

INFORMATION IN SCOPE (PART A)

MEETING WITH OIL AND GAS UK

Date and Time of Engagement	Tuesday 5 September 2017 08:30 – 09:30
Where	OGUK Exhibition Stand 2A109 Hall 2
Key Message	<ul style="list-style-type: none"> • The Scottish Government is committed to a sustainable future for the oil and gas sector in Scotland and to working in partnership to secure the total value added for the economy, the industry and society.
Who	<ul style="list-style-type: none"> • Deirdre Michie, Chief Executive • Mike Tholen, Economics Director • Jenny Stanning, External Affairs Manager
What	An opportunity to understand the headline messages from Oil and Gas UK's latest Economic Report.
Why	Oil and Gas UK will publish their 2017 Economic Report on Wednesday 6 September.
When	08:30 – 08:30, Tuesday 5 September 2017
Supporting Official	[REDACT], Offshore Oil and Gas, [REDACT] [REDACT], Head of Offshore Oil and Gas, [REDACT]
Media Handling	N/A
Dress code	Business Attire
Greeting Party and specific meeting point	Officials will meet the Minister outside the <u>Main Registration & Entrance</u>, off Exploration Drive. AECC (Aberdeen Exhibition & Conference Centre) Exhibition Avenue Bridge of Don Aberdeen AB23 8BL
Specific entrance car/parking arrangements	N/A
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ANNEX A - SUMMARY

Agenda

- The main focus of the meeting will be the headline messages from the 2017 Economic Report. However, if there is time, **OGUK have suggested the following discussion topics:**
 - Brexit
 - Budget
 - Scottish Energy Strategy and climate change bill
 - Business rates

Brexit

- Since the vote to leave the EU, the approach of the UKG to withdrawal has been a rejection of the principle of devolution, and the sharing of decision making across these islands, clearly chosen by the people of Scotland and Wales.
- The UKG's EU (Withdrawal) Bill is an unashamed move to centralise decision making power in Westminster, cutting directly across current devolved powers and responsibilities.
- **The UKG acknowledges the EU Withdrawal Bill requires Scottish Parliament consent.** The Scotland Act makes clear that the UK Parliament will not normally legislate on devolved matters or legislate to change the powers of the Scottish Parliament or ministers without the consent of Holyrood.
- The Bill empowers UK ministers to make changes in devolved policy areas without the involvement of either the Scottish Government or the Scottish Parliament.
- For that **reason we will not recommend that the Scottish Parliament gives its consent.** To override a vote of the Scottish Parliament and impose the EU Withdrawal Bill on Scotland would be an extraordinary and unprecedented step to take.

Budget: The key economic and fiscal levers remain with the UK Government, and further support is required:

- The Chancellor must now deliver practical measures to aid the transfer of late life assets through Transferable Tax Histories – this is long overdue and part of the measures which the Scottish Government has called on for some time.
- The UKG must provide support for exploration to boost activity and provide immediate support to the hard hit supply chain.
- The UKG should work swiftly with the sector to deliver a Sector Deal which will allow the industry to meet its 2035 Vision of maximising economic recovery and doubling the UK's market share of the global supply chain industry.
- The UKG must also take action to deliver on the Chancellor's commitment in March 2016 to consider loan guarantees to ensure that critical assets and infrastructure remains operational.

Scottish Energy Strategy and Climate Change Bill

- **Recognise that Deirdre Michie attended the recent SEAB meeting in June and welcome OGUK's input into the discussion,** particularly the points in OGUK's submission recognizing the important role for oil and gas in the short, medium and long term.
- Following the consultation closure, the results will be fully analysed and considered in the development of the final Energy Strategy – to be published before the end of 2017.
- **The public consultation on our Climate Change Bill proposals remains open till 22 September.** We look forward to receiving views from across Scotland and I would not want to pre-empt that process.

Business Rates

- Barclay Review published 22 August - welcome the report on the review of non-domestic rates led by Ken Barclay.

- I am grateful to Ken Barclay and the other group members (Nora Senior CBE, Isobel d’Inverno, Professor Russell Griggs OBE and David Henderson), and to all who provided evidence.
- We have outlined some early commitments in the Programme for Government, and will update Parliament shortly with our full response.

ANNEX B – Company Background, Biographies

Oil and Gas UK are the industry tradebody for the offshore oil and gas sector.



Deirdre Michie, Chief Executive

Deirdre was appointed CEO of Oil and Gas UK in May 2015 and is a member of MER, the UK Government and industry forum, and is also a member of the Scottish Government’s Energy Advisory Board and the UK Treasury’s Oil Industry Fiscal Forum. She is Chair of Common Data Access Limited, a director of OPITO Strategic Ltd, a Board Member of Opportunity North East and of the SCDI (Scottish Council for Development & Industry). Deirdre is also a member of the UK government’s Women’s Business Council which is focused on increasing women’s contribution to economic growth.

A former vice-president and council member of Aberdeen & Grampian Chamber of Commerce, Deirdre takes an active role in local business and in the community.

Before taking on the role of CEO of Oil & Gas UK, she was Chair of the Board of Aberdeen Science Centre, a Board member of North East of Scotland College, and of Aberdeen Skills and Enterprise Training.



Mike Tholen, Economics Director

Mike seeks to foster a business environment which sustains the competitiveness of this mature oil and gas province. Particular responsibilities within the oil and gas industry trade body include fiscal and energy policy and regulatory affairs. He is actively engaged with HM Treasury and DECC on the future of the UK oil and gas fiscal and regulatory regime which will be critical to deliver the full potential of the basin.