



United Kingdom Onshore Pipeline Operators' Association

## UKOPA 2011 the way forward:

### Members' Consultation Document

#### **Background**

The UK Onshore Pipeline Operators' Association since its formation in 1997 has grown into a successful and respected organisation. It is very much the primary voice for UK oil, gas and petrochemical pipelines and a respected consultee of the HSE. It is today financially self sustaining

The organisation has grown from an organisation that was centred mostly around Transco and a limited number of other major onshore pipeline operators to an organisation that is now more broadly representative of the UK onshore pipeline industry. This includes most of the UK oil and petrochemical pipeline operators, the gas transmission and distribution companies including the independent Gas Distribution pipeline operators that were divested from National Grid Transco in 2005.

However to sustain the organisation in the future it is essential that the drive and energy of the organisation is maintained and that we have an organisational structure that promotes and facilitates the broad involvement and engagement of all its members. It must therefore allow all members to be equal and their views and contributions to be reflected and valued.

With this in mind the UKOPA Management Council has reviewed the current organisation and propose a number of improvements that we believe would support these objectives. Members should be aware no decision has yet been made regarding these changes and the UKOPA Management Council wants to consult widely with the membership before making any changes. We have produced this document to outline our proposals and capture the views of the membership.

#### **Proposals**

##### **Membership levels and fees**

There are currently two levels of membership which in reality the only difference being the main members pay higher fees, constitute the management council and one takes the role as the chairman. We propose that there becomes a single grade of UK membership and one level of fee. There is also a new grade of International member grade introduced with the same fee. The plan is to maintain the fee for all members at a level of £8,000 (the current associate fee). This is considered to be sustainable having considered the current financial balance and projected expenditure over the next 2 years.

##### **Management of UKOPA**

It is proposed that the Management Council should continue to administer the day to day activities of the organisation including acting as the governance group for financial approvals, technical reports and setting the overall strategy of the organisation. It is however proposed that in future all UK members would be eligible to be members of the Management Council and all members will be



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able to nominate and vote on the composition of the management council. Management Council members would nominally have a three year tenure, which could be extended by agreement. The Management Council would typically consist of six or seven members including the permanent secretary of the organisation and would be a minimum of four and a maximum of nine. The arrangements for nominating and voting would follow accepted good practice in this area i.e. nomination and seconded by members of the organisation.

In addition the Management Council will provide technical governance to UKOPA and in particular ensure that UKOPA documents that are published or made available in the public domain are subject to control and approval before release. As currently the Management council will take an objective view of ongoing technical projects, their objectives and outcomes to enable prioritisation and release of funds. The Management Council may call other members of UKOPA or technical specialists to support them in this role. The management council would look for its composition to include broad representation from each of the pipeline industry groups, (gas transmission, gas distribution, petrochemical, oil and gasoline transportation) and from each of the UKOPA working groups.

#### **Chairman**

The Chairman of UKOPA will be selected from the membership of the Management Council. He or she would be nominated and agreed by the Management Council. He or she would have a two year tenure, which could be extended with the agreement of the Management Council.

#### **Directors of UKOPA**

Currently the named Directors of UKOPA are four company names of the full members of the Management Council (Shell, National Grid, Sabic and BP) plus for legal reasons one named Director. The Secretary agreed to take the named Director position and has been registered with Companies House and remains the only named Director. The more recent Companies joining the UKOPA management council have for some time been unable to sort out Company agreement for the company to be a Director and other Companies have substantially changed.

There is a preference that all members of the Management Council are named Directors but it is recognised that some Companies or individual members may not wish to become Directors of UKOPA and that this should not become a barrier to becoming a member of the management council .

A number of options are currently being considered these include:

- A minimum of four members of the management council appointed as named Directors of UKOPA.
- The body of the management council becomes a Director as a named group and at least one member is a Director in name (to meet the legal requirement).

The proposed way forward will be communicated to members during this consultation process.



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### **Timetable**

The consultation with members will run up to the end of Jan 2012. The feedback from the consultation will then be reviewed and a set of proposals will be put to the main membership for agreement at the meeting in February 2012. The transition would then be implemented (subject to endorsement) over the next 12 months with the intention of being agreed at the Association meeting in October 2012 and in place by no later than the end of 2012.

A copy of the current UKOPA Terms of Reference can be found on the main UKOPA website at the following link: <http://www.ukopa.co.uk/tor/>

### **Your comments on the proposal.**

**Please complete the attached questionnaire and return to the secretary of the Association**



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<p><b>Q – Do you agree with the proposals regarding classes of membership that in future there should be only 2 classes of membership, i.e. UKOPA Member and UKOPA International Member – Y/N or Views</b></p>
<p><b>Comments on above issue</b></p>
<p><b>Q- Do you agree with the proposed fee structure.– Y/N or Views</b></p>
<p><b>Comments on above issue</b></p>
<p><b>Q – Do you agree with the proposed composition of the Management Council - Y/N or Views</b></p>
<p><b>Comments on above issue</b></p>
<p><b>Q – Do you agree with the suggested nomination and election process for members of the Management Council and UKOPA Chairman? Y/N or Views</b></p>
<p><b>Comments on above issue</b></p>
<p><b>Q – Do you have any views on the proposals for Directors of UKOPA? In particular that they are named directors, a body of directors, and not all Management Council members may be directors. Would you, if a member of the management Council prefer to be a named Director, part of a body of Directors or no preference. Do you know what your Company would prefer?</b></p> <p><b>If you have any comments please provide these below</b></p>
<p><b>Comments on above issue</b></p>



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**Do you have any other comments or suggestions regarding the proposals or any other aspects of developing UKOPA in future years?**

Your responses will be treated as strictly confidential to members of the current management council, we would prefer it if you provided your name and the name of your organisation so that, if needed, we can clarify any of your responses with you, however if you would prefer to respond anonymously then this will also be acceptable.

Optionally include the following

Name:

Company: