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**Report to:** Overview & Scrutiny Committee  
(Regeneration & Skills)      **Date of Meeting:** 8 November 2016

**Subject:** Shale Gas working group – update on implementing recommendations      **Wards Affected:** (All Wards);

**Report of:** Head of Regeneration and Housing

**Is this a Key Decision?** No      **Is it included in the Forward Plan?** No

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### **Purpose/Summary**

To update Members on progress with implementing the recommendations of the Shale Gas Working Group.

### **Recommendations**

1. That Members are requested to provide a view on the draft objectives for the Cross-Regulatory Working Group, membership and frequency of meetings.
2. That Members note that feedback is awaited from the Regulators on the draft objectives.

### **How does the decision contribute to the Council's Corporate Objectives?**

	<b><u>Corporate Objective</u></b>	<b><u>Positive Impact</u></b>	<b><u>Neutral Impact</u></b>	<b><u>Negative Impact</u></b>
1	Creating a Learning Community		✓	
2	Jobs and Prosperity	✓		
3	Environmental Sustainability	✓		
4	Health and Well-Being	✓		
5	Children and Young People	✓		
6	Creating Safe Communities	✓		
7	Creating Inclusive Communities		✓	
8	Improving the Quality of Council Services and Strengthening Local Democracy	✓		

**Reasons for the Recommendations:**

To advise Members of progress in implementing the recommendations of the Shale Gas Working Group.

**Alternative Options Considered and Rejected:**

Not to progress implementing the recommendations of the Members’ working group

**What will it cost and how will it be financed?**

- (A) Revenue Costs - None directly.
- (B) Capital Costs - N/A.

**Implications:**

The following implications of this proposal have been considered and where there are specific implications, these are set out below:

<b>Financial</b>	
<b>Legal</b>	
<b>Human Resources</b>	
<b>Equality</b>	
1. No Equality Implication	<input checked="" type="checkbox"/>
2. Equality Implications identified and mitigated	<input type="checkbox"/>
3. Equality Implication identified and risk remains	<input type="checkbox"/>

**Impact of the Proposals on Service Delivery:**

Implementing the recommendations of the Working Group will clarify Council expectations in relation to proposals for Shale Gas within the Borough, and in particular the role of a Cross-Regulator Officer Working Group.

**What consultations have taken place on the proposals and when?**

The Head of Corporate Resources has been consulted (FD 4364/16) and notes the report indicates no direct financial implications for the Council.

Head of Regulation & Compliance has been consulted and any comments have been incorporated in the report (LD 3647/16).

**Implementation Date for the Decision**

Following the expiry of the “call-in” period for the Minutes of the meeting

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**Background Papers:**

None

## **1. Background**

1.1 Cabinet approved the recommendations of the Overview and Scrutiny Committee on 3 December 2015 and the Head of Regeneration and Housing was assigned responsibility for implementation of the recommendations. On 14 July, Full Council passed a motion on Unconventional Gas Extraction (Fracking).

1.2 Overview and Scrutiny Committee (Regeneration and Skills) received a progress update on 20 September 2016 and it resolved that:

- The draft objectives, membership and frequency of meetings of the Cross-Regulatory Working Group, be referred to the Cabinet Member for Planning and Building Control and his recommendations be submitted to the next meeting of this Committee scheduled to take place on 8 November 2016;
- The Head of Regeneration and Housing or his nominated representative be requested to meet with partners as necessary to inform the scope and the terms of reference of the Cross-Regulatory Working Group; and
- The timetable associated with the actions, as detailed in the report, be noted.

1.3 On 5 October the Government approved the planning application in Lancashire the enable horizontal fracking to take place at Cuadrilla's Preston New Road site at Little Plumpton. Two other planning applications for monitoring arrays were also approved, one at Preston New Road and the other at Roseacre Wood. Subject to compliance to pre-commencement planning conditions, development may be expected to proceed at Preston New Road during 2017.

1.4 Also on 5 October, the Government agreed to re-convene the Public Inquiry to enable more evidence to be heard with respect to transportation issues for the Roseacre Wood site in Lancashire. An outcome is therefore anticipated later in 2017.

1.5 On 12 October 2016, Environment Agency, Health and Safety Executive, Lancashire County Council, Oil and Gas Authority and Public Health England organised a "meet the regulator event" in Ormskirk. This is part of a wider engagement process to raise awareness of the role of regulators and is not specific to any development-proposal. A nominated officer took the opportunity to observe the event and to informally discuss with the Regulators, the benefits and challenges of shale development and the possible operation of a cross-regulator group in Sefton.

## **2. Update on Implementation of Actions**

2.1 The draft objectives for the Cross-Regulator Working Group to encourage and facilitate co-operation between the main Regulators for on-shore oil and gas (shale) are as follows:

(i) – To inform what Sefton Council expects from Shale Gas and Oil development proposals to enable cost-effective, joined-up and robust Regulation.

(ii) – To provide a confidential mechanism for early co-operation between Regulators in relation to Shale Gas and Oil development issues and proposals.

(iii) – To facilitate delivery of regulatory functions by informing the scope of the evidence and technical assessments required for Shale Gas and Oil development proposals.

(iv) – To provide a confidential mechanism to provide early feedback to Shale Gas and Oil development sector (normally the proposer or their nominated advisor) prior to commencement of formal planning or other regulatory processes and; provide an early opportunity for the Shale Gas and Oil development sector to reassure the Council and other Regulators on effects relating to safety, health, communities and the environment (amongst others’).

(v) – To raise awareness of the significant issues likely to be encountered within the Borough of Sefton and adjacent administrative areas and learn from experience elsewhere.

(vi) – To inform the scope of corporate communications from the Regulators in relation to Shale Gas and Oil generally and specific development proposals.

(vii) – To help ensure that the Regulators have access to the necessary technical capacity and resources to deliver effective regulation.

(ix) – To ensure that the practices, procedures, experience and knowledge is shared with adjacent administrative areas including other parts of the Liverpool City Region.:

- Inform pre-application discussions for proposed shale development, case by case;
- Avoid the duplication of regulatory processes and ensure that joined-up, effective regulation and planning control is delivered for the Borough;
- Ensure that the evidence upon which regulatory assessments are based is appropriate in detail and scope;
- Provide a means of open scrutiny and early discussion of issues and matters that need to be addressed as part of the decision-taking process.

2.2 Feedback is awaited from Environment Agency, Health and Safety Executive and Public Health England on these draft objectives. However, these organisations are welcoming of the principle of a Cross-Regulatory Group and the without-prejudice, proactive approach by Sefton Council. There are also understood to be keen to share experience and learning gained from other onshore oil and gas development projects including Lancashire and North Yorkshire.

2.3 Membership of the proposed Cross-Regulator Working Group will be drawn from a range of organisations such as Public Health England, Environment Agency and Health and Safety Executive and, Council Departments and Members as necessary. Table 1 provides more information.

2.4 It is suggested that, once the TOR have been agreed, the frequency of meetings will be determined by the need for technical input to inform regulation of development proposals, if and when and how quickly, they come forward.

2.5 To ensure appropriate Elected Member oversight and involvement it is recommended to O&S Committee that:

- The proposed Cross-Regulator Group meets in advance of O&S Committee to enable timely feedback;
- Briefings of O&S Committee take place in advance of normal business meetings to provide an opportunity for Members to receive training in relation to onshore oil and gas development and raise issues for consideration by the Cross-Regulator Group;
- The O&S Committee will provide oversight of the Cross-Regulator Group. Specifically the Cross-Regulator Group will provide regular update reports to O&S Committee including recommendations.

2.6 Further progress reports will be provided on actions 2 – 8 at future meetings.

**Table 1**

<b>Regulator</b>	<b>Main Regulatory areas</b>
Environment Agency	Environmental permits – mining waste, onsite and offsite (treatment and disposal), regulates all emissions to ground water and surface water resources, emissions to air, radioactive substances. Abstraction licences.
Health and Safety Executive	Well integrity (design and construction), independent well verification, safety of drilling, final well plugging and decommissioning.
Public Health England	Public Health and well-being.
Oil and Gas Authority	PEDL licences, hydraulic fracture plan (monitoring and seismicity), infrastructure, operator competence, and geology / subsidence / fracture propagation.
<b>Council Department</b>	<b>Main areas of responsibility</b>
Sefton Council Planning	Minerals Planning authority, Local Plan policies, validation list, statement of community involvement, landscape & visual intrusion.
Sefton Council – MEAS	Environmental regulation – protected sites / species, land contamination, compliance - HRA, EIA, archaeology, energy infrastructure, land use.
Sefton Council - Environmental Health	Dust, noise, land contamination, lighting.
Sefton Council – Coast & Flooding	Flood risk management, coast protection, ordinary watercourse.
Sefton Council – Economic	Jobs, regeneration, supply chain.

Development	
Sefton Council – Technical Services	Transport and access including Transport Impact Assessment.
Sefton Council – Public health	Public health, health impact assessment.
<b>And the following organisations on a case by case basis upon invitation:</b>	
Natural England	Protected sites and species including Natura 2000 sites
Hazardous Substances Authority (if not Planning authority)	Control of major hazards and issuing of hazardous substances consents.
Sefton Council – Corporate	Communications, media and public relations
British Geological Survey	Monitoring arrays, potential of resources.

### **3. Issues Raised by O&S Committee on 20 September 2016**

- 3.1 A presentation will be made to O&S Committee on 8 November which will brief Elected Members on the issues and questions raised on 20 September 2016.