



**Minutes of OGA Board meeting on 22 February 2018  
48 Huntly Street, Aberdeen**

| <b>Members</b>  | <b>In attendance</b>  |
|---|---|
| Sir Patrick Brown<br>Chairman                           | Emily Bourne, BEIS<br>Director, Energy Development and Resilience |
| Mary Hardy<br>Non-executive Director                    | Mark Cumberlege (item 5)<br>Fidelio Partners                      |
| Robert Armour<br>Non-executive Director                 | Dr. Bob Garratt (item 5)<br>Fidelio Partners Associate            |
| Frances Morris-Jones<br>Non-executive Director          | Hedvig Ljungerud (items 6 and 7)<br>Director of Strategy          |
| Andy Samuel<br>Chief Executive                          | Tom Wheeler (items 6, 7 and 8)<br>Director of Regulation          |
| Nic Granger<br>Chief Financial Officer                  | Kalpesh Brahmhatt (item 8)<br>Head of Disputes and Sanctions      |
|   | Verity Burrows (item 6)<br>Policy advisor                         |
| <b>Apologies</b>  | Russell Richardson<br>Company Secretary                           |
| Rebecca Vallance<br>Shareholder Representative Director | Fiona Gruber<br>Board Secretary                                   |

**1. Welcome and introductions**

The Chairman welcomed members and guests to the meeting. Emily Bourne attended as a guest, pending her formal appointment as the shareholder representative director. Rebecca Vallance sent her apologies.

**2. Minutes and matters arising**

The board approved the minutes of the December meeting for signature, subject to minor amendments. Directors agreed that the sole item on the action log could be closed.

Noting that this was Sir Patrick's final meeting as Chairman, and that the process to appoint his successor was not yet complete, the board agreed that an early announcement of his successor would be most welcome.

In the interim, the board will decide at each meeting who will chair the subsequent meeting. The board agreed that Frances Morris-Jones would chair the March board and committee meetings.

**3. Conflicts of interest**

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

Five directors (Sir Patrick Brown, Andy Samuel, Mary Hardy, Frances Morris-Jones and Robert Armour) declared their membership of the National Trust in either England or Scotland. Emily Bourne declared that she is a member of the National Trust.

#### **4. Directors' duties as decision maker**

The Company Secretary presented a short note reminding directors of their duties as decision makers and clarifying the responsibilities of officers in preparing all relevant papers for decisions.

The Chairman asked the Company Secretary to lodge his information note in the board reading room and to remind directors (by note on the agenda) to refer to it when reviewing all future board decision papers.

#### **5. Board effectiveness evaluation report**

The Associate Director of Fidelio Partners presented their report on the recent board effectiveness evaluation, commending the board as a very strong one, with directors demonstrating good knowledge of their duties, strong commitment to their roles and a real appetite for learning. The board has developed well since its inception, is well administered, and is well positioned to develop its regulatory role.

The report recommended that the board review its skills mix after the Chairman succession. The nomination committee will discuss this in March. Induction of directors was judged to be technically good but could perhaps be better tailored to individual needs. The board asked the board secretary to write a short summary of the current induction process so it could assess whether the balance between self-development and OGA directed development was right.

The board agreed that the very positive findings of the report were testament to Sir Patrick's leadership during the OGA's foundation years. The full report will be available for the new Chairman.

#### **6. OGA approach to onshore**

Further to the board's initial discussion in September 2017, the Director of Strategy presented a summary of the OGA's approach to onshore which recommends, inter alia, that the OGA publishes its internal onshore decision-making framework.

Following discussion of several points, the board supported the recommendations, including agreeing that the OGA should publish the framework. The board noted that the OGA risk register should be updated to reflect the risks.

#### **7. Direction: lessons learned**

The Director of Strategy and Company Secretary presented a paper setting out the lessons learned by all parties following the Secretary of State's recent decision to issue a Direction.

The board commended an excellent paper and commended the executive, who will ensure that the lessons learned in this case are applied to other areas of the organisation as applicable.



### **8. Regulation update: disputes and sanctions**

The Director of Regulation and the new Head of Disputes and Sanctions presented a summary of case register statistics, including an update on cases closed. Although measured escalation has proved effective in resolving the majority of cases, one sanction enquiry was initiated in February.

The Head of Disputes and Sanctions is examining the case management process to see how it might be refined and is considering how the OGA might now use its powers earlier and more strategically.

The board asked that future reports include data on how long cases spend in enhanced facilitation and on the case register, and whether any operators are on the register to a disproportionate extent.

### **9. Shareholder update**

The BEIS Director of Energy Development and Resilience thanked Sir Patrick, both personally and on behalf of the department, for his leadership of the board for the past three years.

She confirmed that OGA indemnities would be renewed for three years and that the BEIS partner organisation team will update the OGA shortly on the process for reclassifying partner bodies. The process to recruit the new head of upstream oil and gas policy is underway and interim cover arrangements are in place.

She updated the board on the status of pending regulations and confirmed that the OGA will be able to charge and retain fees for its onshore licensing functions from 1 April.

Following Claire Perry's appointment as Minister of State for Energy and Clean Growth, she attended the MER Forum at the OGA's Aberdeen headquarters.

### **10. Chief Executive report**

The Chief Executive reported a very good start to the year, with great progress already made on Vision 2035 and a healthy field development pipeline.

Industry are working constructively together in a number of areas and he is pleased that the OGA can now evaluate and quantify behaviours using collaborative assessments. The OGA has published guidance on the required behaviours to deliver area plans, which will be further illustrated with good practice examples.

He has received good feedback on JV collaboration stewardship expectations and Supply Chain Action Plans have been extremely well received.

He was pleased to have had a good, early meeting with Claire Perry and delighted to welcome her to a good MER UK Forum. The OGA is working well on the sector deal with Trevor Garlick, BEIS and others.

The Chief Executive chaired the first of six internal workshops looking at regulatory excellence topics and found a real appetite from staff for the OGA to excel.



The Director of HR has considered gender pay and will present a paper at the March remuneration committee.

#### 11. Finance report

The CFO reported the current financial position, covering December and January, and confirmed that some of the forecast underspend would be reallocated to items which had been deprioritised earlier in the year. The board supported her recommendation to return the residual underspend to levy payers, subject to Secretary of State approval.

The board agreed that, as BEIS had approved the 2018-19 budget without amendment, it would not be necessary to bring the budget back to the board in March.

#### 12. Power of attorney

The Company Secretary presented a board resolution to grant him power of attorney to sign 4<sup>th</sup> round licence extensions should a director not be available. The board agreed the proposal but suggested instead that he draft a general power of attorney for signature at the March meeting.

#### 13. Future meetings

The board discussed an outline agenda forward look for 2018 and agreed that it would like to plan a visit to Norway to meet with the NPD and others.


#### 14. AOB

The board approved a recommendation to make a minor amendment to the conflict of interest policy.

The Chairman thanked the board for their diligence over the past three years and commended the remarkable amount that the OGA had achieved in such a short period, under the Chief Executive's excellent leadership.

The board thanked the Chairman for his leadership, his work on establishing the OGA and his diligent chairing of the board for the past three years.

  
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Chairman

  
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Date