

Minutes of NSTA Board meeting on 13th March 2024
10.00-15.00
1 Marischal Square, Broad Street, Aberdeen

Directors	In attendance
Tim Eggar Chairman	Hedvig Ljungerud (items 9 and 10) Director of Strategy
Iain Lanaghan Non-executive Director	Ian Hill (item 9) Head of Strategy Projects
Stuart Payne Chief Executive	Tom Wheeler (item 9) Director of Operations
Nic Granger CFO and Director of Corporate	Alistair Dunbar (item 10) Senior Policy Manager
Sara Vaughan Non-executive Director	Andy Brooks (item 11) Director of New Ventures
Sarah Deasley Non-executive Director	Jane de Lozey (items 12 and 13) Director of Regulation
Vicky Dawe Shareholder Director	Christopher Ashbourne (item 13) Senior Legal Adviser
Malcolm Brown Non-executive Director	Russell Richardson Company Secretary
	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.

3. Minutes and matters arising

Directors discussed and approved the minutes of the 18th January meeting.

The Board affirmed the reappointments of Sara Vaughan, Iain Lanaghan and Malcolm Brown, having received confirmation that the Secretary of State had endorsed the Board's proposal.

The Director of Corporate confirmed that the NSTA's business case to remain in central London was approved in late January and Heads of Terms have now been signed for suitable London office space.

4. Committee reports

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

5. Safety and environment report

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

6. Chief Executive report

The Chief Executive reported that the NSTA has conducted its four year review of the OGA Strategy. The review team concluded 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 Board noted the outcome and will review a summary paper in May.

The Chief Executive commended the decommissioning team for its great progress in expanding the decommissioning data visibility dashboard, which now includes data from fifteen operators. More data will be added in April once data from the 2023 UK Stewardship Survey is available.

The third tranche of the 33rd petroleum licensing round awards is expected to be concluded in the coming weeks.

7. CFO report

The CFO confirmed that all of the levy has been collected and all rebates from prior years have been repaid. £1.5m of unspent levy is expected to be refunded this year.

Due to delays in confirming the new London office, expenditure on accommodation will now be in 2024-25.

8. Shareholder report

The Shareholder Director updated the Board on departmental business, including progress with the Petroleum Licensing Bill.

The recruitment campaign for the Chairman's successor is proceeding as scheduled.

9. Review OGA Plan

The Director of Strategy, Director of Operations and Head of Strategy Projects presented the final draft, following consultation, of the OGA Plan to support industry in meeting emissions reduction targets; setting out the consultation feedback and the proposed timeline for publishing the Plan.

The Board focused on the key changes made to the draft Plan following the consultation process, seeking several clarifications and agreeing a number of amendments.

The Board thanked the team for their very forward thinking approach to the Plan since its inception and a well formulated Plan.

10. Carbon Storage levy next steps

The Director of Strategy and the Senior Policy Manager reported that, following the NSTA's call for evidence on potential design options for a carbon storage levy - to provide longer term funding for the NSTA's carbon storage work - the industry was broadly supportive of a levy being introduced at a future date.

The Board discussed the response and agreed that it would be premature to introduce a carbon storage levy until the industry was on a more secure commercial footing but underlined its concern that grant in aid funding may not cover the NSTA's increasing carbon storage workload.

11. Petroleum licensing review

With the 33rd petroleum licensing round drawing to a close, the Director of New Ventures set out the options and timelines for petroleum licensing in 2024-25 and the need to avoid the resourcing pressures seen in 2023-24 with overlapping petroleum and carbon storage rounds.

The Board discussed the options in some depth and agreed that the NSTA should prepare for out of round work and then start preparatory work for the 34th licensing round in the fourth quarter of 2024.

12. 14th Round onshore licences

The Director of Regulation briefed the Board on the impending expiry of the initial terms of 36 onshore licences awarded in the 14th onshore licensing round in 2016. These licences to explore for shale gas will expire in July 2024 unless extension applications are received from the licensees and granted by the NSTA. Work commitments on the licences have not been completed due to the government moratorium on hydraulic fracturing.

The Board discussed the potential outcomes and underlined the need for the NSTA to continue to methodically assess each licence and licensee on a case by case basis.

13. Sanction cases

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

Whether to give a Sanction Notice for a failure to comply with a petroleum related requirement to [redacted]. The Board discussed the company's representations in response to the Sanction Warning Notice, agreed the financial penalty and agreed to delegate to the Director of Regulation the drafting, issuing and publication of the Sanction Notice.

Whether to give a Sanction Notice for a failure to comply with a petroleum related requirement to [redacted]. The Board discussed the company's representations in response to the Sanction Warning Notice, agreed the financial penalty and agreed to delegate to the Director of Regulation the drafting, issuing and publication of the Sanction Notice.

The Board decided [redacted] to give [redacted] a Sanction Warning Notice for a failure to comply with a petroleum related requirement, but did not specify a sanction. In light of representations received, the Board agreed that there had been a breach of a petroleum related requirement and agreed to issue a Sanction Warning Notice of its intention to issue a financial penalty to [redacted].

14. Agenda planning

The Board discussed arrangements for the May and July Board meetings.

15. AOB

The Board agreed to Renew four Powers of Attorney, which were duly signed.

The Chairman notified Directors that the Board Secretary would shortly circulate the annual Board performance questionnaire for completion, which would be followed by one to one meetings with the Chairman to discuss the performance review outcomes.

There was no other business.



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Chairman
23rd May 2024