



Minutes of NSTA Board meeting on 17th November 2022
09.00-14.00
1 Marischal Square, Broad Street, Aberdeen

Directors	In attendance
Tim Eggar Chairman	Stuart Payne Chief Executive designate and Director of SC, DC & HR
Iain Lanaghan Non-executive Director	Pauline Innes (item 10) Head of Decommissioning
Andy Samuel Chief Executive	Alasdair Thomas (item 10) Decommissioning Manager
Nic Granger CFO and Director of Corporate	Jane de Lozey (items 11, 12 & 13) Acting Director of Regulation
Sara Vaughan Non-executive Director	Christopher Ashbourne (item 12) Senior Legal Advisor
Sarah Deasley Non-executive Director	Tom Wheeler (item 12 & 13) Director of Operations
Fiona Mettam Shareholder Director	Russell Richardson Company Secretary
Apologies Malcolm Brown, Non-executive Director	Fiona Gruber Head of Governance and Board Secretary

1. Welcome and introductions

The Chairman welcomed Directors to the meeting.

2. Minutes and matters arising

Directors approved the minutes of the 22nd September meeting.

3. Conflicts of interest

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

4. Committee reports

On 3rd 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

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



6. Chief Executive report

The Chief Executive summarised the huge amount of work the NSTA has done to support new administrations, setting out the top ten action areas the NSTA has been advocating. With energy security very firmly in the spotlight, a stable environment for investors remains vital, with strong exploration and production a prerequisite to retaining expertise and skills in the UK for an orderly transition.

The Chief Executive chaired a panel discussion on carbon storage at the CCSA conference, where investors looked forward to hearing more about CCUS business models. The carbon storage task force is progressing well.

The Chief Executive was delighted to see the third cohort of managers complete Leadership Reflections training and is confident it will continue to go from strength to strength under his successor.

7. CFO report

The CFO reported that the anticipated underspend is largely the result of headcount gaps and confirmed that NSTA expects to return some 2022-23 levy funding to industry.

The Board discussed the CFO's decision to write off a small debt relating to consent fees, agreeing that it would not represent good value for money to pursue it any further.

8. Budget strategy

The CFO presented the budget strategy for 2023-24, setting out the basis for the inflation calculation and the allocation of CCS expenditure. The Board discussed and agreed the strategy and confirmed that it would review and approve the draft budget by correspondence in December.

9. Shareholder update

The Shareholder Director updated the Board on departmental business and thanked the NSTA for its huge support during a very intense period, often at very short notice.

10. Decommissioning cost reduction target and performance framework

The Head of Decommissioning briefed the Board on a new decommissioning target which will push industry to deliver cost performance which is equivalent to the top quartile of current NSTA benchmarks. The new 10% cost reduction target and performance framework for 2023-28 has been developed with industry based on a best estimate of costs basis, rather than a probabilistic estimate, and will be tracked to actual costs.

11. Sanction Notices

The Board discussed the Acting Director of Regulation's recommendations regarding three cases and agreed to all the recommended steps. The Board further agreed the communication plan for announcing the issuance of the three Sanction Notices.



12. FIOGC change of control

The Board considered the matters concerning FIOGC, as presented by the Director of Operations and the Acting Director of Regulation. The Board agreed to all the recommendations set out in the advance papers.

13. Habitats Regulations

The Director of Operations and the Acting Director of Regulation briefed the Board on matters regarding the conduct of future consents decisions under the Habitats Regulations.

The Board discussed the matters and agreed that: OPRED should be made aware of the discussions; a targeted system was needed for the annual consents exercise; and that a deadline must be set in the near future to agree an overall system approach. The Board agreed to reconsider the matter further in January 2023, if necessary.

14. External environment

The Board reflected on the changed focus of the energy conversation over the past 12 months, in the context of the NSTA’s statutory objective of MER, the introduction and extension of the Energy Profits Levy, and the NSTA’s key role in adding value for the nation as an energy integrator through the North Sea Transition Deal.

The Board agreed that it would need to continue to consider these issues in the run up to 2023 strategy day.

15. Clean sheet review of strategic risks

Directors took a clean sheet look at the strategic risks facing the NSTA after a tumultuous year for the energy industry. 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.

16. Agenda planning

The Board discussed plans for stakeholder engagement in 2023, including a visit to an energy integration project, a stakeholder meeting in May or July, and the annual all staff meeting.

17. AOB

The Chairman led the Board’s thanks to Andy Samuel for the tremendous contribution he has made to the OGA/NSTA’s success over the past eight years and wished him well in his future endeavours.

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Chairman
19th January 2023