

**Minutes of NSTA Board meeting on 21st November 2024
10.00-15.00
Sanctuary Buildings, Great Smith Street, London**

Directors	In attendance
Liz Ditchburn Chair	Hedvig Ljungerud (items 10 and 11) Director of Strategy
Iain Lanaghan Non-executive director	Kristina Dahlstrom (item 11) Head of Policy and Strategy
Stuart Payne Chief Executive	Thierry Berns (item 11) Senior Policy Adviser
Nic Granger CFO and Director of Corporate	Jane de Lozey (items 12 and 13) Director of Regulation
Sara Vaughan Non-executive director	Russell Richardson General Counsel and 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, as incoming Chair, welcomed directors to the meeting and set out her principles for chairing board meetings.

2. Conflicts of interest

Liz Ditchburn detailed her other interests as: Independent Commissioner for Aid Impact; board member of the Net Zero Technology Centre; a trustee of NESTA, director of Women’s Enterprise Scotland and co-chair of the David Hume Institute.

Nic Granger declared her recent appointment as a trustee of the Centre for the Acceleration of Social Technology and chair of its finance and audit committee. She has also joined the Bat Conservation Trust as a trustee and non-executive director and is an independent member of Stonewater Housing’s technology and data assurance panel. She has stepped down from the BCS’s Data Management Committee and will shortly be leaving Falklands Conservation.

Sarah Deasley declared that Frontier Economics continues to undertake work on hydrogen economics.

The board did not consider any of the above to be conflicts of interest.

3. Minutes and matters arising

Directors discussed and approved the minutes of the 19th September meeting.

4. Committee reports

The remuneration committee met prior to the board meeting and discussed and agreed the recommendations.

The audit and risk committee met on 13th November and discussed and approved the audit plan. The GIAA reported on two audits and the Chief Digital Officer presented an IT security update.

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 had awarded the first carbon dioxide injection test consent, with first injection planned to take place later in the year. The NSTA is making the final preparations for a decision on awarding the first carbon storage permit, expected in the coming weeks.

The Chief Executive and Company Secretary updated directors generally on current and potential litigation.

Performance report

Directors noted the latest update on project deliverables, success stories and performance against key performance indicators.

7. CFO report

The CFO reported that she is currently projecting that some levy is likely to be returned to industry.

8. Budget strategy

The CFO presented the budget strategy for 2025-26 and proposed four approaches for setting the 2025-26 levy. The board discussed the options and agreed to increase the levy by a blended inflation rate and reduce the programme budget by £500k. Directors further asked the CFO to review the NSTA's financial principles and report back to the March board meeting.

The board secretary will circulate the draft budget by correspondence in December for directors' review and approval.

9. Shareholder update

The Shareholder Director welcomed Liz to the board and updated the board on departmental business and the progress of current and future consultations.

10. Role of the NSTA

Further to the board's strategy discussion in September, the Director of Strategy presented the leadership team's assessment of how the NSTA's role and focus might evolve in the coming years, seeking the board's views on a number of potential options and the rationale for each. She then set out the new powers which would be the highest priority for the NSTA in any potential future energy bill: the powers which would best position the NSTA to oversee an orderly transition.

The board thanked her for a clear and detailed presentation. Directors discussed the options and the proposed powers in depth and signalled its preferences for future legislation.

11. Hydrogen regulatory role

The Director of Strategy, Head of Policy and Strategy and Senior Policy Advisor for hydrogen updated the board on progress with the NSTA's hydrogen transport and storage regulatory role and sought the board's support on proposals for a potential future expanded role.

The board thanked the team for a very clear paper and agreed that the NSTA should continue to support DESNZ's work on offshore hydrogen regulatory arrangements and, in principle, seek an enhanced regulatory role: if identified and where the NSTA's expertise would add value. The board

further agreed that the NSTA should continue to engage with DESNZ on the evolution of the wider regulatory landscape for hydrogen, including in relation to onshore hydrogen storage, while not committing to seeking an enhanced role.

12. Sanction case

The Director of Regulation presented one sanction case 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.

13. Delegation of enforcement decisions

The Company Secretary and Director of Regulation presented a proposal that the board delegate certain enforcement decisions to the Director of Regulation, to provide for timely and robust enforcement decision-making. The delegation to take effect from 1st January 2025, to be reviewed annually and with quarterly reports provided to the board.

The board discussed the proposal and provision for the necessary checks and balances in the process and agreed to delegate such enforcement decisions.

14. Clean sheet session on strategic risks

The board reviewed the NSTA's risk management strategy and agreed to identify procurement as a separate risk category on the risk appetite statement.

Directors took a clean sheet look at the strategic risks facing the NSTA after a turbulent year for the energy industry. After categorising the risks and discussing the emerging themes, the board asked the Company Secretary to sense check them against the strategic risk register and make any necessary changes.

15. Agenda planning

Directors discussed the meetings schedule and different ways to use the allotted time, including increased engagement with stakeholders. The board considered the Chair's proposal to hold some meetings on Teams and agreed to pilot this in the new year. The March board meeting will be combined with a visit to the University of Strathclyde.

The board agreed to schedule a NED only session after each meeting to reflect on the conduct of each meeting.

There was no other business.



.....
Chair

16th January 2025