

Minutes of NSTA Board meeting on 25th September 2025
09.00-13.00
Raemoir House, Banchory, Aberdeenshire

Directors	In attendance
Liz Ditchburn Chair	Suzanne Lilley (item 9) Head of HR
Iain Lanaghan Non-executive Director	Jane de Lozey (items 10, 11 and 12) Director of Regulation
Stuart Payne Chief Executive	Pauline Innes (item 10) Director of Supply Chain and Decommissioning
Nic Granger Chief Information and Financial Officer	Marc Benton (item 11) Head of Investor Finance
Sara Vaughan Non-executive Director	Ian Knott (items 11 and 12) Head of Licensee Finance
Sarah Deasley Non-executive Director	Sarah Steele (items 10, 11 and 12) Legal Manager
Vicky Dawe Shareholder Director	Russell Richardson Company Secretary
Malcolm Brown Non-executive Director	Fiona Gruber Head of Governance and Board Secretary

1. Welcome and introductions

Liz Ditchburn 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. Iain Lanaghan confirmed that he would shortly be standing down from the board of Scottish Water.

3. Minutes and matters arising

The board discussed and approved the minutes of the 8th July meeting, subject to minor amendments being made. The board reviewed the action log and discussed the progress of outstanding actions.

4. Chair's report

The Chair reported that she and the Chairs of the LCCC, Ofgem and GB Energy had formed an informal regulators group, meeting quarterly, and had jointly visited Net Zero Teesside to see the impressive construction work underway.

She greatly enjoyed her first visit to Offshore Europe where she attended and participated in several sessions.

She is currently discussing with DESNZ the fee level for NEDs. The recruitment campaign will be launched as soon as Ministerial approval is given. She reminded the board that the terms of existing NEDs may be extended a little, if necessary.

5. Committee reports

The remuneration committee met on 14th August and endorsed the pay proposals.

6. Safety and environment report

The board discussed the Chief Executive's update on safety and environment performance.

7. Chief Executive report

The NSTA had a strong presence at Offshore Europe, with NSTA colleagues participating in numerous sessions. Dozens of supply chain companies attended the NSTA's 'meet the operators' networking event and we welcomed hundreds of people to our stand. Publication of our latest emissions monitoring report coincided with the event.

The Chief Executive was pleased with the response to the carbon storage nominations round, with a good mix of applicants which the NSTA is now analysing before making a recommendation on potential areas to be offered.

The Chief Executive outlined the structure of his 2026 objectives, split into three categories, which will provide more balanced evidence for his performance review. His draft objectives will be discussed by the remuneration committee in November.

The board extended its congratulations to the data and digital team for winning awards at both the Digital Technology Leaders Awards and the British Data Awards.

Performance report

The board noted the interim performance report.

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

8. Shareholder report

The Shareholder Director updated the board on departmental business, including the confirmation of ministerial appointments.

9. Employee engagement survey

The executive presented a summary of the results of the 2025 employee engagement survey. The participation rate of 89% was the highest since the survey began in 2017. Overall, the results are positive compared to the surveys undertaken in 2023, 2019 and 2017, but below the outlier year of 2021, and improvements were seen in areas which were targeted for improvement following the 2023 survey, such as learning and development and line management. Continued uncertainty over the NSTA's future purpose weighed on vision and purpose scores.

The board commended the executive on a good set of results and an excellent participation rate. The board recognised that there had been significant improvements in some areas and noted that work would be needed to address areas where the findings were more challenging.

10. Sanction case

Further to the board's decision of 8th July 2025 to give a Sanction Warning Notice, including a financial penalty, to [redacted] for failures to comply with petroleum related requirements, the executive provided a clarification on the case. The board noted the clarification and confirmed its previous decision and confirmed the quantum.

11. Financial resilience report

The executive presented the results of their annual review of UKCS licensee resilience. The big trends which emerged are: continued exit by the majors, through merging into existing smaller E&P units or by creating standalone non-recourse companies; continued consolidation across the basin by the mid-cap publicly listed and private equity backed E&Ps; continued lack of access to capital for smaller E&Ps; continued strict capital discipline and focus on debt reduction and shareholder distributions. Overall access to RBL financing has improved for producing companies; fiscal instability continues to be perceived very negatively by shareholders and investors and planned growth capex has been put on hold. M&A is focused on gaining tax losses and synergies and will result in considerably less tax revenues for HMT than currently modelled.

The board thanked the executive for an excellent and comprehensive update. The board discussed the findings in some detail and looked forward to discussing these matters further at future meetings.

12. Change in control applications

The executive notified the board that it would be asked to consider certain change in control applications, most likely in November. The board thanked the executive for the briefing and agreed that it would be open to convening a meeting in December, should that be necessary, to consider the applications.

13. Agenda planning

The Chair extended her thanks to the executive for convening a really valuable board dinner with industry the previous evening.

The Chair is formulating a longer term engagement plan for the board and will provide further information in due course.

14. AOB

The board secretary notified directors of a new Companies House requirement for them to verify their identity and invited them to do so in the coming months.



Liz Ditchburn, Chair
20th November 2025