



## Minutes of NSTA Board meeting on 23 May 2024

10.00-15.00

1 Marischal Square, Broad Street, Aberdeen

Directors	In attendance
Tim Eggar Chairman	Pauline Innes (item 10) Director of Supply Chain and Decommissioning
Iain Lanaghan Non-executive Director	Alastair Bisset (item 10) Head of Decommissioning
Stuart Payne Chief Executive	Tom Wheeler (item 11) Director of Operations
Nic Granger CFO and Director of Corporate	Adam Bradley (item 11) Central and Southern Area Manager
Sara Vaughan Non-executive Director	Brenda Wylie (item 11) West of Shetland and Northern Area Manager
Sarah Deasley Non-executive Director	Jane de Lozey (item 12) Director of Regulation
Fiona Mettam Shareholder Director	Russell Richardson General Counsel and Company Secretary
Malcolm Brown Non-executive Director	Fiona Gruber Head of Governance and Board Secretary

### 1. Welcome and introductions

The Chairman welcomed Directors to the meeting.

### 2. Conflicts of interest

No conflict of interest with any agenda item, nor as a result of new appointments, was declared by any Director.

The Board noted two changes to outside appointments. Tim Eggar resigned from the Board of Raw Charging Ltd on 14<sup>th</sup> March 2024 and Sarah Deasley was appointed a Director of Brookfield BRP Holdings (Canada) Inc. on 3<sup>rd</sup> May 2024.

### 3. Minutes and matters arising

Directors discussed and approved the minutes of the 13th March meeting.

### 4. Committee reports

The Remuneration Committee met prior to the Board meeting and discussed and agreed the recommendations.

The Board noted the draft minutes of the Audit and Risk Committee meeting held on 28<sup>th</sup> March 2024.

### 5. Safety and environment report

The Board discussed the Chief Executive's report on safety and environment performance.

## 6. Chief Executive report

The annual Tier Zero meeting on 9<sup>th</sup> May was positive, with 20 UKCS operators discussing themes including petroleum projects, well decommissioning and the pipeline of decarbonisation projects.

The third tranche of 33<sup>rd</sup> petroleum licensing round licences has been offered for award, bringing the total for the round to 82 licences. A small number of additional licences are still being considered.

### Performance report

The Board noted the quarterly update on 2024 project deliverables and success stories, and an update on full year 2023 performance against NSTA key performance indicators.

## 7. CFO report

The CFO reported that the team is projecting an underspend as the full budgeted headcount has not been reached, with vacancies currently being advertised.

17% of the levy has currently been received. Core grant funding and the capital cost of the London office relocation have been received, but hydrogen and carbon storage funding is awaited.

The 2023-24 underspend will be higher than projected, at £2.8M, due to salary savings and undelivered projects.

## 8. Shareholder report

The Shareholder Director updated the Board on departmental business.

She confirmed that the announcement on 22<sup>nd</sup> May of a general election on 4<sup>th</sup> July will delay the recruitment of Tim Eggar's successor and will impact the Petroleum Licensing Bill. A final decision on the NSTA's new London office is awaiting Cabinet Office approval.

## 9. OGA Strategy review

The Board discussed a summary paper on the review of the OGA Strategy and the review process and agreed that the Strategy is aligned with the NSTA's regulatory functions and priorities and that no updates or additions are required at this time. The NSTA will notify the department accordingly.

## 10. Decommissioning case study

The Director of Supply Chain and Decommissioning and the Head of Decommissioning updated the Board on their measured escalation stewardship of a case where decommissioning obligations and expectations are not being met. The team is exploring alternative approaches, within the NSTA's influencing and regulating remit, to facilitate timely delivery of decommissioning plans.

The Board supported the firm approach the team is taking and urged them to continue to explore ways to strengthen the system and reduce decommissioning costs.

## 11. Platform electrification update

The Director of Operations, Central and Southern Area Manager and West of Shetland and Northern Area Manager updated the Board on platform electrification projects and set out the consistent

approach the NSTA is taking when reviewing whether it is reasonable for a production hub to electrify, and aligned with existing net zero considerations like the effective net zero test.

The team reported some good progress, with several key investment decisions expected in the next six months, but cautioned that overcoming grid connection delays, wider regulatory complexity and fiscal uncertainty is a real concern.

The Board thanked the team for their excellent work in driving electrification and developing an OGA Plan enforcement framework.

## **12. Sanction cases**

The Director of Regulation presented two sanction cases for the Board's consideration.

Whether to issue a Sanction Warning Notice to [redacted] for a failure to comply with a petroleum related requirement. The Board discussed the circumstances and agreed that there had been such a failure, that it was appropriate to sanction [redacted] for that failure and to issue a Sanction Warning Notice. The Board delegated to the Director of Regulation the drafting and issuing of the Sanction Warning Notice.

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The Board was further asked to delegate to the Director of Regulation the general authority to decide whether a relevant person has failed to comply with a petroleum related requirement in certain cases and to confirm a delegation to decide whether certain consents have been breached. The Board considered these matters and asked the General Counsel to prepare a proposal setting out the rationale for such delegations.

## **13. Board performance review**

The Board discussed the outcome of the performance review and concluded that the Board continues to operate effectively, led by a Chairman who fosters robust and open debate. Directors contribute fully to Board discussions and the Board is strongly supported. The Board will, in the coming months, consider the delineation of roles between non-executive and executive directors to ensure that the balance is correct. Non-executive directors in particular find site visits with industry very beneficial and the Board agreed that additional meetings would be added to the Board calendar.

## **14. 2023-24 Annual Report and Accounts: Strategic Report**

The Board reviewed the Strategic Report, proposing a number of amendments and additions. The full report and accounts will be submitted to the Board for approval on 20<sup>th</sup> June 2024.

## **15. Agenda planning**

The Board discussed plans for the September strategy day.

There was no other business.



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Chairman  
4<sup>th</sup> July 2024