



**Minutes of OGA Board meeting on 24 March 2016
48 Huntly Street, Aberdeen**

Attendees:

Sir Patrick Brown	Chairman
Mary Hardy	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
Rebecca Vallance, DECC (guest)	Head of Wood Review Implementation team (observer)
Angela Seeney (guest)	Director, Technology, Supply Chain and Decommissioning
Simon James (guest)	Chief Information Officer
Fiona Gruber	Board secretary

Introductions

The Chairman welcomed Rebecca Vallance, Angela Seeney and Simon James to the meeting.

Minutes of February meeting

The Board approved the minutes of the 17 February meeting. Progress of outstanding actions, as recorded in the action log, was noted.

Conflicts of interest

No conflict of interest with any agenda item, or as a result of new appointments, was declared by any member of the Board.

Audit and Risk Committee report

The ARC met at the OGA's new London office on 21 March 2016. The external auditor reported good progress overall, with the opening balance sheet finalised and preparations underway for producing the OGA's first set of annual accounts. The internal auditor updated the Board on the 2015-16 audit, noting no findings of concern. The committee discussed and endorsed the draft 2016-17 audit plan. The ARC was satisfied with the assurance provided on two risks in the risk register - progress on the path to GovCo and the quality of induction for new members of staff. The ARC will meet on 7 June to review the draft accounts and 28 June to review the final accounts. Given the compressed timetable for approving the 2015-16 accounts, the Chairman of the Board suggested that he might attend the 28 June ARC as an observer, the Board being thus quorate to approve the accounts.

Action: Board secretary and Chairman of ARC to review timings approving the end of year accounts.

Information services update

The Director of Technology Supply Chain and Decommissioning introduced an update on her plans for information services, presented in full by her Chief Information Officer. He outlined his ambition to build the OGA's IS capability to ensure the OGA could be an effective interface with stakeholders and government. He stressed the importance of modernising and streamlining data, and the way it is published, so that it is more transparent and useable - and a true national archive. An independent website was vital to realising this, giving the OGA a single 'shop window' for data, including new seismic data.



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He acknowledged the Board's concerns about the ambitious plan and timescales but made clear that the plan would be implemented incrementally, in close consultation with the leadership team, and would focus initially on priority areas. Testing data publication gateways and controls, and ensuring data security, would be paramount. He is working closely with Oil and Gas UK to evaluate the most appropriate model and timescale for the transition from Common Data Access (CDA) to OGA data stewardship and the best future operating model. Regarding the new data regulations set out in the Energy Bill 2015-16, OGA colleagues will consult internally prior to broader external consultation.

The Board agreed that an independent OGA website was crucial and offered to escalate the case for an exemption from gov.uk if necessary. It further agreed that the significant support the Energy Portal provides to DECC and other areas of government would need to continue at a consistently high level.

Sponsor Director's report

The Sponsor Director thanked the Chairman for agreeing that the new Head of the Wood Review team could observe the meeting. He confirmed that the Energy Bill had completed its passage through the House of Commons and would return to the House of Lords on 12 April. DECC remains optimistic that Royal Assent will be achieved by the end of April. Affirmative regulations will need to be laid quickly thereafter to ensure a debate can take place before recess.

On Cabinet Office controls exemptions, Stephen confirmed that Ministers had been asked to delegate their current spend limit to the OGA Chief Executive. The OGA and DECC are working closely with the Government Digital Service to secure an exemption from gov.uk for the OGA website. They are also collaborating closely to seek a satisfactory outcome for the OGA on its pay and reward exemption requests.

Chief Executive's update

The Chief Executive highlighted the breadth and depth of the OGA's work but emphasised that his focus remained on keeping his Directors' ambitions proportionate. He reported excellent progress on the low oil price contingency work, which is producing high quality outputs and making a material difference. The team has been strengthened by three secondees, two from DECC and one from EY. He cautioned, however, that the OGA should be careful to avoid mission creep in its work with the Inter Ministerial Group.

He noted his appreciation of the significant changes announced at Budget 2016, noting the outstanding advice and analysis from Mike Earp in particular. The Board agreed to recognise this with a letter from the Chairman.

Action: Board secretary to draft a letter from the Chairman.

In other areas, the Chief Executive did not think that an agreement on the Sullom Voe Terminal would be concluded before the Board's April visit to Shetland. He thought more could probably be made of OGUK's efficiency charter and noted that more needed to be done on transformation.

The Chief Executive has now established an extended leadership team, intended to help harness the increasing diversity of talent in the OGA and encourage staff to embrace new ways of working so as to 'share the load'.

Regulatory decision making

The Board agreed that the OGA should develop a precedent list to inform future decisions but did not think it was necessary to translate distressed licensee decisions into specific OGA policy unless a clear trend emerged. It did not want to establish sub-committee to consider such decisions and agreed that the Board itself would be the ultimate arbiter. The OGA's RACI schedule and Financial Delegation of Authority schedule are in place but would need to be updated before the OGA was



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vested as a GovCo, to ensure that both correctly represented the decision-making hierarchy from the Board.

Action: Board to review decision-making hierarchy before vesting.

Finance update

The Chief Financial Officer confirmed that HMT spending restrictions would limit the OGA's ability to fully exploit the 2015-16 seismic funding but that some added value projects would be realised.

The OGA is seeking detailed proposals from two suppliers for its future managed services needs.

Future meetings

The Chairman noted that the Director of Exploration and Production would present an update to the Board in April; the Director of Licensing and Legal in May; and the Director of Policy, Performance and Economics in June. In July or August (if the August meeting goes ahead as planned) the Board would review the process for putting in place the governing structures for the OGA as a GovCo. In September the Chairman recommended that the Board take stock of the OGA's progress to date and consider what else it should focus on, potentially jointly with the leadership team.

AOB

The Board agreed that it would be important for the OGA to maintain an ongoing dialogue with other regulators, including the NPD, ensuring lessons are shared effectively.

There was no other business.

Board secretary
March 2016