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| <b>Report to:</b>                    | Overview and Scrutiny Committee (Regeneration and Skills) | <b>Date of Meeting:</b>          | Tuesday 19 September 2017 |
| <b>Subject:</b>                      | Shale Gas Working Group position report                   |                                  |                           |
| <b>Report of:</b>                    | Head of Regeneration and Housing                          | <b>Wards Affected:</b>           | (All Wards);              |
| <b>Portfolio:</b>                    | Regeneration and Skills                                   |                                  |                           |
| <b>Is this a Key Decision:</b>       | No  | <b>Included in Forward Plan:</b> | Yes                       |
| <b>Exempt / Confidential Report:</b> | No  |                                  |                           |

**Summary:**

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

**Recommendation(s):**

That Members are requested to note the position and progress.

**Reasons for the Recommendation(s):**

To advise Members of the position regarding the recommendations of the Shale Gas Working Group.

**Alternative Options Considered and Rejected:** (including any Risk Implications)

Not to progress implementing the recommendations of the Members' Shale Gas Working Group.

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

**(A) Revenue Costs**

None directly, resourcing of the Council response to shale developments will be required if and when they come forward.

**(B) Capital Costs**

N/A

**Implications of the Proposals:**

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| <b>Resource Implications (Financial, IT, Staffing and Assets):</b> |
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| <b>Legal Implications:</b>          |
| <b>Equality Implications:</b>       |
| There are no equality implications. |

**Contribution to the Council’s Core Purpose:**

Not directly applicable.

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| Protect the most vulnerable:   |
| Facilitate confident and resilient communities:<br>Positive impact through an effective system of planning control and environmental regulation for shale development. |
| Commission, broker and provide core services:  |
| Place – leadership and influencer:   |
| Drivers of change and reform:  |
| Facilitate sustainable economic prosperity:  |
| Greater income for social investment:  |
| Cleaner Greener:<br>Positive impact through an effective system of planning control and environmental regulation for shale development.                                |

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

**(A) Internal Consultations**

The Head of Corporate Resources (FD 4839/17) notes the report indicates no direct financial implications for the Council at this stage. In recent years there have been no formal inquiries to Sefton planning or MEAS with regards to proposed shale oil and gas development in Sefton. However resourcing of the Council response to shale developments will be required, if and when they come forward. The Head of Regulation and Compliance (LD 4123/17) has been consulted and any comments have been incorporated into the report.

**(B) External Consultations**

Not applicable.

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|-------------------------|----------------------------|
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### **Appendices:**

There are no appendices to this report.

### **Background Papers:**

There are no background papers available for inspection.

## **1. Introduction/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 2016, Full Council passed a motion on Unconventional Gas Extraction (Fracking).

1.2 Overview and Scrutiny Committee (Regeneration and Skills) received progress updates on 20 September 2016 and 8 November 2016.

1.3 Since then shale developments have regularly been in the regional and national news especially with respect to projects in Lancashire at the Cuadrilla sites where there have been well-reported legal challenges and direct action. However, during the intervening period there have been no formal inquiries to Sefton planning or MEAS with regards to proposed shale oil and gas development in Sefton.

1.4 This position report therefore provides a brief update on actions since the last reporting period and sets out target activity.

## **2. Update on Actions**

### Action 1 - Cross-Regulator Working Group

2.1 Environment Agency (EA), Health and Safety Executive (HSE) and Public Health (PHE) England were all consulted informally on the draft objectives for the Cross-Regulator Working Group. All were supportive of the positive step by Sefton and did not have significant comments on the objectives. In the absence of mineral planning applications, requests for pre-application advice and no requests coming forward from industry for dialogue none of EA, HSE or PHE considered that it was necessary for the cross-regulatory working group to be set up for the time being.

2.2 As part of the informal consultation EA suggested that MEAS should be invited onto the Lancashire Shale Gas Forum to maintain a watching brief, keep informed regarding developments and share good practice. It is understood that a similar invitation was made to other Minerals Planning Authorities in the North West. The meetings early in 2017 were all postponed and it is understood that the Forum is not currently meeting. Should the position change then MEAS will attend and provide feedback to Committee as appropriate.

### Action 2 – Good Practice and Expectations Document

2.3 The Sefton Local Plan was adopted in April 2017 and to date there have been few tests of Mineral Policy NH8 and none with respect to shale. Due to workload within Planning Services and MEAS progress has yet to be made on the proposed “Good Practice and Expectations Document”. This will be kept under review especially in respect to industry activity in the area.

#### Action 3 - Local Validation List

2.4 Sefton Local Plans team is proposing to consult on the revised validation checklist in autumn 2017. A generic shale oil and gas development validation list will be prepared and the link provided on Sefton’s planning portal. The information to accompany development proposals will be agreed on a case by case basis for each shale proposal as it comes forward. To facilitate this process, the industry will be encouraged to enter into pre-application discussions with Planning Services.

#### Action 4 - Sefton Council’s Statement of Community Involvement

2.5 The Statement of Community Involvement (SCI) will be updated by Planning Services, to take into account onshore oil and gas issues, including shale. The follows actions have been completed:

- Scoping Consultation – completed October /November 2016;
- Consultation response document – completed February 2017;
- Draft document to be discussed at Overview & Scrutiny Committee (Regeneration and Skills) 19 September 2017.

#### Action 8 – Resourcing Regulatory and Monitoring requirements

2.6 An informal meeting took place with an officer of Lancashire County Council on 29 March 2017. This was helpful in terms of their on-going experiences regarding the planning process, consultation and approach to communications and information requests.

2.7 Officer workload in dealing with mineral planning applications for shale development is likely to be very substantial. The impact is not restricted to planning colleagues and environmental advisors but has a high likelihood of significant time-cost and knock-on effects for other Council services especially in relation to amenity issues, communications, health, information requests, legal and transport. It is prudent to anticipate that Elected Members will need to be well-supported with evidence and information to assist them in responding to requests from their communities.

### **3. Target Activity**

Action 1: Establish Cross-Regulator Working Group in response to need e.g. if and when any pre-application engagement with industry commences.

Timescale: tbc.

Action 2 – Prepare Good Practice and Expectations Document setting our Sefton’s expectations of the onshore oil and gas industry.

Timescale: draft document to Planning Services March 2018 and then to a future meeting of O&S Committee (Regeneration & Skills).

#### Action 3 – Local Validation List

Timescale: Consultation – autumn 2017.

Action 4 - Sefton Council's Statement of Community Involvement

The revised timetable is as follows:

- Draft document to be approved for consultation – 20 September 2017.
- Consultation on draft document - November/December 2017;
- Adoption - March 2018.

Actions 5, 6 and 7 - These actions are that the Head of Regeneration and Housing be requested to ensure:

- Action 5 - an Environmental Statement accompanies development that requires it when assessed against the EIA Regulations;
- Action 6 - that Environmental Monitoring Plans are agreed at each stage of the shale gas and oil development cycle;
- Action 7 - that in respect of the Habitats Regulations any applicant should be advised to engage in early pre-application discussion to ensure that the baseline information provided enables Sefton Council to complete the assessment of likely significant effects of proposed projects.

2.7 Actions 5 – 7 will be included within the scope of the proposed Good Practice and Expectations Document as per Action 2. Members should note that new EIA Regulations came into effect in April 2017 and these will be used to screen any shale development proposals should they be submitted. Actions 5 – 7 depend on industry coming forward with proposals for shale oil and gas development.

Timescale: To date no such proposals have come forward so there is nothing to report.

Action 8 – Resourcing Regulatory and Monitoring requirements will be given further consideration including likely resource implications for the Council will be reported in due course.

Timescale: Resourcing Plan for Regulatory and Monitoring requirements to be provided to O&S during 2018.