



**Minutes of NSTA Board meeting on 19<sup>th</sup> May 2022**  
**10.00-15.00**  
**48 Huntly Street, Aberdeen**

<b>Directors</b>	<b>In attendance</b>
Tim Eggar Chairman	Scott Robertson (item 11) Director of Operations
Malcolm Brown Non-executive Director	Helen Joiner (item 11) Operations Programme Manager
Fiona Mettam Shareholder Representative Director	Andy Brooks (item 11) Area Manager CNS
Iain Lanaghan Non-executive Director	Tom Wheeler (items 12 and 13) Director of Regulation
Andy Samuel Chief Executive	Jane de Lozey (item 13) Head of Disputes and Sanctions
Nic Granger Chief Financial Officer	Russell Richardson Company Secretary
Sara Vaughan Non-executive Director	Fiona Gruber Head of Governance and Board Secretary
Sarah Deasley Non-executive Director	

### **1. Welcome and introductions**

The Chairman welcomed Directors to the meeting.

### **2. Minutes and matters arising**

Directors approved the minutes of the March meeting, agreeing a couple of amendments.

Directors discussed the continuing high level of gas and oil prices and their concerns about the potential impact on investment of any additional energy profits levy.

### **3. Conflicts of interest**

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

Sarah Deasley has been appointed as an Independent Director of Brookfield Renewable.

### **4. Committee reports**

The Nomination Committee met prior to the Board meeting and is on track to recommend an appointee for Chief Executive to the Secretary of State before the summer recess.

The Remuneration Committee met prior to the Board meeting to discuss and approve bonus allocations. The Committee reluctantly accepted the constrained remit for pay negotiations and agreed that the Board should discuss its concerns about the long-term outlook for retention and recruitment at the strategy day in September.

The draft minutes of the 28<sup>th</sup> March Audit and Risk Committee were noted by the Board.



## **5. Safety and environment report**

The Board discussed the Chief Executive's update on safety and environment performance and discussed the status of the Jackdaw development.

*Fiona Mettam left the meeting.*

## **6. Chief Executive report**

The Chief Executive's annual operator stewardship 'tier zero' review with the top 22 oil and gas producers in the UKCS was a frank and productive discussion, focusing on operational performance, future investment, energy resilience and net zero. There was a good, constructive discussion on longer term planning and supply chain collaboration.

The NSTA has received 41 nominations for the forthcoming carbon storage licensing round, which is due to be launched in June.

## **7. CFO report**

The CFO presented the end of year financial report, confirming higher revenue than projected, due to increased fee income. Unspent levy will be returned to levy payers after the statutory accounts have been approved.

As the quantum of core grant in aid has yet to be approved by BEIS, the Board agreed (as previously minuted) to release £675,000 to fund essential new CCS workstreams.

*Fiona Mettam rejoined the meeting.*

## **8. Shareholder update**

The Shareholder Director updated the Board on departmental business.

BEIS hopes to publish its response to its consultation on the climate compatibility checkpoint in the early autumn.

## **9. Review of strategic risks**

Directors had a comprehensive discussion of strategic risks and agreed that risk descriptions should be expanded in some cases. Directors were assured that the NSTA's crisis management processes are well structured and proportionate.

The Board will undertake a clean sheet review of strategic risks in November.

## **10. 2021-22 annual report and accounts**

Directors reviewed the narrative section of the annual report and suggested a number of changes. The full report and accounts will be presented for Board approval in June.

## **11. Operations directorate challenges and highlights**

The Director of Operations, joined by the CNS Area Manager and Operations Programme Manager, presented his highlights of the past two years, including continuing strong improvement in staff survey results, particularly for career and learning and development opportunities.

The Directorate has seen significant change, with stewardship expanded to encompass energy transition priorities; fast-moving work on electrification; the forthcoming carbon storage and oil and gas licensing rounds; and now a renewed focus on accelerating energy production.

The Board agreed that the team had done an outstanding job in difficult and changing circumstances.

**12. Onshore situation report**

The Director of Regulation updated the Board on his team’s work on onshore well stewardship; monitoring the status of hydraulic fracturing science; and working with onshore licensees who have reasonable plans for re-purposing onshore wells for net zero projects.

**13. Sanction Warning Notice process**

In order to streamline the process for considering certain Sanctions Warning Notices, the Head of Disputes and Sanctions presented options for delegating to the Director of Regulation certain decisions whether to issue a Sanction Warning Notice.

The Board discussed the proposals and agreed that the Director of Regulation should, having scrutinised the detailed submission, make a recommendation for Board decision.

**14. Board evaluation outcome and agenda planning**

Following the recent internal Board effectiveness evaluation, Directors concluded that the Board is clear about its role and purpose and is strongly chaired and supported. The Board has a positive and constructive atmosphere which fosters healthy debate. There was an appetite from non-executive directors for interim updates, particularly on the external context, between Board meetings, which have now been scheduled. Directors also agreed to find space at alternate Board meetings to consider the external environment in more depth. The executive will continue to identify opportunities for non-executive directors to meet external stakeholders.

There was no other business.



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Chairman

*28<sup>th</sup> June 2022*  
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Date