



Oil & Gas
Authority

Activity Plan 2017 and 2018



March 2017

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Foreword



2016 was a year of ongoing change for companies operating on the United Kingdom Continental Shelf (UKCS), as the industry continued to adapt to lower oil prices with a sustained focus on reducing costs and improving efficiency.

It was also a year when the regulatory framework changed significantly for the first time in more than four decades.

The implementation of the Energy Act 2016 and the Maximise Economic Recovery (MER) Strategy for the UK created new regulatory powers for the Oil and Gas Authority (OGA) and we completed our journey to become an independent government company.

Our MER UK in Practice event in October, attended by around 500 cross-sector delegates, described this new framework, our expectations of the industry, and what companies should expect from the OGA as we regulate, influence and promote the UK oil and gas sector.

We also published our first five-year corporate plan, describing our priorities and activities from 2016 to 2021 in support of our ambition to be a world-leading authority, setting the framework for a sustainable and competitive UK oil and gas industry.

Developed in collaboration with the industry, the plan was deliberately ambitious with high level objectives accompanied by activity plans in each priority area covering the planning period. It was very much focused on the early years, with 70 activities in 2016.

Despite this ambitious target, we delivered strongly against a constantly evolving industry backdrop while establishing our organisation.

To set direction and create alignment, we published strategies and delivery programmes for all the key areas of our work from exploration to technology, to decommissioning.

We introduced new asset stewardship expectations for operators and licensees, across the oil and gas lifecycle, and created a new asset stewardship survey, replacing and integrating multiple existing surveys. To help revitalise exploration activity we released almost 40,000km of new seismic data to the industry and implemented the second £20 million

government-funded package to acquire a further 20,000km of new seismic data in prospective frontier areas.

We successfully completed the 14th Onshore Licensing Round and ran the 29th Offshore Licensing Round – the first frontier round since 1997 – attracting 29 applications across 113 blocks.

The MER UK Forum and Task Forces continued to be an important focal point for engagement between the industry, government and the OGA, and we continued to promote the sector with UK and international investors.

We also completed our second, annual MER UK Awards programme, recognising the excellent work of companies whose innovative and sustainable contributions are helping to maximise economic recovery and highlight best practice.

I am pleased with the progress we made in 2016, with continued strong support from the industry and government. Looking forward, this document sets out our plan for 2017 and 2018. It retains our ambition, strategic priorities and operating framework described in our Corporate Plan 2016–2021, and focuses on our planned activity for the coming 24 months.

We have assigned clear milestones and targets to each area of activity, together with leading and lagging indicators, so we can measure and communicate our progress effectively.

The OGA's work to create a 2035 vision for the UK oil and gas industry indicates that maximising economic recovery, while doubling our share of the global technology and services market, can create £300 billion of additional value for the UK.

We will continue to work in partnership with the industry, government and other key stakeholders in pursuit of this considerable prize, using our powers and influence to create greater transparency, increased collaboration and sustained cultural change.

Dr Andy Samuel
Chief Executive

1. Background

1.1 About this document

In 2016 the OGA published its first corporate plan covering the period 2016–2021.

This Activity Plan is a step on the way to achieving the OGA Corporate Plan 2016–2021. It retains the aims, priorities and operating framework originally articulated in the corporate plan, updated with a set of milestones and targets for achievement over the next 24 months.

2. Overview

2.1 About the OGA

The OGA's role is to regulate, influence and promote the UK oil and gas industry in order to achieve the statutory principal objective of maximising the economic recovery of the UK's oil and gas resources.

The OGA seeks to be a progressive and highly effective authority, aiming to attract investment and with that jobs, helping to anchor valuable skills and expertise in this country.

The OGA was created on 1 April 2015 as one of the key recommendations of a review of the UKCS by Sir Ian Wood.

On 1 October 2016 the OGA became a government

company, limited by shares under the Companies Act 2006, with the Secretary of State for Business, Energy and Industrial Strategy (BEIS) the sole shareholder.

The OGA recovers its costs via direct fees for specific activities and a levy on licence holders. This is in line with the established principle across regulation and service delivery of 'user pays', where the regulator recovers its costs from those benefiting from its services.

The OGA is headquartered in Aberdeen with another office in London.

Figure 1 illustrates the regulatory framework in which the OGA operates.

Figure 1: Regulatory framework

Legislative Content	Infrastructure Act 2015	Energy Acts 2011 and 2016	Petroleum Act 1998			
Legislative Content	The principal objective is that of 'maximising the economic recovery of UK petroleum'					
Central Obligation	MER Strategy: 'to take the steps necessary to secure that the maximum value of economically recoverable petroleum is recovered'					
Supporting Obligations	Exploration	Regional development	Asset stewardship	Technology	Decommissioning	
	Collaboration					
	Cost reduction value of economically recoverable petroleum is recovered					
Execution	Facilitation	Licensing regime	Strategies and delivery programmes	MER UK plans	Regulatory powers	
Regulatory Powers	Non-binding dispute resolution	Information and samples	Meetings	Licence model classes	Third party access	Sanctions
Guidance	Statutory, non-statutory and Stewardship Expectations					
Sanction Notices	Enforcement notice	Financial penalty notice	Operator removal notice	Licence revocation notice		

2.2 OGA Corporate Plan 2016–2021

The OGA’s ambition, purpose, priorities and values were articulated in the Corporate Plan 2016–2021, published in March 2016.

The plan, developed in collaboration with industry, was deliberately ambitious and articulated a

number of high level objectives across seven priority areas (see Figure 2). These were accompanied by activity plans in each priority area covering the planning period 2016 to 2021 but with a focus on the near term (one to two years).

Figure 2: Our way forward

Why	Ambition	To be a world-leading authority setting the framework for a sustainable and competitive UK oil and gas industry						
	Purpose	To maximise the recovery of oil and gas						
What	Role	Regulate <ul style="list-style-type: none"> Licence and steward offshore oil and gas E&P Licence and steward onshore oil and gas E&P Licence carbon storage and gas offloading 	Influence <ul style="list-style-type: none"> Industry operating costs and efficiency Greater industry collaboration Industry culture and behaviours 	Promote <ul style="list-style-type: none"> Investment in the UKCS Value creation in the UK and through exports Industry, supply chain and technology development 				
	Priorities	Revitalise exploration	Improve asset stewardship	Drive regional development and protect critical infrastructure	Improve decommissioning efficiency	Leverage technology and data	Create the right conditions	Develop people processes and systems
	This Means	Implementing a licensing regime that encourages high levels of exploration, using data analysis and insights to proactively influence and help incentivise exploration on the UKCS and improve success rates	Stewarding the development of oil and gas resources and working with industry to optimise efficiency while maintaining high standards of safety and environmental management	Seeing the big picture and maximising the sum of the parts making sure that barriers to the regional development and that critical infrastructure and production hubs are protected	Achieving the maximum extension of field life and ensuring that decommissioning is executed in a safe environmentally sound and cost effective manner and that the UK gains a competitive industrial capability	Ensuring that existing technologies are deployed to their full effect, relevant new technologies are developed and that the collection analysis and sharing of data is used to maximise economic recovery	Engaging with industry, government and others to create an operating environment and supply chain that supports MER UK, sustaining high levels of skilled employment, economic value and energy security for the UK	Creating a diverse, high performing team and a great place to work, where employees are supported to develop their capability, in an organisation with simple processes and systems
	Values	Accountable	Fair	Robust	Considerate			
How	Behaviours	One team – proactive, efficient, delivery focused, respected and trusted – a catalyst for change						

2.3 OGA Corporate Plan Performance

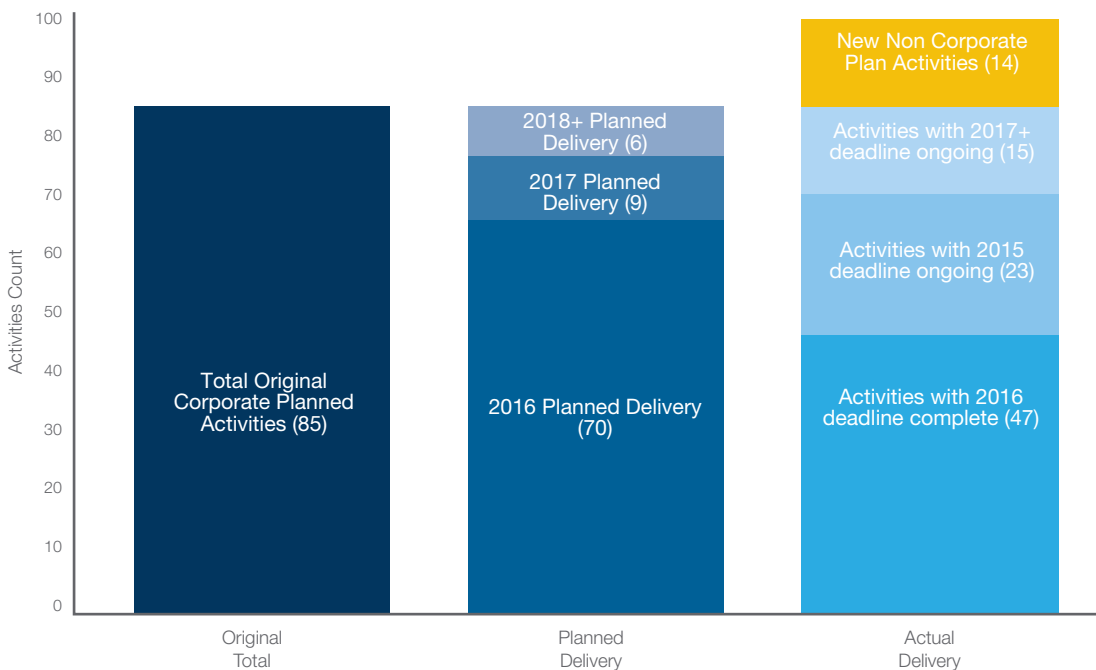
The Corporate Plan 2016–2021 identified 85 activities across seven priority areas; with 70 of these targeted to be delivered in 2016.

Within this ambitious target, there has been a successful completion of 70% of the work-plan for 2016, including 100% of the key commitments both internally and externally. For example, the vesting of the OGA as a government company; establishing the regulatory framework; the MER UK in Practice event; and the publication of a series of strategies and delivery programmes.

The activities that are carried forward are typically those that have changed or grown in scope as our role, and the industry landscape, have evolved during the year. These have been prioritised for 2017 and 2018 and will continue to be monitored by the OGA Leadership Team and Board.

Fourteen additional activities were also identified during the course of 2016. A number of these have already been taken forward and are complete or nearing completion. The remainder are detailed in this document and will be a focus for activity in the coming months.

Figure 3: CP activities completion by delivery year



In October 2016 the OGA hosted a full day event entitled MER UK in Practice at the Aberdeen Exhibition and Conference Centre. The event described how the OGA, as an independent government company, regulates, influences and promotes the industry

and how it planned to use its new suite of powers to maximise economic recovery, as well as setting out what the OGA expects from industry and what industry can expect from the OGA. The event was attended by around 500 people.

2.4 Developing the organisation

2016 was a pivotal year for the OGA. The organisation grew from 130 at the beginning of the year to 157 by December, remaining within the current self-imposed cap of 168 personnel. With the growth of the organisation, a number of changes to the organisational structure were implemented, including the consolidation of six directorates to five.

On 1 October 2016 the organisation vested and became an independent government company, bringing into force new regulatory powers and completing the work envisioned in establishing the new regulator.

Figure 4: Key achievements in 2016

January	Further £20 million of UK Government funding for seismic acquisition	MER UK Strategy published			
March	Exploration Licence competition launched	OGA Corporate Plan 2016-2021 published	Guidance notes issued on Hydraulic Fracturing		
April	Released 20,000km new seismic data to industry				
May	Energy Bill received Royal Assent to become Energy Act 2016				
June	SNS Plugging and Abandonment (P&A) Hackathon	Decommissioning Strategy published	Information Management Forum established		
July	29th Offshore Licensing Round launched	First Annual Report and Accounts 2015-16	Publication of EOR Strategy	Launch of the 2016 seismic programme	
August	HR, regulatory and finance systems established for GovCo	82 licences covering 145 blocks offered under the 14th Onshore Round			
September	Decom Delivery Programme	GovCo framework in place	Technology Strategy published		
October	Third Party Access guidance published	Undeveloped Discoveries Info Pack published	OGA established as independent Government Company	IM Strategy published	Sanctions guidance published
	Publication of Exploration Strategy	Supply Chain Strategy and Programme published	MER UK in Practice event	OGA Stewardship Expectations published	Dispute Resolution guidance published
November	SNS Rejuvenation Group launched	Publication of Competition and Collaboration paper	Asset Stewardship Survey 2016 live	UKCS Production Efficiency 2015 results	Second MER UK Awards
December	Well Construction Hackathon	EOR Delivery programme published	Information and samples powers commencement under Energy Act 2016	Offshore 2016 Supplementary Round	

2.5 Tripartite partnership with industry and government

The OGA works closely with industry and government, including BEIS, HM Treasury and other key government departments, providing expertise and evidence where appropriate. The OGA also works with the Scottish Government.

The MER UK Forum and Task Forces (renamed from MER UK Boards) continue to support the delivery of MER UK. Bringing together government, industry and the OGA, the forum provides strategic direction and oversight. The forum is part of the Oil and Gas Day, which takes place twice a year and also consists of the HM Treasury-chaired Fiscal Forum.

The task forces and their work-groups are made up of a wide spectrum of participants from the OGA, industry and government and have delivered important results since they were created, including contributing to the development of the series of strategies.

Following a review of the forum and task forces in late 2016, the number of boards was reduced from seven to six. The MER UK Steering Group has been established to steer and provide assurance on the delivery of the task forces' activities.

2.6 Measuring success

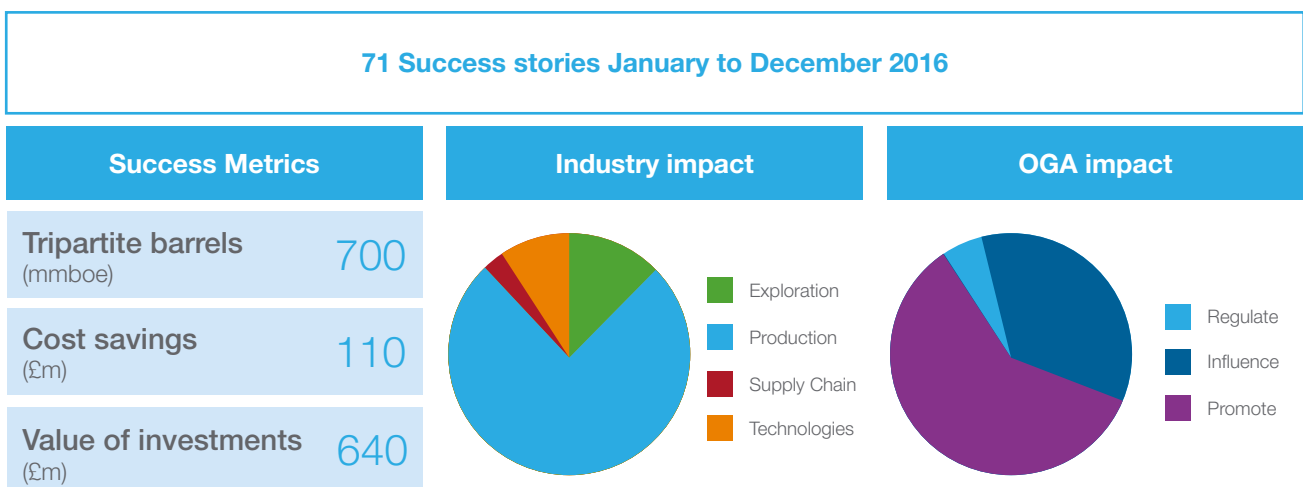
Over the course of 2017 the OGA will continue to demonstrate where its activities and interventions have made a beneficial impact (relative to what would have happened in the absence of support or intervention).

The OGA has developed a success stories tracker, dashboard and methodology to allow impact to be quantified using three key metrics. These look at expected future volume of oil and gas production, capital expenditure committed to new projects, and reduced or avoided costs through improved or accelerated outputs.

During 2016, 71 success stories were recorded across the OGA. Among these were examples of cost savings achieved by the OGA consents team through the fast tracking of applications to avoid lost production and vessel costs. Others highlighted a flexible approach to working with operators (for example by swapping firm well commitments in order to ensure the most prospective targets were drilled) and successes achieved by facilitating industry collaboration (for example to enable a new production hub to connect to existing infrastructure).

As part of this process, the OGA will continue to publish a series of selected case study illustrations of MER UK in action.

Figure 5: Tracking success



2.7 Strategies and delivery programmes

In 2016, the OGA published seven sector strategies. The strategies were developed in consultation with industry and the MER UK Task Forces and the actions will be delivered in partnership with other organisations.

This Activity Plan reinforces the activities in these strategies that the OGA has committed to delivering in 2017 and 2018.



2.8 Vision 2035

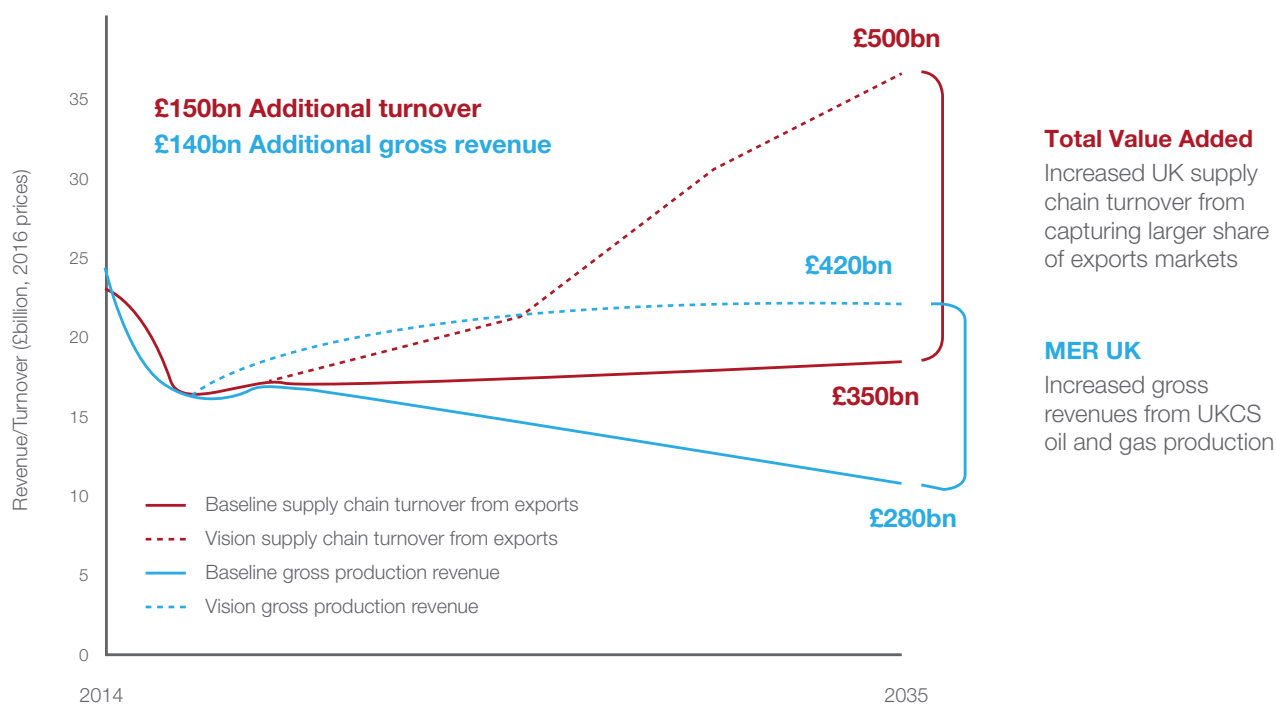
The OGA is working with the industry, governments and others to develop a single, compelling vision for the UK oil and gas industry.

The need for a clear long-term vision for the UK oil and gas industry was identified at the Scottish Energy Jobs Task Force, Values and Principles workshop in May 2016.

By maximising economic recovery and doubling the UK’s share of the global oil field services and technology market, the opportunity exists to increase the value of the UK oil and gas industry by half again by 2035.

This work will also help inform the oil and gas elements of the UK Government’s emerging Industrial Strategy.

Figure 6: Vision 2035 – The opportunity



3. Priorities for 2017 and 2018

The OGA has identified 10 programme priorities over and above business as usual for 2017 and 2018.

These priorities have been identified by the OGA Leadership Team and industry. They reflect the experience of the past year, including the commitments made in the various strategies and delivery programmes. They focus on the industry's immediate requirements and build on the work done and the milestones achieved to date.

Each priority is linked to one or more leading or internal Key Performance Indicators (KPIs) which will enable the organisation to track progress in achieving the priorities set out in this document¹. Lagging indicators will also be used as identified in the corporate plan to monitor key areas of industry performance along with impact.

Way Forward	2017 programme priorities – Top 10	KPIs	
		Leading	Lagging
Revitalise Exploration	1. Increase in quality E&A drilling	Attain 90% 2017 programme	200mboe Additional Recoverable Resources
Improve Asset Stewardship	2. Enhance asset stewardship	90% Tier 1 reviews complete	Production Efficiency 80% by end 2018 Increase average recovery factor % by end 2020
Drive regional development	3. Area and MER UK plans to deliver barrels and value	50% of Area Plans identified in Opportunity Matrix 2017	
Improve decommissioning efficiency	4. Delivery of efficient decommissioning	Review all operator Decom programmes to improve cost and efficiency	Reduce Abandonment Expenditure by 35% from 2016 baseline estimate
Leverage technology and data	5. Delivery of Information Management (IM) and Technology plans	Attain 75% IM programme Attain 90% Tech programme	10% reduction in well drilling and construction costs
Create the right conditions	6. Use of powers to maximise economic recovery 7. Inform UK Government's Industrial Strategy 8. Drive investment, efficiency and new business models	Zero cases lost for process	
Develop people processes and systems	9. Transform the OGA IT systems 10. Making OGA a great place to work	Attain 75% IT programme Development objective in place % Employee engagement %	

¹ Where KPI targets identify an achievement of less than 100% this is in acknowledgement of the ambitious nature of the target and/or the early phase of the work required both within the OGA and industry to deliver these activities

4. Revitalising exploration

OGA Priority 2017 and 2018

Increase in quality Exploration and Appraisal (E&A) drilling

The OGA has been working with industry and government to revitalise exploration in the UKCS. 2016 saw the OGA deliver the 29th Seaward Licensing Round and complete the second government-funded seismic survey acquisition, while in addition funding numerous technical projects in frontier areas. The OGA is also working with operators to ensure their optimum drilling portfolio options are

being pursued. Despite only 22 E&A wells spudding in 2016, the technical success rate achieved was better than one in two. In the current lower oil price climate, this work is vital to ensure confidence in UK exploration is sustained and strengthened.

OGA Activities		
Release of seismic data	Processing, packaging and release of 2016/2017 government funded seismic data	Q3 2017
Offshore licensing	Launch, manage and deliver 30th Seaward Licensing Round and subsequent licensing activity, including out of round applications	Q2 2017-Q1 2018
Regional studies	Complete East of Shetland (EoS) and South West Britain regional studies by end of 2017	Q1 2018
Yet to Find (YTF)	Quantify exploration potential in mature and frontier areas of the UKCS using a revised methodology	Q1 2018
Regional geological maps	Produce updated play elements maps in key areas of the UKCS	Q1 2018

KPIs

Leading Indicator	Measure: OGA Exploration Programme attainment (%) Target: 90% of 2017 programme
Lagging Indicator	Measure: additional recoverable resources (barrels of oil equivalent per annum) Target: 200mmboe (five year rolling average)

5. Asset stewardship

OGA Priority 2017 and 2018

Enhanced asset stewardship

In 2016 the OGA published its Asset Stewardship Strategy to clearly define what is meant by good asset stewardship and how the OGA's enhanced asset stewardship process will work. The activities below represent the next steps for the OGA in implementing this strategy and embedding enhanced asset stewardship across the industry.

The Asset Stewardship Strategy consists of 10 Stewardship Expectations and the rationalisation of information collection via a single UKCS Stewardship Survey. In addition, the Strategy consists of the publication of key data, benchmarks, guidance and a tiered stewardship review process with companies. The OGA uses tiered stewardship review meetings to progress the asset stewardship dialogue with operators.

OGA Activities

Asset Stewardship Expectations	Publish the 10 Asset Stewardship Expectations and guidance	Q1 2017
Performance	Issue Lessons Learned Report – evaluation of major projects to be shared with industry	Q1 2017
Improve field information	Issue updated guidance for regulatory documentation	Q2 2017
Performance	Issue UKCS benchmarking reports on production efficiency and recovery factor	Q3 2017
Performance	Update asset stewardship tier review process	Q2 2018

KPIs

Leading Indicator	Measure: number of Tier 1 reviews complete Target: 90%
Lagging Indicator	Measure: average UKCS production efficiency Target: 80% by end 2018
Lagging Indicator	Measure: recovery factor Target: increase the average UKCS recovery factor % by 2020

6. Regional development and infrastructure

OGA Priority 2017 and 2018

Area and MER UK plans to deliver barrels and value

The OGA's focus is not limited to individual fields, but extends to hubs, clusters of fields, regional infrastructure and wider area developments in order to optimise the use of infrastructure and maximise value. The OGA is working closely with operators, licence holders and other key stakeholders to develop area plans.

The OGA will provide essential data, analysis and guidance in order to inform and support the development of hub strategies that optimise the use

of infrastructure and maximise value by integrating exploration, development, production, late-life planning and decommissioning.

The OGA will work closely with operators on specific projects/developments to ensure the best possible MER UK outcomes through the use of our opportunity matrix to ensure the optimum use of infrastructure, to extend the life of key hubs, and maximise economic recovery.

OGA Activities

Area plans	Develop external guidance for production of area plans	Q2 2017
Cost benchmarking	Issue UKCS report on cost benchmarking	Q3 2017
Infrastructure hub capacity	Improved transparency around infrastructure capacity and access including development of hub capacity forecasts	Q3 2017
Terminal optimisation/ infrastructure hub study	UKCS-wide study to evaluate potential to improve costs and efficiencies	Q4 2018

KPIs

Leading Indicator	Measure: number of area plans complete Target: 50% of the area plans on the OGA opportunity matrix 2017 and 2018
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7. Improve decommissioning efficiency

OGA Priority 2017 and 2018

Delivery of efficient decommissioning

The OGA continues to work with industry, BEIS, HM Treasury and the supply chain market to understand and reduce decommissioning costs and develop internationally competitive supply chain capabilities.

The Decommissioning Strategy, published in June 2016 articulated three key themes: cost certainty and reduction; delivery capability; and scope, guidance and stakeholder engagement.

Work is ongoing to understand, calibrate and publicise cost data and cost reduction targets and

over the course of this year the OGA will define, benchmark and document its assessment of operator estimates against other operator estimates and actual project outcome results. The OGA will promote and communicate guidance and best practice for industry. As a first step in this process, in December 2016 the OGA published a series of decommissioning roadmaps to display the regulatory stakeholder engagement requirements throughout a decommissioning project's lifecycle.

OGA Activities		
Industry engagement	Prepare and issue an industry engagement plan describing how the OGA will capture lessons learned from the industry	Q2 2017
Guidance	Capture and share examples of appropriate regulatory understanding and application by operators	Q3 2017
Sector strategy	Update the Decommissioning Delivery Programme	Q3 2017
Delivery capability	Design and document scope and management systems to test organisational and commercial models	Q4 2017
Benchmarking	Prepare and issue decommissioning benchmarking report	Q4 2017
Well P&A optimisation	Two key initiatives to improve cost efficiency of well P&A: <ul style="list-style-type: none"> • Suspended E&A well E&A programme • Multi-operator well P&A campaign(s) 	Q4 2018
Cost minimisation	Update UKCS overall cost estimate based on 2017 efforts and results and ensure all submitted decommissioning programmes are reviewed and cost effective	Q4 2018

KPIs	
Leading Indicator	Measure: number of operator Decommissioning Plans reviewed to improve cost and efficiency Target: review 100% of plans received
Lagging Indicator	Measure: decommissioning costs Target: 35% reduction from 2016 baseline estimate

8. Leverage technology and data

OGA Priority 2017 and 2018

Delivery of technology and IM plans

8.1 Technology

Working with industry, governments and the research community, the OGA is committed to overcome current constraints to technology innovation and commercialisation. The OGA is closely aligned with, and provides support to, the new Oil and Gas Technology Centre (OGTC) which opened in February 2017 and which will be central to developing technological solutions for industry.

The OGA published its Technology Strategy in September 2016 in collaboration with industry, outlining five priority themes including undeveloped discoveries and well cost reduction. In October 2016 the OGA published an analysis of undeveloped

discoveries which showed that more than three billion barrels of oil equivalent (boe) remain in approximately 350 unsanctioned discoveries across the UKCS. The publication followed a series of small pool themed 'hackathons', facilitated by the National Subsea Research Initiative (NSRI). In January 2017, the OGA published the results of its well cost hackathon 'Collective Thinking' which demonstrated collaboration between operators and the supply chain to work together to reduce the costs of well decommissioning.

The Asset Stewardship Survey will provide the opportunity over the course of 2017 to better understand the UKCS technology landscape.

OGA Activities

Well cost reduction	Reduce the cost of drilling new wells and construction via design and execution of best practices and novel technologies	Q3 2017
OGTC support	Support the OGTC to ensure well co-ordinated plans to deliver the Technology Leadership Board priorities are in place	Q4 2017
Technology stewardship	Provide an ongoing picture of UKCS technology opportunities and industry delivery, including Technology Plan gap analysis	Q4 2017
Undeveloped discoveries	Unlock opportunities to develop marginal discoveries through efficient technologies, as well as enhancing commercial and licensing conditions	Q4 2017

KPIs

Leading Indicator	Measure: delivery of OGA Technology Programme Target: 90% of planned activity for 2017 and 2018
Lagging Indicator	Measure: average cost of well drilling and construction (net of equipment and service rates) Target: 10% reduction by end 2018

8.2 Data

Data, information management systems and their exploitation can help improve commercial, operational and technical performance. Work is well under way to develop and provide a unified, central source of dependable information and knowledge, as well as source data.

The OGA established an Information Management Forum in June 2016 and published its Information Management Strategy in October 2016. The Information Management Delivery Programme describes how the OGA and others will improve performance across the lifecycle of the oil and gas industry, focusing on data regulation and quality management. A first step toward this was the launch of the Data Centre within the OGA website providing significantly enhanced access to OGA-held data.

In December 2016 some powers within the Energy Act 2016 were commenced relating to reporting of information and samples. This will enable more strategic stewardship of the UKCS throughout the asset lifecycle. Consultation on the OGA's proposals to BEIS and guidance pertaining to the retention and publication of information and samples by the OGA and industry will be forthcoming during 2017/18.

During 2017/18 the OGA is committed to developing a regulatory compliance monitoring system, implementing more consolidated and unified access to data sources and to providing a roadmap illustrating the way in which the OGA will provide and manage key services to industry.

OGA Activities

IM improvements for 30th round	Deliver IM improvements to support 30th Licensing Round including the Innovate Licence and Undeveloped Discoveries	Q2 2017
Data regulation – information and samples	Implement information and samples regulations made by BEIS to support the Energy Act 2016 and provide supporting guidance	Q2 2018
National Data Repository (NDR)	Implement an operating model for the NDR, subject to consultation and approvals	Q3 2018

KPIs

Leading Indicator	Measure: attainment of the OGA IM Delivery Programme Target: 75% of planned activity in 2017
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9. Create the right conditions

OGA Priority 2017 and 2018

- Appropriate use of powers to maximise economic recovery
- Inform UK Government's Industrial Strategy
- Drive investment, efficiency and new business models

The OGA will regulate, influence and promote the UK oil and gas industry in a way that seeks to create the right conditions for operators, service companies and investors to maximise economic recovery from the UKCS.

9.1 Use of powers

On 1 October 2016 the OGA gained significant new powers in order to effectively regulate the UK oil and gas industry. The OGA will exercise its powers when appropriate to ensure timely achievement of the principal objective. It will do so in a transparent, consistent and targeted manner as a complement to its collaborative and facilitative work.

The OGA is working with industry to create a culture that identifies disputes early and resolves these (with the aid of OGA facilitation if needed) wherever possible without recourse to the formal powers of the OGA or the courts.

OGA Activities

Sanctions cases	Progress casework leading to exercising of powers where necessary	Q1 2017
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KPIs

Leading Indicator	Measure: number of cases processed Target: zero cases lost for process
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9.2 Investment, efficiency and new business models

The OGA will continue to promote investment in the UKCS supporting diverse and new sources of long term capital funding.

OGA Activities		
Standard contracts	Support industry to implement one or more further standard contracts	Q3 2017
Incorporating MER UK principles	Incorporate MER UK principles into industry commercial code of practice	Q4 2017
Investment models	Work with industry and the investor community in the development of one or more innovative commercial models to attract new capital to the UKCS	Q4 2017
Opportunities for investment	Work with new investors and new classes of investor to remove barriers to entry to the UKCS	Q4 2017

9.3 Industrial Strategy

The OGA will continue to promote the importance of the oil and gas industry. In January, BEIS set out its vision for a modern industrial strategy. The OGA is working with the oil and gas industry and government in this process.

The OGA also continues to work closely with HM Treasury, drawing on its technical knowledge of the industry and analytical capabilities to be an effective, evidence-based advisor.

OGA Activities		
Vision 2035	Vision 2035 complete and communicate Vision 2035 programme	Q1 2017
Industrial Strategy	Engage in the Industrial Strategy consultation process	Q2 2017
Fiscal policy	Support HMT and HMRC policy work	Ongoing
Brexit and EU ETS	Support government to ensure oil and gas considerations are properly represented	Ongoing

9.4 Supply chain and exports

The OGA does not regulate the service sector, however, a strong supply chain is essential to maximise economic recovery and establish a competitive UK decommissioning industry.

In 2016 the OGA published its Supply Chain Strategy and Delivery Programme which outlined three key strategic priorities:

1. Maximise the economic potential of the UKCS
2. Anchor the service sector in the UK
3. Double the accessible international market share by 2035

The document highlighted the significant potential opportunity in the supply chain from capturing larger shares in both domestic and export markets.

The OGA will continue to work, as part of the Supply Chain Task Force, with industry and trade associations to implement the Supply Chain Strategy and Delivery Programme.

OGA Activities		
New commercial approaches	Implement supply chain action plan process for both new Field Development Plans and decommissioning projects	Q2 2017
Exports	Enhance Project Pathfinder and future work plan database portal	Q3 2017
New commercial approaches	Deliver relevant business demand led events focusing on decommissioning	Q1 2018

10. Develop the right people, processes and systems

OGA Priority 2017 and 2018

- Transform the OGA IT systems
- Make the OGA a great place to work

10.1 Transform the OGA IT systems

In 2017 the OGA will complete its separation from government-supported IT systems and hardware. It will implement a modern, fit for purpose IT provision which will support the organisation in its delivery.

OGA Activities		
IT	Implement standalone HR and finance system	Q2 2017
IT	Enhance core IT provision within OGA, including approval and implementation of IT Strategy	Q4 2018
IT	Delivery of key IT support tools, including Stewardship Survey reporting, Competent Authority Portal and competent operator enhancements	Q4 2018

KPIs

Leading Indicator

Measure: attainment of the OGA IT programme
Target: 75% of planned activity in 2017 and 2018

10.2 Make the OGA a great place to work

The OGA has been through a significant amount of change in recent years; for some it has been a journey out of the Civil Service into a government owned company and for others it has been a career move out of industry into the public sector. The OGA has made it a priority to be, and remain to be, a great place to work.

Ensuring that the OGA attracts, develops and retains the talent needed to deliver on its responsibilities

and objectives is essential. To achieve this, the organisation focuses on effective policies, processes and systems to underpin professional recruitment, performance management, training, reward, and employee engagement.

Specific targets are in place to embed the use of performance and development activities and meaningful employee engagement.

KPIs	
Leading Indicator	Measure: % of staff with development objectives in place Target: 100%
Leading Indicator	Measure: staff engagement (measured via staff survey) Target: % increase from previous survey

11. Income, expenditure and funding projection

The OGA's financial statements were published in its Annual Report and Accounts 2015–16. The figures provided in this document are intended to show the current approved budget for the year 2017/18 together with current financial forecasts for the remainder of the Corporate Plan.

The OGA's strategic financial framework is based on the principles of ensuring funding for Corporate Plan delivery while finding the balance between not increasing the cost of regulation on the industry and ensuring the organisation can achieve the priorities set out in this plan.

The OGA is committed to setting the levy in a fair and transparent manner and to strong governance being in place to monitor financial performance during the year. The figures below do not include any additional expenditure that may arise from the Information Management Strategy relating to a NDR. Income also assumes the continuation of government funding at constant levels although it is noted that this funding is subject to review in future years. Changes to either of these assumptions could have an effect on future levy requirements.

Income/Expenditure	2017/18 (£'000s)	2018/19 (£'000s)	2019/20 (£'000s)
Levy	21,325	21,325	21,458
Fees and charges	965	965	965
Government funding	3,000	3,000	3,000
Income	25,290	25,290	25,423
Staff	14,263	14,390	14,525
Office	1,653	1,743	1,743
Other	3,742	3,857	3,985
Programme	5,132	5,000	5,000
Total Operating Expenditure	24,790	24,990	25,253
Capital	500	300	170
Total Expenditure	25,290	25,290	25,423

From 1 April 2017 the OGA will operate separate financial systems to the sponsorship body (BEIS). For cash flow management purposes the OGA intends to bill levy payers annually in advance from this time.



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