



Oil & Gas  
Authority

# Industry compliance with regulatory obligations

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The OGA's final report on its Thematic Review

Date of publication 29/10/2020

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# 1. Background

## Thematic reviews

### What is a thematic review?

- 1.1 A thematic review is used to assess a current or emerging risk across all or a large part of the United Kingdom Continental Shelf ('UKCS'), rather than a specific issue in a particular field or area. It is similar in nature to the market studies carried out by the Competition and Markets Authority and other concurrent regulators under the Enterprise Act 2002<sup>1</sup>. As the OGA does not share these powers, its reviews are lighter touch but the principles and working methods are similar.
- 1.2 If a thematic review identifies a problem in an area, the OGA examines potential solutions, which may involve any of education, engagement and/or enforcement.

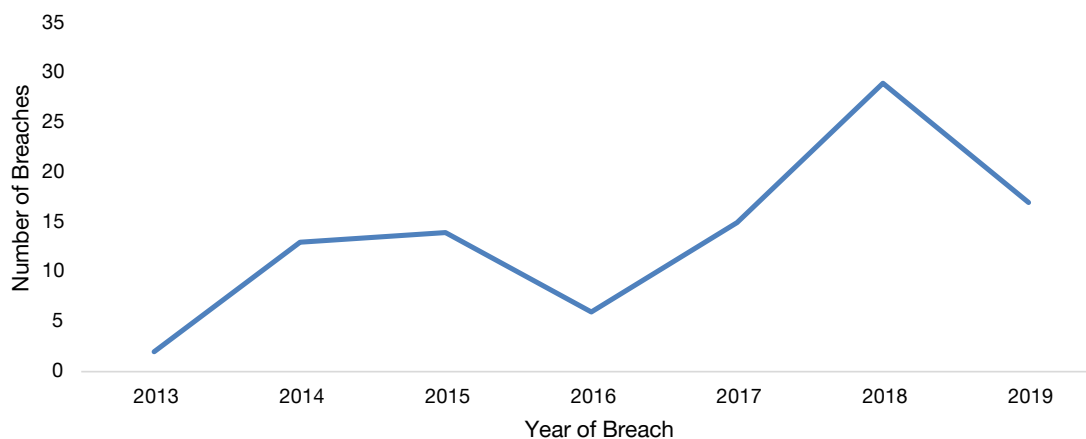
### Why was this issue selected for the OGA's first thematic review?

- 1.3 Between 2013 and 2018, the OGA recorded a trend of increasing instances of industry non-compliance with its regulatory obligations.

This included the following:

- Poor quality and timing of requests to extend licence term or move onto next phase – for example, in a six-month survey carried out during 2018, the OGA observed that some 30 per cent of licence extension requests were made after the deadline of three months prior to licence expiry;
- An increase in non-compliance with well consents; and
- Consent and authorisation exceedances, which peaked in 2018, as illustrated in Chart 1 (the OGA notes that there was a decline in exceedances in 2019, although the number equalled the second highest previous figure, recorded in 2017. The OGA modified its regulatory approach in 2019, stating in a letter <https://www.ogauthority.co.uk/news-publications/news/2019/open-letter-from-the-oga-to-licensees-and-infrastructure-owners-to-outline-the-next-stage-of-our-regulatory-approach/>) that it would be adopting a progressively more proactive approach to use of its powers where future breaches were recorded. It is likely that some of the decline resulted from this action.

**Chart 1: Field Consent Breaches 2013-2019 (flare/vent consents, production consents, pipeline works authorisations/deposit consents)**

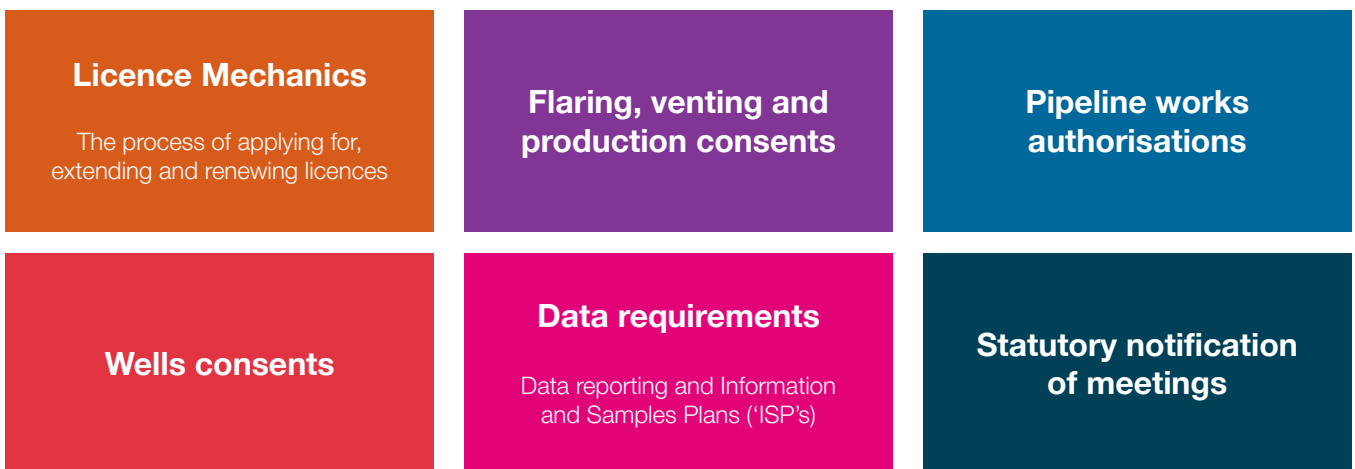


<sup>1</sup>See for example, <https://www.gov.uk/cma-cases/investment-consultants-market-investigation>.

- 1.4 Licensees have legally binding contractual obligations to meet the conditions of their licences. Proper maintenance of a licence is key to investor confidence and the relationship with the licensing authority – both key elements for successful delivery of the MER UK strategy<sup>2</sup>. In addition, where licensees pay insufficient attention to their regulatory obligations, it may have the potential to affect their social licence to operate<sup>3</sup>.
- 1.5 The OGA has therefore carried out a thematic review into this area, focused on identifying the factors contributing to compliance failures and providing recommendations for action. It is the responsibility of industry to ensure that it complies with its regulatory and other obligations, and many of the recommended actions set out in this report are for industry to undertake in order to help it fulfil its responsibilities. The remaining actions are measures which the OGA believes it can take in order to assist industry with reducing the frequency of compliance failures. The OGA considers that implementation of the recommended actions by industry and by the OGA is key to ensuring that all companies are in line with the required standards of compliance.
- 1.6 The OGA divided regulatory obligations into the following six broad areas:

**Process used to carry out the thematic review**

- 1.7 The thematic review gathered information from three different sources, in order to build a robust, evidence-based assessment of the causes of compliance failures:
  - A grassroots survey of industry attitudes to compliance;
  - Consultation with subject matter experts ('SMEs') across the OGA; and
  - International benchmarking with other regulators.



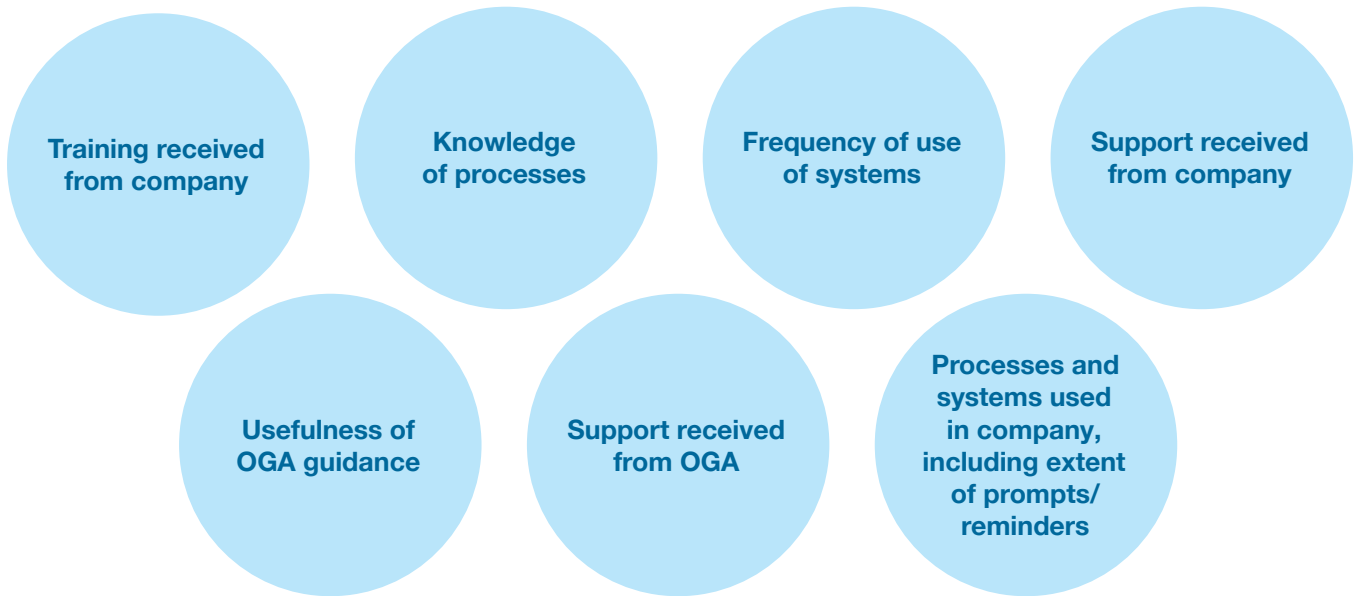
<sup>2</sup><https://www.ogauthority.co.uk/news-publications/publications/2016/maximising-economic-recovery-of-uk-petroleum-the-mer-uk-strategy/>

<sup>3</sup>"Social licence to operate" refers to the ongoing acceptance of a company or industry's standard business practices and operating procedures by its employees, stakeholders, and the general public.

### Industry survey

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- 1.8 In order to establish the primary causes of compliance failures, the OGA carried out<sup>4</sup> a survey seeking industry views and experiences with regard to regulatory obligations. The survey was addressed to the individuals at the grassroots level, that is, those people engaged in the day to day work of ensuring that compliance requirements were met, with responsibilities such as submission of licence applications, submission of consent requests, or ensuring that consent limits are not breached.
  
- 1.9 The survey used a spreadsheet format so that for each of the six areas covered by the survey, the person(s) responsible for that area within the company could complete the relevant tab.
  
- 1.10 The survey questions addressed such matters as:



<sup>4</sup>With the assistance of Oil and Gas UK (OGUK), see below.

- 1.11 Finally, a general section at the end of the survey asked for views on the OGA's website (search facility and ease of navigation), areas where respondents felt they would benefit from greater assistance, areas where they felt the OGA was doing well or there were opportunities for improvement, and the extent to which they felt their company was resourced in the area of regulatory obligations.
- 1.12 Many of the survey questions requested quantitative information, asking respondents to use a score from 1 to 5 to rate a particular area (for example, "Please rate the level of support you receive from the OGA team in relation to wells, from 1 to 5"), with 1 being Very Poor and 5 being Excellent.
- 1.13 All questions, whether or not accompanied by a rating, asked for qualitative information – comments in free text boxes to help the OGA to identify areas that could be improved and potential solutions that could be shared more widely.
- 1.14 The survey was launched on 10 October 2019 and closed on 15 November 2019. The survey was carried out by the trade association OGUK, on the OGA's behalf. This enabled the OGA to ensure that all of the data and comments provided by industry could be aggregated and anonymised by OGUK prior to submission to the OGA, maximising the opportunity for respondents to give their candid views and in turn ensuring that the OGA and industry have the best possible opportunity to implement recommendations that maximise industry compliance with regulatory obligations.
- 1.15 The survey was sent to 45 companies, from which the OGA received 43 responses (over 95 per cent), a tremendous response from industry which has given the OGA an excellent basis on which to make recommendations and has provided its relevant teams with very useful detailed feedback on industry grassroots perceptions of the key drivers operating in this area.
- 1.16 At the same time as launching the survey, the OGA offered all licensees (whether or not they were addressees of the survey) the opportunity for a 1:1 meeting, to discuss any particular perspectives they might have, including areas they felt could be improved upon, solutions they had found which could be shared to the benefit of others, or general comments on the areas covered by the thematic review.

## OGA subject matter experts

1.17 The OGA teams working in each of the areas covered by the thematic review were asked to consider the following, both from their own informed perspective and from the views of industry expressed in the survey responses:



1.18 The OGA held a series of internal workshops with the teams of SMEs in early 2020, the feedback from which is incorporated in the analysis and recommendations below.

## International benchmarking

1.19 The OGA held four international benchmarking workshops from November 2019 through to January 2020, with the equivalent authorities in Norway, Denmark, Ireland and Australia. The workshops discussed the experiences of each country in each of the six areas covered by the review – what worked well, where problems had been experienced, and what had been done to mitigate those problems.

1.20 Again, the feedback from these workshops is incorporated in the analysis and recommendations below.

## Interruption to publication

1.21 Following the various types of consultation referred to above, a draft final report was prepared in February 2020. However, publication of the report was delayed due to the specific operational and financial challenges facing the industry in the spring and summer of 2020. The OGA noted in March 2020 that it had identified several simple measures that it believes the OGA and industry can take to assist industry in complying with its regulatory obligations, but it recognised that these need to be introduced at the right time and it had therefore taken the decision to delay publication. The OGA further noted that this remains an important issue and that it remained committed to publishing the report, once operational and financial conditions had stabilised. The OGA considers that this is now the case.

## 2. Analysis of findings

2.1 This section sets out the high-level findings from the industry survey, as well as feedback from the internal OGA subject matter expert workshops and the four international benchmarking workshops.

### General themes emerging from the industry survey

2.2 For each of the six areas covered by the thematic review, an overall average score was calculated to summarise the quantitative views of survey respondents on the area for which they were responsible. For example, for wells the overall score was an average of the scores for the five relevant quantitative wells questions<sup>5</sup>:

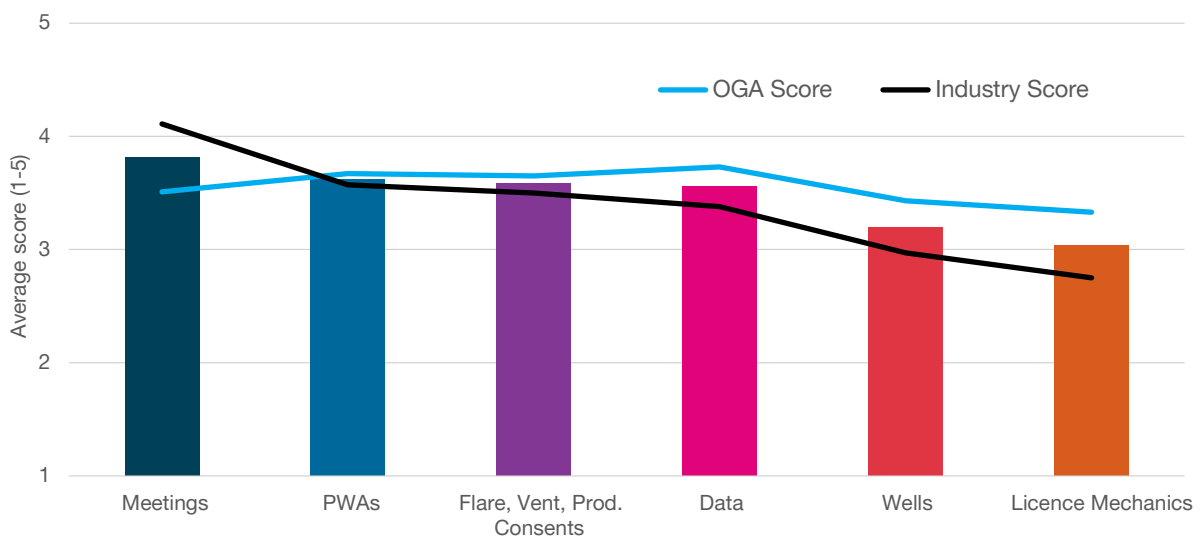
- usefulness of OGA wells guidance;
- level of support received from the OGA wells team;
- level of training received from their company;
- level of support received from their company; and
- processes and systems used in their company.

2.3 The overall average scores are shown in Chart 2, which also plots the scores for factors influenced by the OGA (first and second bullet points in the wells example above) and factors influenced by industry (third, fourth and fifth bullet points in the above example).

2.4 The OGA notes the following from these average scores:

- views were generally very positive, showing that survey respondents felt that the training, guidance, support, systems and processes available do enable them to fulfil all of their licence obligations effectively; and
- the two areas rated slightly lower than the others were wells and licence mechanics. Whilst not rated particularly low, this information did provide the OGA with a view of the areas that might need more focus when examining the more detailed, question-specific survey outcomes.

Chart 2: Overall average score, OGA-influenced factors, industry-influenced factors for each subject area

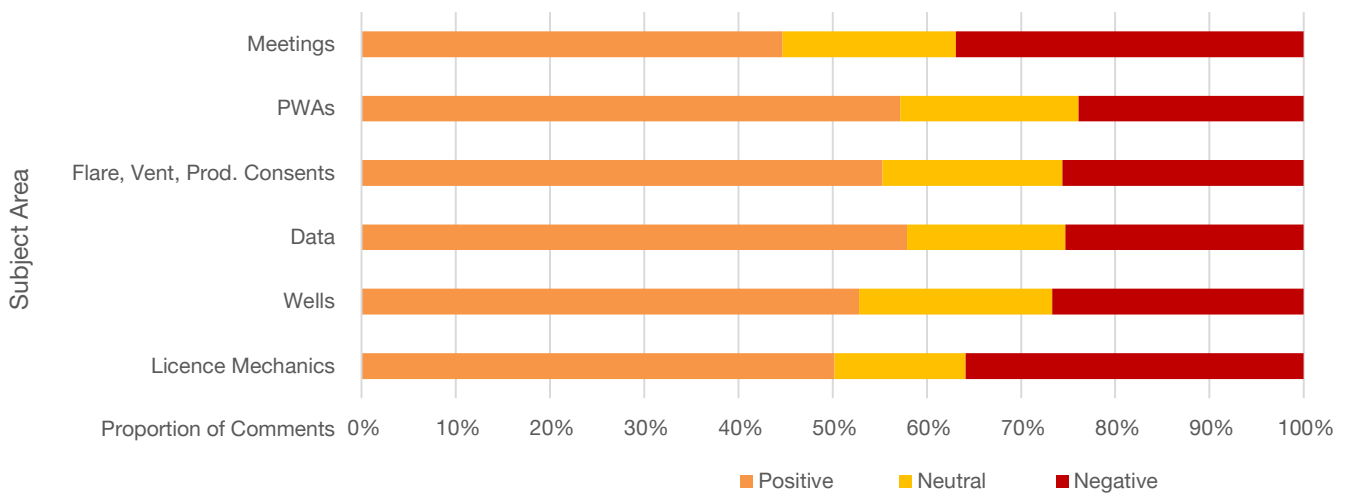


<sup>5</sup>i.e. in the case of wells, excluding frequency of use of WONS which is a statistical measure rather than a quantitative view.



2.5 The OGA also checked the quantitative scores illustrated in Chart 2 against respondents' average qualitative ratings in their free text responses. To do this, the OGA used sentiment analysis<sup>6</sup> to derive computer-generated indications of perceptions of each of the six areas. Whilst not infallible, this provided a useful check of whether, for example, respondents gave a good score to a particular area but accompanied that with more negative comments. Chart 3 shows that the majority of comments made were either positive or neutral, and that the least positive comments were made in relation to statutory meetings and licence mechanics. These findings are discussed later.

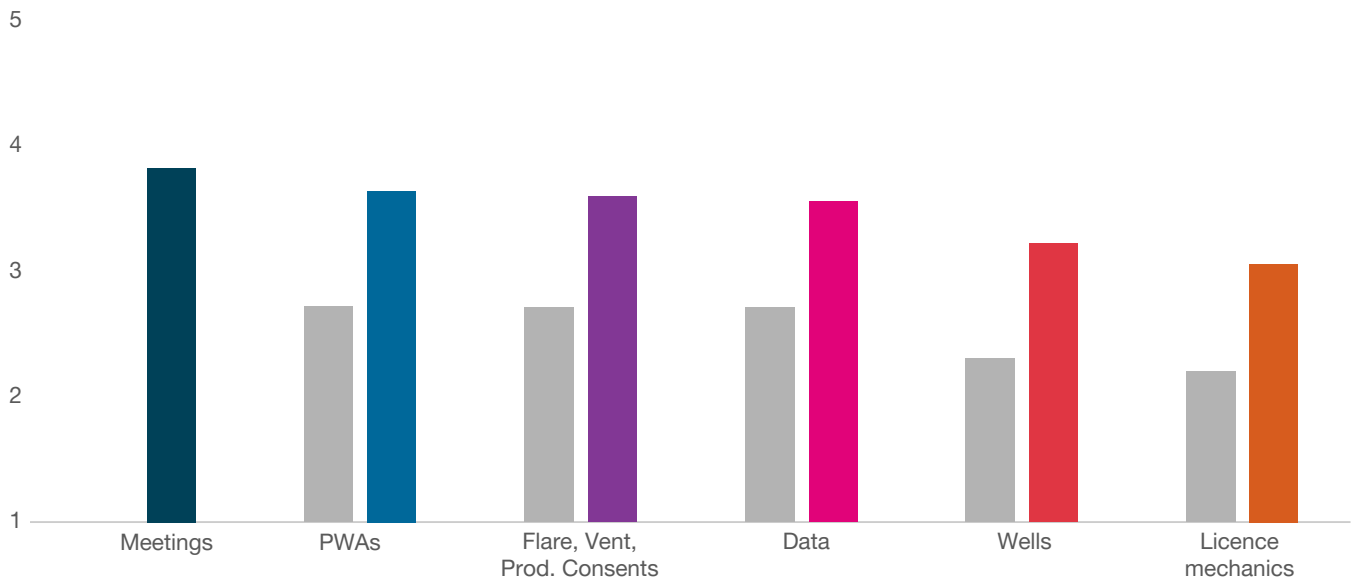
Chart 3: Overall average score, recorded by sentiment analysis of survey



<sup>6</sup>The process of computationally identifying and categorising opinions expressed in a piece of text, especially in order to determine whether the writer's attitude towards a particular topic, product, etc. is positive, negative, or neutral.

2.6 The most common theme that emerged from the survey was that the level of training in companies was rated well below the overall calculated average score for each subject area, as shown in Chart 4. These were the only questions in the survey for which an average score of less than 3 was given<sup>7</sup>. In their comments, respondents referred widely to there being little or no training available within companies, particularly in the newer and the smaller companies. However, this was not necessarily perceived as a problem, since many respondents were content to find out the answer for themselves, ask a colleague, or phone the OGA for assistance.

**Chart 4: Rating of training provided by company, compared with overall score for each subject area**



<sup>7</sup>Other than knowledge of the processes for submission of applications for new onshore production licences.



## OGA and company support

- 2.12 Company support was generally rated at or above the overall average score for each subject area, while OGA support was rated consistently above the overall average score for each area, with the exception of statutory meetings. Whilst this good feedback is welcome, there were also some comments around OGA resource difficulties, for example in the area of wells, and one or two suggestions of out of hours support. The OGA considers that increased ad hoc support, which would lead to a corresponding increased need for financial resource from industry thereby penalising the good performers, should not be promoted as a substitute for ensuring that licensees have the tools available to enable them to fulfil their obligations effectively without the necessity for additional assistance.
- 2.13 The survey included some comments around ease of access to identified contacts. The OGA has instituted a number of generic email addresses for particular work areas in the last year (for example, consents@ogauthority.co.uk) and set these out on its website. The OGA believes that these are the best method of facilitating easy contact and removing the risk of single points of failure due to absences etc, and strongly encourages industry to do the same in its recommendations below.

## Processes and systems

- 2.14 Company processes were universally rated above the overall average score for each subject area. In some cases, particularly for larger companies, OGA systems were dovetailed successfully with commercially available PLANC<sup>8</sup> systems, while in other cases, particularly for smaller companies, spreadsheets and more manual systems were utilised, but generally all methods used seemed to be broadly effective.
- 2.15 In the survey, the OGA asked specifically for suggestions to improve the usefulness and user experience of the three systems PEARS<sup>9</sup>, LARRY<sup>10</sup> and WONS<sup>11</sup>. Many respondents were generally content with the systems, particularly where they were familiar with them through more frequent use, but there were some useful discrete suggestions which the OGA will consider.

<sup>8</sup>PLANC Manager is an online tool that provides a method of identifying the permits, licences, authorisations, notifications and consents necessary during the execution of capital projects and ongoing operation of assets.

<sup>9</sup>PEARS, the Petroleum E-business Assignments and Relinquishment System, is the part of the Energy Portal that handles a number of licence-related activities including licence assignments, operator approvals, licence administrator changes, licence relinquishment and surrenders of acreage.

<sup>10</sup>LARRY, the petroleum Licence Applications Repository, is the OGA's licence application system which handles applications for new offshore and onshore licences.

<sup>11</sup>WONS, the Wells Operations Notifications System, is an Energy Portal application to allow the UK oil and gas industry to apply for, notify and receive consent for a wide range of drilling and related activities as required under production licences.

## Specific findings in relation to each area

### Licence mechanics

- 2.16 As noted above, licence mechanics was one of the areas where the survey indicated there might be a need for greater focus. This was consistent with the international benchmarking findings – all four countries had experienced some issues with timing and/or content of requests. The OGA noted that these problems were ameliorated by automation – for example, Norway has implemented a system, for licensing in the initial phase, with milestones, automatic warnings and guidance on information required, while Australia is introducing an online portal, similar to the OGA's LARRY and PEARS systems, which it is anticipated will remove some of the problems with forms being completed incorrectly.
- 2.17 The OGA SMEs noted that there has been an improving picture in this area over the last year or so, with improved compliance brought about by greater familiarity with systems, processes and requirements, good oversight by the OGA's licence and Operations teams, and improvements to published licence documents.
- 2.18 The survey comments, and the experiences of OGA SMEs, showed clearly that compliance was improved where individuals were familiar with systems and processes through frequent and/or recent use. The OGA considers it would be useful to leverage this knowledge and familiarity by means of greater coordination between industry subject matter experts, along the lines of the Information and Samples Coordinators ('ISC's, see section on Data requirements below). This is discussed in more detail in the Recommendations section.
- 2.19 In addition, the OGA SMEs noted that the Company Group Access Manager role needed greater visibility within companies, to ensure that PEARS permissions are properly managed.

### Flaring, venting and production consents

- 2.20 This was one of the most positively rated areas in the survey, with respondents valuing the support of the OGA's team and the training provided prior to the ACE. The OGA SMEs noted that better outcomes were derived from the ACE where the participants had attended the training, showing the importance of utilising this opportunity. A few respondents requested clearer direction for flaring and venting consents in terms of OGA process and points of contact.
- 2.21 The OGA noted that few problems were experienced in this area amongst the benchmarked countries – partly because of inherent differences in regimes. Australia had managed its few resource management flaring issues through engagement and monitoring rather than using formal powers. In Norway, the formal system for flaring/venting consent applications requires the operator to demonstrate a safety need. The OGA requires companies to carry out lessons learned exercises as part of its conversations with operators following consent breaches, and as noted above it has also signalled a progressively more proactive approach to use of its powers where breaches are recorded in future.

## Pipeline works authorisations

- 2.22 This was another of the most positively rated areas in the survey, with respondents valuing the support of the OGA's team and also rating highly their own company support and processes.
- 2.23 The OGA notes that the Pipeline User Group meets on a quarterly basis and that this knowledge sharing forum may help to explain why there are relatively few issues in this area.
- 2.24 Again, there were few problems experienced amongst the benchmarked countries, but the OGA did note that Australia had created some one-page factsheets to provide guidance on a number of areas, including some issues related to pipeline works authorisations. The OGA considered these as part of its scoping of potential additional training media – see the Recommendations section below.

## Wells consents

- 2.25 Wells was one of the areas where the survey indicated there might be a need for greater focus. As noted above, some OGA resource difficulties were experienced by some respondents, and in addition there were some suggestions for improvements to both WONS and the OGA guidance in this area, although, on average, people found them to be useful. As noted in the Recommendations section below, the OGA plans to issue new wells guidance in the next few months and the suggestions provided in survey responses are being used to inform both the content and the clarity of that document. Similarly, the OGA is carrying out a WONS improvement project which will take into account the suggestions for improvement made in the survey.
- 2.26 Few problems were experienced in the area of wells amongst the benchmarked countries.

## Data requirements

- 2.27 Data was one of the most positively rated areas in the survey, particularly in terms of the supporting comments made by respondents. Both the survey respondents and the OGA SMEs appeared to find that the rigorous support network of ISCs worked particularly well, especially where companies took advantage of the opportunity to engage with the quarterly ISC Special Interest Group meetings where knowledge sharing featured prominently – those who attended these meetings appeared to be very well informed. The OGA considers that this model should be extended to other areas covered by the thematic review, as discussed in the Recommendations section below.
- 2.28 There were some resource issues identified within companies, particularly for smaller companies or where there had been staff turnover. Smaller companies also sometimes derived limited support from their processes and systems relating to production licence event management, prior to and during the time Information and Samples Plans ('ISP's) are required – this appeared to be linked mainly with a lack of tracking, but most companies either already had a system for this or were in the process of developing one.
- 2.29 The benchmarked countries did not have directly comparable data requirements, but Australia, for example, described some detailed licensee data provision requirements to the OGA, some of which could attract criminal penalties if breached.

## Statutory notification of meetings

- 2.30 Statutory meetings had the highest average score but were rated the least positively in comments made. It is possible that the score was distorted by two out of the four questions in this area being about companies' rating of their level of compliance, which is generally good in this area, while the less positive comments were generally about not having received support from the OGA (although in most of these cases no support had been sought). The few instances of non-compliance with the requirement to notify, were attributed to human error.
- 2.31 Some respondents asked for more proactive acknowledgement of invitations to meetings – the OGA will consider implementing a simple automated acknowledgement system, see Recommendations below.
- 2.32 Neither Australia nor Ireland have the power to require attendance at meetings. Norway has an electronic platform for all licensees to share details of their meetings, ensuring that the authority is notified and able to attend if it wishes. This was developed by licensees as part of a secure platform for safe communication between joint venture partner companies, and the OGA does not believe it would be a justifiable expenditure of resources to introduce it in the UK at this time.

## General section

- 2.33 The general section asked two questions about the OGA's website. As noted above, there were some requests for improvement of the navigation and the search function, although others said that the layout was clear, simple and logical and that the search engine generally returned the expected results. As would be expected, users' experiences seemed to be better with greater frequency of use. The OGA has considered whether improvements can be made to facilitate easier access to the wealth of useful information on its website, as discussed in the Recommendations section.
- 2.34 The third question in this section, about areas where greater assistance would be useful, has already been discussed above in paragraph 2.7. The fourth question asked for other comments on OGA performance in licensing and consents – this provided a variety of suggestions, many of them systems-related, several of which would be too expensive and/or too difficult to implement at this time. However, the OGA will bear in mind some of the suggestions when implementing the recommendations set out below.
- 2.35 The final question in the survey asked how well-resourced companies felt in relation to complying with their licence and consent obligations. Some companies referred to a disproportionate dedication of resources to compliance with production consents. Other companies said that they were reviewing and/or strengthening their internal processes in order to avoid future breaches of compliance with their regulatory obligations, while some companies said that they were stretched due to staff turnover.

# 3. Recommendations

- 3.1 This section sets out the OGA's recommendations, both for industry and for itself, that result from the findings of this thematic review.
- 3.2 In setting out these recommendations, the OGA notes first that this thematic review is concerned with industry compliance with its regulatory obligations and that industry is expected to fulfil those regulatory obligations, irrespective of any assistance from the OGA. This review was initiated because of an increase in instances of non-compliance over the preceding few years. Following increased focus by the OGA, and subsequently by industry, the OGA is pleased to note a reduction in non-compliance. Nevertheless, the number of instances remains unacceptably high and the OGA will now be adopting a more proactive approach to the use of its powers where breaches are recorded, in order to ensure there is an effective deterrent to non-compliance. In general terms, industry's feedback in the survey indicated that there are no great barriers to complying with its regulatory obligations.
- 3.3 Notwithstanding these points, the OGA considers it helpful to set out some actions for industry that the OGA considers will assist it with fulfilling its regulatory obligations, as set out in the following paragraphs. Feedback from the survey, from OGA SMEs and from other authorities provided useful ideas both for new initiatives and for existing initiatives that were working well and could be applied more widely.
- 3.4 In addition, the OGA sets out some actions for itself that will help to facilitate industry access to the information it needs to maximise compliance. As stated in many of the comments made by respondents, there is already a lot of good guidance and support available on the OGA's website, and it is relatively easy to find for most users. Similarly, there are many systems and processes available, both provided by the OGA and developed within companies, to assist with meeting regulatory obligations. However, survey respondents provided useful indications as to the areas where a little more help could be provided and made some useful suggestions as to some small actions that could be taken that would assist them.

## Summary of recommendations

	Actions by industry	Actions by OGA
<b>Short to medium term 2020/2021</b>	Set up individual coordinators for each area covered by thematic review	Take account of survey feedback when reviewing and revising existing guidance
	Set up generic email addresses for coordinators	Deliver new wells guidance, incorporating survey feedback as appropriate
	Set up quarterly knowledge sharing meetings for coordinators, where not already held	Deliver new training videos
	Address potential single points of failure by ensuring knowledge/roles shared	Investigate potential website improvements to improve user experience
	Ensure new staff read and understand all relevant OGA guidance	Incorporate survey feedback in ongoing IT developments where possible, including links to guidance and automatic acknowledgement of statutory meeting notifications
<b>Long term 2022 onwards</b>	Work with OGA on development of online training academy for greatest benefit	Work with industry on development of online training academy for greatest benefit
	Consider new systems, including for new energy transition-generated requirements	Consider new systems, including for new energy transition-generated requirements



## The recommendations in more detail

### Short to medium term recommendations

#### **Industry to set up individual coordinators, generic email addresses and quarterly knowledge sharing meetings for each area covered by thematic review**

- 3.5 The existing system of ISCs was regarded by survey respondents as working particularly well. The OGA agrees and considers that the good practices already adopted in this area should be extended to the other five areas covered by this thematic review by the end of 2021.
- 3.6 This means that the following should be developed for each of licence mechanics, flaring, venting and production consents, pipeline works authorisations, wells consents and statutory notification of meetings:
- Each company to appoint an individual coordinator for each of these areas (and inform the OGA of any change of coordinator in due course) – the coordinator will be a knowledgeable point of contact for the company, acting as an information conduit to/from the OGA; ensuring that other people within the company dealing with that issue are appropriately trained and have easy access to the relevant resources; and taking responsibility for the successful compliance with regulatory obligations in that area; OGA to prepare a slide for each area, based on the existing slide used for ISC meetings, with information on best practice in coordination;
  - Each company to set up a generic email address for each of the areas, with inbox to be monitored by the coordinator and appropriately informed alternate individuals; these generic email addresses should be advised to the corresponding team in the OGA dealing with the particular area; this will help to remove potential single points of failure and make it easier for the OGA to know who to contact within the company about a particular issue; note that the OGA is already working on developing similar generic email addresses for each area and listing these clearly on its website; and
- Industry to set up quarterly meetings of all individual coordinators for each particular area;<sup>12</sup> these will enable effective knowledge sharing and lessons learned exercises; the meetings should be accompanied by usual good business practices such as sharing of agendas and minutes, circulation of self-explanatory presentation slides etc and will, at least initially, be attended by one or more individuals from the relevant OGA team to help embed good practice and to maximise the effectiveness of OGA/industry relationships in the particular area; companies should send an alternative delegate if the coordinator is unable to attend and attendance should be monitored.
- 3.7 The OGA believes that this extension of these good practices from the data area to other areas will help to improve knowledge and share best practice, and facilitate better communication with the OGA, leading to improved compliance with regulatory obligations. The OGA notes that there are already fora or coordinators in some areas, for example the Pipeline User Group which meets quarterly and the PEARS subject matter experts in companies, and where this is the case then it will be a matter of adding those requirements listed above that do not already exist and ensuring there is a consistently high standard of communication across all areas, rather than removing existing good practice.
- 3.8 The OGA also believes that it may be advantageous to harness the technical benefits of software such as Microsoft Teams for these groups. For example, if an external team were set up in Teams, then not only could the meetings be arranged using that software, but also the relevant guidance could be saved or linked in that area, and timetables of future meetings and activities could be placed in the planning area, etc.

<sup>12</sup>In the short term, these meetings will need to be held remotely rather than face to face. It may be sensible to extend this working practice to the longer term, depending on the preferences of the coordinators for each particular area, as this may facilitate easier attendance.

### **Industry to address potential single points of failure by ensuring knowledge/roles shared**

3.9 In addition to the above, the OGA considers that all companies should ensure that knowledge of any particular area does not reside with one person. This can lead to problems where an individual is unavailable, whether planned or unplanned. Even for very small companies, a minimum level of knowledge should be shared with other staff so that there are no delays to key processes, or problems with business continuity, which can result in breaches of regulatory obligations, and peaks and troughs in levels of compliance.

### **Industry to ensure new staff read and understand all relevant OGA guidance**

3.10 As part of their induction programmes, the OGA considers that all companies should ensure that staff working in a particular area read and understand all relevant OGA guidance and have an opportunity to discuss that guidance with more experienced staff and ask questions where needed. This will ensure familiarity with the training resources available as well as familiarity with the subject, and lessen the likelihood of needing assistance or making errors when carrying out key tasks.

3.11 How this is done, is a matter for individual companies – but if there are breaches of regulatory obligations and/or repeated requests for assistance with tasks that are clearly covered by online resources, then the OGA will wish to investigate whether these basic requirements have been carried out and if not, why not.

### **OGA to take account of survey feedback when reviewing and revising existing guidance**

3.12 As noted above, there is a large body of existing guidance on the OGA's website, and in general this was highly appreciated by survey respondents. Notwithstanding this, there is always room for improvement and the OGA will therefore take account of the specific comments made in the survey when existing guidance documents are reviewed and updated.

3.13 The OGA considered adding to the existing guidance by developing one page factsheets, similar to those used by the Australian authority, to introduce new industry staff to broad concepts – for example, the legal and practical requirements for obtaining a licence, or the items necessary to include when notifying the OGA of meetings. Although these would be useful for some staff, the OGA decided to dedicate its limited resources to other work at this time.

### **OGA to deliver new wells guidance**

3.14 The OGA is drafting new wells guidance covering what needs to be done in relation to wells and why, and the factors considered by the OGA when reviewing applications. The suggestions provided in survey responses will be used to inform both the content and the clarity of that document. The OGA expects to publish this new guidance by early 2021.

### **OGA to deliver new training videos**

3.15 As discussed previously, the OGA considers that there may be a need to augment the training materials available such as guidance documents, presentation slide packs and discussion documents. For the more practical tasks such as use of LARRY, PEARS and WONS, the OGA considers this need is best addressed by developing some very short (three to five minute) online videos designed to inform the viewer as to how to complete a specific task (such as how to start a portal account or how to apply for a flaring consent online). The intention would be to remove the need to contact the OGA with such queries on multiple occasions, replacing that with the relevant information that answers the question at the click of a mouse exactly when the information is required.

3.16 The OGA intends to develop one or two pilot videos in the course of 2021 and release them on its website, along with a facility for user feedback on usefulness, clarity etc. The OGA will then review the position in the light of this feedback before deciding whether to develop further videos on other key areas during 2022.

### **OGA to investigate potential website improvements to improve user experience**

- 3.17 Survey responses included a desire by some for improvement of the navigation and the search function on the OGA's website, although other respondents said that the layout was clear, simple and logical and that the search engine generally returned the expected results. The OGA notes that the vast majority of its guidance is available from an existing "Quick Link" on its homepage, which leads the user to the relevant set of pages including existing guidance documents, and that a sitemap is already available at the foot of each webpage.
- 3.18 The OGA is, however, looking at the feasibility of low-cost improvements to its website, and taking into account the feedback received has already implemented improvements such as extending the range of filters in the existing search facility, and promoting search results that are the latest published pages or that include the search term in the document title. Accessibility has been improved with changes to accommodate colour blindness and other visual impairments, and links have been improved using a link checker.

### **OGA to incorporate survey feedback in ongoing IT developments where possible, including links to guidance and automatic acknowledgement of statutory meeting notifications**

- 3.19 The OGA has an ongoing programme of IT developments, for example a WONS improvement project and a PWA portal project, and the feedback from the survey will be used to help inform these developments. In addition, a number of respondents referred to various parts of existing systems that would benefit from extra links to the OGA's guidance – the OGA will take these suggestions into account as and when it makes incremental changes to its systems.
- 3.20 In addition, as noted above the OGA agrees it would be sensible to acknowledge receipt of all notifications of statutory meetings and intends to set up a simple system to facilitate this.

## **Long term recommendations**

### **Industry and OGA to work together on new online training academy to bring together and promote initiatives**

- 3.21 In the longer term, the OGA considers it would be advantageous to bring all of the responsibility for maintenance and improvement of training and development resources under one training academy. This would sit within the OGA but would work with key players from industry working in each of the six areas covered by this thematic review. There would be regular meetings to discuss live issues, such as for example where the greatest frequency of breaches of regulatory obligations had occurred over the preceding few months, why that might be, and what good practice from other areas could be replicated in order to improve the situation in the area in question.
- 3.22 The training academy would also be responsible for looking at potential new training and development initiatives that might assist industry to comply with its regulatory obligations.

### **Industry and OGA to consider new systems, including for new energy transition-generated requirements**

- 3.23 Energy transition initiatives, such as carbon capture and storage or hydrogen capture, may prompt corresponding new regulatory or other requirements over time. Both industry and the OGA will need to be alive to this dynamic picture and there will need to be discussions of the best ways to implement any new obligations, including potential accompanying systems and training materials, to maximise efficiency and take advantage of working with a "blank slate" in a new area but with the benefit of the lessons learned from administration of existing obligations. In addition, where there is potential for efficiency gains from sharing of existing IT platforms, these opportunities should be explored.

## Conclusion

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- 3.24 This thematic review has examined industry compliance with regulatory obligations, focusing in particular on the factors contributing to compliance failures in order to make recommendations for actions by industry, supported by the OGA, to reduce the frequency of breaches of those regulatory obligations. The OGA will work with industry over the coming months to ensure that these recommendations are properly implemented in order to maximise the successful delivering of the MER UK strategy.
- 3.25 Finally the OGA would like to acknowledge, with thanks, the companies who participated in the industry survey, OGUK for its assistance with and since the survey, and the helpful contributions from various international regulators including the Department of Communications, Climate Action & Environment (Ireland), the National Offshore Petroleum Titles Administrator (NOPTA Australia), the Norwegian Ministry of Petroleum and Energy and the Norway Petroleum Directorate (Norway), and the Danish Energy Agency (Denmark).





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