



**Minutes of OGA Board meeting on 20 September 2019
Raemoir House, Aberdeenshire**

Directors	In attendance
Tim Eggar Chairman	Helena Charlton Shareholder Representative
Frances Morris-Jones Non-executive Director	Tom Wheeler (item 6) Director of ReQulation
Robert Armour Non-executive Director	Stuart Payne (item 9) Director of HR and Suoolv Chain
Andy Samuel Chief Executive	Russell Richardson Company Secretary
Nie Granger Chief Financial Officer	Fiona Gruber Board Secretary
Mary Hardy Non-executive Director	
Apologies: Emily Bourne, Shareholder Representative Director	

1. Welcome and introductions

The Chairman welcomed Helena Charlton to the meeting, representing the Shareholder in the absence of the Shareholder Director.

2. Minutes and matters arising

The board approved the minutes of the July meeting. There was one outstanding action, to arrange a board session jointly with OPRED and the HSE, which the board hoped would be scheduled as soon as practicable.

3. Conflicts of interest

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

Tim Eggar reported that in August, having previously notified Frances Morris-Jones, he had increased his shareholding in MyCelx pie.

Frances Morris-Jones reported that in July, after notifying Tim Eggar, she had sold a tranche of BP shares, and plans to sell a further two tranches in 2019, all following the company's quarterly results announcements.

Nie Granger reported that she had recently joined the National Trust.

4. Nomination committee

The nomination committee met prior to the board meeting and discussed succession. The Chairman confirmed that Mary was to be reappointed from 1st October, for a further two years.



5. Strategy day reflections

At the previous day's strategy meeting with the leadership team, the board agreed a number of areas where the OGA should step up its activity: in support of the supply chain and exports, identifying CCUS synergies, and increasing the OGA's focus on energy integration opportunities and integrating the government's climate change commitments more broadly across the OGA's regulatory and promote work.

The board agreed that the OGA would not be able to do this additional work within the current headcount cap and asked management to prepare, for the November board meeting, a strategy implementation paper setting out how the organisation would need to adapt and how it could fund the broadening of its work. The board accepted that an increase in the levy would be necessary.

The board reviewed a list of items and projects which the OGA had had to deprioritise in the past year and agreed that some, particularly the digital energy platform, could add considerable value by further increasing industry's access to resource and infrastructure information. The board asked the Director of Corporate to bring a benefits assessment of the digital energy platform to the November board meeting.

6. Shale data analysis

The Director of Regulation presented his overview of the data analysis from Preston New Road (PNR1), which found that it is not currently possible to accurately predict the probability or magnitude of earthquakes linked to tracking operations in that location. The OGA is planning to publish the preliminary analysis within the next few months, as planned.

7. Safety and environment report

The Chief Executive updated the board on safety and environment performance. He will shortly be meeting the incoming Chief Executive of the Health and Safety Executive.

OPRED is liaising with Shell regarding its Brent decommissioning proposals and the OSPAR consultation.

8. Chief Executive report

The Chief Executive met new Ministers in the summer and the MER UK Forum before Offshore Europe (OE) was positive. Energy transition was a prominent theme at OE and he welcomed signs that operators are increasingly exploring energy integration opportunities. He was pleased to see some operators adopting benchmarking standards and switching to agile practices to improve performance. Times remain tough for the supply chain and there are concerns about skills shortages, but a good Technology Leadership Board session at OE showed an industry keen to do more to attract people to the industry.

Within the OGA, the anticipated crew change after five years is now happening. The OGA has a good pipeline of external candidates and there are good opportunities for internal moves and promotions.



9. Staff survey results

The Director of HR and Supply Chain presented an overview of the 2019 staff survey results, which show significant improvements against the 2017 results in all seven categories. The staff engagement score was 68, which compares well to private and public-sector organisations.

The results will be discussed with staff in October, and ideas sought for areas of future focus. The board commended the excellent results, which exceeded targets and were achieved more quickly than expected.

10. Shareholder report

The Shareholder Representative updated the board on government business, amid uncertainty about EU exit and a potential general election. Her team is preparing, along with the OGA, for a Public Accounts Committee enquiry on the NAO report on the shale industry, scheduled for 13th November.

The draft report of the three-year review of the OGA is being finalised and will incorporate comments from the board before a final draft is sent to Ministers. BEIS intends to review the framework document and will consider whether to classify the OGA as a NDPB, following publication of the review report. The board asked that the process for this be as streamlined as possible, to reduce the burden on senior management time.

11. CFO report and budget strategy

The CFO confirmed that revenue collection was progressing well, with signs that charging interest is encouraging most, but not all, overdue levy payers to pay. The quarterly reforecasting exercise has been completed with reference to the original budget.

Budget strategy

The CFO presented her annual budget strategy, based on a headcount of 179 and assuming 2% inflation. The board agreed that the budget should be prepared in real terms where possible.

The board agreed that, in accordance with the agreed changes to the OGA's strategy, the budget should be prepared on the basis of an increased headcount cap and a levy increase to cover the consequent increase in fixed costs. The board asked the CFO to prepare budget scenarios based on several percentage increases, in line with the strategy implementation proposal.

The CFO confirmed that the OGA had completed the scheduled review of fees and charges and is proposing a revised structure which more closely reflects the cost of chargeable work. The proposal anticipates a 20% overall increase in fee revenue. The OGA will consult on the revised structure in the autumn.

The board agreed to meet by teleconference in mid-December to approve the draft budget before it is sent to BEIS.

12. Board agenda planning

The board reviewed and agreed the agenda planner.



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The Company Secretary presented a written resolution, proposing the renewal of his power of attorney, for directors' signature. Directors agreed and signed the written resolution. The shareholder director will sign the resolution in counterpart.

A handwritten signature in black ink, appearing to be 'MS'.

19/11/19

Date