations and the remainder non-production. This gives a **ten-year present value cost to industry** of between around £4.2 million and £12.5 million, with a **best estimate of around £8.4 million**. This cost would be borne under all Options 2 to 5.

360. In addition, there would be an ongoing cost for new installations to produce and add information to their safety cases. There are estimated to be around 15 new installations per annum, of which 4 are expected to be production installation and 11 non-production, based on the last three year's data. New installations must comply with the new regulations by 2016, so this ongoing cost would be borne from Year 1 of the appraisal period until Year 9.

361. The additional work for new installations to add this to their safety cases over and above what they would have to do under the existing requirements is not assumed to be different from the work for existing installations. This gives an annual average cost to industry of between around £115 thousand and £345 thousand, with a best estimate of around £230 thousand.

362. This gives a **ten-year present value cost to industry** of between around £874 thousand and £2.6 million, with a **best estimate of around £1.7 million**. This cost would be borne under all Options 2 to 5.

363. Lastly, the focus group were asked what the additional effort would be to keep the safety case up to date in light of the additional information it would contain. The focus group discussed that this would be an addition to the ongoing review processes already in place and cost between around £2 thousand and £3 thousand per annum for each installation, with a best estimate of around £2.5 thousand. This is the equivalent of between around 28 hours and 42 hours of a Health, Safety and Environment Manager per annum, with a best estimate of around 35 hours and is assumed to be borne each year following the initial set up costs, above.

364. This cost would be borne by installations as they moved into scope. This would include all new installations from 2016 and existing installations as they became compliant from 2016 to 2018. Then from Year 4, all installations would bear this cost. Over the appraisal period, this gives a total estimated average annual cost of between around £648 thousand and £972 thousand, with a best estimate of around £810 thousand.

365. This gives a **ten-year present value cost to industry** of between around £4.8 million and £7.1 million, with a **best estimate of around £6.0 million**. This cost would be borne under all Options 2 to 5.

9.5.6 Design and Relocation Notifications

366. Under the regulations, additional environmental information would be required to be added to design notifications and to relocation notifications. This is in addition to the descriptions of the verification scheme and SEMS, which have been costed above.

367. The focus group estimated that the cost of time required to add the additional information to a design notification would be between around £2 thousand and £3 thousand, with a best estimate of around £2.5 thousand. This is the equivalent of between around 28

hours and 42 hours of a Health, Safety and Environment Manager, with a best estimate of around 35 hours.

368. For a relocation notification, the group estimated that the cost of adding information would be minimal as most of it was already present, and so agreed that this cost would be nil.

369. Each year, around 6 design notifications are submitted, based on the last three years' data. This gives an estimated annual cost to industry of between around £12 thousand and £18 thousand, with a best estimate of around £15 thousand. This cost would be borne from Year 1 of the appraisal period to Year 9.

370. This gives a **ten-year present value cost to industry** of between around £91 thousand and £137 thousand, with a **best estimate of around £114 thousand**. This cost would be borne under all Options 2 to 5.

9.5.7 Well Notifications

371. Under the new regulations, additional environmental information would be required to be added to well notifications and it would be made a requirement to have the independent competent person (ICP, or well examiner) to consider the notification or any material change to a well notification prior to submission.

372. The focus group estimated that the cost of time required to add the additional information to a well notification would be between around £2 thousand and £3 thousand, with a best estimate of around £2.5 thousand. This is the equivalent of between around 28 hours and 42 hours of a Health, Safety and Environment Manager, with a best estimate of around 35 hours.

373. Each year, around 550 well notifications are submitted, based on the last three years' data. This gives an estimated annual cost to industry of between around £1.1 million and £1.7 million, with a best estimate of around £1.4 million. This cost would be borne from Year 1 of the appraisal period to Year 9.

374. This gives a **ten-year present value cost to industry** of between around £8.4 million and £12.6 million, with a **best estimate of around £10.5 million**. This cost would be borne under all Options 2 to 5.

375. The focus group were not able to make an estimates of the costs (if any) of having the ICP consider well notifications and material changes to well notifications prior to submission. Generally, the members of the focus group did involve the ICP in preparing the notification or material change and got him or her to consider the supporting documentation and technical information that went into them. However, they did not always get the ICP to consider the actual notification itself.

376. As such, the focus group were unable to make a reasonable estimate as to what they would need to do to comply or how much it would cost to do so. Therefore, while no cost to business of having the ICP review these notifications have been estimated in this consultation stage IA, further work will be undertaken with industry during consultation to estimate any significant impacts of these requirements.

9.5.8 Combined Operations Notifications

377. Under the regulations, additional environmental information would be required to be added to combined operations notifications. The focus group estimated that most combined operations would not need any additional work to achieve compliance, but that perhaps 20%

or so would. For those requiring additional information, the cost of time required to complete this would be between around £4.5 thousand and £5.5 thousand, with a best estimate of around £5 thousand. This is the equivalent of between around 63 hours and 77 hours of a Health, Safety and Environment Manager, with a best estimate of around 70 hours.

378. Each year, around 61 combined operations notifications are submitted, based on the last three years' data. This gives an estimated annual cost to industry of between around £55 thousand and £67 thousand, with a best estimate of around £61 thousand. This cost would be borne from Year 1 of the appraisal period to Year 9.

379. This gives a **ten-year present value cost to industry** of between around £418 thousand and £510 thousand, with a **best estimate of around £464 thousand**. This cost would be borne under all Options 2 to 5.

9.5.9 Dismantling of a fixed production installation

380. Under the regulations, additional information would be required to be added to safety cases for installations being dismantled, but the focus group estimated that the cost of adding this additional information would be negligible as much of it is already included. As such, this is expected to impose **no cost on industry**.

9.5.10 Reporting imminent danger or increased risk of a major accident

381. Under the regulations, owners or operators would be required to report to the CA on instances of imminent danger or increased risk of a major accident or when a major accident had actually taken place. The focus group reported that making such a report on the rare instances that it might be required were negligible and agreed that this would impose **no cost on industry**.

9.5.11 Reporting major accidents outside the EU

382. Under the regulations, UK-registered companies would be required to report to the CA on major accidents outside the EU. The focus group reported that such events were very rare and that the effort required to make such a report were it necessary to do so would be negligible as the information would be readily to hand and already prepared for internal purposes. As such, they agreed that this would impose **no cost on industry**.

9.5.12 Safety Zones

383. Under the regulations, vessels would be able to request permission of the installation owner or operator to enter the installation's safety zone if necessary, whereas presently them may only request permission of the regulator. HSE analysts considered that this might yield a saving to business if there were any instances in which this might be applicable. However, the focus group agreed that they could not envisage any such circumstances and agreed that this would have **nil impact on industry**.

9.5.13 Collecting and Recording Data

384. Under the regulations, installations would be required to have in place technical measures to collect and record data. The focus group reported that these were already in place and that this would impose **no costs on industry**.

9.5.14 Enter and Leave Notifications

385. Under the Directive, notifications of entry into or departure from the UKCS would be required to be made slightly earlier than under the present regime. The focus group reported

that they are already compliant with the new standard as so this would impose **no costs on industry**.

9.5.15 Promoting Change to Staff

386. During the first focus group with industry, the group reported that it would take considerable effort to publicise the changes to the regulations to their staff and to embed them into their procedures and practices. They described this as 'promoting change to staff' and it can be thought of as the process through which the offshore industry will familiarise with the changes.

387. The activities that the focus group described included making visits to installations, preparing and distributing promotional material, holding workshops and town hall-style meetings, updating websites and training. Several respondents said that they already had ongoing training programmes in place to maintain awareness of the existing regulations and that these additional activities would constitute a temporary expansion of this process.

388. The focus group agreed that the cost of this would be between around £20 thousand and £50 thousand per installation, with a best estimate of around £35 thousand. This is the equivalent of between around 279 hours and 698 hours of a Health, Safety and Environment Manager, with a best estimate of around 488 hours.

389. There would be a one-off cost of compliance for the 386 installations currently operating when they are required to become compliant with the new regulations by 2018, which is Year 3 of the appraisal period. For simplicity, this cost is assumed to be distributed equally across 2016, 2017 and 2018. This gives a **ten-year present value cost to industry** of between around £7.2 million and £18 million, with a **best estimate of around £12.6 million**. This cost would be borne under all Options 2 to 5.

9.5.16 Implementing Act on data reporting criteria and format

390. HSE understand from engagement with industry that the requirement to report under the Implementing Act would impose no additional costs as such reports would be routine and incorporated into existing processes for internal reporting, investigation and learning mechanisms. However, additional database and computer systems would be required to manage the new reports in a system parallel to RIDDOR. HSE estimate that approximately 30 owners or operators would need to do this and that each would bear costs similar to those estimated for HSE in paragraph 180. This gives an **estimated one-off cost to industry** of between around £2 million and £5 million, with a **best estimate of around £3.4 million**. This cost would be borne under all Options 2 to 5. We acknowledge that this is a rough estimate and will undertake further work with industry during consultation to produce a more refined and robust estimate for the final stage IA.

9.5.17 Summary of costs to industry from changes to HSE legislation

391. Table 10 summarises the direct costs to industry from changes to HSE legislation.

Table 10: Summary of costs to industry from changes to HSE legislation (£thousands)

	Low	Best Estimate	High
Internal Emergency Response Plans	£5,028	£21,402	£43,816
Independent Verification	£11,751	£20,685	£29,619
Corporate Major Accident Prevention Policy	£8,464	£19,590	£32,773
Safety and Environmental Management Systems	£765	£2,149	£3,712
Safety Case	£9,822	£16,071	£22,320
Design and Relocation Notifications	£91	£114	£137
Well Notifications	£8,368	£10,461	£12,553
Combined Operations Notifications	£418	£464	£510
Promoting change to staff	£7,210	£12,617	£18,024
Databases for Reporting Act	£2,025	£3,375	£4,950
Dismantling a fixed installation	Nil	Nil	Nil
Reporting imminent danger or increased risk of a major accident	Nil	Nil	Nil
Reporting major accidents outside the EU	Nil	Nil	Nil
Safety Zones	Nil	Nil	Nil
Collecting and recording data	Nil	Nil	Nil
Enter and Leave Notifications	Nil	Nil	Nil
Total (Options 2 to 5)	**£53,941**	**£106,927**	**£168,414**

Note: figures are ten-year present values. Totals may not sum due to rounding.

9.6 Costs of Gold Plating of HSE Legislation

9.6.1 Definition of major accident

392. HSE proposes to retain the current definition of major accident as used in SCR 2005, which goes beyond that in the Directive, in order to keep within scope diving operations of fewer than five people. As this maintains the current standard, it will impose **no additional cost on industry or the regulator**.

393. To illustrate the implications of keeping these operations within scope, HSE have attempted to estimate the costs to industry and the regulator of keeping these operations in scope to aid decision-making on this issue. However, these costs have been found to be very small, not least because diving operations of less than five people are rare.

394. The standards necessary to control diving risks are established in the Health and Safety at Work etc. Act 1974 and the Diving at Work Regulations 1997, which must be complied with irrespective of major hazard regulations. Therefore there would be no operational savings of removing these operations from scope.

395. It is only in the drafting of an installation's safety case that these diving operations may impose a cost, as consideration of their risks and how they will be managed must be recorded. However, the control measures on diving in the safety case would be quite generic and the content that deals with operations of less than five people specifically is estimated to be of minimal effort to produce and then keep up to date.

396. Therefore, we estimate that the costs of keeping diving operations of less than five people in scope of the major hazard regulations are minimal. However, they do ensure that the high risks of such operations are fully considered in the safety management of the installation.

9.6.2 Enter or leave notifications for non-production installations

397. HSE proposes to retain the current standard whereby both production and non-production installations are required to notify the regulator of their entry into or departure from UK territorial waters. The Directive only requires production installations to do this, but HSE believes that removing non-production installations from scope of this requirement would have a detrimental impact on safety standards in that it would not allow HSE to maintain safety standards and minimise the possibility of major accidents on NPIs, such as the Deepwater Horizon disaster in the Gulf of Mexico. As this maintains the current standard, it will impose **no additional cost on industry or the regulator**.

398. However, to illustrate the implications of keeping these installations within scope, indicative costs have been estimated to aid decision-making on this issue. It is estimated based on observed data that each year on average there are around 16 entry or leave notifications and that 14 are made by non-production installations. The Offshore Baseline Assessment estimated that the cost to industry of preparing and submitting such a notification is between around £350 and £860 in 2012 prices, with a best estimate of around £550. This gives an annual average cost to industry of between around £4.9 thousand and £12 thousand, with a best estimate of around £7.7 thousand. This would be borne from Year 1 of the appraisal period to Year 9 and would constitute a saving if this requirement were removed.

399. This gives an estimated present value over ten years of between around £37 thousand and £92 thousand, with a best estimate of around £59 thousand. However, as industry is already compliant with this measure, this is a baseline cost and no additional cost is imposed on industry.

9.7 Costs to industry for complying with changes to DECC Environmental Legislation to implement the Directive

9.7.1 Amendments to the OPRC Regulations

400. Workloads relating to changes to the OPRC Regulations to meet the Directive requirements for the 10 year assessment period are summarised below:

- New OPEPs for new Production Installation decommissioning operations from 2015 to 2024.
- Review OPEPs for existing Production Installations by 2018.
- New OPEPs for new Production Installations from 2015 to 2024.
- Review of new OPEPs for Production and Non-Production Installations five years after initial preparation during the period from 2015 to 2024 (one review for each OPEP).

- New OPEPs for existing Non-Production Installations, including MODUs / Intervention Vessels, from 2015 to 2016

- New OPEPs for new Non-Production Installations, including MODUs / Intervention Vessels, from 2015 to 2024

- New OPEP Addenda for well operations from 2015 to 2024.

- New OPEP Addenda for combined well operations from 2015 to 2024.

401. The requirements and associated costs relating to specific Directive obligations are outlined below.

9.7.1.1 Extend the OPEP requirements (as part of the Directive obligation to produce an IERP) to include the decommissioning of offshore installations

402. As explained in Section 9.4.1.1, each year, operators of installations scheduled for decommissioning would have to prepare and submit 15 OPEPs to DECC for review and approval, and so there would be 150 OPEPs submitted during the period 2015 to 2024.

403. Industry estimated at the focus group that the cost of preparing and submitting one decommissioning OPEP would be between £10,000 and £15,000 with best estimate of around £12,500. This is the equivalent of between around 140 hours and 209 hours of a Health, Safety and Environmental Manager with a best estimate of around 174 hours.

404. This gives a **ten year present value cost to industry** of between £1.3 million and £1.9 million with a **best estimate of £1.6 million**.

9.7.1.2 Amend the OPEP requirements for Production Installations (as part of the Directive's obligations to produce an IERP)

405. **Existing OPEPs for Production Installations:** As explained in paragraphs 256 to 258, operators would have to revise and submit a total of 92 existing Production Installation OPEPs for review / re-approval by 2018.

406. As discussed in paragraph 257, any 'brought forward' cost for reviewing these OPEPs earlier than scheduled has not been estimated at this stage, but attempts will be made to do so for the final stage IA.

407. Industry estimated at the focus group the cost of adding the additional Directive requirements e.g. the assessment of oil response effectiveness and inventories of oil spill response equipment as costing around £10,000 per OPEP.

408. This is equivalent to between around 126 to 153 hours (calculated by deploying a low (-10%) / best estimate (medium) / high (+10%) approach) with a best estimate of a Health, Safety and Environmental Manager with a best estimate of 140 hours.

409. The **NPV of the total costs to industry** for preparing and submitting existing Production Installation OPEPs by 2018 (calculated by deploying a low (-10%) / best estimate (medium) / high (+10%) approach) are between £773 thousand and £945 thousand with a **best estimate of £859 thousand**.

410. **New OPEPs for new Production Installations:** Based on data collated by DECC and HSE on new developments over recent years, it is estimated that 4 new OPEPs will be required per year from 2015 to 2024 to cover new Production Installations. During the 10-

year assessment period, DECC will therefore have to review and approve a total of 40 OPEPs for new Production Installations.

411. Industry estimated at the focus group that the additional time costs in relation to the Directive requirements e.g. the assessment of oil response effectiveness and inventories of oil spill response equipment would cost around £10,000 per OPEP.

412. This is equivalent to between around 126 to 153 hours (calculated by deploying a low (-10%) / best estimate (medium) / high (+10%) approach) with a best estimate of a Health, Safety and Environmental Manager with a best estimate of 140 hours.

413. The **NPV of the total costs to industry** for new Production Installation OPEPs by from 2015 to 2024 (calculated by deploying a low (-10%) / best estimate (medium) / high (+10%) approach) are between £310 thousand and £379 thousand with a **best estimate of £344 thousand**.

414. **Subsequent five-yearly reviews of Production Installation OPEPs:** As explained in paragraphs 264 to 266, for the purpose of this Impact Assessment it is assumed that there would be one full five-yearly review cycle for 111 OPEPs during the period up to 2024 and that these reviews will be spread evenly over that period.

415. Discussion with industry at the focus group gave an estimate of £25,000 to produce an entirely new production OPEP, including all requirements (not just those of the Directive). Based on DECC's experience of reviewing existing OPEPs we have made an assumption that the cost to industry of submitting an OPEP for 5 year review is approximately 10%, or £2500. This assumption will be tested with industry during the consultation period and adjusted in the final IA if required.

416. This is equivalent to between around 31 to 38 hours (calculated by deploying a low (-10%) / best estimate (medium) / high (+10%) approach) with a best estimate of a Health, Safety and Environmental Manager with a best estimate of 35 hours.

417. The **NPV of the total costs to industry** for 5-yearly review of Production Installation OPEPs from 2020 to 2024 (calculated by deploying a low (-10%) / best estimate (medium) / high (+10%) approach) are between £197 thousand and £240 thousand with a **best estimate of £218 thousand**.

9.7.1.3 Extend the OPEP requirements (as part of the Directive obligation to produce an IERP) to the owners of Non-production offshore installations

418. Responsibility for the development and maintenance of an OPEP will be extended to the owners of non-production installations.

419. **New OPEPs for existing Non-production Installations:** There are currently 40 non-production installations operating in UK waters. The owners of these installations will be required to prepare OPEPs that will have to be submitted to DECC and approved within a year of the new regulations coming into force i.e. by July 2016. This will be new work directly related to implementation of the Directive.

420. Industry estimated at the focus group that the cost of preparing and submitting a non-production installation OPEP to DECC would be between £10,000 and £15,000 with best estimate of around £12,500. This may be an overestimate as industry was anticipating that an OPEP for a non-production installation would be done to the same requirements as that for a production installation. However, this is not the case as OPEPs for non-production installations will only be required to satisfy the requirements of the Directive. This will be further explored with industry during the consultation period to determine whether this will

make any significant difference to the cost. This is the equivalent of between around 140 hours and 209 hours of a Health, Safety and Environmental Manager with a best estimate of around 174 hours.

421. This gives a **ten year present value cost to industry** of between around £393 thousand and £590 thousand with a **best estimate of £492 thousand**.

422. **New OPEPs for new Non-production Installations during the period 2015 to 2024:** Based on data collated by DECC and HSE on new non-production installations operating in the UKCS over recent years, it is estimated that 5 new OPEPs will be required per year from 2015 to 2024 to cover new non-production Installations. However, as non-production installations move around the UKCS, this figure might be overestimated and this will be further explored with industry during the consultation period. From 2015 to 2024, DECC will therefore have to review and approve a total of 50 OPEPs for new non-Production Installations.

423. As explained in paragraph 420, industry estimated that the cost of preparing and submitting a non-production installation OPEP to DECC would be between £10,000 and £15,000 with best estimate of around £12,500.

424. This gives a **ten year present value cost to industry** of between around £484 thousand and £592 thousand with a **best estimate of £538 thousand.**

425. **Subsequent five-yearly reviews of OPEPs for Non-production Installations:** As explained in paragraph 276, the 40 new OPEPs for Non-production Installations would have to be reviewed on a five-yearly cycle that would have to be aligned with the safety case review cycle. At this juncture, it is assumed that it is unlikely that there would be a material change to force an early review, and that every OPEP for a Non-production Installation will be reviewed once during the period 2020 to 2024.

426. Discussion with industry gave an estimate of £10,000 to £15,000 to produce a new production OPEP from scratch including all requirements (not just those of the Directive). Based on DECC's experience of reviewing existing OPEPs we have made an assumption that the cost to industry of submitting a non-production installation OPEP for 5 year review is approximately 10%, or £1000 to £1500 with a best estimate of £1250. This assumption will be tested with industry during the consultation period and adjusted in the final IA is required.

427. This is the equivalent of between around 14 hours and 21 hours of a Health, Safety and Environmental Manager with a best estimate of around 17 hours.

428. This gives a **ten year present value cost to industry** of between around £22.5 thousand and £33.7 thousand with a **best estimate of £28.1 thousand**.

429. **Well operations:** As explained in paragraph 279, it is anticipated that 300 well operations addenda will be submitted each year from 2015 to 2024.

430. Industry estimated at the focus group that the cost of preparing and submitting a well operations OPEP addendum to DECC would be between £1,440 and £10,000 with best estimate of around £5,700. This is the equivalent of between around 20 hours and 140 hours of a Health, Safety and Environmental Manager with a best estimate of around 80 hours.

431. This gives a ten year present value cost to industry of between around £3.6 million and £25.8 million with a **best estimate of £14.7 million.**

432. **Combined Operations:** As explained in paragraph 282, based on combined operations addenda received by DECC in recent years, it is anticipated that 40 addenda for

'combined operations' (additional to the well operations addenda) will be submitted each year from 2015 to 2024.

433. Industry estimated at the focus group that the cost of preparing and submitting a combined operations OPEP addendum to DECC would be between £5,000 and £10,000 with best estimate of around £7,500. This is the equivalent of between around 70 hours and 140 hours of a Health, Safety and Environmental Manager with a best estimate of around 105 hours.

434. This gives a ten year present value cost to industry of between around £1.7 million and £3.4 million with a **best estimate of £2.6 million.**

9.7.1.4 Preparedness for the implementation of the plan and interaction with the external emergency response plan

435. Operators and owners are required to undertake OPEP exercises and to retain evidence of the exercises undertaken both onshore and offshore and to provide that evidence on request. Exercises are a current requirement and the cost implications for industry relating to retaining the evidence of exercises are considered to be negligible as most, if not all, operators do this already.

9.7.1.5 Powers of Inspectors to prohibit operations where no OPEP is in place, or where the plan is deemed insufficient or the requirements of the plan are not being met

436. The current OPRC regulations require that operators submit an OPEP prior to commencing operations. In line with the requirements of the Directive DECC proposes to require that the OPEP is approved as part of the IERP prior to the commencement of operations. DECC has never delayed or prohibited an oil and gas operation as a result of an operator not having an approved OPEP or one that does not meet the OPRC requirements, once approved. DECC does not envisage this changing as given the requirements of the Directive and the link between the IERP and the Safety Case it will be virtually impossible for any operator or owner to undertake operations without an approved OPEP. Therefore, DECC **does not anticipate any additional costs to industry** as this simply introduces a legal requirement to do what operators are already expected to do.

9.7.2 Provisions in new Regulations concerning Environmental Management Systems (EMS)

437. Workloads relating to the EMS provisions to meet the Directive requirements are summarised as follows:

- Extend EMS requirements to cover decommissioning activities.
- Review amended EMS for existing Production Installations from 2015 to 2018.
- New EMS for new Production Installations from 2015 to 2024.
- New EMS for Non-Production Installations (e.g. MODUs / Intervention Vessels) from 2015 to 2016.
- Review of EMS for all installations from 2020 to 2024.

438. The above requirements and associated costs will apply as outlined below.

9.7.2.1 Extending EMS requirement to decommissioning operations

439. As indicated in paragraph 253, it is anticipated that from 2015 approximately 15 installations per year will cease operations with 3 being removed within a year of the cessation of operations and the remainder being subject to longer more complex decommissioning activities.

440. Discussions with industry estimate that an existing EMS costs between £15,000 to £20,000 per installation to maintain/update. Based on DECC's experience of reviewing existing EMSs and the minor additional requirements for the EMS under the Directive we have assumed that the cost of such adjustments is 10%, or £1500 to £2000 with a best estimate of £1750. However, this assumption will be tested with industry during consultation and adjusted in the final IA, if required. This is the equivalent of between around 21 hours and 28 hours of a Health, Safety and Environmental Manager with a best estimate of around 24 hours.

441. This gives a **ten year present value cost to industry** of between around £194 thousand and £258 thousand with a **best estimate of £226 thousand**.

9.7.2.2 Amending EMSs for existing production installations

442. There are presently 57 active offshore operators that have an accepted EMS, and most of those systems will have to be updated during the transition period up to 2018 to incorporate minor changes to meet the Directive requirements (e.g. to provide extra information on the potential environmental hazards of a major accident) as indicated, such updating exercises will have to be aligned with the safety case review timetable). In addition to the initial review, all production installation EMS will require a review on a five yearly cycle in line with the safety case review, which will occur once in the period 2018 to 2024 (see below).

443. As explained in paragraph 440, the estimated cost to industry of making each amendment is £1500 to £2000 with a best estimate of £1750.

444. This gives a **ten year present value cost to industry** of between around £79.8 thousand and £106.5 thousand with a **best estimate of £93.2 thousand**.

9.7.2.3 EMSs for new production installations

445. There are currently around 5 to 6 new operators established during each biannual offshore licensing round, but they will only require an EMS prior to undertaking offshore operations. Nevertheless, DECC expects 2 new EMSs on average to be created each year from 2015 to 2024.

446. Discussions with industry identified that an existing EMS costs between £15,000 to £20,000 per installation to maintain/update. Based on DECC's experience of reviewing existing EMSs and the minor additional requirements for the EMS under the Directive we have assumed that the cost of such adjustments is 10% - £1500 to £2000 with a best estimate of £1750. However, this assumption will be tested with industry during consultation and adjusted in the final IA, if required.

447. This is the equivalent of between around 21 hours and 28 hours of a Health, Safety and Environmental Manager with a best estimate of around 24 hours.

448. This gives a **ten-year present value cost to industry** of between around £25.8 thousand and £34.4 thousand with a **best estimate of £30.1 thousand**.

9.7.2.4 EMSs for non-production installations

449. All owners of non-production installations will be required to have an EMS that meets the Directive requirements. There are 40 non-production installations owned by 20 non-production companies, and each company will have to seek approval for a new EMS during the period 2015 to 2016. The focus group and further industry discussions confirmed that the vast majority of non-production installation owners already have an existing EMS.

450. Discussions with industry estimated that an existing EMS costs between £15,000 to £20,000 per installation to maintain/update. Based on DECC's experience of reviewing existing EMSs and the minor additional requirements for the EMS under the Directive we have assumed that the cost of such adjustments is 10% - £1500 to £2000 with a best estimate of £1750. However, this assumption will be tested with industry during consultation and adjusted in the final IA, if required.

451. This is the equivalent of between around 21 hours and 28 hours of a Health, Safety and Environmental Manager with a best estimate of around 24 hours.

452. This gives a ten year present value cost to industry of between around £29.5 thousand and £39.3 thousand with a **best estimate of £34.4 thousand**.

453. In addition the focus group and further industry discussions confirmed that although the vast majority of non-production installation owners already have an existing EMS, it is estimated that a maximum of 1-2 do not. The focus group estimated a £150,000 one-off cost to create an EMS resulting in a cost to industry occurring in 2016 of between £150,000 to £300,000 with a best estimate of £225,000. This may be an overestimate as industry were anticipating that an owner's EMS would need to satisfy the same requirements as those submitted by operators. However, this is not the case as the EMS submitted by owners of non-production installations will only be required to satisfy the EMS requirements of the Directive. This will be further explored with industry during the consultation period in order to refine the cost estimate. Based on current information, this is the equivalent of between 2,093 hours and 4,186 hours of a Health, Safety and Environmental Manager with a best estimate of 3,139 hours.

454. This gives a ten year present value cost to industry of between around £145 thousand and £290 thousand with a **best estimate of £217 thousand**.

9.7.2.5 Five-yearly review of EMSs for all installations

455. As explained in paragraph 303, it is assumed for simplicity that the review of the 77 EMSs would be spread evenly across the period 2020 to 2024. Costs to the CA relating to the review of the Safety and Environmental Management System (SEMS) descriptions provided by individual installations in the safety case are detailed in Section 9.3.4.

456. Discussions with industry estimated that an existing EMS costs between £15,000 per installation to review. Based on those discussion and DECC's experience of reviewing existing EMSs we have assumed that the cost of such adjustments is 25% and 33%, or £,3750 to £5,000 with a best estimate of £4,375. However, this assumption will be tested with industry during consultation and adjusted in the final IA, if required.

457. This is the equivalent of between around 52 hours and 70 hours of a Health, Safety and Environmental Manager with a best estimate of around 61 hours.

458. This gives a ten year present value cost to industry of between around £227 thousand and £303 thousand with a **best estimate of £265 thousand**.

9.7.3 Financial Liability Arrangements

459. Based on the number of development wells drilled in recent years, expanding the scope of the financial responsibility provisions to wells other than exploration and appraisal wells will result in approximately 50 additional reviews per year.

460. The industry focus group estimated that the provision of evidence of financial liability would cost between £1,300 and £8,000 with a best estimate of £4,650.

461. This is the equivalent of between around 18 hours and 112 hours of a Health, Safety and Environmental Manager with a best estimate of around 65 hours.

462. This gives a **ten year present value cost to industry** of between around £559 thousand and £3.4 million with a **best estimate of £2 million**.

9.7.4 Summary of Costs to Industry for Complying with Changes to DECC Legislation

463. Table 11 summarises costs to industry from complying with changes to DECC legislation to implement the Directive.

Table 11: Estimated costs to industry from changes to DECC legislation

	Low	Best Estimate	High
OPEPs			
Decommissioning OPEPs	£1,291	£1,614	£1,937
Amendments to OPEPs for Production Installations	£1,280	£1,422	£1,564
Extending OPEPs to Non-Production Installations	£900	£1,058	£1,215
Well Operation OPEPs	£3,615	£14,719	£25,823
Combined Operations OPEPs	£1,722	£2,582	£3,443
Prohibition Notices	Nil	Nil	Nil
OPEP Exercises	Nil	Nil	Nil
EMSs			
Decommissioning EMSs	£194	£226	£258
Amendments to EMSs for Production Installations	£106	£123	£141
Extending EMSs to Non-Production Installations	£174	£252	£329
Five-Yearly Review of all EMSs	£227	£265	£303
Financial Liability Arrangements	£559	£2,001	£3,443
Total (Options 2 to 5)	**£10,068**	**£24,262**	**£38,457**

Note: figures are ten-year present values. Totals may not sum due to rounding.

9.8 Costs to industry for complying with changes to DECC Licensing Legislation to Implement the Directive

464. The Directive requires the Licensing Authority to take into account at licence award and assignment the potential licensee's capability to meet the requirements of the Directive. It also sets out procedures for the appointment and disqualification of operators. However, all these checks and procedures are already in place. The Directive also requires Member States to impose a new duty on licensees to ensure that the operator has the capacity to meet its obligations and that it actually does so. However, this will only constitute a legal duty to do what DECC understands every licensee to be doing already. As a result, DECC consider that only minor administrative changes will be required to satisfy the Directive requirement and will **not create any additional costs to industry**.

9.9 Costs for Maintaining Existing Standards and Gold Plating of DECC Legislation

9.9.1 Oil Pollution Emergency Plans and Environmental Management Systems

465. As detailed in Sections 8.7.1 and 8.7.2, there are two areas where DECC maintains a current standard under the Directive Implementation. In relation to operators of production installations, DECC intends to retain the current requirements for environmental management systems and oil pollution emergency plans to ensure that existing standards are maintained and that the UK can continue to satisfy the requirements of the international conventions detailed in these sections. As these requirements are covered by international conventions, they are not classified as gold plating.[28] As industry is already adhering to these requirements, there will be **no additional costs imposed on the industry**.

9.9.2 Licensing Provisions

466. The existing Model Clauses within each licence provide that a licensee may not allow an operator to act as such without the prior approval of the Secretary of State. The Directive requires the Licensee to submit a prior notification to the Licensing Authority before appointing an operator, and the Licensing Authority should then have to the power to object. In practice, these are essentially the same process, except that the Directive's process would be less robust because it allows for effective approval by oversight or error; and being less robust it would support the Directive's objectives less well. Furthermore, since the existing procedure is set out in the Model Clauses in each licence, DECC could not implement it without amending all existing licences, with or without the licensees' agreement. As a result, where licences already implement the need for positive approval, DECC intends to leave those provisions in place. The difference between approval and notification will not create a difference in the information that licensees must submit to the Licensing Authority, nor will it affect the licensee's contractual arrangements, nor will it make any difference to the essential decision that the Licensing Authority and CA must make. The retention of an approval system will therefore impose **no additional cost on industry, the Licensing Authority or the CA**.

9.10 Costs to industry for complying with legislation to implement Article 38

467. The Environmental Liability Directive (ELD) only requires action where a business or other operator has caused – or is imminently about to cause - significant environmental damage. Evidence to date suggests this happens very rarely. In the five years since the law came into force between 2009 and 2014, there have been only three cases of water damage on land or in coastal waters in the UK. Across the EU from 2007 to 2014 there have been

[28] In accordance with the Better Regulation Framework Manual 1.9.8.iii

389 cases of water damage[29]. By comparison there are likely to be fewer applicable cases on average in the area between 1 and 200 nautical miles (as evidenced in the original ELD impact assessment) because of reduced levels of economic activity and owing to increased difficulty to monitor, detect and enforce offshore damage. This assessment is strengthened by the fact that no cases of damage to species and habitats in the marine environment have yet fallen under the ELD in any country in the EU. This suggests that damage to water beyond 1 or 3 nautical miles might happen once in ten years or less across the UK.

468. If and where such damage does arise, there are likely to be costs under existing arrangements to address the damage, depending on the nature of damage caused. Analysis undertaken for the original ELD Impact Assessment (IA) suggested that opportunities to directly restore damage will be limited in the marine environment and that the measures required will therefore largely be to compensate for the damage. There may be limited opportunities to take such measures in the marine environment so these may sometimes be taken on land. The compensatory measures for one case of water damage on land are estimated to have cost less than £200k (from the damage assessment for the case). The costs of cases across the EU range from £2440 to £2.07 million (for all types of cases, not just water damage) although this is likely to include some costs that would have been incurred irrespective of the ELD.

469. The main costs are therefore likely to relate to paying for environmental improvements.

470. Work from the original IA suggests the following activities have the potential to cause damage in the marine environment: fisheries, shipping, activities releasing contaminants on land, contaminants from the oil and gas industries, mariculture, litter, disturbance, engineering operations and dredging and dumping. But that damage would have to be very significant to trigger action under the ELD.

471. Further investigation and discussion with stakeholders will be carried out by Defra during the consultation to consider:

- the likelihood of potential damage caused by different activities affecting environmental status as defined under the MSFD;
- the potential for “catastrophic” cases of damage with much larger costs;
- whether the actions to pay for environmental improvements to compensate for offshore water damage are likely to be within the range presented;
- the scale of benefits from the improvement works required;
- whether businesses and other operators will need to take time to familiarise themselves with the changes; and
- whether businesses or operators will take anticipatory action to reduce their liabilities.

[29] This figure masks a wide variation reported by Member States, three of which accounted for 80% of the incidents. The very great majority reported fewer than a dozen, with 14 reporting zero or one case.

9.11 Costs to industry for complying with changes to update additional HSE legislation

9.11.1 Updating the definition of offshore installation in MAR

472. As discussed in paragraphs 139 to 141, the proposed changes would bring clarity and consistency across offshore regulations and make sure health and safety standards are maintained when high-risk decommissioning and dismantling activities occur. There are no procedural changes and so **no additional costs to industry or the regulator**.

9.11.2 Identifying a duty holder when there is no licensee

473. As discussed in paragraphs 142 to 144, these proposals will ensure that an operator can be identified for well abandonment and decommissioning operations when a licensee is not in place to appoint an operator. Industry is currently complying voluntarily so there are **no additional costs to industry or the regulator** associated with these amendments.

9.11.3 Underground Coal Gasification (UCG)

474. HSE is aware of only two onshore UCG projects expected to begin within the next ten years and no offshore ones. The onshore projects are expected to start up in the next 3 to 5 years. The costs associated with bringing them into scope have been estimated as part of the Onshore Baseline Assessment project, which produced an estimate of the annual cost for an onshore operator to be within scope of BSOR and DCR. This was estimated to be around £38.2 thousand per annum in 2012 prices. Adding a range of +/- 10% gives between around £34.4 thousand and £42.1 thousand.

475. Assuming that both operations will start up in four years' time, this gives a total cost to industry of between around £69 thousand and £84 thousand, with a best estimate of around £76 thousand to be borne from Year 4 to Year 9 of the appraisal period.

476. This gives a **present value over ten years** of between around £331 thousand and £404 thousand, with a **best estimate of around £368 thousand**. However, this will not be in scope of One In, Two Out (OITO) as it is covered by Directive 92/91/EEC as explained in paragraph 146.

9.11.4 Onshore Combustible Gas Storage and Recovery

477. HSE estimate that bringing hydrocarbon storage into scope of the major hazard regulations will bring approximately two onshore sites, with up to 24 wells, into scope. These new sites will be operated by companies already compliant voluntarily. We expect they will continue to comply voluntarily with these new sites, and so there is not expected to be any additional cost above what would occur in the baseline.

478. However, to give an indicative cost, as discussed in paragraph 474, the annual cost of a site being in scope of the onshore regulations are estimated to be between around £34.4 thousand and £42.1 thousand, with a best estimate of around £38.2 thousand.

479. This gives a total annual cost for the two sites of between around £69 thousand and £84 thousand, with a best estimate of around £76 thousand. These sites are already operational and so these costs would start to be borne from the start of the appraisal period.

480. This gives an estimated present value over ten years of between about £593 thousand and £724 thousand, with a best estimate of around £658 thousand. However, as we expect these sites to be compliant anyway, this is not an additional cost.

9.11.5 Reporting well dangerous occurrences

481. As well as becoming compliant with BSOR and DCR, UCG and hydrocarbon storage sites would also be required to comply with RIDDOR reporting of Dangerous Occurrences with respect to wells. HSE estimate that currently around 43 such reports are made per annum and that the inclusion of the four sites described above might result in only another one or two reports over the ten year appraisal period. HSE estimate that each report takes between 1 and 4 hours to complete and that this is done by a Health, Environmental and Safety manager at an FEC of around £71.67.

482. As such, any additional cost is expected to be minimal. Furthermore, were these reports produced by hydrocarbon storage sites that are expected to be compliant voluntarily, they would pose no additional cost; and were they produced by UCG sites, the cost would be in scope of Directive 92/91 and so be out of scope of OITO.

483. Therefore, this analysis estimates that there would be **no or negligible costs to industry or the regulator** of these proposed measures.

9.11.6 Further reducing the stock of offshore regulations

484. In total HSE expects to reduce the stock of offshore regulations by three, as discussed in Section 8.9.2. This may result in a small amount of work for industry to familiarise with the changes, but this is estimated to be lost in familiarises with the wider changes to the regulations under the Directive. As the requirements on industry will remain unchanged, there are expected to be **no costs or savings to industry or the regulator**.

9.12 Benefits

9.12.1 Major accidents relating to offshore oil and gas operations

485. The intention of the Directive is to reduce the likelihood of major accidents relating to offshore oil and gas operations and to limit their consequences. This should collectively provide further protection for the safety of offshore workers and limit potential damage to infrastructure, increase the protection of the marine environment and coastal economies against pollution and mitigate the consequences of major environmental accidents.

486. In the event of an incident, the measures in the Directive further strengthen the response mechanisms that are currently in place and ensure that there are funds available to cover first party costs (well control) and third party costs (caused by pollution damage). In addition, the extension to the Environmental Liability Directive will ensure water damage is covered in all marine waters within the scope of the Marine Strategy Framework Directive.

487. Major accidents offshore are rare, but when they do happen they are likely to have devastating and irreversible consequences:

488. "The Deepwater Horizon disaster (Gulf of Mexico 2010) demonstrated how huge and far-reaching the consequences of a single accident can be, particularly as regards to maritime and coastal pollution. Eleven people lost their lives, an estimated 4.9 million barrels (660,000 tonnes) of oil were spilled into the sea and a state-of-the-art drilling rig, valued at US $560 million was written off as a total loss of the disaster"[30] The oil spill occasioned a response effort involving 48,000 people, 6,500 vessels and 125 aircraft at it's peak. [31]

[30] Figures from Transocean Ltd reported in the EC Impact Assessment for the 'Proposal for a regulations of the European Parliament and of the Council' Brussels, 27.10.2011

[31] BP sustainability Review, 2010, cited in the EC Impact Assessment (As above)

489. More recently, in UK waters in 2012, a major gas release occurred on the Total E&P UL Ltd Elgin Offshore Wellhead platform. Personnel on the platform and an adjacent drilling rig were evacuated without injury but HSE declared the gas release a Major Incident. It took 51 days to successfully "kill" the well[32] and Total estimated that the closures cost around £1.4 billion in lost revenues, as well as £250 million in costs dealing with the incident.

490. Taking the measures outlined in this Impact Assessment to further mitigate the risk of an offshore major accident will also help to maintain public and investor confidence in the UK's offshore oil and gas industry. The indirect impacts of offshore major accidents, the effects on oil prices (and the knock-on effect on other goods and services) and the security of energy supply, for example can all have a significant effect on the health of the UK's economy. Major accidents can also have big impacts on the reputation of a company and affect share prices. BP reported that following the Deepwater Horizon incident, its shares lost more than half their value and in order to pay the related costs (clean up costs, claims from affected businesses/individuals, penalties etc) the company suspended dividend payments and needed to set up a $30 billion asset divestment programme. [33]

491. It is not possible to estimate the reduction in risk or frequency of major accidents brought about by the Directive and so estimate costs as these are rare events and the baseline risk is not possible to estimate. However, the costs described above should serve to illustrate the magnitude of possible savings if the measures only serve to reduce risk by a small amount.

9.12.2 Increased oversight of the CA

492. The joint CA is expected to further strengthen the existing robust regimes for environmental and safety major accident regulation in the UK by providing greater oversight and assessing the risks holistically. The risk of a major accident is already well controlled by the existing regimes operated by HSE and DECC. It is not possible to estimate any reduction in the risk of a major accident from the operation of the joint CA. However it is anticipated to be very small given the mature and robust nature of the UK's present regulatory structure. As such, this benefit is expected to be minimal and not possible to quantify.

9.12.3 Single point of contact

493. The joint CA and implementation of a single online portal would allow owners and operators to submit health, safety and environmental information to the regulator at a single point of contact and avoid duplication. The online portal would also collect information on the regulations and guidance for owners and operators in one place, rather than having it hosted on separate websites. This might deliver some savings to business in the administrative burdens of seeking out and submitting information to the regulator. However, this is expected to be small and has not been quantified.

9.12.4 Joint inspection visits

494. It is anticipated that the joint HSE-DECC CA may deliver savings to industry through joint visits by HSE and DECC inspectors. This may deliver a saving to industry in terms of the time spent preparing for the visit and escorting the inspectors, whether an onshore office visit or an offshore installation visit. However, it would not deliver savings in terms of the cost of transporting inspectors or providing accommodation nor in any costs recovered for inspector time.

[32] A 'well kill' involves stopping a bore hole with heavy fluids to prevent further release.
[33] EC Impact Assessment (as above)

495. The industry focus group were able to estimate the cost of their time spent managing these visits based on past experience. They estimated that for one onshore inspection visit the total cost of time was between around £15 thousand and £20 thousand, with a best estimate of around £17.5 thousand. This is the equivalent of between around 209 hours and 279 hours of a Health, Safety and Environment Manager, with a best estimate of around 244 hours.

496. They also estimated that for one offshore inspection visit the total cost of time was between around £25 thousand and £35 thousand, with a best estimate of around £30 thousand. This is the equivalent of between around 349 hours and 488 hours of a Health, Safety and Environment Manager, with a best estimate of around 419 hours.

497. However, it is not certain at this stage what number of such inspection visits that might be saved by the CA, if any. Further work will be undertaken with the joint working group to estimate this if possible as the arrangements for the CA develop and any quantifiable savings will be included in the final stage IA.

9.12.5 Underground Coal Gasification & Onshore Combustible Gas Storage and Recovery

498. The extension of the onshore regulations to cover underground coal gasification (UCG) and combustible gas storage and recovery is viewed by HSE as necessary to regulate risks to employees and members of the public in a robust and proportionate manner. In this way, HSE expects that this will reduce the risk of injury, fatality and major accident over the ten-year appraisal period. However, this reduction cannot be quantified.

499. In addition, where the application of the well-established onshore regulations to these emerging sectors provides a greater assurance of reduced health and safety operating risks, this will build public and investor confidence in these emerging sectors. This will create an environment where these emerging energy technologies are more likely to develop further (e.g. into a production stage for UCG) and so add further benefits (e.g. tax revenue) to the UK economic longer-term.

9.13 Summary of Costs and Benefits

500. Table 12 summarises all quantified costs and benefits to industry and Government.

Table 12: Summarised quantified costs and benefits of all options (£thousands)

	Low	Best Estimate	High
Costs to Industry			
Setting Up the Competent Authority			
Option 2	£1,044	£1,206	£1,376
Option 3	£1,044	£1,206	£1,376
Option 4	£1,044	£1,206	£1,376
Option 5	£1,185	£2,425	£3,674
Operating the Competent Authority			
Option 2	£1,035	£1,186	£1,336
Option 3	£1,341	£1,525	£1,710
Option 4	£502	£593	£685
Option 5	£502	£593	£685
Other Costs (All Options)			
CA Assessments Related to HSE Legislation	£7,408	£8,300	£9,207
CA Assessments Related to DECC Legislation	£670	£745	£819
Costs of Complying with Changes to HSE Legislation	£53,941	£106,927	£168,414
Costs of Complying with DECC Environmental Legislation	£10,068	£24,262	£38,457
Costs of Complying with Legislation to Implement Article 38	Unquantified	Unquantified	Unquantified
Costs of Complying with Changes to Additional HSE Legislation	£331	£368	£404
Costs of Gold Plating of HSE Legislation	Nil	Nil	Nil
Costs of Gold Plating of DECC Legislation	Nil	Nil	Nil
Costs of Complying with DECC Licensing Legislation	Nil	Nil	Nil
Costs to Government			
Unrecovered costs of moving staff in Option 4	£556	£617	£679
Benefits			
All Options 2 to 5	Unquantified	Unquantified	Unquantified
Net Totals			
Option 2	**£74,498**	**£142,994**	**£220,013**
Option 3	**£74,804**	**£143,334**	**£220,387**
Option 4	**£74,520**	**£143,019**	**£220,041**
Option 5	**£74,105**	**£143,621**	**£221,660**

Note: figures are ten-year present values. Totals may not sum due to rounding. *Totals for Options 4 and 5 omit management costs, which have not been estimated in this consultation stage IA

501. In addition, some impacts have yet to be quantified in this consultation stage impact assessment and some assumptions require estimation or further refinement. Further work will be undertaken during consultation to estimate the likely impact of these. Each of these cost components is discussed above in the relevant section of the IA, but they are collected in Table 13 below for reference.

Table 13: Summary of areas requiring further research for final stage IA

Measure or area	**Likely scale of change in cost or saving**	**Further work to be undertaken**
Model of installations over time requires further refinement (see paragraphs 53 to 56)	This consultation stage IA has taken a pragmatic approach in forecasting the number of installations in scope in light of expected changes in decommissioning rates. Refinement of this model may lead to **either an increase or decrease in costs to industry** depending on whether the decommissioning rates were higher or lower than currently assumed.	Further work will be undertaken with DECC's Decommissioning Unit to produce robust and defensible estimates during consultation.
Competent Authority set-up costs under Option 5 (see paragraphs 170 to 174)	This has been estimated using rough proxies for this consultation-stage IA. Revision may lead to **either an increase or decrease in costs recovered from industry**.	Further work will be undertaken with the Competent Authority joint working group to assess these costs as their plans develop during consultation.
Competent Authority management costs under Options 4 and 5 (see paragraphs 189 to 190)	This was not able to be estimated in this consultation stage IA. It is expected to be a **large ongoing cost to be recovered from industry** as the management costs under Option 2 and 3 are estimated to be substantial.	Further work will be undertaken with the Competent Authority joint working group to assess these costs as their plans develop during consultation.
Cost of reporting systems for industry and Government (see paragraphs 180 and 389)	For the implementing Act on data reporting criteria and format, this consultation stage IA has estimated the cost of updating reporting systems quite roughly. Revision may lead to **either an increase or decrease in costs recovered from industry**.	Further work will be undertaken with HSE's IT service providers as their plans develop to deliver the systems and evidence will be sought from industry during consultation.
Number of 'brought forward' OPEP reviews (see paragraphs 257 and 406)	The number of OPEP reviews expected to take place earlier than they would otherwise has not been estimated at this stage. Estimation of this is expected to result in a **small additional cost to be recovered from industry**.	Further work will be undertaken during consultation as part of the modelling of installation numbers over time (see above) to estimate this impact for the final stage IA.

Measure or area	Likely scale of change in cost or saving	Further work to be undertaken
Proportion of installations needing to take greater action to maintain IERP (see paragraph 326)	The focus group estimated that only some fraction of installations would need to take additional action to keep the IERP up to date, but could not estimate what this fraction might be. This consultation-stage IA has used a range of percentages to test for sensitivity and revision may lead to **either a slight increase or slight decrease in costs to industry**.	Further evidence will be sought from industry during consultation.
Independent Competent Person to consider well notification and material changes to well notifications (see paragraphs 375 to 376)	This was not able to be estimated in this consultation stage IA. It is expected to be a **small ongoing cost to industry** as in some cases procedures are already informally in place.	Further information will be gathered through consultation as to the expected scale of this cost. If it is proportionate, further evidence will be gathered from industry to estimate costs.
Number of new CMAPPs to be prepared each year by owners/operators (see paragraph 343)	It is estimated that the numbers used in this consultation stage IA represent a maximum figure and probably include a degree of double-counting. Revision would therefore likely lead to **slightly reduced ongoing costs to industry**.	Further work will be undertaken as part of the modelling of installations over time (see above) to identify and eliminate double-counting.
Costs to industry of changes in legislation to implement Article 38 (see paragraphs 467 to 471)	The costs of compliance with Article 38 have not been estimated in this consultation-stage IA. Monetisation of this for the final stage IA has the potential to show a **large cost to industry**.	Further investigation and evidence gathering with stakeholders during consultation.

10 Rationale and evidence that justify the level of analysis used in the IA (proportionality approach)

502. The methods used to collect evidence on the costs to industry for this consultation stage IA are described in Section 6. In summary, they have consisted of two phases of focus group meetings with industry representatives. These have allowed us to estimate costs of compliance with the onshore and offshore major hazard regulations as they currently stand and the costs necessary to achieve compliance with the proposed changes under the Directive. The close involvement of industry in this process has allowed us to better understand the measures industry would need to take to achieve compliance and the costs they would incur in doing so.

503. Further evidence on the costs to the CA to be recovered from industry has been gathered through questionnaires and discussions with representatives from the CA joint working group and inspectors/specialists from both HSE and DECC.

504. Considerable resource both in terms of the time of officials and of industry have gone into the analysis in this Impact Assessment. This is thought to be proportionate to the significant impact on industry and Government resulting from the Offshore Safety Directive. Where there are still gaps in the analysis, they are clearly highlighted in the text and in Table 13 and will be covered during consultation.

11 Direct costs and benefits to business calculations (following OITO methodology)

505. Option 2, the preferred option, has an estimated present value cost of between around £74.5 million and £220 million, with a best estimate of around £143 million. These costs would all be borne by industry, either directly or through cost recovery by the Offshore Competent Authority.

506. Nearly all of this cost is accounted for by measures to comply with the Offshore Safety Directive. However, the costs also include a present value cost to business of between around £0.56 million and £0.68 million with a best estimate of around £0.62 for brining underground coal gasification in scope of the onshore major hazard regulations under Directive 92/91.

507. No monetised benefits have been estimated.

508. The Equivalent Annual Net Cost to Business of Option 2 is estimated to be around £12.7 million in 2009 prices, in keeping with the OITO methodology. These costs are incurred through compliance with European Directives and so are out of scope of OITO. Where Directive measures are gold plated, this maintains a current standard and therefore does so at zero additional cost.

12 Wider impacts

509. Wider impacts have been considered and no impacts have been identified for:

- Statutory Equality Duties;
- Competition
- Human Rights;
- Justice System;
- Rural Proofing, and
- Social Impacts
- Sustainable development

12.1 Competition

510. Companies will be required to provide evidence that they have financial liability arrangements in place to meet the costs associated with an oil pollution incident. The industry is already providing evidence in relation to exploration and appraisal well drilling and there has been no indication that this impacted negatively on smaller companies. The requirement will now be extended to production operations, but it is not considered that this will place a significant new burden on the industry as it is considered that they will already have such provision in place.

12.2 Small and Micro-businesses

511. European Directive requirements apply to all businesses, therefore small and micro businesses will need to comply with the new legislation that implements these requirements. However, it is important to note that major hazard risks are not proportionate to business size, and the potential for poorly managed risks leading to a major accident with catastrophic consequences is the same for small businesses as it is for large international companies. In the light of the Deepwater Horizon disaster (Gulf of Mexico 2013) and the subsequent close scrutiny of the UK offshore industry, it is crucial that all businesses operating offshore, regardless of size, are subject to the same regulatory regime to ensure that they continue to provide a high level of protection for the safety of the workforce and the marine environment.

512. There is one proposal in this Impact Assessment that is not derived from a European Directive, for new domestic requirements that relate to combustible gas storage and recovery. The small business assessment has highlighted that the majority of companies involved in this activity are not micro businesses, but there are one or two operators who may have fewer than 10 employees. However, the major hazard risks associated with onshore gas storage and recovery (e.g. hydrocarbon gas being released and ignited leading to an explosion) are not proportionate to the number of employees. These risks can result in death or injury to workers and the public, as well as damage to assets and the reputation of an emerging energy technology. In order to avoid the devastating impacts of such major accidents, it is important to apply the same approach to managing and controlling these risks to all businesses. The reality is that all businesses working in this sector (large or small) are currently voluntarily complying with the standards.

513. This robust regulatory approach also provides assurance to industry that all businesses, regardless of size, are operating to the same required standard. It could be argued, therefore, that this regime creates a level playing field and enables smaller businesses to compete with larger companies. If the requirements were not applied to smaller businesses, they might find it harder to tender for contracts and would actually be placed at a competitive disadvantage.

12.3 Environmental impacts

514. We have considered the criteria for wider environmental impacts and not consider that there is anything that needs to be addressed other than the environmental impacts that are addressed in the main body of the IA and in the benefits section.

12.4 Health and Well Being

515. We have considered the criteria for wider health and wellbeing impacts and do not consider that there is anything that needs to be addressed other than the health and safety impacts that are addressed in the main body of the IA and in the benefits section

13 Summary and preferred option with description of implementation plan

516. The Directive requires member states to establish a new offshore CA. The preferred option (Option 2) is to extend DECC and HSE's existing arrangements and establish a partnership CA that will oversee industry compliance with the Directive and deliver the CA functions specified in the Directive.

517. The implementation plan is to maintain as much as possible of the current offshore safety and environmental regulatory regimes and minimise burdens on industry. Many of the Directive requirements are already met by domestic legislation or existing arrangements and

these will be extended or amended to incorporate new requirements. The majority of requirements will be implemented via new Offshore Installations (Safety Case) Regulations 2015 (SCR 2015) which will replace the SCR 2005. The remaining requirements will be implemented via the Offshore Petroleum Activities (Offshore Safety Directive) Regulations 2015 that will amend the Merchant Shipping (Oil Pollution Preparedness, Response Co-operation Convention) Regulations 1998. Where is it considered proportionate to maintain a pre-existing standard higher than required by the Directive, this has been retained.

518. Option 2 imposes a ten-year present value cost on society of between around £74.5 million and £200 million, with a best estimate of around £143 million. All of this cost would be borne by industry, either directly or through cost recovery by the Offshore Competent Authority. This gives an Equivalent Annual Net Cost to Business of around £12.7 million in 2009 prices. As these measures implement European Directives, they are out of scope of OITO.

Annex: Glossary of Acronyms

BSOR	Borehole Sites and Operations Regulations 1995
CA	Competent Authority
CMAPP	Corporate Major Accident Prevention Policy
COMAH	Control of Major Accident Hazards Regulation 1999
DECC	Department for Energy and Climate Change
DECC OGED	Department for Energy and Climate Change Offshore Oil and Gas Environment and Decommissioning
Defra	Department for Environment, Food and Rural Affairs
DCR	Offshore Installations and Wells (Design and Construction, etc) Regulations 1996
DfT	Department for Transport
ECE	Environment-Critical Element
ELD	Environmental Liability Directive
EMS	Environmental Management System
EO	Executive Officer
EUOAG	European Union Offshore Oil and Gas Authorities Group
FEC	Full Economic Cost
HASWA	Health and Safety at Work etc Act 1974
HEO	Higher Executive Officer
HSE	Health and Safety Executive
HSE ED	Health and Safety Executive Energy Division
IA	Impact Assessment
ICP	Independent Competent Person (or well verifier)
IERP	Internal Emergency Response Plan
MAR	The Offshore Installations and Pipeline Works (Management and Administration) Regulations 1995
MCA	Maritime and Coastguard Agency
MoU	Memorandum of Understanding
MSFD	Marine Strategy Framework Directive
NPI	Non-Production Installation
NPV	Net Present Value
ONR	Office for Nuclear Regulation
OPEP	Oil Pollution Emergency Plan
OPRC	Merchant Shipping (Oil Pollution Preparedness, Response Co-operation Convention) Regulations 1998
OSPAR	Offshore Petroleum Activities (Offshore Safety Directive) Regulations
PFEER	The Offshore Installations (Prevention of Fire and Explosion, Emergency

	Response) Regulations 1995
PI	Production Installation
RIDDOR	Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 2013
SCE	Safety-Critical Element
SCR	Offshore Installations (Safety Case) Regulations
SECE	Safety- and Environmental-Critical Element
SEO	Senior Executive Officer
SEMS	Safety and Environmental Management System
SMS	Safety Management System
SoS	Secretary of State
UCG	Underground Coal Gasification
UKCS	United Kingdom Continental Shelf

Annex 7 – Glossary

A

ACoPs	Approved Code of Practice
AOGBO	Health and Safety at Work etc. Act 1974 (Application Outside Great Britain) Order 2013

B

BSOR	Borehole Sites and Operations Regulations 1995

C

CA	Competent Authority
CMAPP	Corporate Major Accident Prevention Policy
CoF	Certificate of Fitness
CSR	Offshore Installations (Construction and Survey) Regulations 1974

D

DA	Devolved Administrations
DECC	Department of Energy and Climate Change
Defra	Department for Environment, Food and Rural Affairs
DCR	Offshore Installations and Wells (Design and Construction, etc) Regulations 1996
DfT	Department for Transport
DPA	Data Protection Act 1998

E

EC	European Commission
ECE	Environment-Critical Elements
ED	Health and Safety Executive's Energy Division
EIA	Environmental Impact Assessment
EIR	Environmental Information Regulations 2004
ELD	Environmental Liability Directive
EMS	Environmental Management System
ES	Environmental Statement
EU	European Union

EUOAG	European Union Offshore Oil and Gas Authorities Group
F	
FOIA	Freedom of Information Act 2000
G	
GMC	General Medical Council
H	
HSWA	Health and Safety at Work etc Act 1974
HSE	Health and Safety Executive
I	
IA	Impact Assessment
ICR	Offshore Installations (Inspectors and Casualties) Regulations 1973
IERP	Internal Emergency Response Plan
IMO	International Maritime Organisation
IOER	Integrated Offshore Emergency Response Plan
L	
LED	DECC's Licensing, Exploration and Development unit
M	
MAR	Offshore Installations and Pipeline Works (Management and Administration) Regulations 1995
MCA	Maritime and Coastguard Agency
MoDU	Mobile Drilling Unit
MoU	Memorandum of Understanding
N	
NPI	Non-Production Installation
NCP	National Contingency Plan
O	
OGED	DECC's offshore Oil and Gas Environment and Decommissioning unit
OGP	International Association of Oil and Gas Producers
OIAC	Offshore Industry Advisory Committee
OITO	One-In-Two-Out

OPEP	Oil Pollution Emergency Plan
OPRC	The International Convention on Oil Pollution Preparedness, Response and Co-operation
OPRC 1998	Merchant Shipping (Oil Pollution Preparedness, Response Co-operation Convention) Regulations 1998
OSDEF	Offshore Petroleum Activities (Offshore Safety Directive) (Environmental Functions) Regulations 2015
OSPAR Convention	Convention for the Protection for the Marine Environment of the North East Atlantic

P

PoB	Persons on Board
PFEER	The Offshore Installations (Prevention of Fire and Explosion, Emergency Response) Regulations 1995
PWA	Pipeline Works Authorisation
PON1	Petroleum Operations Notice No.1 (Pro-forma for reporting Oil and Chemical Releases/discharges from Offshore Installations and Pipelines**)**

R

RPC	Regulatory Policy Committee
RIDDOR	Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 2013

S

SAR	Search and Rescue
SCE	Safety-Critical Elements
SCR 2005	Offshore Installations (Safety Case etc.) Regulations 2005
SCR 2015	Offshore Installations (Offshore Safety Directive) (Safety Case etc.) Regulations 2015
SECE	Safety and Environmental-Critical Elements
SEMS	Safety and Environmental Management System
SMS	Safety Management System
SOLAS	International Convention for the Safety of Life at Sea 1974 (SOLAS)
SOPEP	Ship Oil Pollution Emergency Plan
SPIRs	Submarine Pipelines (Inspectors etc) Regulations 1977

T

TEMPSC	Totally Enclosed Motor Propelled Survival Craft

U

UCG	Underground Coal Gasification
UKOOA	United Kingdom Offshore Operators Association
UKCS	United Kingdom Continental Shelf