Well intervention services deal could result in increased costs for UK oil and gas production

Press release

Baker Hughes' acquisition of Altus could result in oil and gas operators in the UK facing a worse deal for certain well intervention services.

Image credit: CMA

Well intervention services are essential services used by oil and gas operators to manage well production, provide well diagnostics and modify a well's state or configuration. Both Baker Hughes and Altus supply various well intervention services in the UK, including to operators active on the UK continental shelf.

The Competition and Market Authority's (CMA) Phase 1 investigation has found that Baker Hughes and Altus are the two largest providers of both coiled tubing and pumping services in the UK and compete very closely in the supply of these services currently. After the deal, Baker Hughes would face competition from only one other major supplier – Halliburton – and a small number of other suppliers that are much weaker competitors in the UK.

The CMA is therefore concerned that the loss of rivalry between the merging companies could lead to higher prices, reduced choice and lower quality services for businesses in the UK that purchase coiled tubing and pumping services.

Colin Raftery, Senior Director of Mergers at the CMA, said:

> Well intervention services are an integral part of managing oil and gas wells. Competition is vital to avoid higher prices or poorer quality of services for oil and gas operators active in the UK.

> Our investigation showed that Baker Hughes' purchase of Altus would take out an important supplier and few remaining competitors would be left in the market. We will move to an in-depth investigation unless the companies can address our concerns.

Baker Hughes and Altus have 5 working days to submit proposals to address the CMA's competition concerns. The CMA would then have a further 5 working days to consider whether to accept these in principle instead of referring the case to a Phase 2 investigation.

For more information, visit the Baker Hughes/ Oz MidCo (Altus) investigation page.

Notes to Editors

1. 'Baker Hughes' refers to Baker Hughes Nederland Holdings B.V. and 'Altus', or 'Oz MidCo', refer to Oz MidCo AS (Altus Intervention).

2. UK refers to the UK part of the North Sea and UK onshore.

3. Coiled tubing (CT) refers to a conveyance method which uses a continuous length of small diameter flexible pipe to transport fluids, tools, chemicals or gases down a well.

4. Pumping refers to the delivery of gases or liquids from the surface into the well. It can be provided as ancillary services to CT or as a standalone service.

5. All media enquiries should be directed to the CMA press office by email on press@cma.gov.uk, or by phone on 020 3738 6460.

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Award winning project delivery at Sellafield

News story

Sellafield Ltd recognised at global awards for contribution to project management.

The winning project management team. From left to right: Daniel Gilks, Haley Kerr, Helen Ross, Eleanor Ball and Mark Kitchingman

Our project delivery directorate has been named as a winner at this year's 'Association for Project Management (APM) Awards'.

These prestigious awards celebrate project organisations, individuals and projects from across a broad range of sectors and their incredible achievements over the past year.

We have won the 'contribution to the profession: company or consultancy' category that recognises the work we do to support our project professionals, apprenticeships, developing an effective career pathway, being granted APM assessor status and the education delivered through 'A Project Academy' for Sellafield.

This is the 6th APM Award Sellafield Ltd has won to date.

Sellafield Ltd project director, Andy Sharples said:

> Being recognised as a winner in the prestigious APM Awards is a fantastic achievement for Sellafield Ltd. I'm incredibly proud of the team and their hard work that is being recognised.
>
> We're delivering complex and interesting projects at Sellafield – this level of recognition shows how we're making a positive impact on our project professionals who are working together to deliver our purpose.

Andrew Tyson, head of project management function, Sellafield Ltd:

> Winning an APM Award is brilliant news for the project management function and wider organisation. I'm delighted that the team's hard work and efforts are being celebrated at this level.
>
> We have fantastic people working at Sellafield and this award is testament to the hard work they do each and every day to create a clean and safe environment for future generations.

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DBS and Ann Craft Trust promote Safeguarding Adults Week 2022

DBS and Ann Craft Trust promote Safeguarding Adults Week 2022

The Disclosure and Barring Service (DBS) and Ann Craft Trust have teamed up during National Safeguarding Adults Week to support organisations to develop safer working practices.

DBS supports employers to make safer recruitment decisions by processing and issuing criminal record checks and by maintaining the Adults' and Children's Barred Lists. Barred lists are records of people not permitted to work in a regulated activity with vulnerable groups, including children

The Ann Craft Trust – which is hosting Safeguarding Adults Week – is a leading UK authority supporting organisations to safeguard adults and young people at risk.

The two organisations are working together focused on the theme of creating safer organisational cultures, helping organisations understand issues such as where there is a legal duty to refer, and types of checks required when recruiting new employees.

Activities being provided will include:

Dr Suzanne Smith, Barring and Safeguarding Director for the Disclosure and Barring Service, said:

“DBS performs a critical role in helping protect the most vulnerable. We support employers to make safer recruitment decisions informed by our different levels of DBS checks and by barring individuals who pose a risk to vulnerable groups from working in certain roles.

“We are pleased to work alongside the Ann Craft Trust, who share a commitment to safeguarding excellence, and look forward to sharing our expertise with organisations working to protect adults at risk.”

Dr Deborah Kitson, CEO of the Ann Craft Trust, said:

“The Ann Craft Trust is now committed to safeguarding adults at risk and disabled young people of any form of abuse and harm. As part of Safeguarding Adults Week this year, we are pleased to be working with DBS to host a free webinar discussing safe and fair recruitment.”

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1. 22 November 2022

   Summary wording has been slightly changed

2. 22 November 2022

   First published.

Building safety levy moves a step closer

Proposals for how developers would pay to fix unsafe buildings have been set out today by the government as it moves a step closer to imposing its new Building Safety Levy.

The government has now begun consulting developers and other interested parties on the plans, which will see an estimated £3 billion collected over

the next 10 years.

Under the proposals drawn by the Department for Levelling Up, Housing and Communities, developers of residential buildings, regardless of their height, will have to pay the levy contribution as part of the building control process.

This will mean that unless the levy is paid, a developer could not move on to the next stage of the building process, which could lead to project delays and impact future revenues.

Minister for Local Government and Building Safety Lee Rowley said:

> We have been clear that developers must pay to fix building safety issues and the Building Safety Levy is an important part of making that a reality.
>
> Today’s consultation will give industry and local authorities an opportunity to work with us going forward.
>
> By having these plans in place, we can ensure that all leaseholders are protected, regardless of whether their developer has pledged to remediate or not.

The government’s proposals include an option to alter levy rates depending on where in the country the building is, with lower rates in areas where land and house prices are less expensive. It also suggests that local authorities will be best placed to act as the collection agents as they have the necessary systems, data, knowledge, and relationships in place with the developer sector.

In order to protect the supply of affordable homes, it is proposed they be exempt from a levy charge. This is alongside a number of community buildings, including NHS facilities, children’s homes and refuges, including those for victims of domestic abuse.

The levy will be reviewed regularly so that it can be adjusted to take account of changing circumstances, such as wider economic conditions. There are also plans to protect small and medium sized enterprises by excluding smaller projects.

The Building Safety Levy will run alongside the developer pledges which were announced earlier this year. Under the pledges, 49 of the UK’s biggest homebuilders have committed to fix life-critical fire-safety defects in buildings over 11 metres where they had a role in developing those buildings in the last 30 years. This amounts to a commitment of at least £2 billion.

The Building Safety Levy was first announced in February 2021 and plans to extend it to cover all residential buildings were confirmed in April 2022. The Building Safety Levy is one of the ways we will ensure that the burden of paying for fixing historic building safety defects does not fall on

leaseholders or taxpayers.

The consultation seeks views on the delivery of the Levy, including how it will work, what the rates will be, who must pay, what sanctions and enforcement will apply, and who is responsible for collecting the levy.

The consultation will be open for ten working weeks from today (22 November) and seeks the views of all interested parties, especially developers of all sizes, building control professionals and local authorities. Their views will be taken into account before any final decisions are made next year.

Further information:

The consultation is available here.

Regulator launches inquiry into Islamic Centre of England

Press release

The Charity Commission has opened a statutory inquiry into the Islamic Centre of England Limited over serious governance concerns.

The charity is based in London and its charitable purposes include advancing the religion of Islam and education and welfare among the Muslim community.

The regulator’s decision follows extensive engagement with the charity over recent years, which has included issuing the charity with an Official Warning. The Warning followed two events held at the charity’s premises in 2020 that eulogised Major General Qasem Soleimani who is subject to UK sanctions.

A follow-up case in 2021 concluded that the charity was only partially compliant with the actions set out in the Official Warning and identified further regulatory concerns. These included concerns about the content of the

charity’s website and the trustees’ management of conflicts of interest, and led to the Commission issuing an Action Plan.

The Commission has identified that the trustees have failed to fully comply with the Action Plan and Official Warning and a number of further regulatory concerns also remain.

The Commission has therefore opened a statutory inquiry into the charity, which will examine:

1. The extent to which the trustees have properly exercised their legal duties and responsibilities under charity law, in particular regarding the charity’s website and events.
2. Whether the trustees are willing, and able, to further the charity’s objects in accordance its Governing Document.
3. The governance and administration of the charity by the trustees, including the identification and management of conflicts of interest and/or loyalty.

The Commission may extend the scope of the inquiry if additional regulatory issues emerge.

It is the Commission’s policy, after it has concluded an inquiry, to publish a report detailing what issues the inquiry looked at, what actions were undertaken as part of the inquiry and what the outcomes were.

Reports of previous inquiries are available on GOV.UK.

ENDS

Notes to editors:

1. The Charity Commission is the independent, non-ministerial government department that registers and regulates charities in England and Wales. Its purpose is to ensure charity can thrive and inspire trust so that people can improve lives and strengthen society.
2. The inquiry was opened on 14 November 2022, under section 46 of the Charities Act 2011.

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