

Environment Transport and Localities Committee

Title:	The 14 th Round of Licensing for Onshore Oil and Gas
Date:	2 nd September 2014
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Local members affected:	See attached Appendix of Electoral Divisions

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Summary

The Government has published a further round of Licensing for Onshore Oil and Gas, and further material on the 'Planning Practice Guidance' website. Appropriate planning policies concerning onshore oil and gas extraction will need to be developed in the forthcoming 'Replacement Minerals and Waste Local Plan'.

This report forms an update to the Committee, in accordance with previous commitments to ensure that members remained fully informed on this subject, as well as the progress of the Replacement Minerals & Waste Local Plan.

Recommendation

That this report and its contents are noted.

Supporting information to include the following if a decision is being requested:

1. The Government has published an invitation to apply for Licences for oil and gas exploration and production under the 14th Landward Licensing Round. The Department for Energy and Climate Change will consider applications for licences received no later than 2pm on 28th October 2014. All of the areas of land ('Blocks') which were included in the Strategic Environmental Assessment published in December 2013, have been included as areas available for licensing. This includes 'Blocks' on the western and southern sides of the county, (and which includes an area on the southern periphery which had a Licence previously, but which was never taken up).



INVESTOR IN PEOPLE



2. The plan in Appendix 1 indicates the location of these 'Blocks' of land available for Licensing, in relation to Electoral Divisions within the County Council. Some of the 'Blocks' of land within in the areas available for the 14th Licensing round are within the Chilterns Area of Outstanding Natural Beauty.
3. As the report to Members in September 2013 indicated, the historic drilling of land within Buckinghamshire showed some evidence of conventional gas, but not in commercial quantities. Since these initial findings there has been no further interest in exploring for oil and gas within the County. However the tax regime for the oil and gas industry has been amended recently, and been made more favourable. In addition, 'unconventional resources' are now increasingly being explored within the UK, (which includes Coal Bed Methane, and Oil and Gas from Shales).
4. While commercially-viable quantities of conventional gas resources do not appear to be present within the 'Blocks' in Buckinghamshire which are presently available for Licensing, there is always the possibility that Shales may be present, which may have oil and gas trapped within them. (There are no coal-bearing strata in Buckinghamshire). However from considering the geological conditions which are most suited to the presence of oil and gas bearing Shales, it would appear unlikely that gas bearing shales are present in Buckinghamshire.
5. Nevertheless, this cannot be entirely ruled as a possibility, and oil and gas will be an issue that will need to be considered within the 'Replacement Minerals and Waste Local Plan', which is due to start its preparations in the autumn of 2014. The land use implications of this form of mineral extraction development will need to be considered, and the role of the County Council as a Mineral Planning Authority identified, and made clear. This is especially important since there are a number of other regulatory bodies involved in these forms of development.
6. As well as publishing the 14th Round of Landward Licensing for Onshore Oil and Gas, the Government has also added to the 'Planning Practice Guidance' website, specifically concerning oil and gas. The Government published the 'Planning policy statement on onshore oil and gas' in July 2013, and the 'Planning Practice Guidance' website offers guidance concerning the implementation of national policies. The new sections of the 'Planning Practice Guidance' include:
 - *The Phases of onshore hydrocarbon extraction*
This details the three phases of exploration, appraisal, and production.
 - *How mineral planning authorities plan for hydrocarbon extraction*
This section sets out the methods to manage potential conflicts, and highlights how proposals may come forward are to be set out within Local Plans. These include identifying existing or potential future Licence areas in Local Plans, and criteria-based policies.
 - *The planning application process*
This section distinguishes between those aspects regulated by the planning process, and those that can be left to other regulators. There exist a number of issues which are covered by other regulatory regimes, and Mineral Planning Authorities are advised to assume that these regimes will operate effectively. (This is a long standing principle in the planning system, that planning decisions should not duplicate or undermine the pollution protection regime, but assume that it will operate effectively.) Whilst these issues may be put before mineral planning authorities, they should not need to carry out their own assessment as they can rely on the assessment of other regulatory bodies. However, before granting planning permission they will need to be satisfied that these issues can or will be adequately addressed by taking the advice from the relevant

regulatory body. Issues include mitigation of seismic risk, well design and construction, well integrity during operation, operation of surface equipment on the well pad, mining waste, chemical content of hydraulic fracturing fluid, flaring or venting of any gas produced, final off-site disposal of water, well decommissioning and/or abandonment.

- *Development Management Procedures*

Statutory consultees for planning applications play an important role at the pre-application stage of hydrocarbon extraction since they will be involved in providing advice to the mineral planning authority on a formal planning application. In the case of hydrocarbon extraction, relevant non-statutory consultees such as the Health and Safety Executive also play an important role.

- *Environmental Impact assessment*

Whilst all applications must be assessed on a case-by-case basis, it is unlikely that an Environmental Impact Assessment will be required for exploratory drilling operations which do not involve hydraulic fracturing. However, when considering the need for an assessment, it is important to consider factors such as the nature, size and location of the proposed development (selection criteria for screening Schedule 2 development are set out in Schedule 3 to the Environmental Impact Assessment Regulations).

7. Applications for the production phase are also likely to fall under paragraph 2 of Schedule 2 to the 2011 Environmental impact assessment Regulations, in which case they should be screened for likely significant effects, but applications where more than 500 tonnes of oil or 500,000 cubic metres of gas will be extracted per day may fall under Schedule 1, in which case an Environmental Impact Assessment is mandatory. Environmental Impact Assessment is a method of obtaining more detailed, and more structured information concerning the environmental implications of certain kinds of development.

- *Determining the planning application*

In this section of the 'Planning Practice Guidance' any consideration of alternative sources of energy, or demand, is not relevant, since Mineral Planning Authorities are advised specifically to take account of Government energy policy, as set out in the 'Annual Energy Statement'.

- *Aftercare and restoration*

Planning conditions and obligations may be used to secure appropriate reclamation of the land following drilling.

- *Annex A: Shale Gas and Coalbed Methane/Coal Seam Methane*

This section explains what shale gas is, coal bed methane, hydraulic fracturing,

- *Annex B: Outline of process for drilling an exploratory wells*

This section includes a flow chart of the stages of different regulatory consents.

- *Annex C: Model planning conditions for surface area*

This section includes model planning conditions concerning the issues that may affect the surface area of the drill pad, including water, visual intrusion and landscaping, dust and air quality, noise, lighting, soils, protected species and habitats, and restoration and aftercare.

8. Any potential operator who receives a Licence from DECC will also need planning permission in order to carry out exploratory drilling, as well as a Permit from the Environment Agency, and a Well consent from the Health and Safety Executive. Other bodies may also be involved depending upon the nature of the development, such as:

- a. the Coal Authority, whose permission will be required should drilling go through a coal seam; (does not apply within Buckinghamshire)
 - b. Natural England, who may need to issue European Protected Species Licences in certain circumstances;
 - c. the British Geological Survey, who need to be notified by licensees of their intention to undertake drilling and, upon completion of drilling, must also receive drilling records and cores; and
 - d. Hazardous Substances Authorities, who may need to provide hazardous substances consents.
9. This report stresses the key role of the County Council as a Mineral Planning Authority, since the planning application process tests whether the use of the land is acceptable. To carry out this role the County Council will need to develop up-to-date local planning policy with respect to the exploration for and extraction of, oil and gas, so that the County Council Development Control Committee will be able to make better informed decisions on any applications that may come forward. A new Local Plan, called the 'Replacement Minerals and Waste Local Plan' will undergo its first public consultation later this year, concerning policy issues and alternatives. A 'Communication Plan' for the development of the RMWLP has been produced, and this includes the intention to brief Members in advance of each consultation stage. The subject of oil and gas will be an issue to be considered within the new Local Plan.
10. The 'Planning Practice Guidance' makes it clear that considerations of alternative sources of supply, and the demand for oil and gas, are to be looked at through the 'Annual Energy Statement 2013' published by the Government each year. The 'Annual Energy Statement 2013' stresses that: *'The Government is committed to ensuring that the regulatory, planning and fiscal regimes enable the onshore industry to establish what the commercial prospects in the UK may be for unconventional oil and gas. The Government will make sure that the exploration and extraction can be carried out safely and with full regard for the protection of the environment.'*
11. To conclude, although onshore oil and gas production is presently a small percentage of supply, the Government is committed to maximising its potential to contribute to overall supply by the changes to the tax system, and the range of regulatory regimes which apply.

Resource implications

The preparation of the Replacement Minerals and Waste Local Plan is subject to identified budgetary resource from MTP.

Legal implications

All Local Plans are subject to an 'Examination in Public' after they have been submitted to the Secretary of State. It will be important to show the Inspector appointed by the Secretary of State that proposed policies and site allocations are 'justified' by evidence submitted alongside the RMWLP, and are consistent with national policy, in order for the Plan to be legally compliant, and 'Sound'. This report, and its subject matter, will need to be included in the Evidence Base which will accompany the 'Replacement Minerals and Waste Local Plan' (RMWLP), when it is submitted to the Secretary of State.

Advice has been sought from the Head of Legal and Democratic Services.

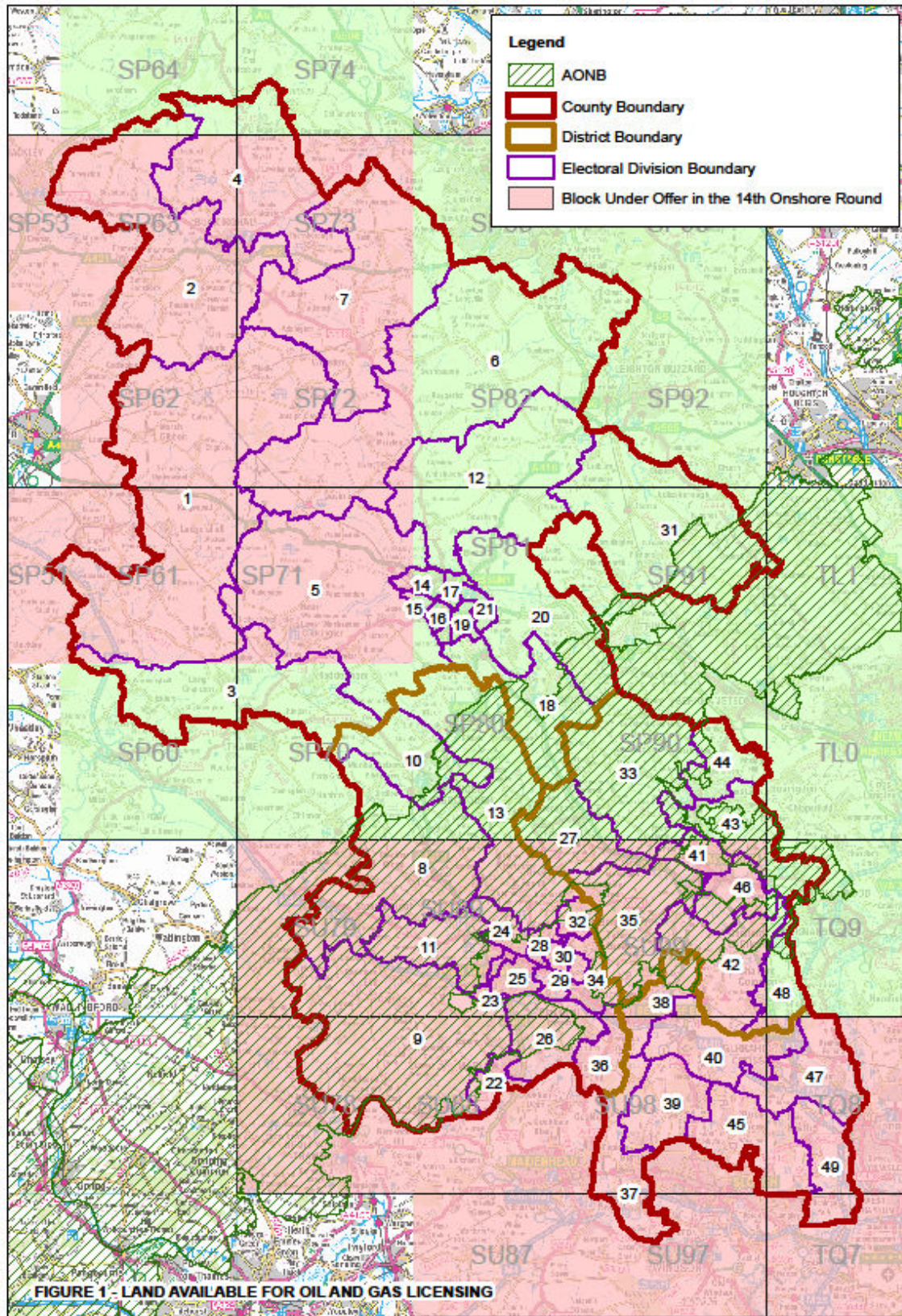
Other implications/issues

The County Council has a statutory role as 'Mineral Planning Authority' and is responsible for determining planning applications for the extraction of minerals. Under the Planning Acts 'minerals' includes oil and gas (alongside sand, gravel, and clay which are also worked in the county), and planning permission is required for its exploration beyond 28 days, and its production. This role is exercised by the Council Development Control Committee. All planning decisions are made based upon planning policy, according to section 38 of the Planning and Compulsory Purchase Act 2004.

Feedback from consultation, Local Area Forums and Local Member views

Any feedback from local Members will be reported verbally to the meeting of the Committee.

Appendix 1: Electoral divisions within Blocks available for Licensing (map and spreadsheet)



Background Papers

Planning Practice Guidance for onshore oil and gas

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/224238/Planning_practice_guidance_for_onshore_oil_and_gas.pdf

'Planning Practice Guidance' on the internet at:

<http://planningguidance.planningportal.gov.uk/blog/guidance/minerals/planning-for-hydrocarbon-extraction/the-phases-of-onshore-hydrocarbon-extraction/>

Report to Environment, Transport and Localities Committee 25th September 2013

<http://moderngov/documents/s43996/ETL%20select%20committee%20report%20Fracking%2020130822.pdf>

Report to Environment, Transport and Localities Committee 4th February 2014

<http://moderngov/documents/s46601/Fracking%20-%20combined%20papers.pdf>

Electoral Divisions available for Licensing for Oil and Gas

Electoral Divisions affected by licensing		
Label	Division	Member
1	Grendon Underwood	Angela Macpherson
2	Buckingham West	Robin Stuchbury
3	Bernwood	Margaret Aston
4	Buckingham East	Warren Whyte
5	Stone and Waddesdon	Paul Irwin
6	Great Brickhill	Janet Blake
7	Winslow	John Chilver
8	Ridgeway West	Carl Etholen
9	Chiltern Villages	Jean Teesdale
11	West Wycombe	Darren Hayday
12	Wing	Netta Glover
13	Ridgeway East	David Carroll
14	Aylesbury North-West	Andy Huxley
15	Aylesbury West	Steven Lambert
22	Marlow	Richard Scott
23	Booker, Cressex and Castlefield	Zahir Mohammed
24	Downley	Wendy Mallen
25	Abbey	Lesley Clarke
26	Flackwell Heath, Little Marlow and Marlow South-East	David Watson
27	Great Missenden	Alan Stevens
28	Terriers and Amersham Hill	Valerie Letheren
29	Ryemead and Micklefield	Julia Wassell
30	Totteridge and Bowerdean	Chaudhary Ditta
32	Hazlemere	Katrina Wood
33	Chiltern Ridges	Patricia Birchley
34	Tylers Green and Loudwater	David Shakespeare
35	Penn Wood and Old Amersham	David Schofield
36	The Wooburns, Bourne End and Hedsor	Mike Appleyard
37	Cliveden	Dev Dhillon
38	Beaconsfield	Adrian Busby
39	Farnham Common and Burnham Beeches	Lin Hazell
40	Gerrards Cross	Peter Hardy
41	Amersham and Chesham Bois	Martin Phillips
42	Chalfont St Giles	Timothy Butcher
43	Chess Valley	Noel Brown
45	Stoke Poges and Wexham	Trevor Egleton
46	Little Chalfont and Amersham Common	Martin Tett
47	Denham	Roger Reed
48	Chalfont St Peter	David Martin
49	Iver	Ruth Vigor-Hedderly