

**RADIOACTIVE WASTE MANAGEMENT LIMITED**  
(the "Company")

Minutes of the 31<sup>st</sup> meeting of the directors of the Company  
held at Herdus House, Westlakes Science and Technology Park, Moor Row, Cumbria CA24  
3HU on 2<sup>nd</sup> November 2017

**PRESENT:**

Mr David Batters	(Chairman)
Mr Claes Thegerström	(Independent Non-Executive Director)
Professor Michael Bowman	(Independent Non-Executive Director)
Professor Malcolm Morley	(Independent Non-Executive Director)
Mr Bruce McKirdy	(RWM Managing Director)
Mr Kiernan Doherty	(NDA nominated Non-Executive Director)
Mr Peter Lock	(RWM HSSEQ Director)
Mrs Ann McCall	(RWM Waste Management Director)
Mr John Corderoy	(RWM Programme Director)

**IN ATTENDANCE:**

Mr Umran Nazir, Deputy Director, Decommissioning, Radioactive Waste and GDF, BEIS (by telephone)  
Mr Paul Skelton, Acting Waste Management Director (part of meeting only)  
Mrs Elizabeth Hodgson, RWM Company Secretary

**1 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 welcomed the attendees to the meeting. Apologies for absence were received from Mr Vallance and Professor Brownridge.
- 1.2 The Chairman welcomed Mr Corderoy and Professor Morley to their first meeting as directors of the RWM Board. The Board noted the appointments.

**2 CHAIRMAN'S INTRODUCTION**

- 2.1 The Chairman 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 Professor Morley declared that he is a Non-Executive Director of Health Education England and Chairs their Audit and Risk Committee. It was resolved to authorise this other directorship and any potential or actual conflict which may arise in connection with it and Professor Morley's position with RWM in accordance with section 175 of the Companies Act 2006.
- 2.3 No further conflicts of interest were declared.
- 2.4 Professor Bowman shared a health and safety event. As the Remuneration Committee were meeting, an alarm sounded in the building. The attendees were unclear what action to take and there were no NDA staff present. No safety briefing had been provided. The Chairman thanked Professor Bowman for the safety share and agreed to raise it internally.

**3 MINUTES AND ACTIONS OF THE PREVIOUS MEETING AND REDACTIONS**

- 3.1 The Board approved the minutes of the 25th July 2017 meeting of Radioactive Waste Management Limited and, subject to some minor amendments, authorised the Chairman to sign them.

- 3.2 The Board reviewed the minutes of the 25th July 2017 meeting of Radioactive Waste Management Limited to consider possible redactions needed prior to publication of the minutes on the RWM website. No redactions were identified.
- 3.3 An updated actions list is attached. The Managing Director explained that the Independent Review Panel report has not yet been delivered to Government. The Board expressed concerns that the activities within the report are pivotal to RWM.  
  
**Action 31.01:** Mr Nazir to find out progress on the Independent Review Panel report and share the report with RWM Board if possible.
- 3.4 With reference to action 29.02, the HSSEQ Director confirmed that the HSSEQ workshop would take place in January 2018 and agreed to engage with Professor Bowman during the pre-work as he would be unable to make the January meeting.
- 3.5 All remaining actions are complete.
- 4 **UPDATE FROM BEIS**
  - 4.1 The Deputy Director, Decommissioning, Radioactive Waste and GDF, BEIS provided a steer from Government on the timing of the launch of the consultation and its possible interaction with other announcements. The Secretary of State for BEIS has requested a meeting on the consultation engagement process. The Board considered the implications of the timing.
  - 4.2 The Deputy Director, Decommissioning, Radioactive Waste and GDF, BEIS outlined a number of changes in BEIS at Ministerial and Director General level.
  - 4.3 The Board thanked Mr Nazir for the update.
- 5 **IPA REVIEW**
  - 5.1 The Managing Director reminded the Board that the terms of reference for the IPA Review had previously been circulated and that the Review is split into two parts, with a focus on RWM this year and a review of overall programme next year. The RWM Executive have recently held two briefing days with the IPA Review team, covering transformation and organisational development and communications and stakeholder engagement plans. The Managing Director observed that there was good engagement from the Review team and a lunch with the whole organisation was received very positively.
  - 5.2 Interviews with NDA and RWM representatives will be held in the next few days. Briefing packs have been provided to all attendees. The Board noted the Documents List provided to the Review team.
  - 5.3 It was confirmed that the output of the IPA Review will be a RAG report to the Senior Responsible Officer (SRO) relating to delivery confidence of the next phase of work.
  - 5.4 The Board discussed the uniformity and accountability of the IPA Review team and the implications for RWM of each of the RAG ratings. It was observed that the focus must be on readiness for launch rather than the whole programme.
  - 5.5 The Board noted the update.
- 6 **REPORTS FROM BOARD COMMITTEES**
  - 6.1 The Chairman provided an update from the Audit and Risk Assurance Committee, explaining that Professor Morley will chair the meeting from now on. This means that each Board committee is chaired by an Independent Non-Executive Director.
  - 6.2 The Committee had received a report from Ernst & Young and the external audit contract had been extended for a further year. The financial report clarified that RWM

will continue reduced disclosure reporting and explained the impact of a new IFRS standard. The Managing Director had provided Corporate Target and SOFT reports.

- 6.3 The Chairman explained the main focus of the Audit and Risk Assurance Committee had been the deep dive into two risks, notably failure to transition and failure to attract communities. The Committee had talked around the need for early warning signals to provide confidence that all is well. A risk workshop will take place at the next meeting of the Board. Finally, the Committee had reviewed and commented on the Siting and Engagement assurance plan.
- 6.4 The Chairman of the Remuneration Committee, Professor Bowman, explained the meeting had taken place directly prior to the Board and that Mr Thegerström had attended the Committee in place of Mr Vallance. The Board ratified the attendance of Mr Thegerström at the Remuneration Committee.
- 6.5 Professor Bowman explained that the Committee had looked at the weightings of the corporate targets and proposed that 5% is held for delivery of each corporate target with the remaining amount spread among the main targets in each objective. The pay settlement for staff has been agreed and is being discussed with the unions. The Committee had discussed the year end diversity data and how to best use to communicate the diversity of the organisation. The Committee had also considered setting up a spot recognition reward process. Finally, the 2017-18 objectives of the executive leadership were reviewed and suggestions made for the target definition for 2018-19.
- 6.6 Professor Bowman presented the updated Terms of Reference and Remuneration Framework and explained that appointments of directors to or from the Committee have to be made by the Board. The Board reviewed and approved the documents and confirmed the ongoing appointments of Professor Bowman and Mr Vallance to the Remuneration Committee. The Board also noted the appointment of NDA HR Representative, Mr Mike Barber.
- 6.7 More widely, the Board agreed that the Chairman of a Board holds the right to co-opt any Independent Non-Executive Director to any of the Board committees at any time to ensure the Board committee is quorate.
- 6.8 The Chairman of the HSSSEQ Committee explained that a verbal report of the Committee meeting had been provided at the July Board and the written update summarises the same matters. The Board discussed the delays to the Harwell Office move and the urgency of the situation. The adequacy of the new office for the future organisation was also considered.
- 6.9 The Board noted the updates.

## **7 SITING AND ENGAGEMENT STRATEGY**

- 7.1 The Siting and Engagement Director explained that the GDF Siting and Engagement Strategy was discussed, along with an Implementation Overview Document, at a meeting of the RWM Board in September. The Strategy was approved in principle subject to minor amendments, which have been included in this final version.
- 7.2 The Board made a number of further minor comments on the Siting and Engagement Strategy, requesting that certain areas be made more explicit.
- 7.3 The Board approved the Siting and Engagement Strategy for publication, subject to the changes outlined by the Board, and considered the timing of the publication compared to the launch of consultation.

**Action 31.02:** All directors to provide comments on the Siting and Engagement Strategy to the Siting and Engagement Director.

## 8 CORPORATE STRATEGY – SCOPE OF REVIEW

- 8.1 The Managing Director explained that RWM's current Corporate Strategy was published in 2015 with the intention that it would be reviewed by 2018. The Strategy covers RWM's role as the delivery body for the GDF and in providing waste management solutions.
- 8.2 The Managing Director set out the scope of a review initiated after outline proposals were shared with the Board earlier this year. The objective is to ensure the document continues to set out the external factors that influence what RWM does and how RWM goes about doing those things. It will consider changes to strategic drivers such as the NDA Strategy 2016 and Brexit and will add 'aspirational' drivers and values.
- 8.3 The Board noted the scope and progress with the review of the RWM Corporate Strategy. Proposals for changes to the Corporate Strategy will be developed for consideration by the Board by March 2018.

## 9 THE EVOLUTION OF INTEGRATED WASTE MANAGEMENT

- 9.1 The Acting Waste Management Director entered the meeting.
- 9.2 Mr Doherty summarised his observations of discussions at the LLWR Board and how they linked into NDA's forward vision on integrated waste management and the reduction in business units. There are opportunities to work more closely together with LLWR and accountabilities could be better clarified in the sphere where both LLWR and RWM work.
- 9.3 The Managing Director confirmed he and the LLWR Managing Director had discussed the overlap between the organisations and that they will meet again to flesh out the joint working proposals before the next NDA Quarterly Performance Review.
- 9.4 The Board supported the aim of closer collaboration with LLWR in areas of common interest and, in the longer term (5+ years), consideration of a merger. However, the Board's view was that in the short to medium term, the two companies should retain separate identities to minimise any risk to the forthcoming siting programme.

## 10 UPDATE ON INTEGRATED WASTE PLAN

- 10.1 The Acting Waste Management Director provided an update on the development of an Integrated Waste Management (IWM) Programme.
- 10.2 The Gate B paper established the preferred option as the adoption of an integrated programme approach which would provide benefit in terms of improved leadership within the radioactive waste management arenas of the industry. The scope is proposed to include a programme office, a governance framework, an agreed schedule of work to deliver the Strategic Theme and the development of robust information to support the management of uncertainty within decommissioning programmes.
- 10.3 The Gate B paper recommends the adoption of the integrated waste management approach with a centrally coordinated programme delivered jointly by LLWR and RWM working collaboratively. It recommends a number of next steps; the establishment of a programme office and an agreed initial programme of work and engagement with stakeholders to identify the initial priorities for the programme. An LLWR/NDA Senior Strategy Committee has approved the next steps for implementation but this has not been reviewed or ratified at RWM board level.
- 10.4 The Board observed they were relatively unsighted on the process and it felt as though the decision has already been made, prior to the way forward being truly defined. The work is additional scope to RWM and must be appropriately resourced. It could be a further complicating factor in governance.

10.5 The Board were comfortable with the general approach to integrated waste management but are keen to ensure it is correctly planned and shared appropriately with key stakeholders. Before agreeing a "preferred option" the Board would need to see a full review of risks and of resource implications.

10.6 The Acting Waste Management Director left the meeting.

## **11 RWM MONTHLY PROGRESS REPORT, PERIOD 7**

11.1 The Managing Director presented the Monthly Progress Report.

11.2 The new Dashboard was received very positively and the Board asked to see the Executive owner and actions for each Strategic Risk. The Board discussed the significant underspend, which is mainly attributable to the lower than planned headcount and rescheduling of some GDF community engagement and site evaluation activities. The Board discussed resourcing levels and the Managing Director explained accountabilities have changed this year and the lower headcount is not a typical position.

11.3 The Board noted the Report and asked the Managing Director to add an "issues and challenges" table to the Dashboard.

**Action 31.03:** Managing Director to update the Dashboard in line with the Board's comments.

## **12 QUARTER 2, RWM QUARTERLY PERFORMANCE REPORT**

12.1 The Managing Director explained the Quarterly Performance Report is for Board information only and summarises the Executive review of performance for the NDA. The Executive noted that the template document can be supplemented with additional material. The Board noted the Report and requested feedback from the QPR meeting.

12.2 **Action 31.04:** Managing Director to provide feedback from QPR to the Board.

## **13 PROGRAMME BUSINESS CASE AND PROJECT 2 BUSINESS CASE – SCOPE AND STRATEGY**

13.1 The Programme Director provided an update on timelines for the GDF Programme Business Case (PBC) and the Community Engagement and Site Evaluation Business Case (P2BC) and summarised the key activities and dates.

13.2 The P2BC will be presented as an Outline Business Case and will seek BEIS-PIC approval for the GDF Programme to move from Project 1 (Policy) to 'launch' Project 2 (Engagement and Evaluation) and spend of c£55m on Siting and Engagement over c5 years.

13.3 The PBC, led by BEIS, will be presented as an update to the 2014 Strategic Outline Programme Business Case. It will seek BEIS-PIC and MPRG approval of the status and structure of the GDF Programme, the overall programme envelope and an update of the five cases.

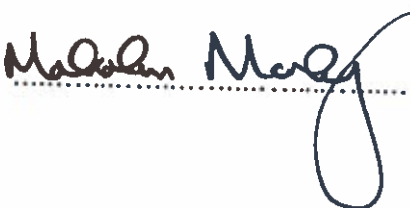
13.4 The Programme Director confirmed the role of the Board is to endorse the Business Cases rather than approve and that the cover allow for a vibrant process; it does not mean an increased budget is in place.

13.5 The Board noted the update and Mr Nazir left the meeting.

## **14 AOB**

14.1 The Board discussed topics for the meeting with the LLWR Board.

- 14.2 The Board noted the draft terms of reference and membership of the Advisory Council. The Managing Director explained the purpose of the Advisory Council is advice to and assurance of the Executive team to develop the right product. The Advisory Council will meet the Board in due course. It was suggested that a Communications Expert might be added to the Advisory Council to cover this key area of RWM's remit.
- 14.3 The Siting and Engagement Director summarised the status of key items required for launch of the siting process. The listing is informed by products listed in the Project Initiation Document for the project, items identified from the Readiness Review, IPA Routemap analysis and enhancement planning and deliverables identified by the Executive. The Board noted the list and the current status of progress against the outputs but queried whether resourcing should be ranked as red as the Campaign Delivery Partner is not yet appointed. The Board felt there was insufficient evidence backing up each RAG status but the Siting and Engagement Director explained the summary is for visibility purposes. The Board felt that the paper appears to be inconsistent with some other key messages.
- Action 31.05:** Siting and Engagement Director to add in finance and resource enablers to the status of key items required for launch of the siting process.
- 14.4 The Chairman explained that there are a number of changes in NDA responsibilities and, as such, he would be stepping down as Chairman of RWM before the next Board meeting. The Board discussed potential replacements for the role with a view that the new incumbent should have sufficient experience and track record to take the position; the board also felt that it might be appropriate for an independent non-executive chairman going forward.
- 14.5 On behalf of the Board, the Managing Director thanked the Chairman for all his work as Chairman of RWM and particularly noted the improvements to the Board and governance during his tenure.
- 15 The **DATE OF NEXT MEETING AND 12 MONTH LOOK AHEAD**
- 15.1 The next meeting of the Board will take place on 30<sup>th</sup> November 2017
- 15.2 The Board reviewed the 12 Month Look Ahead.
- 15.3 There being no further business, the Chairman declared the meeting closed.

  
.....Chairman