



BRIEFING PAPER

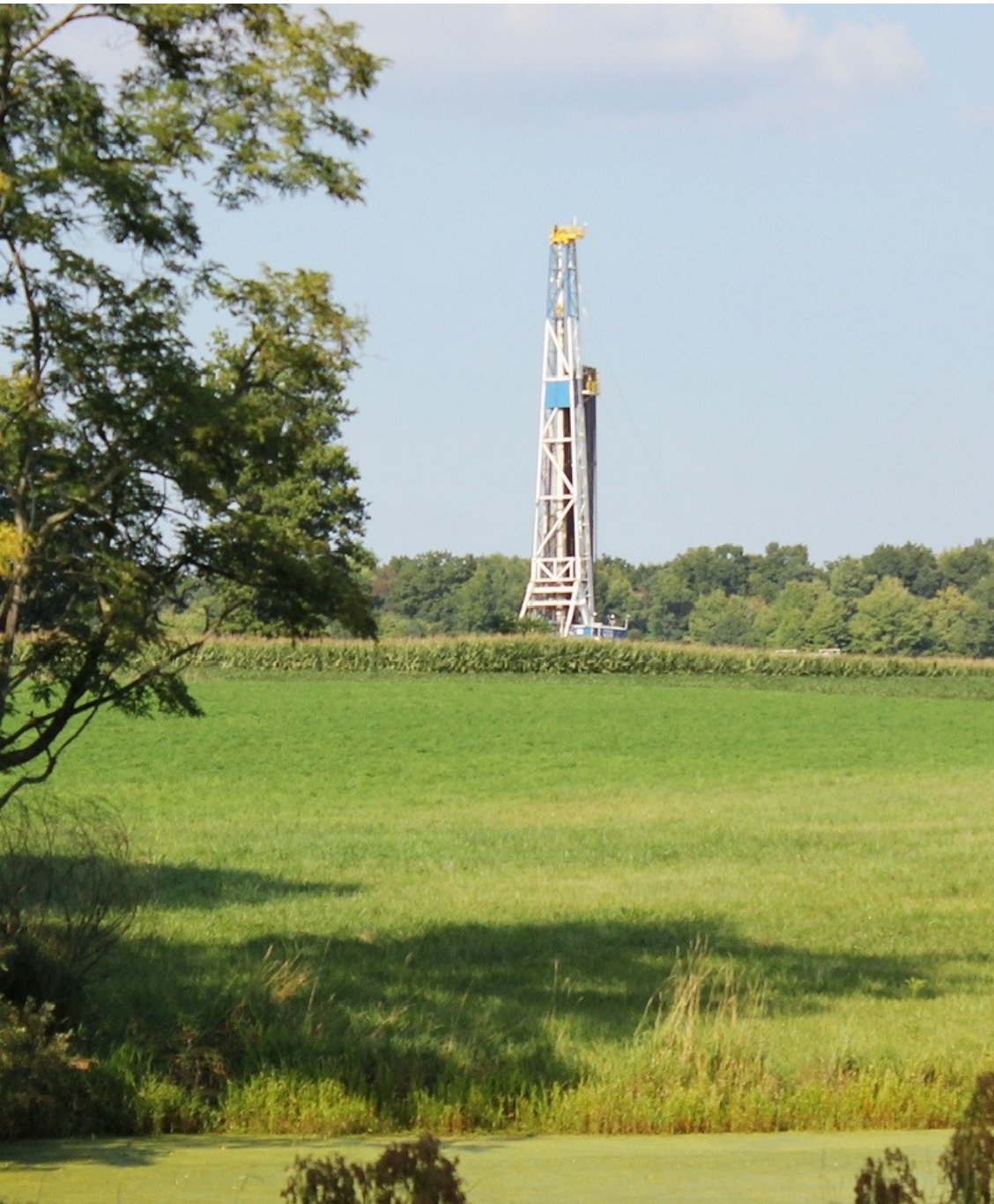
Number CDP 2016/0018, 21 January 2016

Debate Pack: Potential role of UK manufacturing in development of onshore oil and gas

By David Hough
Ed White

Inside:

1. News items
2. Press releases
3. Parliamentary Questions
4. Other parliamentary material
5. Further Reading



Contents

Summary	3
1. News items	6
2. Press releases	10
3. Parliamentary Questions	22
4. Other parliamentary material	26
5. Further Reading	38

Contributing Authors: Ed White
David Hough

Attributed to [Marcellus Shale Gas Well](#) by [wcn247](#). Licensed under [CC BY 2.0](#) / image cropped

Summary

This debate pack has been compiled ahead of the debate on *Potential role of UK manufacturing in development of onshore oil and gas* to be held in Westminster Hall on Tuesday 26 January 2016 at 09:30-11:00am.

The Member in charge of the debate is Kevin Hollinrake MP.

Debate packs are produced quickly after the announcement of parliamentary business. They are intended to provide a summary or overview of the issue being debated and identify relevant briefings and useful documents, including press and parliamentary material. More detailed briefing can be prepared for Members on request to the Library.

Onshore oil and gas industry in the UK

The onshore oil and gas industry is well established in the UK, having focused on exploiting conventional oil and gas fields. The industry is now in a phase of exploration for unconventional oil and gas. This includes using of hydraulic fracturing (or fracking) for the exploration of oil and gas shales as well as coal bed methane (CBM) extraction. At the same time, while the oil prices remains low, more costly offshore oil and gas exploration and production faces financial difficulties.

Information on the onshore oil and gas sector including the onshore regulatory framework is set out in the Commons Library Briefing Paper [Shale Gas and Fracking](#)

The [UK Onshore Oil and Gas trade \(UKOOG\) association](#) state there are:

Around 2,000 wells have now been drilled onshore in the UK with about 10% of them having been hydraulically fractured. There are currently around 120 producing sites with 250 operating wells producing between 20,000 and 25,000 barrels of oil equivalent per day. Approximately 250,000 barrels per day of produced water is disposed of safely under permits from the EA and SEPA.

The Government [states](#):

“...there is a national need to explore and develop our shale gas and oil resources in a safe, sustainable and timely way...”

Onshore petroleum resources

Shale beds are not found all over the UK. A report for DECC by the BGS on the [Unconventional Hydrocarbon Resources of Britain's Onshore Basins – Shale Gas](#) shows the British formations with most shale gas potential. The British Geological Survey (BGS) in association with the Department of Energy and Climate Change (DECC) has completed shale resource estimates for several areas in the UK. For more information follow these links:

- [Midland Valley of Scotland](#) (30th June 2014)
- [Wales](#) (26th June 2014):
- [Jurassic shale of the Weald Basin](#) South East England(23rd May 2014):
- [Bowland Shale](#) North England (published 27th July 2013):

New Licensing Round

On 17 December 2015, the Oil & Gas Authority (OGA) announced that new licences for a total of 159 blocks were formally offered to successful applicants under the 14th Onshore Oil and Gas Licensing Round. All the licence blocks are mapped out on the OGA's [interactive map](#).

[According to UKOOG](#) there are currently 230 onshore licences, covering 529 blocks. The 14th Licensing Round was announced on the 17th of December 2015 with the award of 159 new blocks under 93 new licences.

Holder of licences are able to exploit oil and gas (petroleum) resources in the area defined by the licence. However, before licensees can do this, a number of other permissions and permits are required.

The onshore licencing process is to be devolved to Scotland under the *Scotland Bill* currently going through Parliament. In addition, the Scottish and Welsh Governments have indicated that planning applications for shale gas developments should be refused. Competency for planning policy is devolved to the Scottish and Welsh Governments.

Manufacturing for Onshore Oil and Gas

Onshore oil and gas operations use rigs, casing, pipework and other components in the drilling, and stabilization of wells.

Specialist equipment is also required in the transportation of materials, both during the drilling (and fracking) phase and during the recovery phase.

A number of assessments have been made of the economic potential of shale gas operations. These estimates do vary and uncertainties around the volumes that could be commercially extracted remain.

In October 2011 Cuadrilla published Regeneris Consulting's [full economic assessment of the impact of shale gas exploration and production in Lancashire and the UK](#). This estimated that for test wells alone:

- A single test well operation, in 2011 prices, costs in the region of £10.5 million, made up of Cuadrilla's own costs, that of its two internal service companies and expenditure on a range of first tier suppliers.
- Some 18% of expenditure was shown to be deployed on Lancashire workers/suppliers, with a third going overseas. Of all UK expenditure (circa £7 million per test well), a third was deployed on labour costs, with 7% being utilised for subsistence expenditure of workers most of which flows to Lancashire businesses.
- It was estimated the test well activity would support some 250 FTE jobs across the UK over a 12 month period. Half of the jobs would occur within Cuadrilla and its extensive range of 1st tier suppliers.
- Some 15% of the jobs (circa 40) were estimated to be taken by Lancashire residents. ... At this stage very few of the specialist supply chain contractors make extensive use of local labour although this would change under a full commercial extraction scenario. ¹

Cuadrilla's report estimated that test well activity might support 250 FTE jobs across the UK over a twelve month period. Also at the UK Level, the estimated FTE employment impact peaks at some 5,600 FTE jobs in the period 2016 through to 2019, with a build up in the years from 2013 onwards, if there is a move to a commercial extraction phase.²

A May 2013 [report](#) from the Institute of Directors presented a scenario where UK shale gas production attracts investment of £3.7 billion per year and supports up to 74,000

¹ Regeneris Consulting for Cuadrilla, [Economic Impact of Shale Gas Exploration & Production in Lancashire and the UK](#) September 2010 published 5 October 2011

² Ibid, p.44

5 Debate Pack: Potential role of UK manufacturing in development of onshore oil and gas

jobs, often focused in regions with currently high unemployment and in sectors such as manufacturing. It also potentially contributes significant tax revenue.³

The [Strategic Environmental Assessment](#) written by AMEC for the UK Government, in December 2013, estimated that at its peak, some 16,000-32,000 full time positions (including direct, indirect and induced jobs) could be created. This would represent an increase of between 3.5% and 7% in the level of employment supported by the UK oil and gas industry sector. It added the potential for these jobs to directly benefit those local communities in which sites are located would depend on the balance between skilled and unskilled construction and oil and gas posts required and the availability of individuals in the local labour market with required skills and relevant experience.

An April 2014 [report by EY, which was commissioned by UKOOG](#) said the industry will need to spend about £33bn in order to drill up to 4,000 horizontal wells over an 18-year timeframe. It also made a number of recommendations for developing supply chain capabilities. These were summarised in Lord Smith's Task Force on Shale Gas report from December 2015, on [Economic Impacts](#):

- UKOOG should work with the supply chain components to gain a common understanding of requirements, identifying in particular research and development needs
- Expanding the Fabricators' Directory to include detailed specifications of components required for onshore shale development and to promote UK suppliers domestically and abroad
- Capitalising on existing government schemes such as the Manufacturing Advisory Service to raise awareness of the supply chain opportunities for existing businesses
- That the government, UKOOG and supply chain firms work together to build an investment case for the development of UK based capabilities, including recommendations of bridging finance options
- Innovate UK to identify where there are opportunities to develop and deploy new technologies
- Government to review early stage financing options, including inward investment

A July 2014 report, [Potential Economic Impacts of Shale Gas in the Ocean Gateway](#), published by Amion Consulting and commissioned by IGas Energy and Peel Environmental This found that if 30 shale gas production sites were developed £9.8bn would be invested between 2015 and 2035. A total of 3,504 jobs would be supported in peak years in the area as well as 15,542 roles across the UK as a whole. It said that over the next 15 or so years, Britain would need to spend £17bn on specialised fracking equipment and skills, £4.1bn on waste, storage and transport and £2.3bn on steel. It also said there was potential for a new £1.6bn rig manufacturing industry, to provide the 50 rigs required as shale exploration reaches its peak.

³ IoD, [Infrastructure for Business: Getting shale gas working](#), 22 May 2013

1. News items

Please note: the Library is not responsible for either the views or accuracy of external content.

The Independent on Sunday
January 10, 2016

[Householders affected by floods face insurance double-whammy if they live nearby planned fracking sites](#)

telegraph.co.uk

December 18, 2015

[Fracking: plans to drill 68 new shale gas wells unveiled;](#)

The Daily Telegraph

December 17, 2015

[Fracking to be allowed under national parks](#)

Independent.co.uk

December 16, 2015

[Task Force wants to get cracking on fracking whether we like it or not;](#)

FT.com

November 27, 2015

[Minister to intervene in Lancashire fracking appeal](#)

[Subscription required]

The Guardian

November 19, 2015

[Coal and renewable firms criticise government energy plans;](#)

Financial Times

November 2, 2015

[Harsh realities finally push champions of shale into retreat;](#)

[Subscription required]

The Guardian

September 16, 2015

[Shale gas fracking should go ahead in UK, says taskforce;](#)

7 Debate Pack: Potential role of UK manufacturing in development of onshore oil and gas

The Daily Telegraph
August 10, 2015

[Rudd to stop councils holding up fracking](#)

Financial Times
August 1, 2015

[Burning issue of gas rattles SNP;](#)

[Subscription required]

Independent.co.uk
June 25, 2015

[Fracking: Decision on Lancashire shale gas site postponed amid an extraordinary legal row; Councillors said their decision had been constrained by 'secret' legal advice](#)

The Guardian
June 24, 2015

[Lancashire county council defers fracking decision; Councillors defer decision on Cuadrilla's bid to undertake hydraulic fracturing for shale gas at Preston New Road, saying they need to seek further legal advice](#)

The Daily Telegraph
June 23, 2015

[Green influence on anti-tracking report backed by Burnham](#)

Independent.co.uk
June 22, 2015

[Fracking poses 'significant' risk to humans and should be temporarily banned across EU, says new report](#)

The Daily Telegraph
June 19, 2015

[Fracking: ministers ordered to publish secret report into impact on house prices](#)

The Guardian
June 19, 2015

[Britain's political consensus on fracking is fractured](#)

BBC Online
16 June 2015

[Environment Agency consultation on North Yorkshire fracking plans](#)

Financial Times

June 15, 2015

[Lancashire planners give go-ahead to Cuadrilla fracking plan](#)

[Subscription required]

The Guardian

June 10, 2015

[Majority of MEPs support fracking moratorium in symbolic vote;](#)

The Guardian

June 6, 2015

[Andy Burnham to call for moratorium on fracking](#)

FT.com

June 4, 2015

[US agency finds no widespread fracking impact on drinking water](#)

[Subscription required]

FT.com

June 4, 2015

[Statoil and ExxonMobil chiefs call on EU to allow fracking](#)

[Subscription required]

The Guardian

May 19, 2015

[Fracking support falls as Tory government promises to 'deliver shale'](#)

City A.M.

May 18, 2015

[New energy secretary says Tory government will back fracking](#)

FT.com

May 13, 2015

[Fracking could unlock 140bn barrels of oil worldwide, says report](#)

[Subscription required]

FT.com

May 6, 2015

[Fracking: The energy revolution that shook the world](#)

[Subscription required]

9 Debate Pack: Potential role of UK manufacturing in development of onshore oil and gas

telegraph.co.uk

May 4, 2015

[Rolls-Royce and Weir form joint venture in fracking:](#)

The Daily Telegraph

May 1, 2015

[House prices in tracking sites could drop by 70pc, estate agents warn](#)

The Guardian

April 28, 2015

[US government says drilling causes earthquakes - what took them so long?](#)

The Guardian

April 15, 2015

[Green groups accuse EU shale gas panel of fracking lobby takeover](#)

The Guardian

April 7, 2015

[Billionaire founder of Ineos wants to start shale gas revolution in the UK:](#)

The Guardian

April 7, 2015

[Shale gas unlikely to make the UK energy self-sufficient, says UK Energy Research Centre](#)

FT.com

March 17, 2015

[Ineos seeks to convince Scots over shale gas fracking](#)

[Subscription required]

The Guardian

March 12, 2015

[Shale gas should be at centre of next government's energy policy - Tim Yeo:](#)

telegraph.co.uk

March 11, 2015

[Fracking: communities may miss out on cash payments:](#)

2. Press releases

Greenpeace

22 December 2015

Government issues fracking licenses in areas of significant flood risk

23 out of 124 blocks (19%) offered to firms as part of the [14th licensing round](#) were significantly covered by areas at a high or medium risk from flooding, while almost all of the rest of the blocks are partially covered.

The analysis highlights one of the challenges faced by shale gas operations, which must ensure chemicals and flow-back water from drilling is kept from entering the ecosystem.

The news comes in the wake of severe flooding in Cumbria and Lancashire, with some of the fracking blocks also appearing to overlap with areas which have recently been flooded.

Read the full analysis, including map, here:

<http://energydesk.greenpeace.org/2015/12/22/14th-round-fracking-flood-risk/>

Hannah Martin, Energy Campaigner at Greenpeace, said:

‘As if there wasn’t already good cause for strong opposition to fracking in local communities – the prospect of fracking potentially taking place in flood-risk areas is beyond parody.

‘Following the record levels of rainfall causing flooding in Cumbria recently, the Met Office stated that “an extended period of extreme UK winter rainfall is now seven times more likely than in a world without human emissions of greenhouse gases”.

‘The Government has lauded the outcome of the recent climate summit in Paris – and is talking big on tackling climate change. Why then is it committing to driving forward a new fossil fuel industry which runs contrary to our commitments in Paris, and will only contribute to the kinds of extreme weather which has been so devastating in recent months?’

Notes to editors

- The analysis was made by visually comparing the Environment Agency’s [Risk of Flooding from Rivers and Seas geospatial data](#) with the [most recent oil and gas blocks where there could be fracking](#) - by overlaying them on the following map: <https://energydesk.cartodb.com/viz/e830c822-9f2f-11e5-91f8-0e674067d321/map>
- When flood risk areas covered around a quarter or more of the block, the block was deemed to be a “substantial overlap”.
- Only high and medium flood risk were used in the comparison, with over a 1 in 30 risk of flooding and between a 1 in 30 and a 1 in 100 risk of flooding per year, respectively.

- For further details read the full analysis at: <http://energydesk.greenpeace.org/2015/12/22/14th-round-fracking-flood-risk>

Department of Energy and Climate Change

19 Aug 2015

New onshore oil and gas blocks to be offered

The Oil & Gas Authority (OGA) – the UK’s oil and gas regulator – yesterday announced that 27 onshore blocks from the 14th Onshore Oil and Gas Licensing Round will be formally offered to companies.

A second group of 132 further blocks has been subjected to detailed assessment under the Conservation of Habitats and Species Regulations 2010, the findings of which are now out for [consultation](#).

Subject to the outcome of that consultation, the OGA will announce offers for the second group of licence blocks later in the year. The licences for all offered blocks will then be granted after the terms and conditions have been finalised.

OGA Chief Executive Andy Samuel said:

“With almost 100 applications received, the 14th Onshore Round has attracted significant interest and high-quality proposed work programmes from a range oil and gas companies. Yesterday’s announcement regarding the offer of 27 blocks gives those successful companies assurance about the blocks that they will be formally offered later in the year.”

UK Energy Minister Lord Bourne said:

“As part of our long-term plan to build a more resilient economy, create jobs and deliver secure energy supplies, we continue to back our onshore oil and gas industry and the safe development of shale gas in the UK. This is why the OGA has moved quickly to confirm the winners of licence blocks which do not need further environmental assessment.

“Keeping the lights on and powering the economy is not negotiable, and these industries will play a key part in providing secure and reliable energy to UK homes and businesses for decades to come.

“It’s important we press on and get shale moving, while maintaining strong environmental controls. Investment in shale could reach £33 billion and support 64,000 jobs creating financial security for hardworking people and their families, whilst providing a cost-efficient bridge to lower-carbon energy use.”

The Habitats consultation, which covers those blocks which do require further environmental assessment, enables the public and other interested parties to submit responses by the end of September. The OGA will then consider the results of the consultation before offering any further blocks.

The 14th Onshore Oil and Gas Licensing Round was launched on 28 July 2014 and closed on 28 October 2014. A total of 95 applications were received from 47 companies covering 295 Ordnance Survey Blocks.

Notes to editors:

- No licences were issued yesterday. Successful companies for the 27 blocks are being notified that they are going to be awarded a licence once the HRA for the other sites is completed.
- A “block” is an area of land, typically 10km². The Petroleum Exploration and Development Licence (PEDL), granted under the provisions of the Petroleum Act 1998, affords exclusive rights to licensees “to search and bore for and get petroleum” in all the various stages of oil and gas operations – exploration, appraisal, production and abandonment of wells. The PEDL itself does not confer on the licensee any consent, approval or permission to carry out specified development activities – all activities, such as drilling, will necessarily require further consents, including planning permission and environmental permits.
- Following discussion with prospective licensees, and in accordance with the new devolution settlements set out in the Scotland Bill currently before Parliament and the soon to be introduced Wales Bill, the UK Government has decided that no new PEDLs will be awarded in Scotland or Wales as part of the 14th Round.
- The announcement yesterday covered 27 blocks that will be formally offered to successful companies in due course, with a further 132 blocks being subject to detailed assessment and consultation under the Conservation of Habitats and Species Regulations 2010. Under those Regulations, a competent authority may agree to a plan or project only if it will not adversely affect the environmental integrity of protected European sites. The public consultation stage of the Habitats assessment for the 14th Onshore Round commenced yesterday and will close at the end of September. The licences for all offered blocks will then be granted after the terms and conditions have been finalised.
- Applicants’ technical analysis and work programme are assessed against a published marks scheme. Only companies with the necessary financial, technical and environmental competency are considered for award and each application must be supported by evidence that the applicant meets the criteria

Department of Energy and Climate Change

14 Aug 2015

Faster decision making on shale gas for economic growth and energy security

Shale gas planning applications will be fast-tracked through a new, dedicated planning process, under measures announced yesterday.

Amber Rudd and Greg Clark yesterday announced plans that will ensure local people have a strong say over the development of shale exploration in their area – but will ensure communities and the industry benefit from a swift process for developing safe and suitable new sites.

Yesterday's measures include identifying councils that repeatedly fail to determine oil and gas applications within the 16 week statutory timeframe, with subsequent applications potentially decided by the Communities Secretary.

Energy and climate change Secretary Amber Rudd said:

"As a One Nation Government, we are backing the safe development of shale gas because it's good for jobs giving hardworking people and their families more financial security, good for our energy security and part of our plan to decarbonise the economy. We need more secure, home grown energy supplies – and shale gas must play a part in that.

"To ensure we get this industry up and running we can't have a planning system that sees applications dragged out for months, or even years on end. Oversight by the Health and Safety Executive and the Environment Agency of shale developments makes our commitment to safety and the environment crystal clear. We now need, above all else, a system that delivers timely planning decisions and works effectively for local people and developers."

Communities Secretary Greg Clark said yesterday:

"There is huge potential right across the country for safe and sustainable use of shale gas, to provide a clean long term energy source and create British jobs and growth.

"People's safety and the environment will remain paramount and communities will always be involved in planning applications but no one benefits from uncertainty caused by delays in planning decisions. By fast tracking any appropriate applications today's changes will tackle potential hold ups in the system."

Boosting the planning system for shale gas

The Government has made clear shale is a national priority, helping to move the UK to a low-carbon economy.

But Ministers want to ensure shale applications can't be frustrated by slow and confused decision making amongst councils, which benefits no one.

If planning applications for shale exploration developments take months or even years it can create uncertainty for communities and prevent the development of a potentially vital national industry.

Yesterday's measures will mean Ministers will consider calling in any application for shale exploration, and will recover appeals on a case-by-case basis.

Local communities will remain fully involved in planning decisions with any shale application – whether decided by councils or government. And demanding planning rules to ensure shale development happens only at appropriate sites remain unchanged.

On top of this, strong safety and environmental safeguards are also already in place through the regulatory regime to ensure shale

exploration and extraction is safe and only happens in appropriate places.

As a quasi-judicial process planning applications will always be considered with due process and a fair hearing – but yesterday's measures will prevent the long delays that mean uncertainty both for business and for local residents.

Yesterday's measures include:

- The Communities Secretary actively considering calling in on a case by case basis shale planning applications and considering recovering appeals;
- Identifying councils that repeatedly fail to determine oil and gas applications within the 16 week statutory timeframe requirement (unless applicants agree to a longer period). Underperforming councils' gas and oil planning applications could be determined by the Communities Secretary;
- Adding shale applications as a specific criterion for recovery of appeals, to ensure no application can 'fall through the cracks';
- Ensuring planning call ins and appeals involving shale applications are prioritised by the Planning Inspectorate; and
- Taking forward work on revising permitted development rights for drilling boreholes for groundwater monitoring.

The Government also believes that communities hosting shale gas developments should share in the financial returns they generate, and will be presenting proposals later in the year on the design of a new sovereign wealth fund.

Notes to editors:

The government also stressed the need to focus decision making on planning matters and for local authorities to make full use of funding available for resourcing to enable timely decision making in in 2015/16 through the £1.2m shale support programme.

- [Guidance document about shale and fracking](#)
- [Joint policy statement on the need for shale](#)

Environment Agency

1 December 2015

Second public consultation on Third Energy's fracking permit application

Invitation for people to review draft environmental permits for Kirby Misperton site

The Environment Agency is a regulator of the onshore oil and gas industry

The Environment Agency is launching a second period of consultation on Third Energy's application for permits to carry out fracking at a site in North Yorkshire.

Local residents and interested groups are invited to submit any new relevant information on the draft permits for Third Energy UK Gas Ltd's proposals for shale gas exploration and production at Kirby Misperton, before a final decision is made on whether the permits are issued.

The Environment Agency is minded to issue the permits following a rigorous environmental assessment of the proposed activities, taking into account all of the comments made in the first consultation that closed in August.

The draft permits set out conditions needed to protect groundwater, surface water and air quality and to ensure the safe storage, management and disposal of wastes. If the permits are issued, Third Energy would have to follow these strict conditions to ensure that operations do not cause harm to people or the environment, and the Environment Agency would stringently enforce these conditions.

Ben Hocking, Yorkshire oil and gas programme manager at the Environment Agency, said:

Our regulatory controls for onshore oil and gas are in place to protect people and the environment. We will not permit activities that pose an unacceptable risk.

This further stage of consultation gives the public and interested groups an opportunity to see our decision making process and have their say on the draft environmental permits.

Responses to the consultation can be made via the Environment Agency's website, by email or in writing. The consultation will run from Wednesday 2 December until Friday 15 January.

To access the application documentation, visit the Environment Agency's [online consultation portal](#).

Cuadrilla

25 June 2015

Statement from Cuadrilla Regarding Lancashire County Council's Development Control Committee's Decision to Deny Planning Consent for the Application to Drill, Fracture and Flow test up to Four Wells at Roseacre Wood

"We are disappointed but not surprised that Lancashire County Council's Development Control Committee has denied planning consent for our application at Roseacre Wood, as their decision follows a negative recommendation by the Council's Planning Officers. We are committed to the responsible exploration and development of the huge quantity of natural gas locked up in the shale rock deep underneath Lancashire. We will now take time to consider our options, including our right to appeal.

After a year since our application was submitted to the Council, The Planning Officer's cited just one reason of traffic concerns for giving a negative recommendation. We remain confident that our original

proposed route, together with the proposed road improvements and traffic management plan, was safe and suitable for the modest level of HGV journeys proposed and met all necessary guidelines.

We completed the most comprehensive Environmental Impact Assessments ever carried out for operations of this kind. These Assessments are the product of thousands of hours of work from independent expert environmental scientists and other engineering specialists and they demonstrate beyond question that the operations can and will be conducted safely and without damage to people's health or their environment. This view was supported by the Planning Officer's report which only cited traffic concerns as a potential issue.

If we can unlock this shale gas potential it will help create jobs, generate economic growth, help fuel and heat local businesses and homes and boost local tax revenues for Lancashire."

Cuadrilla

15 June 2015

Statement From Cuadrilla Regarding Lancashire County Council's Planning Officer Recommendations on the Applications to Drill, Fracture and Flow Test Up to Four Wells at Preston New Road and Roseacre Wood In Lancashire

"We are pleased that Lancashire County Council's Planning Officers have recommended that the Councils' Development Control Committee grant planning consent for our application at Preston New Road. In January 2015, Officers recommended refusal at Preston New Road only on grounds of night-time noise and we duly submitted additional information on mitigation measures, which was publicly consulted on, to further bring down noise levels well below limits set out in government guidance.

We note that, as in January, the Planning Officer's report is satisfied with all other aspects of the planning applications, in particular with regard to drilling and fracking. These include Air Quality, Archaeology and cultural heritage, Greenhouse gas emissions, Community & socio-economics, Ecology, Hydrogeology & ground gas, Induced seismicity (including subsidence), Land Use, Landscape and visual amenity, Lighting, Resources and waste, Water resources and Public Health.

For our application at Roseacre Wood we supplied additional information regarding traffic routes which we and our expert advisers believe addressed issues which were raised in the Officer's report in January. Whilst we remain confident that our original proposed route was adequate, the alternative route suggested also met with all necessary guidelines in our view. We are disappointed that Officer's do not support this in their negative recommendation today, however we are pleased to note that as with Preston New Road, they are satisfied with all other aspects of the Roseacre Wood planning applications.

We will await the Councillors' decisions on both these applications at the end of June."

Department of Energy & Climate Change and Environment Agency

14 June 2015

Government response to recent media coverage of shale regulation in the UK.

Over the last couple of days, some newspapers have been misreporting the regulation of the potential shale reserves that could play a key role in securing Britain's future energy supplies. We want local communities to play an important role in helping to safely develop the shale industry. The government also remains committed to ensuring communities have their say on fracking applications and this is why there is no change to the process for environmental permits for fracking.

The Independent's article 'Fast-track fracking without public consent' and a follow up commentary piece in The Telegraph 'Double standards will fuel suspicion on fracking' implies that fracking applications would receive less environmental scrutiny from the public. This is simply untrue. The Government has said from the start that we will consult with local communities about the impact of fracking and we will continue to work closely with the Environment Agency (EA) and other regulators to ensure all operators abide by the strict rules that govern the industry.

The process for operators to apply for a fracking permit has not changed. Any operator wanting to undertake fracking needs to apply for an environmental permit, conduct an environmental impact assessment and apply for planning permission. This is open to full public consultation.

The current consultation by the EA, however, focuses on two techniques used for testing conventional and unconventional oil and gas wells. The consultation looks to define the standard rule permits for operators applying to drill and carry out preliminary testing of oil and gas wells and not on the permits for fracking. The Government supports the work by the EA to ensure the thorough and effective environmental regulation of oil and gas extraction.

As we have said before, we have made a commitment to ensure local people have a say about fracking in their community. The Government continues to support the development of the shale industry in a safe and sustainable way.

Department of Energy and Climate Change

09 Feb 2015

Environment Agency grants shale gas permit for Roseacre Wood

The Environment Agency has recently (6 February) granted the environmental permits Cuadrilla need to carry out operations safely at their proposed shale gas exploration site at Roseacre Wood near Elswick in Lancashire.

The permits set out the requirements Cuadrilla must meet to protect groundwater, surface water and air quality and to ensure the safe storage, management and disposal of wastes.

The Environment Agency has carried out a thorough assessment of Cuadrilla's applications and carried out two periods of extensive public consultation since June 2014.

Steve Molyneux, Environment Manager for Lancashire, said:

Over the past six months we have rigorously assessed Cuadrilla's applications and carefully considered all of the public comments received. I am confident that the strict controls set out in the permits to manage waste, safe flaring of gas and conditions to safeguard local water resources will ensure that people and the environment remain protected.

Our assessment has covered the environmental risks at this site and how we believe they can be controlled through a permit. The planning authority, in this case Lancashire County Council, will decide whether the activity is acceptable at that particular location.

Cuadrilla still needs planning permission to be in place to develop the site. Should they begin exploration, we will ensure the permit conditions are enforced.

[View the permits and decision documents](#)

Department of Energy & Climate Change and Environment Agency

16 January 2015

Environment Agency grants shale gas permit for Preston New Road

Environment Agency grants Cuadrilla environmental permits for shale gas exploration. Strong environmental standards are in place.

The Environment Agency has today (16 January) granted the environmental permits Cuadrilla needs to carry out operations safely at their proposed shale gas exploration site at Preston New Road, Plumpton in Lancashire.

The Environment Agency has over the last 6 months conducted a rigorous assessment of Cuadrilla's applications and carried out 2 periods of extensive public consultation.

The permits set out the conditions Cuadrilla must follow to protect groundwater, surface water and air quality and to ensure the safe storage, management and disposal of waste.

Steve Molyneux, Environment Manager for Lancashire, said:

After completing a rigorous assessment of Cuadrilla's application and the public consultation responses, we are confident the permits issued will ensure people and the environment are protected. The right controls are in place to manage waste and the flaring of gas safely, and protect local water resources.

We value the feedback received during the public consultation and will continue to work with the local community. Should Cuadrilla begin exploration, we will ensure the permit conditions are enforced.

[View the permits and decision documents](#)

British Geological Survey

15 January 2015

UK's first independent research to monitor fracking as it happens

The British Geological Survey (BGS) plans to expand its existing national environmental monitoring programmes by carrying out independent detailed research in areas of the UK that may see shale gas exploration and production. In a UK first, this will include independent monitoring during hydraulic fracturing ('fracking') subject to planning approvals at two proposed shale gas exploration sites in Lancashire. All results of this research will be open and made freely available to the public.

The BGS has existing national environmental research programmes that include seismic and groundwater monitoring. This research will be enhanced in selected areas where shale gas resources have been identified to gain vital 'baseline' information. In addition, if planning applications for shale gas exploration are approved in Lancashire, this research will include monitoring during hydraulic fracturing. This ground-breaking research will provide the UK scientific community, with unique real time data from a shale gas operation over its whole life cycle - before, during and after hydraulic fracturing has taken place.

As part of the enhanced research programme, groundwater, regional air quality, seismicity and ground movements will be independently monitored at two proposed hydraulic fracturing sites in Lancashire. This will be carried out by a UK consortium led by the BGS with university partners (Birmingham, Bristol, Liverpool, Loughborough and Manchester). This work is different to the operator's own monitoring and that required by the regulator. It is designed to enhance the scientific understanding and knowledge of the effects of shale gas operations on the environment and support peer reviewed science.

Department of Energy and Climate Change

29 Sep 2014

Ineos awarded license for onshore oil and gas exploration

DECC has given the go ahead to major chemicals giant Ineos to take a majority share in an onshore oil and gas licence block in Scotland by taking over BG's interest (51%).

The Department of Energy and Climate Change (DECC) has given the go ahead to major chemicals giant Ineos to take a majority share in an onshore oil and gas licence block in Scotland by taking over BG's interest (51%). The other licensee, Dart is the operator in the block next to the Firth of Forth.

Like the rest of the shale industry, Ineos believe it's important that the local community benefits from shale gas. Ineos will give 6% of production revenue to landowners and communities, split 4% and 2% respectively. It's not unusual for energy companies to make payments to communities; people local to wind farms receive payments too.

Business and Energy Minister Matthew Hancock said:

"It's very welcome news that Ineos want to explore for shale gas. We have a huge amount of natural gas trapped deep beneath the ground which could be used to heat our homes, and reduce our reliance on expensive foreign imports.

"It's a real vote of confidence that Ineos recognise the potential of shale gas to transform local communities, create jobs and new economic opportunities; providing a cleaner, greener domestic energy resource".

Notes to editors:

Dart is the operator of on PEDL 133. Ineos are going to be a non-operating partner – they share the costs and benefits of the license and have a say as to what happens on the license but operations are only undertaken by the operator (Dart). Ineos haven't applied to DECC for operatorship.

Department of Energy and Climate Change

26 Sep 2014

Government to remove barriers to onshore oil and gas and deep geothermal exploration

By removing barriers to deep underground drilling access we are speeding up oil and gas and deep geothermal energy exploration.

Now more than ever, the UK needs secure domestic energy supplies. Since 2003, as North Sea Oil has declined, we have become a net importer of oil and gas and are now increasingly dependent on international energy resources. It is essential that we make the most of

home-sourced energy and start exploring the natural energy supplies beneath our feet.

Our vision for Britain is for a prosperous low carbon future, which is why we have made record investment in renewables. Renewable electricity capacity has more than doubled under this government, the number of homes with solar panels on their roofs has risen from 15,000 to more than 500,000 and we have been ranked the world number one for offshore wind.

We know there's more to do. We know that our journey towards a low carbon future will take time and that emerging energy industries often need government support to get going. That's why, alongside a further £40 billion of renewable investment running into 2020 we are exploring for shale gas. As the cleanest fossil fuel shale gas provides a bridge to much greener future, and Geothermal energy can supply renewable heat to our homes and businesses. This diverse, and continually evolving energy mix is a central part of our plan to reach our carbon targets and guarantee our energy security in the years ahead.

[By removing barriers to deep underground drilling access](#), we are speeding up oil and gas and deep geothermal energy exploration. Realising this potential would help to help bolster our national energy security. Up to now, national oil and gas and geothermal exploration projects at depths around a mile or so beneath the ground could have been significantly delayed by one single landowner. We are introducing legislation so oil and gas and geothermal companies will be able to use underground land but only below 300m (1,000ft). These companies will still need to obtain all the necessary regulatory permissions, like planning and environmental permits.

Business and Energy Minister Matt Hancock said:

"Exploring the natural energy resources beneath our feet, within a robust regulatory framework, is important for our national energy security and helps create jobs. These new rules will help Britain to explore the great potential of our national shale gas and geothermal resources, as we work towards a greener future - and open up thousands of new jobs in doing so.

3. Parliamentary Questions

Asked by: Parish, Neil

To ask the Secretary of State for Energy and Climate Change, if she will take steps to promote the use of British welded steel instead of imported seamless steel in the shale gas exploration industry.

Answering member: Andrea Leadsom | Department for Energy and Climate Change

The Government would like to see UK steel companies take advantage of the commercial opportunities that a shale hydrocarbon exploration and production industry will bring. However, the decision over the use of welded steel tubes will predominantly depend on the design and specification of the well and the geology. Government officials will continue to engage with the steel industry over this large potential opportunity and will encourage it to continue its dialogue with the onshore oil and gas industry.

13 Nov 2015 | Written questions | House of Commons | 14676

Asked by: Lord Greaves

To ask Her Majesty's Government, further to the Written Answer by the Prime Minister on 11 September (HC9076), on what evidence they base the statement that "investment in shale could reach £33 billion and support 64,000 jobs in the oil, gas, construction, engineering and chemical sectors"; how many wells would be required to achieve such levels of investment and employment; and over what time period such levels would be achieved.

Answering member: Lord Bourne of Aberystwyth | Department for Energy and Climate Change

EY's 2014 report, 'Getting Ready for UK Shale Gas: Supply chain and skills requirements and opportunities' identifies that over the period of 2016–32 c.£33bn of spend could be required to bring up to 4,000 wells into production. At peak this equates to around £3.3bn of spend and some 64,500 jobs (6,100 of which are direct roles).

The full report can be viewed at:

[http://www.ey.com/Publication/vwLUAssets/Getting_ready_for_UK_shale_gas/\\$FILE/EY-Getting-ready-for-UK-shale-gas-April-2014.pdf](http://www.ey.com/Publication/vwLUAssets/Getting_ready_for_UK_shale_gas/$FILE/EY-Getting-ready-for-UK-shale-gas-April-2014.pdf)

24 Sep 2015 | Written questions | House of Lords | HL2334

Asked by: Mr Gordon Marsden (Blackpool South) (Lab)

Why has the Prime Minister promised local people the final say on onshore wind farms but denies local people in Blackpool and Lancashire the final say over local fracking applications? Why are there double standards on renewable energy and fracking?

Answered by: The Prime Minister

The hon. Gentleman is making a slightly odd comparison. We have taken away the unnecessary subsidy for onshore wind, given that it is now a mature technology, and we have a sensible planning system so that unconventional gas can go ahead under very strict environmental conditions. I will tell him what I want for Blackpool. I want Blackpool to be the centre of expertise and excellence for this industry. I want the jobs, the apprenticeships and the training rather than to see things stuck, which is what he wants.

24 Jun 2015 | House of Commons 597 cc887-1014

Asked by: Geraint Davies (Swansea West) (Lab/Co-op) Party

Will the Chancellor confirm that the waste water from fracking will be properly treated, so that it is safe to drink again?

Answered by: Mr Osborne | Department: Prime Minister

We will have the proper environmental standards around the exploration of shale gas, but I think for this country to turn its back on one of these great natural resources, which other countries are using, would be to basically condemn our country to higher energy bills and not as many jobs. Frankly, I do not want to be part of a generation that says, "All the economic activity was happening somewhere else in the world, and was not happening in our country, and was not happening on our continent." So we should get on with the safe, environmentally protected exploration of our shale gas resources.

17 Jun 2015 | House of Commons 597 c313

Asked by: Graham Jones (Hyndburn) (Lab)

The Chancellor's Government keep talking about the Tory fantasy of a northern powerhouse, which never mentions Lancashire. Is it still his Government's policy on the Treasury revenues from fracking that 1% will go to Lancashire and more than 60% will go to Whitehall?

Answered by: Mr Osborne | Department: Treasury

I gave the original speech on the northern powerhouse in Lancashire, if we count Manchester as being in the traditional county—[Interruption.]

I think it will be one of those four-year apprenticeships, at this rate. I will say to the hon. Gentleman something which I know is not universally agreed with: I think the potential for shale gas in the north of England is a massive boost to the local economy there. I know it is not always popular with some local communities. That is why we have made sure

that the benefits go to local communities, and we committed in our manifesto to creating a sovereign wealth fund for the north of England from the revenues from shale gas exploration so that we get a lasting benefit to the natural resources of that part of our country.

16 Jun 2015 | House of Commons | 597 c181

Asked by: Lord Greaves

To ask Her Majesty's Government in respect of which areas (1) they have granted licences for exploratory drilling in relation to fracking, (2) applications have been made for such licences but have not yet been determined, and (3) applications have been made for planning permission relating to exploratory drilling for fracking.

Answering member: Lord Bourne of Aberystwyth | Department for Energy and Climate Change

Petroleum Exploration and Development Licences (PEDLs) are not specific to shale gas. They grant exclusive rights to extract hydrocarbons, including shale gas but also other forms, within a particular onshore area. A separate consent is required before any drilling or hydraulic fracturing (fracking) can take place. So far the Government has granted hydraulic fracturing consent for shale to Cuadrilla's Lancashire operations.

The Oil & Gas Authority does not have any undetermined consent applications. Applications for new PEDLs under the 14th Onshore Licensing Round are being considered – 95 applications for 295 licence blocks have been made.

Planning permission is a matter for the local Mineral Planning Authority. However, the applications submitted by Cuadrilla in Lancashire and by Third Energy in North Yorkshire are in the public domain.

16 Jun 2015 | House of Lords | HL296

Asked by: Elliott, Julie

To ask the Secretary of State for Energy and Climate Change, what recent estimate her Department has made of the proportion of people in the UK who support (a) onshore wind, (b) nuclear power and (c) fracking.

Answering member: Andrea Leadsom | Department for Energy and Climate Change

The Department's most recent estimates of UK public attitudes (covering the UK) were published on 28th April 2015 and can be found here:

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/424507/PAT_summary_wave_13.pdf .

The results indicate that 65 percent support onshore windfarms. This is lower than the proportion in favour of solar, offshore wind and wave and tidal technologies while 78 percent were in support of renewable

energy developments providing direct benefits to the communities in which they are located. An estimated 39 percent support nuclear power compared to 21 percent opposed with 36 percent neither in support nor opposed; and 24 percent support fracking (shale gas) compared to 26 percent opposed with 44 percent neither in support nor opposed.

10 Jun 2015 | House of Commons | 1314

Asked by: Lord Wigley

To ask Her Majesty's Government whether onshore fracking for gas in Wales will become the responsibility of the National Assembly for Wales.

Answering member: Lord Bourne of Aberystwyth | Department for Energy and Climate Change

The Welsh Government already has substantial control of onshore oil and gas activities through planning controls and environmental regulation as these are devolved. Through the relevant planning authorities in Wales, the Welsh Government has the power to take decisions on individual shale projects.

The Government will implement the St David's Day Agreement in full which includes devolving licensing functions for onshore oil and gas exploration to Welsh Ministers.

03 Jun 2015 | House of Lords | HL70

4. Other parliamentary material

Ministerial Statements

Andrea Leadsom | Department for Energy and Climate Change

17 Dec 2015 | Written statements | HCWS434

[Onshore Oil and Gas – License awards and environmental monitoring](#)

14th Onshore Licensing Round

I am pleased to inform the House that the Oil & Gas Authority (OGA) – the UK's oil and gas regulator – has today announced that licences for a total of 159 blocks are being formally offered to successful applicants under the 14th Onshore Oil and Gas Licensing Round.

A Petroleum Exploration and Development Licence (PEDL) gives the licensee exclusivity over an area of land for onshore hydrocarbon exploration, appraisal and extraction, including for shale gas and oil as well as conventional forms of oil and gas. To be clear, a PEDL does not itself give any permission for operations to begin. Before the licensee can begin any operations such as drilling, hydraulic fracturing or production, they must be granted a number of further permissions and consents. These include, for example, planning permission, environmental permits from the Environment Agency, scrutiny by the Health and Safety Executive, and OGA consents under the provisions of the PEDL.

The 14th Onshore Oil and Gas Licensing Round was launched on 28 July 2014 and closed on 28 October 2014. A total of 95 applications were received from 47 companies covering 295 Ordnance Survey Blocks. Following scrutiny of the applicants' competency, financial viability, environmental awareness and geotechnical analysis, and following the decision not to award PEDLs in Scotland and Wales, 159 blocks were taken forward for further consideration.

In August 2015, the OGA announced its intention to offer PEDLs covering 27 blocks. In addition to this, 132 blocks were subsequently subjected to further detailed assessment in accordance with the Conservation of Habitats and Species Regulations 2010, and a public consultation on that assessment was carried out. Following the conclusion of the consultation process, the OGA is now satisfied that the approval of the 14th Licensing Round, and the offer and eventual award of each of the PEDLs under Round, will not have an adverse effect on the integrity of any protected European site. As a result, the OGA is today offering PEDLs for a total of 159 blocks. For 75 of these blocks, the PEDL will contain a condition that prohibits all or specific activities in parts of the block.

The 159 blocks covered by today's announcement will be incorporated into 93 onshore PEDLs. A map of the licence blocks being offered can be found at: <https://www.gov.uk/guidance/oil-and-gas-licensing-rounds>.

Gas is central to our long-term energy security. The gas used to heat our homes is amongst the cheapest and most secure in Europe, despite the

decline in our domestic gas production from the North Sea. However, we cannot be complacent. We currently import around half of our gas needs, but by 2030 that could be as high as 75%. That's why we're encouraging investment in our shale gas exploration so we can add new sources of home-grown supply to our real diversity of imports.

This Licensing Round will see the great majority of the UK's shale prospectivity licensed to be explored and tested. The 14th Onshore Licensing Round has attracted a high quality of proposed work programmes and a mix of conventional and unconventional proposals. About 75% of the blocks being offered relate to shale oil or gas.

Once the companies being offered these licences accept these offers, they will be issued with PEDLs covering the blocks which they have been awarded, and will subsequently be able to begin planning their future strategies for exploration activities.

I have today written to all Members of the House within whose constituencies licences are being offered.

Environmental Monitoring

Following the award of funding in the Autumn Statement 2014, DECC has grant-funded a research consortium led by the British Geological Survey to support it to create a baseline of environmental data in the Vale of Pickering, North Yorkshire, as well as expanding the consortium's existing base-lining activity in the Fylde, Lancashire. Applications for shale gas activity have been made in each area. The Government wishes to ensure that a robust and independently gathered baseline of data on environmental conditions, such as the quality of ground-water or air and the levels of seismic activity, is in place prior to the start of shale gas operations in these areas, which are dependent on consents including planning permission. If shale gas projects take place in future in these areas, future data can be checked against these "baseline" data. This would allow any significant changes to be flagged for further scrutiny.

The Government regards such independent baseline data as important to building public trust in the first exploration-phase wells developed by the UK shale gas industry, in addition to the industry's own monitoring data, which is provided to regulators. Our aim is therefore to provide support for appropriate baseline monitoring for areas identified for the first exploration-phase wells. This work will be reviewed periodically alongside the development of the industry.

Amber Rudd | Department for Energy and Climate Change

18 Nov 2015 | Written statements | HCWS312

[Priorities for UK Energy and Climate Change Policy](#)

Today I am setting out my priorities for the UK's energy and climate change policy for the coming Parliament and publishing the DECC Autumn Update which sets out our key priorities and the recent progress the department has made against them.

Affordable, reliable clean energy is critical to our economy, our national security, and to family budgets. We need secure energy so people can get on with their lives and businesses can plan for the future. Affordable energy so the people that foot the bill get a good deal, and clean energy to safeguard our future economic security and ensure we can meet our climate change commitments.

I am confident the steps we have taken alongside National Grid and Ofgem will ensure the security of our electricity supply in the next few years. In the long-term, our vision is of markets characterised by rigorous competition to keep costs down. We want to see a competitive electricity market, with government out of the way as much as possible, by 2025.

New nuclear and gas will be central to our energy secure future and we are encouraging investment in our shale gas exploration so we can add new sources of home-grown supply to our real diversity of imports. Today I am launching a consultation on a Strategy to Maximise the Economic Recovery of the North Sea.

We are world leaders in offshore wind and globally we can make a lasting technological contribution. Today I will announce that we will make funding available for three auctions in this Parliament with the first taking place by the end of 2016. This support will be strictly conditional on the delivery of the cost reductions we have seen already accelerating. If that happens we could support up to 10GW of additional offshore wind in the 2020s. We have already seen the cost of solar come down by 35% in the last 3 years.

One of the greatest and most cost-effective contributions we can make to emission reductions in electricity is by replacing coal fired power stations with gas. We will be launching a consultation in the spring on when to close all unabated coal-fired power stations. Our consultation will set out proposals to close coal by 2025 - and restrict its use from 2023.

If we take this step, we will be one of the first developed countries to deliver on a commitment to take coal off the system.

We have to demonstrate that the low carbon transition can be cost-effective and will deliver growth for the economy and affordable energy prices for consumers. We are on track for our current and next carbon budgets but the fourth carbon budget is going to be tough to achieve. We will need action right across the economy: in transport; waste and buildings. We will be setting out our plans next year for meeting the fourth and fifth Carbon Budgets.

To reduce bills and carbon we will also work to cut energy use itself. Over the last 5 years, more than 1.2 million households are seeing lower bills due to energy efficiency improvements. We are committed to ensuring a million more get the same benefits by the end of this Parliament, and that support is concentrated on those in greatest need.

A fully smart energy system could help us to reduce costs further by tens of billions of pounds over the decades ahead. Smart meters are a

key building block and every home and small business in Britain will get them by the end of 2020. Alongside the National Infrastructure Commission, we will work with National Grid, Ofgem and others to consider how to reform the current system operator model to make it more flexible, responsive and independent.

As well as taking action at home, we must work with others internationally. Climate change is a global problem, not a local one. This is why I am determined that we help restore the EU Emissions Trading System to full health and build stronger ties on energy within Europe, and why a global deal in Paris next month is so important. Paris must deliver that and help unleash the levels of private investment and local action needed

Amber Rudd | Department for Energy and Climate Change

16 Sep 2015 | Written statements | House of Commons | HCWS202

[Shale Gas and Oil Policy](#)

My Rt Hon Friend Greg Clark (Secretary of State for Communities and Local Government) and I wish to set out the Government's view that there is a national need to explore and develop our shale gas and oil resources in a safe, and sustainable and timely way, and the steps it is taking to support this. In laying this statement before Parliament, it formally replaces the Shale Gas and Oil Policy Statement issued by DECC and DCLG on 13 August 2015. This statement to Parliament should be taken into account in planning decisions and plan-making.

The national need to explore our shale gas and oil resources

Exploring and developing our shale gas and oil resources could potentially bring substantial benefits and help meet our objectives for secure energy supplies, economic growth and lower carbon emissions.

Having access to clean, safe and secure supplies of natural gas for years to come is a key requirement if the UK is to successfully transition in the longer term to a low-carbon economy. The Government remains fully committed to the development and deployment of renewable technologies for heat and electricity generation and to driving up energy efficiency, but we need gas - the cleanest of all fossil fuels – to support our climate change target by providing flexibility while we do that and help us to reduce the use of high-carbon coal.

Natural gas is absolutely vital to the economy. It provides around one third of our energy supply.

- About one third of gas supply is used for industry and services, not just for power or heating but also as feedstock, e.g. for chemicals;
- one quarter is used for electricity generation; and
- the remainder is used in domestic households for heating and cooking[1].

Since 2004, the UK has been a net importer of gas due to the rapid decline of production from the UK Continental Shelf.

- Last year around 45% of UK gas supply was made up of net imports[2]. Our projections suggest that domestic production will continue to decline and, without any contribution from shale gas, net imports could increase to 75% of the gas we consume by 2030[3].
- Domestic oil production has also declined since reaching a peak in 1999. Currently net imports comprise around 40% of the oil we use and DECC projections suggest net imports could increase to 73% by 2030[4].

Meanwhile events around the world show us how dangerous it can be to assume that we will always be able to rely on existing sources of supply. Developing home-grown shale resources could reduce our (and wider European) dependency on imports and improve our energy resilience.

There are also potential economic benefits in building a new industry for the country and for communities.

- Nationally, we will benefit from development of a new industrial sector, building on the experience and skills developed here in 50 years of on- and offshore oil and gas development.
- Developing shale resources would deliver investment in key domestic energy infrastructure, boosting the UK's capital stock and leading to increased productivity and growth.
- Reducing imports would improve the balance of trade.
- Consultants EY estimated in 2014[5] that a thriving shale industry could mean cumulative investment of £33 billion and support 64,500 jobs in the gas, oil, construction, engineering and chemical sectors at peak. Locally that might mean new facilities and jobs for local companies.

We do not yet know the full scale of the UK's shale resources nor how much can be extracted technically or economically.

- The British Geological Survey estimates the shale gas resource in the Bowland-Hodder basin under Northern England could be 1300 trillion cubic feet (tcf)[6], compared to current UK annual gas consumption of around 2.5 tcf[7]. The industry need to test how much of this gas in place can be extracted technically and economically.
- National Grid's Future Energy Scenarios (2015) report [8] presents a wide range for potential shale gas production in the UK up to a peak of 32 bcm/year in 2030. This would be around 40% of all the gas we are projected to consume and result in our import dependency falling to 34%, compared to current projections that net imports could reach 75% in 2030.

Shale gas can create a bridge while we develop renewable energy, improve energy efficiency and build new nuclear generating capacity. Studies have shown that the carbon footprint of electricity from UK shale gas would be likely to be significantly less than unabated coal and also lower than imported Liquefied Natural Gas [9].

The Government therefore considers that there is a clear need to seize the opportunity now to explore and test our shale potential.

Safety and environmental protection will be ensured through responsible development and robust regulation

This must and can be done whilst maintaining the very highest safety and environmental standards, which we have established with a world-leading framework for extracting oil and gas for over 50 years.

Reports by the Royal Society and Royal Academy of Engineering, Public Health England and others have considered a wide range of evidence on hydraulic fracturing in the UK context, and concluded that risks can be managed effectively if the industry follows best practice, enforced through regulation[10],[11].

The Government is confident we have the right protections in place now to explore shale safely (see Annex). Planning authorities can also have confidence that the regulators will enforce safety, environmental and seismic regulation effectively. But we are not complacent. We will continuously look to strengthen and improve regulation where necessary as the industry develops.

Transparency and information for the public

It is also important that the public has objective information about shale and that communities where shale development is proposed are effectively engaged, with the opportunity to hear from the expert regulators at the Health and Safety Executive and the Environment Agency.

The Government allocated £5m for 2015-16 in the last Autumn Statement for this purpose (see Annex).

Planning

The Government is committed to ensuring that local communities are fully involved in planning decisions that affect them. We are also making the planning system faster and fairer for all those affected by new development. No one benefits from the uncertainty caused by delay. This is why we expect every planning application or appeal, large or small, to be dealt with as quickly as possible.

There is a clear expectation that local planning authorities should ensure that decisions on planning applications are made within statutory timeframes: 16 weeks where an application is subject to Environmental Impact Assessment. This should be supported through an upfront timeline agreed with the applicant including the anticipated decision date.

To avoid unnecessary work causing delay, when determining planning applications, local planning authorities should carefully consider which issues can be left to other regulatory regimes, taking full account of the Government's planning guidance on this issue.

We also expect local planning authorities to make full use of the funding available for 2015/16 through the £1.2m shale support

programme. This will ensure there are adequate resources locally to enable the timely determination locally of planning applications for shale gas. Local planning authorities should also agree to Planning Performance Agreements where this is appropriate.

But we cannot be complacent. Therefore:

- Appeals against any refusals of planning permission for exploring and developing shale gas, or against non-determination, will be treated as a priority for urgent resolution. The Secretary of State for Communities and Local Government may also want to give particular scrutiny to these appeals. To this end he will revise the recovery criteria and will consider for recovery appeals for exploring and developing shale gas. This new criterion will be added to the recovery policy issued on 30 June 2008 and will be applied for a period of two years after which it will be reviewed.
- The Secretary of State will also actively consider calling in shale applications. Each case will be considered on its individual merits in line with his policy. Priority will be given to any called-in planning applications.
- The Government commits to identifying underperforming local planning authorities that repeatedly fail to determine oil and gas applications within statutory timeframes. When such applications are made to underperforming local planning authorities, the Secretary of State will consider whether he should determine the application instead.
- The Government has published its response to consultation and will take forward amending permitted development rights to allow the drilling of boreholes for groundwater monitoring. The Government is also inviting views on proposals for further rights to enable, as permitted development, the drilling of boreholes for seismic investigation and to locate and appraise shallow mine workings. These proposals will speed up the delivery of essential monitoring information for safety and environmental protection and free local resources for where the express attention of the local planning authority is required.

My Rt Hon Friend Greg Clark (Secretary of State for Communities and Local Government) will be laying before Parliament a written ministerial statement setting out more detail.

Sharing shale income with communities

We also strongly believe that communities hosting shale gas developments should share in the financial returns they generate. The Government welcomes the shale gas companies' commitment to make set payments to these communities, which could be worth £5-10m for a typical 10-well site, and we want to go further. As announced by the Chancellor in the 2014 Autumn Statement, and set out in our manifesto, we are determined to ensure that local communities share more of the proceeds and feel more of the benefits, using a proportion of the tax revenues that are recouped from shale gas production. We will present our proposals later this year for how we intend to design the sovereign wealth fund.

ANNEX

This Annex contains supporting material for the main statement.

Safety and environmental protection

- Our regulatory system is robust and we are proven world leaders, with a 50 year track record, in well-regulated, safe and environmentally sound oil and gas developments. We have strict requirements through environmental permitting and DECC licencing for on-site safety, to prevent water contamination, air pollution and mitigate seismic activity.
- The Health and Safety Executive and the environmental regulators (the Environment Agency in England) are independent and highly specialised regulators. They will enable the development of shale gas in a safe and environmentally sound manner.
- The Environment Agency assesses the potential use of chemicals used in hydraulic fracturing fluids on a case-by-case basis. The use of hazardous chemicals will not be permitted where there is a risk that they may enter groundwater and cause pollution.
- The Health and Safety Executive scrutinise well design and require week by week written updates on drilling progress.
- DECC has implemented a thorough system of rigorous checks before any drilling or fracking and a live traffic light system during the actual operations, to ensure earth tremors will not occur.

To reinforce the existing regulatory regime further, the Infrastructure Act 2015 brought forward a range of additional requirements and safeguards if an operator is to carry out hydraulic fracturing.

- These include taking account of the environmental impact of development, baseline monitoring of methane in groundwater in the 12 months preceding hydraulic fracturing operations, disclosure of all chemicals, community benefits and the exclusion of protected areas.
- Draft regulations, laid on 16 July, defining the protected areas in which fracking will be prohibited as specified areas of groundwater, National Parks, Areas of Outstanding Natural Beauty, the Broads and World Heritage Sites. Fracking can only take place at depths below 1200 metres in these areas.
- Ministers also set out their clear commitment to ensure that hydraulic fracturing cannot be conducted from wells that are drilled at the surface of National Parks and other protected areas. This is not intended to impact on conventional drilling operations.

Transparency and information for the public

Following the Autumn Statement announcement of £5m for 2015-16 to “provide independent evidence directly to the public about the robustness of the existing [shale gas] regulatory regime”, DECC received £1.7m to establish independent environmental monitoring and is working with a research consortium led by the British Geological Survey to expand an existing Lancashire-based programme for gathering baseline environmental data to North Yorkshire, where a planning

application for a shale gas project is being submitted. The data produced would be made available to the public.

In addition, DCLG announced in March a £1.2m fund to support Mineral Planning Authorities dealing with shale planning applications. The Health & Safety Executive has received £0.5m to increase the availability of inspectors for onshore oil and gas operations and to double its local engagement capacity. The Environment Agency received £1.5m to undertake pro-active local engagement by deploying dedicated local officers. The Government is also publishing factual material on shale, including web documents and videos.

[1] DECC, Digest Of UK Energy Statistics, July 2015

[2] DECC, Digest of UK Energy Statistics, July 2015

[3] DECC, UK Oil and Gas Production Projections, March 2015

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/414172/Production_projections.pdf

[4]Ibid

[5] EY, Getting Ready for UK Shale Gas, April 2014

[http://www.ey.com/Publication/vwLUAssets/Getting_ready_for_UK_shale_gas/\\$FILE/EY-Getting-ready-for-UK-shale-gas-April-2014.pdf](http://www.ey.com/Publication/vwLUAssets/Getting_ready_for_UK_shale_gas/$FILE/EY-Getting-ready-for-UK-shale-gas-April-2014.pdf)

[6] BGS/DECC, Bowland Shale Gas Study, June 2013

<https://www.gov.uk/government/publications/bowland-shale-gas-study>

[7] Based on DECC, Digest of UK Energy Statistics, July 2015

[8] National Grid, Future Energy Scenarios, 2015

[9] Mackay-Stone report (requested by DECC), Potential Greenhouse Gas Emissions Associated with Shale Gas Extraction and Use, Sept 2013

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/237330/Mackay_Stone_shale_study_report_09092013.pdf

[10] The Royal Society and The Royal Academy of Engineers, Shale gas extraction in the UK: a review of hydraulic fracturing, 2012

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/256359/Publication_RoyalSociety_2012-06-28-Shale-gas.pdf

[11] Public Health England, Review of the Potential Public Health Impacts of Exposures to Chemical and Radioactive Pollutants as a Result of the Shale Gas Extraction Process

<https://www.gov.uk/government/publications/shale-gas-extraction-review-of-the-potential-public-health-impacts-of-exposures-to-chemical-and-radioactive-pollutants>

Brandon Lewis | Department for Communities and Local Government

05 Mar 2015 House of Commons | HCWS352

Planning

[Extract...]

Supporting the potential for shale gas extraction

The Government is taking steps to ensure that we lead the way with robust and efficient regulation of shale oil and gas. Shale gas has the potential to increase our energy security, create thousands of jobs and reduce carbon emissions. This nascent industry presents new challenges for mineral planning authorities in how they consider and determine planning applications for shale exploration.

This is why, as part of the £5 million pound support package announced in the Autumn Statement in December, we have decided to make £1.2 million available in 2015-16 to support local authorities to assist with the administration of shale planning applications, ensuring they can be handled, with due process and a fair hearing in an efficient and timely manner. A prospectus inviting bids for funding to boost local authorities' capacity and capability to deal with these applications has been published today.

We are also today publishing for technical consultation a proposal to improve the process for potential petroleum exploration, including shale gas, through making a minor amendment to existing permitted development rights in relation to mineral exploration.

This change would grant permission for the drilling of boreholes for groundwater monitoring for petroleum exploration, enabling limited works to be carried out to establish baseline information on the groundwater environment in advance of, or in parallel to, any planning application or applications coming forward for such development.

For this activity, it would improve environmental monitoring and put petroleum exploration on the same footing as that capable of being carried out under existing permitted development rights for mineral exploration more generally. We consider that the amended right should, with the exception of an intended raising of the current height restriction of structures needed to carry out the development from 12 to 15 metres, be subject to the same restrictions and conditions that apply to the existing permitted development rights.

Kris Hopkins | Department for Communities and Local Government

29 Jan 2015 | House of Commons | HCWS240

Local Government

I would like to update Hon. Members on a series of announcements relating to local government.

[Extract...]

Extending local business rate retention

The Coalition Government has introduced new financial incentives to councils to support locally-led enterprise and economic growth, as part of our programme of decentralisation and as part of our long-term economic plan.

Since 2013, local government keeps half of all business rate revenues and business rate growth. But we want to go further over time to increase these incentives.

Last year, we announced proposals to allow 100% local retention of business rates on shale oil and gas sites. In October, we published a technical consultation on draft regulations to implement this measure. We received 25 responses. A majority of those supported retention of 100% of business rates on shale oil and gas by local government. Having considered the responses we have decided to continue with our proposals as set out in the technical consultation. This policy will ensure that local councils that host shale oil or gas sites can benefit from millions of pounds in business rates paid. The measure could be worth up to £1.7 million for a typical site and will be funded by central government.

Shale will help to improve energy security, create jobs and meet carbon targets benefitting the UK through improved energy security and economic prospects. Local councils and communities have an important part to play in securing those improvements and we believe they should also share in the economic opportunities and benefits of shale. Tough environmental protections are in place, and are being further enhanced as announced to the House during the Infrastructure Bill on Monday.

The associated secondary legislation has been laid before Parliament, and the responses to the consultation published. Subject to Parliamentary approval, the provisions will come into force in April 2015.

Debates

Westminster Hall: [Shale Gas](#)

HC Deb 30 Jun 2015 | 597 cc375-397WH

Westminster Hall: [Fracking](#)

HC Deb 25 Nov 2014 | 588 cc195-221WH

5. Further Reading

Department for Energy and Climate Change

[About shale gas and hydraulic fracturing](#)

Department for Energy and Climate Change

[Information on exploration, hydraulic fracturing \(fracking\) and approach to the development of shale oil and gas industry in the UK.](#)

Department for Environment, Food and Rural Affairs

[Draft Shale Gas Rural Economy Impacts paper](#)

1 July 2015

Ernst and Young (EY)

[Getting ready for UK shale gas Supply chain and skills requirements and opportunities](#)

April 2014

Chatham House Report

[The 'Shale Gas Revolution': Hype and Reality](#), Paul Stevens September 2010

The Royal Society and The Royal Academy of Engineering

[Shale gas extraction in the UK: a review of hydraulic fracturing](#)

June 2012

Environmental Audit Committee

[Environmental risks of fracking](#)

21 Jan 2015 | HC 856 2014-15

Environment, Food and Rural Affairs Committee

Oral evidence: [Defra's responsibility for fracking](#),

10 March 2015 | HC 589 2014-15

Environment, Food and Rural Affairs Committee

Oral evidence: [Defra's responsibility for fracking](#),

10 September 2014 | HC 589 2014-15

Welsh Affairs Committee

[Energy generation in Wales: Shale Gas: Government response to the Committee's first report of session 2014-15.](#)

14 Oct 2014 | HC 662 2014-15

Welsh Affairs Committee

[Energy generation in Wales: Shale Gas:](#)

10 Jun 2014 | HC 284 2014-15

Department for Environment Food and Rural Affairs

[Website](#)

Environment Agency

[Services](#)

British Geological Survey

[Shale Gas](#)

British Geological Survey

[National methane baseline survey of UK groundwaters](#)

January 2015

British Geological Survey

[Shale gas environmental monitoring in Lancashire](#)

Durham Energy Institute

[Drilling for shale gas: Is the UK well-prepared?](#)

DEI Briefing Note No. 904: March 2014

Parliamentary Office of Science and Technology (POST)

Note No 374 [Unconventional Gas](#) April 2011

European Parliament Research Service

[Shale gas and EU energy security.](#)

December 2014

The House of Commons Library research service provides MPs and their staff with the impartial briefing and evidence base they need to do their work in scrutinising Government, proposing legislation, and supporting constituents.

As well as providing MPs with a confidential service we publish open briefing papers, which are available on the Parliament website.

Every effort is made to ensure that the information contained in these publically available research briefings is correct at the time of publication. Readers should be aware however that briefings are not necessarily updated or otherwise amended to reflect subsequent changes.

If you have any comments on our briefings please email papers@parliament.uk. Authors are available to discuss the content of this briefing only with Members and their staff.

If you have any general questions about the work of the House of Commons you can email hcinfo@parliament.uk.

Disclaimer - This information is provided to Members of Parliament in support of their parliamentary duties. It is a general briefing only and should not be relied on as a substitute for specific advice. The House of Commons or the author(s) shall not be liable for any errors or omissions, or for any loss or damage of any kind arising from its use, and may remove, vary or amend any information at any time without prior notice.

The House of Commons accepts no responsibility for any references or links to, or the content of, information maintained by third parties. This information is provided subject to the [conditions of the Open Parliament Licence](#).