

Minutes of NSTA Board meeting on 20th March 2025
10.00-15.00
Technology and Innovation Centre, 99 George Street, Glasgow, G1 1RD

Directors	In attendance
Liz Ditchburn Chair	Minister Shanks, Energy Minister and Parliamentary Under-Secretary of State, DESNZ (item 13)
Iain Lanaghan Non-executive Director	Farida Augustine (item 13 - by phone) Private Secretary to Minister Shanks
Stuart Payne Chief Executive	Suzanne Lilley (item 9) Head of HR
Nic Granger Chief Information and Financial Officer	Christopher Ashbourne (item 10) Senior Legal Adviser
Sara Vaughan Non-executive Director	Russell Richardson Company Secretary
Sarah Deasley Non-executive Director	Fiona Gruber Head of Governance and Board Secretary
Fiona Mettam Shareholder Director	
Malcolm Brown Non-executive Director	

1. Welcome and introductions

Liz Ditchburn welcomed directors to the meeting.

2. Conflicts of interest

Sara Vaughan notified the board that she had been appointed to the board of South Staffordshire Water plc as an independent, non-executive director, with a view to becoming Chair.

Iain Lanaghan confirmed that his term at Scottish Water had been extended to the end of September.

Fiona Mettam reported that she had been appointed a trustee and Chair of her local community hub and shop.

The board agreed that these appointments did not represent conflicts of interest, nor did they involve an excessive time commitment.

3. Minutes and matters arising

Directors discussed and approved the minutes of the 21st January 2025 meeting, subject to a minor change, and reviewed the action log. Directors agreed that the balance of information in the minutes was now appropriate and that the consolidated action log was very clear.

Liz Ditchburn confirmed that she is considering proposals for the external board performance review and expects to appoint a consultant in the coming weeks.

4. Committee reports

The remuneration committee met prior to the board meeting and discussed and agreed the performance system for the 2024-25 year end.

5. Safety and environment report

The Chief Executive presented his report on safety and environment performance, incorporating an update provided by the HSE. He confirmed that the NSTA is liaising with DESNZ on the recent tanker incident in the North Sea.

The board reviewed and discussed the key issues reported in the paper.

6. Chief Executive report

The Chief Executive presented his overview of NSTA activity and noted the significant pressures on the organisation at present. He shared an overview of the discussions and meetings held at CERA week.

The NSTA has increased its engagement with industry on well P&A requirements in response to supply chain concerns about decommissioning work being deferred, and the risk of further rig assets leaving the UKCS. The Chief Executive has written to OEUK to seek their active support for an immediate action plan, being led by the Director of Supply Chain and Decommissioning, which promotes short-term 'campaigns' to drive delivery of outstanding well P&A commitments and to provide opportunities for the supply chain. The Chief Executive agreed to keep the board updated on progress.

The Chief Executive updated the board on the specifics of the proposed Shell and Equinor merger, which will encompass 64 individual UKCS licences.

The board thanked the Chief Executive for his update and looked forward to discussing these matters further at forthcoming meetings.

7. Finance report and review of strategic finance framework

The Chief Information and Financial Officer (CIFO) presented an overview of the NSTA's current financial position and highlighted that spend is largely on track, with a small projected underspend, some of which will be spent in March, now that work on the new London office has begun.

The CIFO introduced the team's review of the NSTA's strategic finance framework. As the organisation approached its ten year mark, the board had agreed in November 2024 that a review would be appropriate. The review did not highlight any weaknesses in the NSTA's financial framework which are not already being addressed but did set out some improvements. The review consolidates existing practices and confirms the key financial principles which underpin the organisation.

The board noted the review, supported the continued use of the Strategic Finance Framework, and supported the proposed improvements.

8. Shareholder report

The Shareholder Director updated the board on departmental business and the department's ongoing stakeholder engagement during the North Sea licensing consultation. She thanked the NSTA for its significant contribution to the consultation process.

9. Human Resources update

The executive presented a comprehensive report on the achievements of and challenges facing the organisation over the past year. The NSTA's HR business partners have received consistently good feedback and 'great place to work' initiatives continue to bear fruit, including very low sickness absence rates. However, staff recognise that we are in a period of significant change, which requires

a strong focus on staff engagement. Staff turnover is relatively low, which may limit opportunities for internal progression. The strong re-clarification of the behaviours element to performance reviews has been well received and the HR team will be introducing targeted interventions to support teams where particular concerns need to be addressed.

The board thanked the executive for presenting a very clear report, supported the new format, and agreed they would like to continue to see an update report every March. They further agreed to have a strategic review of the NSTA's human resources position at the September strategy day.

10. Transparency project update

Following consultation in 2024 on the NSTA's proposed general policy approach to publication of company specific information, the executive presented the results of the consultation and made proposals for a decision-making framework.

The board thanked the executive for a very clear paper, discussed and commented on the proposals, confirming that the board supported the view that increased transparency was an important tool for the NSTA in achieving its goals. The board agreed to delegate to the executive the finalisation and publication of the policy and the publication of information in accordance with the policy. This included delegation to the Company Secretary to finalise and publish the NSTA's general policy approach to the publication of company specific information, which is expected to be implemented in summer 2025.

The board asked to see a paper setting out further detail of how the publication process will work in practice (i.e. the form and content of publication). The board clarified that this would be as an update and was not intended to interfere with the executive implementation of the policy. The board also asked for a stock take in March 2026 on the impacts of the new approach.

11. Governance matters

The Company Secretary asked the board for confirmation that the delegation referenced in the minutes of the NSTA board meeting on 21st November 2024 at agenda item 13, relating to the updated investigation process, applied to case investigations opened up prior to 1st January 2025 and gave the Director of Regulation the authority to agree press statements, both of which the board confirmed.

The Company Secretary presented the NSTA's delegation framework, as updated to reflect the board's November 2024 decision to delegate certain enforcement decisions to the Director of Regulation from 1st January 2025. The board affirmed the delegation framework and agreed that cases which were open at 1st January 2025 are included in the agreed delegation of enforcement decisions.

As is the case every year, the board was asked to approve company Powers of Attorney. The board approved and signed the Powers of Attorney.

Russell Richardson left the meeting.

12. Sanction case

The executive asked the board to decide who should make any sanction warning notice and sanction notice decisions in relation to , in the event that the Director of Regulation was to find that there had been a failing of a Petroleum Related Requirement. Having been briefed on the outline of the case, the board agreed that the issues involved were novel and contentious and, should the case

proceed further, the board would retain the decision in relation to whether a sanction ought to be imposed, and if so what the penalty quantum/type should be.

Russell Richardson rejoined the meeting during item 13.

13. Discussion with the Energy Minister

The board discussed with the Minister the ongoing consultations, focusing primarily on the 'Building the North Sea's Energy Future' consultation, led by DESNZ. There was a positive and constructive exchange of views.

The Minister thanked the board for inviting him to join their meeting in Glasgow and for the NSTA's support with the consultation. He outlined the broad range of stakeholders he is engaging with during the consultation period and welcomed the NSTA's ongoing input.

Directors thanked the Minister and officials for engaging closely with the NSTA throughout the policy development process.

14. Agenda planning

The board discussed a proposed stakeholder visit in Aberdeen in May and some changes to future meeting dates.

There was no other business.



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Chair

22nd May 2025