

EXECUTIVE COUNCIL

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Responsible director: Director of Mineral Resources

Report author: Director of Mineral Resources

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Under Executive Council Standing Order 23(2), Executive Council must have regard to the categories of exempt information in Schedule 3 to the Committees (Public Access) Ordinance when determining if information should be withheld.

The categories which are potentially relevant to this paper are:

- 7 – Information about individuals
- 9 – Information about others’ financial and business affairs

Previous papers: 178/25 - Department of Mineral Resources staffing

List of documents: Annex A: DMR proposed structure

1 Recommendations

1.1 Honourable Members are recommended to:

- a. Note the need for significant additional capacity in the Department of Mineral Resources following approval of field development and production for phases 1 and 2 of the Northern Development Area of the Sea Lion oilfield **REDACTED**.
- b. Approve the creation of and recruitment to four new posts in the Department of Mineral Resources to ensure it has the capacity and expertise to properly regulate and manage the hydrocarbons industry.

- c. Note that there are likely to be further requests to Executive Council for additional posts to be created in the department in the short-to-medium term as the requirement for capacity and expertise grows.

2 Additional budgetary implications

- 2.1 It is estimated that the salary costs of employing the four additional staff required (including market supplements and gratuities) could be up to £326k per annum, assuming all staff are at the top of their respective grades. If all staff are overseas appointments, there could also be costs of £10k for relocation allowances and £6k per annum for mid-contract flights (assuming an average of one dependent per staff member).

	2026/27	Annual recurring
Operating budget	£342,000	£332,000

- 2.2 As set out in 7.1.2, these increased costs will be covered by the Production Area Licence Fee for the Sea Lion Northern Development Area and charging regulatory fees to licensees.
- 2.3 The creation of these posts has been requested in the 2026-27 budget setting process. However, to allow recruitment to start earlier, their establishment is being requested earlier via this paper. It is unlikely that the posts would be filled before the new financial year, but there is a significant underspend in the 2025/26 Minerals staffing budget (due to vacancies) that could be utilised if there are any earlier starters.

3 Background

- 3.1 In addition to the Director and Deputy Director of Natural/Mineral Resources, the Department of Mineral Resources (DMR) currently consists of fourteen posts. Seven of these were established following Executive Council approval in September 2025 (178/25). These seven posts will form the Regulatory team and are being recruited to at present.
- 3.2 The September 2025 paper included an organogram showing the potential future development of DMR, noting that there were several other posts that were expected to be created as future workstreams developed. It also noted that the structure “may evolve as FIG gains more understanding of its needs for regulating an operational oil and gas industry.” A revised version of this is attached as annex A.
- 3.3 In October 2025 approval was granted for field development and production of the Northern Development Area (NDA) of the Sea Lion field. There is an ambitious timeline for the project, **REDACTED**.
- 3.4 The workload of the Department of Mineral Resources is expected to grow very significantly in the coming months. The licensees will be required to finalise and submit a large number of documents for acceptance by the department, as well as seeking approvals and consents for tasks including well drilling. The anticipated scale and pace of this workload will exceed the department’s current capacity.

- 3.5 Many of these documents are environment- or health and safety-related and are expected to be handled by the new regulatory team or specialist external consultants. However, there is also expected to be a significant number of submissions related to wells and ongoing socio-economic monitoring that DMR currently lacks the expertise or capacity to review or carry out.
- 3.6 **REDACTED** Furthermore, the planned farm-in to PL001 and enhanced work programmes expected to be agreed with most licensees this year mean that there will be significant extra work beyond the Sea Lion licence blocks.
- 3.7 In addition, following the approval of the Offshore Petroleum (Environmental Impact Offsetting Trust) Bill 2026, a new Environmental Impact Offsetting Trust will be set up. It is envisaged that DMR will be responsible for the setting-up process and potentially the day-to-day running of the Trust, though this is subject to the decision of the Trust board.

4 Analysis

- 4.1 As noted in section 3, there will be a significant increase in workload for DMR due to the progression of the Sea Lion NDA project **REDACTED**.
- 4.2 It is therefore proposed that four additional posts (as set out in annex A) are created and recruited to. These new posts have been requested to be created in the 2026/27 budget-setting process, but approval for the creation of the posts is requested formally at this earlier point in order to allow DMR to start recruiting.
- 4.3 The four posts in question are:
- Well Specialist (A grade, with a 25% market supplement proposed)
 - This postholder will be responsible for assessing well designs, drilling programmes, suspension and decommissioning proposals, licence applications, and technology plans, with a strong emphasis on well integrity and decommissioning readiness. This is a critical function for DMR to have in place with dozens of wells expected to be drilled in the next 5-10 years. The annex to paper 178/25 included a ‘Technical Reservoir Specialist’ who would lead on reservoirs and wells. However, DMR’s understanding of the requirements has led to the proposal to focus this post on wells.
 - Business Manager (B grade)
 - This postholder will be responsible for managing document submissions, including the setting up of a new portal for licensees to request consents, submit documents, receive feedback and manage the proposed DMR Professional Services Framework. This post is required due to the large number of documents that DMR expects to receive in the next two years (one of DMR’s technical specialist advised that a full project could have up to 10,000 documents) and manage the commercial aspects of the proposed framework. This post was specifically identified the annex to in paper 178/25.
 - Sustainability and Socio-Economic Officer (C grade)

- This postholder will be responsible for reviewing environment and socio-economic-related submissions by licensees, monitoring compliance with commitments made, including ensuring implementation of the Socio-Economic Effects Monitoring Plan. It is also envisaged that this postholder will set up the Environmental Impact Offsetting Trust and manage its day-to-day functions. This post was specifically identified in the annex to paper 178/25.
 - Assistant Technical Programme Lead (C grade)
 - This postholder will assist the Project Director (a post which is planned to be transitioned to “Technical Programme Lead”) with managing the project programmes for the NDA **REDACTED**. The NDA project programme was a challenging workload to manage for the Project Director by themselves, resulting in them needing to be supported by two other officers in the team (who were taken away from their core responsibilities); **REDACTED** it is critical to have this additional capacity in place to ensure DMR effectively oversees these projects. This post was not identified in paper 178/25 but has emerged as a need.
- 4.4 While DMR can outsource specialist work and is planning to launch a Professional Services Framework later in 2026 following approval in paper 17/26, it would be preferable for the posts listed above to be locally based, which would allow for closer working with the existing DMR staff, FIG counterparts and Navitas.
- 4.5 The organogram (annex A) identifies six other posts that may be required in the short-to medium-term future. Requests will be made for these posts at the point there is more certainty around the workload and expertise required.
- 4.6 While this rapid expansion of DMR mean additional costs (which are covered by additional income as set out in section 7.1 below), it is important to consider the context of the work carried out by the department. The Sea Lion NDA alone will nearly double Falkland Islands GDP, displacing fishing as the main contributor to the economy. For the purposes of managing the fisheries and regulating the fishing industry, the Fisheries Department has a staff of 31. DMR currently has 14 staff (seven in post, seven being recruited to), with this request taking it up to 18.
- 4.7 In terms of office space, the former VPU at Hillside is being converted to a new office for DMR, which is expected to be available in July/August. This office has space for up to 28 members of staff, which is more than sufficient for DMR at present.

5 Consultation

- 5.1 No consultation is deemed necessary for this proposal.

6 Options and reasons for recommending relevant option

- 6.1 The two options are:
- 6.2 Option 1: Approve the creation of the four additional posts in the Department of Mineral Resources.

6.3 Option 2: Do nothing.

6.4 Option 1 is recommended as it provides the additional capacity and resilience required by the department. Doing nothing risks leaving the department unable to effectively manage or regulate the Sea Lion projects and/or being reliant on more expensive external consultants.

7 Resource implications

7.1 Financial implications

7.1.1 To employ the four additional staff for DMR could potentially cost up to £332k per annum (inclusive of market supplements and gratuities and assuming all postholders are at the top of their grades). There would also be a cost at the start of employment (flights and relocation allowances), which would likely be a minimum of £10k.

7.1.2 This increase in staff costs will be covered by the production area licence fee ('PALF'), which will be triggered by the NDA transitioning into the exploitation phase of the licence. **REDACTED**. DMR are also planning to introduce fees for its regulatory work, with a set of fee regulations planned to be produced later in 2026. The fees would allow staff costs to be recovered for tasks such as reviewing licensee submissions.

7.1.3 As noted in this paper, the creation of these posts has been requested via the 2026/27 budget setting process, which delivers a net saving due to the PALF income.

7.2 Human resource implications

7.2.1 Approving this proposal will result in an immediate requirement to recruit four additional members of staff for DMR. The purpose of the proposal is to increase the capacity, capability and resilience of the department. This is expected to have a positive impact on existing staff by reducing pressure on their workloads.

7.3 Other resource implications

7.3.1 As DMR will be aiming to recruit people with a hydrocarbon backgrounds, it is anticipated that most of the new staff will be overseas and therefore require FIG housing. **REDACTED**

8 Legal and legislative implications

8.1 This report seeks authority to undertake the establishment of roles within FIG with contracts of employment to be issued to staff following recruitment. There are no legal risks and implications with respect of the recommendations in this report.

9 Equalities and human rights implications

9.1 None

10 Environmental & sustainability implications

10.1 None

11 Camp implications

11.1 None

12 Significant risks

12.1 Although the staff costs are initially covered by PALF, in the long-term regulatory fees will be the main source of funding. It will be important to ensure that the fee regulations are put in place in the near future.

13 Publicity and outreach

13.1 No communications are deemed necessary for this proposal.