Managing Major Hazard Process Safety Using Key Performance Indicators (KPIs)

Martin H Goose FIChemE
Institution of Chemical Engineers – ChemEnvoy for Safety and Loss Prevention
Formerly Head of Major Hazards Assessment Unit, HSE Hazardous Installations Directorate, UK
Synopsis

- The need for KPIs/PSPIs/PSPMs
- Likely Benefits
- KPIs in a 'Process Safety Framework'
- Setting Indicators
- Leading/Lagging Indicators
- 6 Steps to Implementation
- Case Studies etc.
- References
The Need for KPIs

- Reduce the likelihood of Major Accidents
  - High Consequence
  - Low Frequency
- Cannot correlate with lost time accident performance
- Need to monitor the conditions and events that might lead to a Major Accident and act upon poor performance with those
Likely Benefits

- An increased assurance on risk management and protected reputation;
- Demonstrated the suitability of their risk control systems;
- Avoided discovering weaknesses through costly incidents;
- Stopped collecting and reporting performance information which was no longer relevant – thereby saving costs; and
- Made better use of information already collected for other purposes, e.g. quality management.
Process Safety Framework

- **What first?**
  - Good engineering practice, codes and standards
- **What if?**
  - HAZID, HAZOP
- **What then?**
  - Source terms and effects modelling
- **Then what?**
  - Frequency modelling and vulnerability
- **So what?**
  - Comparison with criteria
- **Do what?**
  - Identification of further measures and cost benefit analysis
- **What else?**
  - Ensuring the process stays safe
    - Audit, review, **KPIs**, learning from accidents/incidents
MAJOR HAZARD

Hazard Identification

Activity/Processes:
- Storage
- Reacting
- Separating, Distillation
- Mixing, Blending
- Product Transfer
- Propagating
- Concentrating

Hazardous-Property: Condition
- Volume
- Stage in Plant Life Cycle - where relevant

Intrinsic Hazard
- Toxic
- Flammable
- Reactive
- Corrosive
- Explosive
- Infectious

Physical Property
- Temperature
- Pressure
- Solid
- Liquid
- Gas

Risk Assessment

Risk Profile

Probability
- Potential Impact/Consequences

Challenges to Integrity or Containment
- Overfilling
- Corrosion
- High/Low Pressure
- High/Low Temperature
- Human Error
- Physical Damage

Audit Programme to check the design and suitability of control measures

CHECK, MEASURE & REVIEW

Leading & lagging indicators to measure performance of control measures

Leadership To set an effective vision and culture for major hazard management

Innovative Hazard

MAJOR HAZARD MANAGEMENT (the big picture)

Toxic
Flammable
Reactive
Corrosive
Explosive
Infectious

Physical Property
Temperature
Pressure
Solid
Liquid
Gas

Stage in Plant Life Cycle - where relevant

Operate
Shut Down
Modify

Plant Life Cycle

Start up

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Setting Indicators

- Ask Fundamental Questions
  - What can go wrong?
  - What controls are in place to prevent major incidents?
  - What does each control deliver in terms of a ‘safety outcome’?
  - How do we know they continue to operate as intended?
- Should have asked (and answered) most of this already!
Two Types of Indicator

- **Leading indicators**
  - Require a routine systematic check that key actions or activities are undertaken as intended
  - They can be considered as measures of process or inputs essential to deliver the desired safety outcome.
  - e.g. Number of electrical equipment inspections and tests overdue

- **Lagging indicators**
  - Show when a desired safety outcome has failed, or has not been achieved
  - e.g. Number of electrical equipment failures in use
1: Establish the organisational arrangements to implement indicators

- Appoint a steward or champion
- Set up an implementation team
- Senior management should be involved
2: Decide on the scope of the indicators

- Select the organisational level

- Identify the scope of the measurement system:
  - Identify incident scenarios - what can go wrong?
  - Identify the immediate causes of hazard scenarios
  - Review performance and non-conformances
3: Identify the risk control systems and decide on the outcomes

- What risk control systems are in place?
- Describe the outcome
- Set a lagging indicator
- Follow up deviations from the outcome
4: Identify critical elements of each risk control system

- What are the most important parts of the risk control system?
- Set leading indicators
- Set tolerances
- Follow up deviations from tolerances
5: Establish data collection and reporting system

- Collect information - ensure information/unit of measurement is available or can be established

- Decide on presentation format
6: Review

- Review performance of process management system
- Review the scope of the indicators
- Review the tolerances
Case Studies etc.

- HSE, HSG 254, part 3 - a top-tier COMAH bulk chemical storage site

- International Association of Oil & Gas Producers (IAOGP), Process safety, Upstream PSE examples Report No. 456supp, Nov 2011

- Scottish Power
Main Reference(s)

Health & Safety Executive (UK)

Developing Process Safety Indicators

HSG 254

<http://www.hse.gov.uk/pubns/books/hsg254.htm>
Main Reference(s)

Marsh Energy Practice

Process Safety Performance Indicators - PSPIs

Risk Engineering Position Paper – 04

Other References

- API RP 754 - Process Safety Performance Indicators for the Refining and Petrochemical Industries
- CCPS  - Process Safety Leading and Lagging Metrics
- IAOGP - Process Safety, Recommended Practice on Key Performance Indicators
- OECD - Guidance on Developing Safety Performance Indicators (2008), 2 versions
  - Industry
  - Public Authorities / Communities
- Energy Institute - Human factors performance indicators for the energy and related process industries
- European Process Safety Centre CEFIC-EPSC Conference