

Oil and Pipelines Agency Public Body Review 2023 Summary

The Ministry of Defence has undertaken a review of the Oil and Pipelines Agency (OPA), as part of the <u>Cabinet Office's Public Bodies Reviews Programme</u>¹. It started in September 2023 and concluded in November 2023.

1. OPA Background

The OPA is a statutory Public Corporation, sponsored by the Secretary of State for Defence. It was set up in 1986 by virtue of the Oil and Pipelines Act 1985. Its purpose is to deliver optimal fuel storage, supply and logistics solutions across Defence and to commercial customers. The OPA manages, operates and maintains six Royal Navy Oil Fuel Depots (OFDs) and two Petroleum Storage Depots in the UK, and one OFD in Singapore.

2. Purpose of the review

The review aimed to ensure that the OPA is:

- delivering with a clear purpose which remains relevant and is appropriately classified to be operationally effective
- resilient and efficient, as well as ensuring its strategy and outputs are aligned to MOD and wider government priorities
- well governed and properly accountable for what it does

3. Recommendations and conclusions

The review concluded that the OPA is in good health, remaining a key part of the UK's defence fuel storage, supply and logistic solutions, both nationally and internationally. Evidence was also consistent that the OPA is well run across leadership, strategy, processes, and people management.

The review further concluded that the OPA's current classification remains the optimal model to deliver the OPA's function and objectives, but this should be retested in 3 years' time.

A total of four recommendations were identified, to improve efficacy and governance. The recommendations aim to ensure that the OPA and MOD continue to maintain a strong sponsorship arrangement.

This stage 1 exercise did not indicate the need for a full-scale stage 2 and 3 review of the OPA at this time.

3.1 Efficacy

- 1. Conduct a more in-depth review in 2026/27 to test OPA's status including options for reclassification or merger.
- 2. Exploration of the additional services OPA can offer to support Defence's needs including identification of efficiency opportunities

3.2 Governance

- 3. The MOD to enhance the visibility of OPA and the services it provides at a senior level.
- 4. Develop and agree a revised 5-10 year Strategic Plan.

¹ https://www.gov.uk/government/publications/public-bodies-review-programme/guidance-on-the-undertaking-of-reviews-of-public-bodies