



**NUCLEAR DECOMMISSIONING AUTHORITY
BOARD MEETING**

Minutes of the meeting of the Nuclear Decommissioning Authority (“NDA”) Board held on
28 June 2022 at 09:00 by video conference

Present (Board Members):	
Ros Rivaz - Chair	Francis Livens - Non-Executive Member
David Peattie - Chief Executive Officer	Alex Reeves - Non-Executive Member
Janet Ashdown - Senior Independent Director	Chris Train - Non-Executive Member
Volker Beckers - Non-Executive Member	Mel Zuydam - Chief Financial Officer
Evelyn Dickey - Non-Executive Member	

Apologies (Board Members):	
None	

In attendance:	
Matthew Shaw (Acting Group General Counsel and Company Secretary)	[Minute redacted – s.40 Personal] (Director of IWMP and Strategy, NWS) - for item 6.4
[Minute redacted – s.40 Personal] (Deputy Company Secretary)	[Minute redacted – s.40 Personal] (Technology Category Manager) - for item 6.5
Paul Vallance (Group Director of Communications and Stakeholder Relations)	[Minute redacted – s.40 Personal] (Sellafield Limited) - for item 6.5
[Minute redacted – s.40 Personal] (Director of Nuclear Operations - Magnox) - from item 3.2 to 5	[Minute redacted – s.40 Personal] (Group Chief Information Officer) - for item 6.5
[Minute redacted – s.40 Personal] (Head of Commercial Contracts) - for item 6.1	Frank Rainford (Group Director of Security and Corporate Services) - for item 6.5
[Minute redacted – s.40 Personal] (Head of Non-NDA Liabilities) - for item 6.2	Jeremy Harrison (Group Director of Risk and Assurance) - for item 6.6
Clive Nixon (Chief Nuclear Strategy Officer) - for item 6.2	[Minute redacted – s.40 Personal] (Sellafield Limited) - for item 6.5
Corhyn Parr (CEO NWS) - for item 6.4	[Minute redacted – s.40 Personal] (Group Financial Controller) - for item 6.7

Apologies (Attendees):	
Neil Harnby (Group General Counsel and Company Secretary)	Alan Cumming (Chief Operations and Performance Improvement Officer)

AGENDA ITEM		Action Owner
1.	BOARD ADMINISTRATION	
1.1.	Declarations of Interest	
1.1.1	The Board considered the register of interests and NOTED one amendment made since its last meeting to the entry for F Livens.	
1.1.2	The Chair highlighted her potential conflict of interest with agenda item 6.5 (Sellafield IT Services Agreement (ITSA) Extension Proposal) due to her directorship of Computacenter plc. The Board concluded that R Rivaz would not need to recuse herself from the discussion. No further interests were declared, and the Board APPROVED that all Board members could participate fully in the meeting.	
1.2	Minutes of the previous meeting	



1.2.1	The minutes of the meeting held on 24 May 2022 were approved for signing subject to some minor amendments.	
1.3	Decision Log	
1.3.1	The record of decisions from the May Board meeting was noted.	
1.4	Action update	
1.4.1	The Board considered the update on actions arising from previous meetings and noted that the ongoing actions were progressing in line with plan and oral updates would be provided on actions 1694 (AGR Programme Business Case) and 1697 (Group Litigation Report) later on the agenda. It was agreed that the actions marked as 'Complete' be closed.	
2.	Chair's observations	
2.1	The Board noted the Chair's update on the recent meeting of the NDA Non-Executive Board Members. The meeting had been productive and considered several topics including Great British Nuclear, the sufficiency of resources within the NDA to provide support and the clear message from Government that the NDA would be expected to deal with the implications of any rise in inflation through effective and efficient working.	
2.2	The Chair reported that the Corporate Governance team had identified proposed meeting dates for the Board in 2023 which would be circulated to Board Members. The team would then focus on setting the Committee meeting dates for 2023, and the 2024 Board meeting dates. The Board supported the ambition to reduce the number of scheduled Board meetings and avoid duplication between the Board and Committees.	
2.3	It was noted that the Chair's end of year update to the BEIS Permanent Secretary was nearing completion and the Board was content for the letter to be sent once finalised by the Chair and CEO.	
2.4	The Chair reported that preparations continued for the Board's FY2022/23 effectiveness review, which would be conducted internally. The suggestion that an independent but not external party could conduct the Board's next external review was considered but discounted.	
3.	CEO's update	
3.1	D Peattie noted that it was the fifth anniversary of the Grenfell Tower fire and as a safety moment shared his process of familiarising himself with fire safety procedures in hotels. The CEO encouraged this practice, particularly with the return to business travel post the pandemic and the approach of the holiday season. [Minute redacted – s.40 Personal] <i>joined the meeting</i>	
3.2	The CEO referred to his latest update to the Board, circulated in advance of the meeting, and observed that it was important the Board was comfortable the Executive was achieving the right balance between discharging the NDA's mission and contributing to the new nuclear activities the NDA had been asked by Government to support. The Board agreed with the need to support new Government initiatives, and the NDA's ability to do so, but questioned whether the NDA had sufficient capacity and capability to meet the extra demands. The executive agreed to reflect on the challenge and deliver a session to the Board in October looking at resilience in its succession planning for senior roles in the organisation as well as the attraction, resourcing and retention of required skills more widely.	D Peattie/ D Vineall
3.3	The Board noted D Peattie's comment that [Minute redacted – s.36 Policy]. The Government's focus on an energy crisis over the winter months also meant that what could be done to reduce energy demands across the estate would need to be considered.	



3.4	D Peattie provided an update on [Minute redacted – s.40 Personal] trip to Rome to visit SOGIN. It was noted that discussions had reached an impasse but broadly there were two options open to the NDA: [Minute redacted – s.36 Policy]. Both options would need to be considered with BEIS and D Peattie agreed to keep the Board updated on progress.	
3.5	D Peattie referred to the update provided in Appendix C to his CEO update on the NDA's continuing efforts with [Minute redacted – s.43 Commercial]. [Minute redacted – s.43 Commercial] Those Board Members who had been able to access the paper, being a majority of the Board, confirmed their support for the execution of the HoT.	
4.	Performance Report - CFO	
4.1	The CFO took the Board through the key points of the Period 2 2022/23 Performance Pack. [Minute redacted – s.36 Policy].	
4.2	[Minute redacted – s.36 Policy]	
4.3	[Minute redacted – s.36 Policy]. The CFO assured the Board that it was not the view of the Executive that there was no cost challenge and that the position was being monitored carefully. M Zuydam noted the intention to move performance reporting to the Board to a new level of simplicity and transparency and highlighted the “waterfall” diagram in the Performance Pack. The CFO explained that the diagram, which would be a regular feature of the update to the Board, illustrated how the Executive was closely monitoring pressure on the cost base.	
4.4	The Board sought further assurance on project cost overruns highlighted by the Performance Pack, and certainty on income. M Zuydam explained that the project cost increases were largely driven by inflation and that [Minute redacted – s.36 Policy]. The Board suggested that the risk to the forecast fuel deliveries could be larger than anticipated due to the known single points of failure in the reprocessing process and emphasised the need to reiterate to the Operating Companies the Government's message around internal efficiency and effectiveness.	
4.5	The Board was supportive of the progress on improving performance reporting, noted some of the uncertainties and offered support to the CFO in refining the reporting further. It was noted that A Cumming and C Train would liaise to enhance the reporting the Board received on project performance. And an update on progress would be provided to the Board in September. [Minute redacted – s.40 Personal] <i>left the meeting</i>	M Zuydam / A Cumming
5.	Safety and Covid 19 update	
5.1	In the COPIO's absence, D Peattie summarised the thorough review at the HSSE meeting held on 14 June of the current health and safety landscape across the Group. The Board noted that there was a continued focus on major hazards, as well as slips, trips and falls. There had been some notable events over recent weeks which had been previously shared with the Board. [Minute redacted – s.36 Policy].	
5.2	The Chair and CEO congratulated J Ashdown on establishing the network of Safety Committee Chairs. [Minute redacted – s.40 Personal] <i>joined the meeting</i>	
One NDA & Strategy		
6.1	Springfield Update	
6.1.1	[Minute redacted – s.40 Personal] presented an update on the current position of the Springfields Fuels Limited (SFL) business and measures being taken by the NDA in anticipation of [Minute redacted – s.36 Policy]. The Board noted the current status of the SFL business, the strategy being pursued by Westinghouse Electric Company (SFL's	



	parent company), the input and support being provided by BEIS and the contingency planning in the event of site hand-back to NDA was underway by NWS.	
6.1.2	<p>The Board welcomed the proactive approach and planning being undertaken in relation to SFL and sought further insight on several areas, which D Robson responded to, specifically:</p> <ul style="list-style-type: none"> (i) The impact of the NDA's vires in relation to WEC's strategy initiatives. (ii) The level of risk for the NDA versus the opportunities available to WEC, and where the Executive recommended the NDA's focus be directed. (iii) [Minute redacted – s.36 Policy] Whether the NDA had the correct skills to assess the options available to it given the different activities to its normal business. (iv) [Minute redacted – s.43 Commercial] [Minute redacted – s.36 Policy]. (v) [Minute redacted – s.36 Policy]. <p>[Minute redacted – s.40 Personal] <i>left and C Nixon and [Minute redacted – s.40 Personal] joined the meeting</i></p>	
6.2	Update on Board Strategy Day	
6.2.1	<p>C Nixon thanked the Board for their input into the agenda for the July Board Strategy Day and outlined the current proposal. The Board provided further feedback, including:</p> <ul style="list-style-type: none"> (i) Ensuring that there was time in the schedule for discussion; (ii) That day 1 should focus on the NDA's current mission and day 2 on the trusted to do more agenda. (iii) A request for insight into the challenges faced by the NDA and the Operating Companies and which should be prioritised in the current funding environment. (iv) An update on innovation across the Group. <p><i>C Nixon and [Minute redacted – s.40 Personal] left the meeting</i></p>	
Programmes and Projects		
6.3	Programmes & Projects Committee update	
6.3.1	C Train provided an update on the Programmes & Projects Committee (P&PCo) meeting held on 14 June. The agenda had been relatively light which had allowed for good discussions on the separate workstreams to: (i) monitor and drive performance improvement; and (ii) give confidence in programme and project delivery through appropriate assurance activity.	
6.3.2	The P&PCo had considered the two sanction cases to be considered later on the agenda at items 6.4 and 6.5 and C Train provided an overview of the points that the Committee had raised and the questions they had asked the teams.	
6.3.3	C Train reported that the P&PCo had also considered an update from [Minute redacted – s.43 Commercial]. An update had been prepared for the Board and was included in the information pack for the meeting. The Board considered whether a broader strategic discussion was required in relation to the Group's need for boxes and containers and available suppliers and it was agreed that the P&PCo would review this. [Minute redacted – s.40 Personal] <i>and [Minute redacted – s.40 Personal] joined the meeting</i>	
6.4	Sanction: Near Surface Disposal Facility Strategic Outline Business Case	
6.4.1	[Minute redacted – s.40 Personal] presented the Strategic Outline Business Case (SOBC) for the Near Surface Disposal (NSD) Facility. The Board noted that preparations for the NSD had been underway for some time and its introduction would enable the NDA group mission in several ways, including potentially reducing the size of a Geological Disposal	



	Facility. [Minute redacted – s.40 Personal] provided the Board with more detail on the benefits of NSD.	
6.4.2	<p>The Board sought clarification on two points:</p> <p>(i) That NSD was not currently included in Government policy - [Minute redacted – s.40 Personal] confirmed that BEIS were preparing a policy review to consult on the introduction of changes to Radioactive Waste Policy, including introduction of NSD, which was anticipated to go live in the Autumn.</p> <p>(ii) Resourcing NSD at a time when the Group’s resources were already being stretched - [Minute redacted – s.40 Personal] confirmed that she was comfortable that resource could be leveraged from other projects without detriment to those projects.</p>	
6.4.3	<p>The Board ENDORSED the Near Surface Disposal Facility Strategic Outline Business Case for onward presentation to BEIS.</p> <p><i>F Rainford</i>, [Minute redacted – s.40 Personal], [Minute redacted – s.40 Personal], [Minute redacted – s.40 Personal] and [Minute redacted – s.40 Personal] <i>joined the meeting</i></p>	
6.5	Sanction: Sellafield IT Services Agreement (ITSA) Extension Proposal	
6.5.1	F Rainford reported that Sellafield were seeking to extend some elements of the current IT Services Agreement (ITSA) contract with [Minute redacted – s.43 Commercial]. It was noted that the Board was asked to endorse the onwards submission to BEIS of a contract extension of [Minute redacted – s.43 Commercial].	
6.5.2	F Rainford outlined the governance process followed to date and the Board noted the background to the proposal and the reason it needed to be escalated quickly through the NDA’s governance and to BEIS.	
6.5.3	C Train provided an overview of the P&PCo’s discussion of the proposal at its meeting on 24 June. The Board noted the lessons learned from the process Sellafield had been through in transitioning from a single to multiple suppliers for IT services and that although additional time was required there was no additional spend required.	
6.5.4	C Train reported that the Committee was assured that the due diligence undertaken by Sellafield had accurately determined the period of extension required. It was noted that the P&PCo had sought assurance on whether [Minute redacted – s.43 Commercial] is likely to be a good supplier and that it had been confirmed that [Minute redacted – s.43 Commercial] would maintain its relationship with Sellafield under two of the new contracts.	
6.5.5	<p>The Board discussed the proposal and raised several observations and questions that the executive responded to:</p> <p>(i) That there had been several recent similar contracts that had required the Board to consider last minute extensions, which was disappointing.</p> <p>(ii) The lack of an explanation in the papers of what could have been done to avoid identifying the need for an extension so late into the [Minute redacted – s.43 Commercial] contract. The Board sought assurance on how this scenario could be avoided, particularly in contracts of a longer duration and noted the impact of not being able to quantify the risk associated with being unable to move all competencies from the [Minute redacted – s.43 Commercial] data centre to the new shared service until May of this year.</p> <p>(iii) The legal risk associated with the extension. M Shaw explained that the Board should not consider the legal risk “de minimis” as had been described and outlined the legal advice which had been provided by the Sellafield legal team.</p>	



	<p>(iv) How the executive was comfortable no further funding was sought from BEIS when [Minute redacted – s.43 Commercial]. The Board noted how no overall funding was required when the ITSA and PICTS were combined.</p> <p>(v) The steps that would be taken across the NDA Group to gain control of the IT architecture and strategy and that the NDA will work very closely with Sellafield to deliver the PICTS programme.</p> <p>(vi) The contingency options should the approval sought from BEIS not be provided, although the Board noted that there was no definitive alternative solutions at present.</p> <p>(vii) [Minute redacted – s.36 Policy].</p>	
6.5.6	<p>The Board ENDORSED the submission of the proposal to the BEIS PIC. It was noted that F Rainford would work with C Train and D Peattie to ensure that all the relevant comments from the ECA and keyholder assurance document, as well as the feedback provided by the P&PCo and Board were incorporated in the submission to BEIS.</p> <p><i>F Rainford, [Minute redacted – s.40 Personal] and [Minute redacted – s.40 Personal] left, and J Harrison joined the meeting</i></p>	
6.6	Sanction Forward Plan	
6.6.1	<p>J Harrison provided the Board with an overview of the sanction matters to be presented to the Board in the coming months. J Harrison agreed to confirm when the Board would be asked to consider the cases tabled for December when there is no Board meeting.</p> <p><i>J Harrison left and [Minute redacted – s.40 Personal] joined the meeting</i></p>	J Harrison
Governance and Culture		
6.7	Annual Report and Accounts	
6.7.1	<p>M Zuydam referred to the final draft of the 2021/22 Annual Report and Accounts circulated to the Board by email on 24 June, following consideration by the ARAC on 23 June. M Zuydam confirmed that there remained a small number of tasks to complete which would be addressed prior to final sign off and certification of the ARA, including:</p> <ul style="list-style-type: none"> (i) the glossary and abbreviations; (ii) insertion of the useful links and readying of the associated documentation; and (iii) a full detailed proof-read to capture any formatting errors, abbreviations and page number references. 	
6.7.2	<p>[Minute redacted – s.40 Personal] presented the change log and resolution of the comments made by the Board Members throughout the review process. In respect of the two outstanding areas, it was noted that the biographies of the Board Members were nearing completion and that [Minute redacted – s.36 Policy]</p>	
6.7.3	<p>V Beckers reported that the National Audit Office (NAO) had confirmed that they anticipated issuing an unqualified audit opinion for the 2021/22 ARA following completion of a successful audit.</p>	
6.7.4	<p>It was noted that the A&RAC had considered the Letter of Representation to NAO to be signed by the Accounting Officer in respect of the year ended 31 March 2022. Subject to resolving some minor points both the A&RAC and D Peattie were content that the Letter of Representation 2021/22 be executed.</p>	
6.7.5	<p>The Board provided the following feedback on latest draft of the ARA 2021/22 including that:</p> <ul style="list-style-type: none"> • it would be beneficial to visually illustrate some of the innovative work the NDA does; 	



	<ul style="list-style-type: none"> reference should be included to the significant ethics and compliance matters handled over the last 12 months in the s172 report; references to the effectiveness reviews of the Board should be consistent; the record of Board Member terms of office and extensions should be checked; and commentary should be included on the SOGIN deal if appropriate. 	
6.7.6	<p>The Board RESOLVED TO APPROVE:</p> <p>(i) The 2021/22 ARA for publication subject to the amendments at minute 6.7.5; and</p> <p>(ii) that authority be delegated to the CEO and CFO to finalise the 2021/22 ARA.</p>	M Zuydam/ [Minute redacted – s.40 Personal]
6.7.7	<p>The Chair and CEO extended their thanks to all involved in the production of the 2021/22 ARA.</p> <p>[Minute redacted – s.40 Personal] <i>left the meeting</i></p>	
6.8	Group Litigation report	
6.8.1	[Minute redacted – s.36 Policy]	
6.8.2	[Minute redacted – s.36 Policy]	
6.8.3	It was agreed that more needed to be done to align the Operating Companies to a Group approach for dealing with compliance and ethics issues. [Minute redacted – s.36 Policy]	[Minute redacted – s.40 Personal] / M Shaw
6.8.4	<p>The Board agreed that action 1697 be closed.</p> <p>[Minute redacted – s.40 Personal] <i>joined the meeting</i></p>	
7	Committee reports	
7.1	HSE Committee	
7.1.1	J Ashdown provided an update on the matters discussed at the HSE meeting held on 14 June.	
7.2	Audit & Risk Assurance Committee	
7.2.1	V Beckers provided an update on the matters discussed and decisions taken at the A&RAC meeting held on 23 June which had focussed on the Annual Report and Accounts.	
7.2.2	In addition, V Beckers highlighted that the Government had published its final proposals for far-reaching reforms to the UK's audit and corporate governance regimes, with significant consequences for the UK's largest companies and their directors and auditors, as well as for audit firms and the audit regulator. The draft bill for the changes requiring legislation would be introduced when the parliamentary timetable allowed. It was noted that M Zuydam was sponsoring a piece of work on the impact of the new regime for the NDA Group.	
7.3	Remuneration Committee	
7.3.1	E Dickey provided an update on the matters discussed and decisions taken at the Remuneration Committee meeting held on 23 June.	



7.3.2	[Minute redacted – s.36 Policy]The Board discussed the importance of BEIS understanding this and noted the planned next steps to address the Government’s response. <i>V Becker left the meeting</i>	
7.4	Sustainability & Governance Committee	
7.4.1	J Ashdown provided an update on the matters discussed at the Sustainability & Governance (S&G) Committee meeting held on 24 June. The Board noted the positive report of the activities overseen by the S&G Committee and discussed whether this could be communicated more widely. It was suggested that widening the reach of such communications could attract more graduates into the business who were increasingly looking for purposeful intent in the organisations they opted to work.	
7.4.2	The Chair requested that a letter be sent to A Cumming, [Minute redacted – s.40 Personal] and [Minute redacted – s.40 Personal] to congratulate them on their considerable achievement in moving the sustainability agenda forward at the NDA. [Post meeting note: J Ashdown drafted the requested letter which was reviewed by D Peattie prior to circulation.]	
8.	Forward agenda	
8.1	The Board noted the forward agenda and M Shaw clarified the locations of the Board meetings to the end of the year.	
9.	AOB	
9.1	There being no other business the meeting closed at 15.28.	