



**Minutes of NSTA Board meeting on 23<sup>rd</sup> November 2023**  
**09.45-15.30**  
**Sanctuary Buildings, 20 Great Smith Street, London**

| <b>Directors</b>                             | <b>In attendance</b>  |
|--|---|
| Tim Eggar<br>Chairman                        | Hedvig Ljungerud (items 10 and 12)<br>Director of Strategy          |
| Iain Lanaghan<br>Non-executive Director      | Anthony Moulds (item 10)<br>Head of Economics                       |
| Stuart Payne<br>Chief Executive              | Jane de Lozey (items 11 and 13)<br>Director of Regulation           |
| Nic Granger<br>CFO and Director of Corporate | Marc Benton (item 11)<br>Head of Investor Finance                   |
| Sara Vaughan<br>Non-executive Director       | Ian Knott (item 11)<br>Head of Licensee Finance                     |
| Sarah Deasley<br>Non-executive Director      | Katharine Barney (item 12)<br>Head of Communications and Engagement |
| Fiona Mettam<br>Shareholder Director         | Russell Richardson<br>Company Secretary                             |
| Malcolm Brown<br>Non-executive Director      | Fiona Gruber<br>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 21<sup>st</sup> September and 19<sup>th</sup> October meetings.

The Director of Corporate reported that suitable London office space had been identified, to replace the Sanctuary Buildings office. The Board discussed and supported the proposal.

## **4. Committee reports**

On 2<sup>nd</sup> November, the Audit and Risk Committee reviewed the audit plan with the new Audit Director and underlined the importance of laying the Accounts before the summer recess. The Committee noted good progress on the internal audit and took assurance on the NSTA's management of strategic risks, including information security risks.

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

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

In the absence of a report from OPRED and HSE, the Board discussed some aspects of safety and environment performance.

## **6. Chief Executive report**

The formal consultation on the draft OGA Plan has elicited a range of feedback, particularly regarding the impact on the operators of later-life assets, and is due to conclude shortly.

The Leadership Team met their Norwegian counterparts in Oslo in early November and had productive discussions encompassing fiscal policy, exploration, carbon storage, emissions reduction and electrification.

The Board discussed the NSTA's quarterly performance report and discussed a number of the highlighted changes.

## **7. CFO report**

Following completion of the Q2 forecast the CFO reported that some of the projected underspend was being allocated for New Ventures project tenders. The NSTA expects to again return levy funding to industry but the amount is subject to how quickly the London office move progresses.

## **8. Budget strategy**

The CFO presented her budget strategy for 2024-25 and proposed three approaches for setting the 2024-25 levy. The Board discussed the options and agreed to maintain the levy in real terms, consistent with prior years. Directors will review and approve the draft budget by correspondence in December.

## **9. Shareholder update**

The Shareholder Director updated the Board on departmental business and the introduction of the Licensing Bill.

The recruitment of a successor NSTA Chairman is proceeding according to schedule.

## **10. ELT spotlight: Project Economics**

The Director of Strategy and Head of Economics briefed the Board on the comprehensive economic models of the UKCS which the team maintains, based on annual stewardship survey data, and which enable them to monitor the domino effects of changes in the basin. This dynamic modelling capability examines a broad range of policy and project based analytical questions, including electrification and carbon transportation and storage economics.

The Board thanked them for their comprehensive update.

## **11. Sources of investor finance**

The Director of Regulation, Head of Investor Finance and Head of Licensee Finance updated the Board on the current availability and price of finance for the various categories of exploration and production companies and the financial resilience of operators.

The Board thanked them for a comprehensive update and asked for a further update in 2024 on the financial resilience of operators who face the biggest obstacles to securing finance.

## **12. Communications and Engagement strategy**

The Director of Strategy and Head of Comms and Engagement updated the Board on the NSTA's more structured and strategic approach to promoting and defending the NSTA's independence and its position as a trusted source of data. The team's more dynamic approach to engaging with stakeholders aims to build and maintain a constructive and informed relationship with individuals and groups.

The Board thanked them for a comprehensive update.

## **13. Sanction decisions**

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

Further to the Board's decision in July to give [redacted] a Sanction Warning Notice (SWN) that it was minded, subject to representations, to issue a financial penalty for a breach of a petroleum-related requirement; the Board considered the company's response to the SWN and agreed to issue a Sanction Notice to [redacted].

Whether to give a Sanction Warning Notice (SWN) to [redacted] for exceeding a vent consent. The Board discussed the circumstances of the breach and its discovery and agreed to issue a SWN of its intention to issue a financial penalty for a breach of a petroleum-related requirement and to delegate to the Director of Regulation the drafting and issuing of the SWN.

Whether to give a Sanction Warning Notice (SWN) to [redacted] for exceeding a vent consent. The Board discussed the circumstances of the breach and its discovery and agreed to issue a SWN of its intention to issue a financial penalty for a breach of a petroleum-related requirement and to delegate to the Director of Regulation the drafting and issuing of the SWN.

## **14. Clean sheet review of strategic risks**

The Chairman of the Audit and Risk Committee led a clean sheet review of the Board's view of the strategic risks facing the NSTA and any impact on the company's risk appetite.

Directors each proposed their top three concerns and, after categorising the risks and discussing the emerging themes, the Board asked the General Counsel to sense check them against the strategic risk register and make any necessary changes.

## **15. Agenda planning.**

The Board agreed to schedule a Nomination Committee in January 2024 to discuss the phasing of potential extensions to the tenure of non-executive Directors whose terms are due to expire in the autumn of 2024.

There was no other business.



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Chairman  
*18<sup>th</sup> January 2024*