



Oil & Gas Authority

Minutes of OGA Board meeting on 19 January 2016 48 Huntly Street, Aberdeen

Attendees:

Sir Patrick Brown	Chairman
Mary Hardy (by phone)	Non-executive Director
Robert Armour	Non-executive Director
Frances Morris-Jones	Non-executive Director
Andy Samuel	Chief Executive
John Ogden	Chief Financial Officer
Stephen Speed, DECC	Sponsor Director
Angela Seeney (guest)	Director, Technology, Decommissioning and Supply Chain
Gunther Newcombe (guest)	Director, Exploration and Production
Simon Toole (guest)	Director, Licensing and Legal
Hedvig Ljungerud (guest - by phone)	Director, Policy, Performance and Economics
Stuart Payne (guest)	Director, HR and Change
Tom Wheeler (guest)	Head of Commercial
Eva Zuckschwerdt	PS to Andy Samuel
Fiona Gruber	Board secretary

Introductions

The Chairman welcomed the leadership team to the meeting for the discussion of the OGA's response to the sustained low oil price.

Minutes of December meeting

The Board approved the minutes of the 18 December meeting. Progress of outstanding actions, as recorded in the action log, was noted.

Conflicts of interest

No conflict of interest with any agenda item was noted. The Chief Financial Officer reported that conflicts of interest declarations had now been returned from all staff; he will now prepare a report for the Chairman.

Action: Chief Financial Officer to send conflicts of interest report to the Chairman.

Mitigating the impact of the continued low oil price

The Board and the leadership team discussed the potential ramifications for UK licensees of the sustained low oil price, and how the OGA should respond to support the industry. The Board agreed that the OGA's work to better understand the financial health of companies was a priority and was reassured that, following strong Ministerial engagement at Oil and Gas day in December, a cross-Whitehall group has been established to identify ways to support the industry and retain skills. The Board agreed that the OGA should ensure that it has a strong team with the right skills to support this work.

The Chief Executive underlined that the OGA's top priorities would be to develop regional plans, increase exploration drilling, develop existing discoveries, reduce costs and improve efficiency, and enable asset transfers. He stressed that the City and Region deal would play a big role in promoting data innovation and transforming Aberdeen into a technology centre for late life assets. The Board agreed that any further changes to the licensing and fiscal regime in the UKCS would require careful consideration and that another seismic acquisition programme would have a more immediate impact.



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The OGA's Head of Technology outlined her proposal to seek Government seed funding for technology investment in the industry. Investment would be focused on priority, demand-led themes, initially the three priorities of the Technology Leadership Board. The Board supported the proposal and agreed that the OGA would need to work closely with industry to develop a technology plan and deliver innovative technologies.

The Chief Executive will update the Board on the low oil price contingency work at future Board meetings.

Sponsor's report

Energy Bill had its second reading in the House of Commons on 18 January, with the OGA elements receiving broad cross-party support. The Bill is expected to be in Committee later this month before it moves to the Report stage. The Wood Review team is working with the OGA to prioritise and draft the regulations to be laid following Royal Assent. DECC has made good progress to finalise the MER UK Strategy, helped by excellent collaboration with OGA colleagues. The Strategy is expected to be laid in Parliament by 5 February. The Sponsor Director thanked the Chief Executive for his contribution to developing priority actions for the cross-Whitehall contingency work.

Chief Executive's update

The 2016-21 corporate plan is being finalised prior to being submitted to the DECC Secretary of State. The Board noted that the consultation on the draft corporate plan had been constructive and collaborative and agreed that its publication would be a good opportunity for the OGA to highlight its emphasis on improving industry behaviours, increasing efficiency and retaining skills.

Action: Board secretary to share OGA press lines with non-executive Directors.

Review of the risk register

The Chairman asked Audit and Risk Committee non-executive members to share their comments on the revised risk with the Audit Chairman in correspondence, for discussion at the next Board meeting.

Finance update

The Chief Financial Officer confirmed that the OGA is making good progress collecting the 2015-16 levy, having resolved a handful of 'first invoice' questions. The OGA remains on track to move to its new London office in Bloomsbury in March.

Future meetings

Planning is underway for the April Board meeting, which will part of the Board visit to Shetland. The visit will include site visits to both the Sullom Voe Terminal and the Shetland Gas Plant. The Board Secretary is working with the Head of Communications and External Affairs to develop an engagement programme for the non-executive Directors.

Forthcoming Board presentations will be on the OGA's performance plan (February); data and information (March); and exploration and the future of licensing (April).

There was no other business.

Board secretary
January 2016