

RADIOACTIVE WASTE MANAGEMENT LIMITED
(the "Company")

Minutes of the 39th meeting of the directors of the Company
held at RWM, Building 329, Harwell, Didcot, Oxfordshire

on 31st July 2019 (10:00 – 13.00)

PRESENT:

Professor Malcolm Morley OBE	Chair
Bruce McKirdy	RWM Managing Director
Claes Thegerström	Independent Non-Executive Director (via Telecon)
Karen Wheeler CBE	Independent Non-Executive Director
Dr David Prout CB	Independent Non-Executive Director (via Telecon)
Professor Mike Bowman	Independent Non-Executive Director
Andrew van der Lem	NDA nominated Non-Executive Director
Corhyn Parr	NDA nominated Non-Executive Director (via Telecon)
Peter Lock	RWM HSSEQ Director

IN ATTENDANCE:

Mr Umran Nazir	Deputy Director, Decommissioning, Radioactive Waste and GDF, BEIS (via Telecon)
[name redacted]	Interim Assistant Company Secretary

APOLOGIES:

Ann McCall	RWM Siting & Engagement Director
John Corderoy	RWM Programme Director

1 WELCOME, APOLOGIES, QUORUM AND CONFLICTS OF INTEREST

- 1.1 The Chairman reported that, notice having been given to all directors of the Company, a quorum was present, and he welcomed the attendees to the meeting. Apologies for absence were received from the Siting and Engagement Director and the Programme Director.
- 1.2 No further conflicts of interest were declared and the Chair requested that conflicts should be noted as and when they arose.

2 CHAIR'S INTRODUCTION

- 2.1 The Chair reminded the Directors of the need to consider their general duties, including those contained in the Companies Act 2006, in considering the matters put to the meeting.
- 2.2 The Chair remarked on the positive nature of the Local Government Authority (LGA) conference. He commented that there was now a real opportunity for communities to engage in the process.

- 2.3 The Chair informed the Board that the Programme Director had been commended by the MoD for a piece of work on decommissioning nuclear submarines. He also advised that [name redacted] of RWM has been recognised as a national champion for Equality, Diversity and Inclusion. The Chair stated that he has written to both individuals, on behalf of the Board, congratulating them.

3 MINUTES, ACTIONS AND MATTERS ARISING

- 3.1 The minutes were approved and the Chair was authorised to sign on behalf of the Board.
- 3.2 The Board requested that all actions be clearly worded and have completion dates assigned.
- 3.3 An updated actions list is attached.

4 UPDATE FROM BEIS

- 4.1 Mr Nazir gave a verbal update from BEIS to the Board. He disclosed who had been appointed to BEIS Parliamentary positions and stated that individual portfolios will be announced in due course.
- 4.2 He further confirmed that the National Policy Statement had been laid before the House of Commons and no calls for debate were expected.
- 4.3 Mr Nazir indicated that the Treasury Approval Point (TAP) meeting evidenced support for the consent based approach. The Chair added that the Panel recognised the need for a GDF, as integral to pursuing a carbon neutral agenda.
- 4.4 He also observed that the NDA Board have announced that Corhyn Parr will be the named SRO for the GDF Programme. He explained that due diligence work is needed during the transition period and confirmed that BEIS, NDA and RWM would work on ensuring sufficient governance and clarity on lines of responsibility during the transition period.
- 4.5 Mr Nazir further confirmed that work is on-going to develop options for a Property Value Protection scheme in parallel with the siting process. A standalone business case will be written for potential integration into the GDF Programme. Any proposal will be brought to the Board for approval.
- 4.6 Mr Bowman emphasised the need for RWM to be more proactive in engaging with universities, companies and learned groups, and to appoint GDF champions to raise national awareness.
- 4.7 The Board thanked Mr Nazir for the update.

5 SAFETY UPDATE

- 5.1 The HSSEQ Director provided a security share about the importance of being careful with information, the need to use Board Intelligence for sharing commercially sensitive information and to be aware of the dangers of phishing attacks.
- 5.2 He informed the Board of an incident regarding a security guard, who has since left the organisation and that the security regulator had been informed.
- 5.3 Mr Lock stated that a new draft HSSEQ strategy will be circulated to the Board for comment ahead of the meeting on 24 September.

- 5.4 He remarked that the move to the new office had been successful and that initial snagging problems had been resolved. The Board passed their congratulations to the team for the successful move.

- 5.5 The Board noted the update.

6 FINANCE AND SPENDING REVIEW UPDATE

- 6.1 The Managing Director reported that interactions between RWM and NDA continue on a three year spending review. It is possible, however, that the Government will call a single year review instead. The Board will be kept informed of progress.

- 6.2 The Managing Director presented a summary of in-year finances. For 2019/20 RWM had been given £45m by NDA and expected ~ £1m income from disposability assessments. It had set itself a 'pressurised' programme of work at ~ £48m. The current LBE for the year sits at ~ £45m (£3m below the pressurised programme but £1m below actual funds for the year). This will be kept under close review. The Board emphasised the importance of accurate budgeting to ensure confidence in the organisation.

- 6.3 The Board discussed the spending review and the implications for NDA and RWM. They Board requested a presentation on NDA's financial priorities.

ACTION 39/01: The Managing Director to keep the Board apprised of developments in the spending review

ACTION 39/02: Mrs Parr to arrange for a presentation of NDA's financial priorities to the RWM Board

- 6.4 The Board noted the update.

7 PROGRAMME AND PERFORMANCE UPDATE

- 7.1 The Managing Director gave an overview of progress against targets to date. He explained that nine out of ten Corporate Targets were at green RAG status and that one (attracting and retaining communities) was amber.

- 7.2 The Board noted the update.

8 SITING PROGRESS

- 8.1 [Minute redacted – EIR 12(5)(e) – commercially confidential]

- 8.2 Mr van der Lem remarked that in order for communities to have access to RWM's resources for feasibility studies etc. there was a requirement to have a public working group. He suggested that this could be counterproductive, as some communities would not be ready to proceed to a public announcement at that point and may decide not to engage further in the process. He proposed that RWM take a more flexible approach to funding in order to allow interested communities to have access to third party opinions.

- 8.3 The Board agreed to discuss the approach to community engagement at the September workshop.

9 REPORT FROM BOARD COMMITTEES AND FORWARD PLANS

- 9.1 The Audit and Assurance Committee Chair gave an overview of the work of the committee. The Annual Report and Financial Statements have previously been approved by the Board who had delegated final sign-off of an outward-facing document to the Chair. Mr McKirdy suggested that RWM may wish to follow Sellafield Limited's example in future and have a brief compliant report for filing to Companies House and a separate, public-facing 'performance report' available to stakeholders.

- 9.2 A joint risk meeting had looked in depth at the risk around community siting. The committee felt that it had been an informative session on project 2 and engagement with communities. The Board discussed how it might obtain assurance in future.

- 9.3 The Audit and Risk Assurance committee was endeavouring to cover a wider range of risks including financial, performance and cumulative risk.

The Chair of the Programme Committee reported on the previous meeting. He explained how the Programme Director had drawn attention to the problems of reporting to multiple entities, which require updates in different formats. The Board discussed the need to rationalise reporting requirements and meeting attendance and the importance of high quality, timely reports. *Dr. Prout left the meeting.*

- 9.4 A verbal update from the Regulatory Committee was provided by the Committee Chair. He confirmed that there had been a brief meeting which had encompassed an office walk through and safety check. He further stated that the two areas of focus for the committee would be improvements in safety culture and preparation for regulatory challenges.

- 9.5 The Remuneration and Organisational Development Committee Chair gave an overview from the latest meeting. He commented that timely input was required in order to ensure the committee was able to guide and advise more effectively.

- 9.6 The Board noted the reports and thanked the Chairs for their updates.

10 PLANS FOR APPROVAL OF PROJECT 2 FULL BUSINESS CASE

- 10.1 The Managing Director reported to the Board on progress with the Project 2 Business case, which has been revised by PWC in order to give a clear structured narrative in line with the PAR recommendations.

ACTION 30/03: MD to send a copy of revised Project 2 Business Case to Mrs Parr

11 NDA PAR REPORT – RECOMMENDATIONS AND RWM EXECUTIVE RESPONSES

- 11.1 The MD reported that Board feedback on the PAR report had been incorporated. The Board requested confirmation that all subject matter experts were being consulted at the appropriate time. The MD agreed that a more structured assurance process needed to be implemented.

- 11.2 The Board approved the Executive responses to the NDA PAR recommendations subject to minor amendments.

12 AOB

- 12.1 There was no further business declared.

13 RWM BOARD AND COMMITTEES FORWARD LOOK

- 13.1 The Board requested that all compulsory items were to be provided in a timely fashion, in order for adequate review by the Board.

- 13.2 Chairs of the Board Committees were reminded of the need to produce up-to-date forward looks that aligned with main Board meetings.

14 DATE OF NEXT MEETING

- 14.1 5th September 2019.

14.2 There being no further business, Chairman declared the meeting closed.

.....Chairman