



NUCLEAR DECOMMISSIONING AUTHORITY BOARD MEETING

Minutes of the meeting of the Nuclear Decommissioning Authority (“NDA”) Board held on 26 and 27 September 2022 at The Swan at Streatley, Streatley-On-Thames, Streatley, Berkshire, RG8 9HR and the Harwell Innovation Centre, Curie Avenue, Harwell, Oxford Didcot, OX11 0QG)

Present (Board Members):

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

Apologies (Board Members):

None

In attendance:

Alan Cumming (Chief Operations and Performance Improvement Officer) – agenda items 8, 9, 11, 12 & 13	[Minute redacted – s.40 Personal] (Sellafield) – agenda item 13.4
[Minute redacted – s.40 Personal] (Deputy Company Secretary)	[Minute redacted – s.40 Personal] (Sellafield) – agenda item 13.4
Frank Rainford (Group Director of Security & Corporate Services)	[Minute redacted – s.40 Personal] (Sellafield) – agenda item 13.4
Matthew Shaw (Acting Group General Counsel and Company Secretary)	[Minute redacted – s.40 Personal] (Sellafield) – agenda item 13.5
Paul Vallance (Group Director of Communications and Stakeholder Relations)	[Minute redacted – s.40 Personal] (Sellafield) – agenda item 13.4
[Minute redacted – s.40 Personal] (Head of NDA Non-Liabilities) – agenda item 13.1	[Minute redacted – s.40 Personal] (Sellafield) – agenda item 13.4
[Minute redacted – s.40 Personal] (Strategy Programme Manager) – agenda item 13.1	[Minute redacted – s.40 Personal] (Sellafield) – agenda item 13.5
[Minute redacted – s.40 Personal] (Head of Commercial Contracts) – agenda item 13.2	[Minute redacted – s.40 Personal] (Sellafield) – agenda item 13.5
[Minute redacted – s.40 Personal] (Head of Programme – Dounreay) – agenda item 13.2	[Minute redacted – s.40 Personal] (One NDA Programme Workstream Lead) – agenda item 13.9
[Minute redacted – s.40 Personal] (Head of Nuclear Fuel Cycle) – agenda item 13.2	

Apologies (Attendees):

Neil Harnby (Group General Counsel and Company Secretary)

AGENDA ITEM

**Action
Owner**

[The running order of the meeting was altered from the agenda to facilitate executive attendance; the minutes follow the running order of the agenda. Items 1 to 5 were taken over dinner on 26 September at The Swan at Streatley.]

1.	Chair’s observations	
1.1	R Rivaz provided the Board with feedback on a recent positive meeting with the BEIS Permanent Secretary, a recent Group Key Target setting workshop, a site visit to	



	Springfield that several Board Members attended and extended an invitation to Members to attend Quarterly Performance Meetings with BEIS.	
1.2	R Rivaz also congratulated the team on the recent Stakeholder event in Edinburgh, asked that the “This is Me” video shared at the event be circulated to the Board and noted that the Corporate Governance team had been working on a matrix of site visits which would be used to track which Board Members had been to which site to identify suitable future venues for Board meetings and site visits.	
1.3	The Board discussed recent interactions with the Sellafield Board about the appointment of new Non-Executive Directors to that Board and discussed the process for approving the appointment of NEDs to subsidiary Boards and the need to ensure diversity amongst those appointments. The Board also discussed succession on the Sellafield Board and the likely changes which will occur in the short term as current Board members’ terms come to an end.	
1.4	[Minute redacted – s.36 Policy]	
1.5	R Rivaz invited A Reeves to provide some commentary on the Chair’s Letter from BEIS and, in particular, some of the references to culture it contains. AR provided an overview of the purpose of the Chair’s letter and noted that the NDA’s version is long compared to some other arm’s length bodies and that a lot of work had gone into it.	
1.6	A Reeves also highlighted: (i) the emphasis in the letter on culture and the importance of the Board’s role in setting this across the group; (ii) the challenge of making sure that business cases answer the questions that the likely decision makers are going to ask and the role of the subsidiary boards in screening those business cases; and (iii) the current funding challenges.	
1.7	The Board discussed the funding challenge the NDA Group faces generally and the approach of the individual subsidiaries to responding to the challenge.	
2.	CEO’s update	
2.1	D Peattie referred the Board to his written report which was taken as read and reported on three additional matters to the Board: <ul style="list-style-type: none"> (i) the appointment of Jacob Rees-Mogg as Secretary of State for Business, Energy and Industrial Strategy and a recent “Town Hall” meeting hosted by the Secretary of State he had attended at the BEIS offices; (ii) that the ministerial portfolio had not yet been determined and therefore the minister with responsibility for the NDA was not yet known; and (iii) a recent cyber briefing he had been provided by Templar Associates. 	
2.2	D Peattie also provided an update on the work that had been done with JWM Consultants on the NDA and Sellafield relationship and the forward plan for maintaining momentum with this work.	
2.3	The Board discussed the attendance of the Sellafield CEO at the meeting the following day which was now to be via video conference. It was agreed that given the importance of the topic (safety issues at Sellafield) the item should be deferred until the Sellafield CEO was able to attend in person.	
3.	Ministerial team update	
3.1	This item was covered in agenda item 2 (CEO’s update) at paragraph 2.1.	
4.	Springfields activities and designation	
4.1	D Peattie provided the Board with an overview of the Springfields proposal outlined in the pack, explained that this was something which the NDA had been asked to consider by BEIS and outlined the contents of the recent exchange of correspondence with BEIS. The Board discussed the proposal and asked questions about the type of facilities proposed and the broad nature of the amendments proposed to the designation	



	direction and M Shaw outlined the current information about the proposal and how the designation would be amended.	
4.2	The Board CONSENTED to the Springfields Designation being amended to explicitly allow fuel production activities (including RepU) to be undertaken in new facilities.	
5.	CFO's update – Part 1	
5.1	M Zuydam provided an overview of the current financial challenges faced by the Group and the implications of this. He highlighted that inflation was likely to remain high and took the Board through some of the income opportunities which may be available to pursue, including [Minute redacted – s.43 Commercial].	
5.2	The Board debated the information provided and discussed whether the income identified was actual operational income or simply accounting measures. The Board welcomed the bottom-up assessment being undertaken and some of cost reduction measures being explored. The Board asked for an update on the cost reduction measures being explored to be added to the November Board on the forward agenda planner i.e., once they had been discussed at the GLT.	
5.3	The Board discussed the Replacement Analytical Plant project at Sellafield, the costs pressures relating to the project, why it was necessary and what the alternatives might be. The Board also discussed how Technology and Innovation would be critical in reducing costs and introducing efficiencies.	
6.	Quarterly committee reports	
6.1	This item was deferred to the following day and there being no further business the meeting was adjourned to the following day.	
<i>[The continuation of the Board meeting on 27 September was preceded by a tour of the Magnox Harwell site and a briefing on Project Dieppe.]</i>		
7.	BOARD ADMINISTRATION	
7.1	Declarations of Interest	
7.1.1	The Board considered the register of interests and commented that the content appeared out of date for several Board Members and not as extensive as expected e.g., start and end dates of interests were absent. It was noted that a full record of each Board Member's interests was maintained by the Corporate Governance team and that going forward only an extract this would be provided to each meeting. The Board requested that the register of interests be circulated offline for Board Members and any updates required by provided to the Corporate Governance team. The Board APPROVED that all Board Members could participate fully in the meeting.	
7.2	Minutes of the previous meeting	
7.2.1	The minutes of the meeting held on 25 July 2022 were APPROVED for signing without amendment.	
7.3	Decision Log	
7.3.1	The record of decisions from the 25 July 2022 Board meeting was noted.	
7.4	Action update	
7.4.1	The Board considered the update on actions arising from previous meetings and: <ul style="list-style-type: none"> Noted the proposed due date for the action for the Acting Group General Counsel and Company Secretary to co-ordinate improvements to the quality of submissions to the Board (action 1664). The Board requested renewed focus on ensuring the completion of the 'Compliance / Governance' fields in the Board paper template. The Board commended M Shaw on the progress made to date and requested that this be relayed to the Corporate Governance team. 	



	<ul style="list-style-type: none"> • M Zuydam outlined the progress made on enhancing reporting to the Board received on project performance. It was noted that M Zuydam had taken feedback from C Train and would also liaise with V Beckers. The contribution it was anticipated Microsoft Power Business Intelligence (Power BI) could make to performance reporting was discussed particularly the reliability afforded by a move away from manual process. The Board noted the benefits afforded to the reporting process, namely consistency, of the operational interconnectivity generated by the move to a subsidiary operating model. A Cumming highlighted that the reports would include greater focus on metrics which would enable the Board to determine achievement more readily against the mission. It was agreed that action 1767 be closed. • Undertook to consider action 1766 in respect of budgetary pressures later on the agenda. • Agreed that as an update on the Group Legal team was due to be provided later on the agenda, action 1768 could be updated to leave only an update on progress on establishing a group wide Speak Up policy. 	
8.	Safety & Covid 19 update	
8.1	A Cumming provided an overview of the health and safety position across the Group. It was noted that except for at Sellafield the trend was one of general improvement. A Cumming highlighted that work ongoing to simplify and standardise, between employees and contractors, the delivery of training would drive further improvements. Similarly, facilitating the sharing of lessons across the group and ensuring that operational leads cascaded and enforced the right messages on safety. The Board noted the challenges associated with filling roles with these responsibilities and benefit of the creation of pathways for such roles to be filled through internal progression. The Board discussed the observation that across the estate the speed of investigations was not considered fast enough. It was noted that work was being undertaken to allow the Projects & Programmes Committee to consider this further.	
8.2	The CEO suggested that it would be beneficial for the Board to hear from the chairs of the health & safety committees in the Operating Companies. Facilitated by the NDA HSSE Committee Chair, supporting the CEO, the Corporate Governance team would arrange for their attendance over the next 6-9 months.	
8.3	It was noted that the group had good resources and learnings to draw on from a safety and employee wellbeing perspective in the event of a resurgence of Covid-19 cases during the winter. The Board discussed the importance of the continued monitoring and support of staff mental health, particularly in the face of the escalating cost-of-living crisis. The executive outlined the mental health support in place, how this was signposted to staff and ways of improving the offering were continually sought. C Train reported on the safety share at the Programmes and Projects Committee meeting held on 9 September and the timely reminder it provided of the difficulties the current climate could present. The Board agreed that signposting the assistance available to staff was key.	
8.4	The Board requested the proposal of an aspirational safety target.	A Cumming
9.	CFO's update – Part 2	
9.1	M Zuydam referred to his update the previous evening on the spending challenge facing the group that would persist into the following financial year[Minute redacted – s.36 Policy]. An interim update on the measures being explored would be provided to the October board. It was agreed that Board action 1766 be closed.	



9.2	It was noted that work continued by A Cumming with C Train from Board Committee perspective on improving the sanctions workstream by removing unnecessary meetings. A further update would be provided to the Board in due course.	
9.3	M Zuydam explained that at present the group did not have an external auditor to partner with NAO and what was being done to address this supported by K Cearns, who has experience in this situation. The Board discussed the challenge of [Minute redacted – s.36 Policy].	
9.4	M Zuydam presented the ‘Net Expenditure – Threats and Opportunities’ slide in the P5 2022/23 Performance Pack (the “Tornado diagram”). The Board questioned the accuracy of the predicted underspend and overspend on energy. The CFO confirmed that this was in line with the Group Reforecast but that as of the previous week, following discussions with BEIS on Government support which were now being drawn up in detail, the cost risk was partially mitigated.	
9.5	The Board provided feedback on the Tornado diagram which the CFO was requested to reflect on and incorporate as appropriate , specifically: <ul style="list-style-type: none"> • to produce an update on progress on energy risk; and • to make clearer, including whether against budget or the reforecast, the sensitivity of costs to inflation, and the risk of inflation variability. 	M Zuydam
9.6	The Board reiterated its previous observations that the Commercial team consider what could be done to protect against a variable inflationary future and that this should feature in the strategy work on protecting the group’s cost base. The Board requested a high-level summary demonstrating the impact of different approaches on the Spending Review e.g., spending more in areas, slowing down certain projects etc.	M Zuydam
9.7	The Board reflected on the impact of the incorporation of the AGRs on the Spending Review. The CFO explained the approach that would be undertaken to avoid a dual funding source and achieve a synchronised approach. To supplement her induction, A Cumming would produce a briefing for K Cearns on the scale and breadth of the NDA’s relationship with EDF. E Dickey requested that the information also be provided to her.	
10.	A – One NDA & Strategy	
10.1	Summary of output from the Board Strategy Day	
10.1.1	[Minute redacted – s.40 Personal] presented the output from the Board’s Strategy Day in July 2022, recapping on the discussions and key points taken away by the Strategy team. The Board noted the work undertaken since by the Strategy team and that the Board forward agenda planner now identified regular attendance on key strategic items.	
10.1.2	The Board discussed the proposal to consider in more detail at the October board the 12 proposals under ‘Trusted to do More’ (TTDM), in particular whether the objective was to look at how these items could be taken forward or to first understand their implication on the NDA’s Mission. The Board was keen to ensure that any new opportunities did not detract resources from the Mission and that their implications, including any consequent opportunity to deliver the Mission sooner or more cost effectively, were well understood before further work was progressed. The Chair would speak to the Group Chief Strategy Officer ahead of the October board to ensure the session was in line with the Board’s thinking.	
10.2	[Minute redacted – s.43 Commercial] HEX programme	
10.2.1	[Minute redacted – s.40 Personal] presented the update on the [Minute redacted – s.43 Commercial] HEX programme and the Board noted:	



	<ul style="list-style-type: none"> • [Minute redacted – s.43 Commercial]; • [Minute redacted – s.43 Commercial] [Minute redacted – s.43 Commercial]; and • [Minute redacted – s.43 Commercial]. 	
10.2.2	C Train summarised the Programmes & Projects Committee’s discussion of the HEX paper at its meeting on 9 September 2022.	
10.2.2	The Board sought further information from D Robson on: <ul style="list-style-type: none"> 1) the planned assurance interventions and how the BEIS Project Investment Committee (BEIS PIC) would be kept updated; and 2) [Minute redacted – s.43 Commercial]. 	
10.2.3	The Board confirmed its support on the steps being taken to investigate the refurbishment option.	
B – Programmes & Projects		
10.3	Projects & Programmes Committee report	
10.3.1	C Train provided an update on the Programmes & Projects Committee (“P&PCo”) meeting held on 9 September 2022 and highlighted the key points of discussion including: <ul style="list-style-type: none"> • That P&PCo had been disappointed by the apparent backwards step in improvements made to the papers presented to it. It was hoped that the work being undertaken with the projects and programmes committee chairs in the OpCos and by A Cumming would help to bring this back on track. The Board discussed the role it could play in pushing back on unsatisfactory submissions. • The continued criticality of the Replacement Analytical Project (RAP) to Sellafield and need to ensure this was clear in the narrative presented to BEIS PIC to ensure the current path and spend were maintained whilst other solutions were pursued. • That the Head End Stack Demolition Project at Sellafield was a ‘good news’ story, but [Minute redacted – s.36 Policy]. It was vital therefore that the lessons learned were embedded throughout the group. • The changes the P&PCo had requested be made to the High Integrity Stainless Steel Containers Full Business Case and Special Nuclear Material Future State Programme Business Case to be considered later on the agenda. 	
10.4	Sanction: High Integrity Stainless Steel Containers (Sellafield)	
10.4.1	The Board considered the High Integrity Stainless Steel Containers (HISSC) Full Business Case (FBC) which proposed a contract award recommendation to secure the supply of the critical and majority range of HISSC products in support of the Sellafield Limited mission. [Minute redacted – s.36 Policy]	
10.4.2	The Board noted the governance route followed in respect of the FBC and that it had been endorsed by the NDA Projects & Programmes Committee at its meeting on 9 September 2022. [Minute redacted – s.40 Personal] provided an overview of the feedback provided by the P&PCo and the Sellafield Board.	
10.4.3	The Board discussed in detail and sought further assurance on several points from the Sellafield team, in particular: <ul style="list-style-type: none"> • [Minute redacted – s.36 Policy]; • [Minute redacted – s.36 Policy]; • [Minute redacted – s.36 Policy]; and • [Minute redacted – s.36 Policy] 	
10.4.4	After careful consideration, the Board RESOLVED TO:	



	<p>3) APPROVE the contract award for 4 of the 5 HISSC contracts (Lot 1 50%, Lot 1 50%, Lot 3 and Lot 4), at a committed value of [Minute redacted – s.43 Commercial] (escalated).</p> <p>4) APPROVE sanction of [Minute redacted – s.43 Commercial] (escalated) associated with the 4 contract awards.</p> <p>5) APPROVE that authority be delegated to the Supply Chain Director at Sellafield Limited to [Minute redacted – s.43 Commercial].</p> <p>6) APPROVE that authority be delegated to the NDA Group Investment Committee to approve a future Lot 2 OBC/ FBC.</p>	
10.5	Special Nuclear Materials Future State Programme Business Case	
10.5.1	The Board noted the Programme Business Case (PBC) to provide the new capabilities to: (i) address the deteriorating plutonium storage conditions at Sellafield; and (ii) enable the long term safe and secure storage of the plutonium stockpile until it had been reused or disposed of as waste. M Leafe emphasised the need to address the deteriorating plutonium storage conditions in the interim, without foreclosing options for future disposition. It was further noted that the PBC did not seek financial approval but provided the context to support future project sanction requests.	
10.5.2	The Board discussed the PBC and explored in detail with the Sellafield team present the rationale for presenting a PBC rather than a Full Business Case. The Board was comfortable with the rationale for the approach taken and opportunity it offered to investigate the options most fully.	
10.5.3	To Board RESOLVED TO ENDORSE the approach contained within the PBC to provide the new capabilities to address the long-term risk associated with plutonium storage at Sellafield.	
10.6	Sanction forward plan	
10.6.1	The Board noted the overview of the current position on sanction submissions and those to be presented to the Group Investment Committee, P&PCo, Board and HMG in the coming months.	
	C – Governance & Culture	
10.7	Update on Group General Counsel Corporate Governance and Ethics and Compliance team	
10.7.1	<ul style="list-style-type: none"> • [Minute redacted – s.36 Policy] 	
10.7.2	The Board commended M Shaw on the progress made on rebuilding the GGC team and requested that this be relayed to the Acting Deputy Group General Counsel, [Minute redacted – s.40 Personal]	
10.8	Group Litigation Report	
10.8.1	M Shaw presented the Group Litigation Report which was noted by the Board. The Board requested the circulation of the lessons learned from the [Minute redacted – s.36 Policy].	
10.9	Integrated Review Response Quarterly update	
10.9.1	<p>The Board noted the IRR update for the quarter ended 30 September 2022. F Rainford highlighted several key points from the update including:</p> <ul style="list-style-type: none"> • 44 actions remained open which include four in a ‘phase 2’ position. • The new team mobilised within the NDA to support the coordination and control of the IRR would be checking the proposed due dates and an update on this exercise would be presented to a future meeting. • The Senior Officials Group was working well together. • The new due dates for actions DR4 and MI 4.33 and MI 4.39 (both initially due in September 2022) and the reasons for their deferral. 	



10.9.2	The Board considered the update on action DR8 for BEIS and the NDA to consider how to facilitate more frequent and more direct conversations on matters of strategy and policy implementation. Going forwards, the owner of IRR actions would be involved prior to items being presented to the Board e.g., the Chair in relation to DR8. After careful consideration of the update provide by the executive, the Board RESOLVED TO APPROVE that action DR8 be closed.	
10.10	Committee reports	
10.10.1	HSSE Committee	
10.10.1.1	J Ashdown provided an update on the matters discussed at the HSSE meeting held on 13 September 2022. The upcoming HSSE Chairs meeting organised by J Ashdown was welcomed.	
10.10.1.2	The Board discussed the MSSS leak enforcement outcome and the importance of ensuring the Environment Agency was assured of Sellafield's continued focus on the recommendations from the independent review into the leak. J Ashdown undertook to arrange for either [Minute redacted – s.40 Personal] or [Minute redacted – s.40 Personal] to review progress against the recommendations every six months and provide an update to the HSSE committee.	
10.10.2	Sustainability & Governance Committee	
10.10.2.1	J Ashdown provided an update on the matters discussed at the Sustainability & Governance (S&G) Committee meeting held on 13 September 2022. The Board discussed the potential crossover between the S&G Committee and Audit & Risk Assurance Committee of responsibilities related to the Task Force on Climate-Related Financial Disclosures (TCFD) requirements. These would be resolved as part of the work being undertaken under the CFO's sponsorship on TCFD, including the reporting obligations of the NDA which in contrast to the position of some of the OpCos was not currently caught by the requirements.	
10.10.3	Remuneration Committee	
10.10.3.1	E Dickey provided an update on the matters discussed at the Remuneration Committee meeting held on 12 September 2022. The upcoming Remuneration Committee Chairs and Chief HR Officers meeting organised by E Dickey was welcomed.	
10.10.3.2	The Board discussed the significant problems HMG's current application of the pay remit to the group was causing and how this could be best addressed.	
10.10.4	Audit & Risk Assurance Committee	
10.10.4.1	V Beckers provided an update on the matters discussed at the Audit & Risk Assurance Committee (A&RAC) meeting held on 16 September 2022. The Board noted the success of the A&RAC Conference held on 15 and 16 September and in particular the good feedback on the transparency provided by the Group Financial Controller on [Minute redacted – s.36 Policy]. V Beckers highlighted the papers received by the A&RAC on supply chain security assurance and group risk appetite. The Board requested an update at its next meeting on supply chain risk mitigations and welcomed the ARAC Chair's suggestion that a workshop be held for the Board to help agree the approach on group risk appetite.	
11.	Items presented for approval	
11.1	Modern Slavery Statement	
11.1.1	The Board considered the Modern Slavery Statement for 2021/22 (the "Statement"). Following confirmation that completion of Board action 1620 remaining outstanding did not impact the Statement, the Board RESOLVED TO APPROVE the Statement for publication in line with the requirements of Section 54 (Transparency in Supply Chains) of the Modern Slavery Act 2015.	



11.2.1	Counter Fraud, Bribery & Corruption Policy	
11.2.1	<p>The Board considered the updated NDA Policy on Counter Fraud, Bribery & Corruption and other Financial Crimes (the “Policy”). It was noted that at its meeting on 16 September, the A&RAC had endorsed the submission of the Policy to the Board for approval. The Board provided feedback on the Policy, including whether it may be more appropriate to:</p> <ul style="list-style-type: none"> • refer to the accountability of the full Board for counter fraud, bribery and corruption within the NDA rather than solely the Chief Financial Officer. • restate the ‘zero-tolerance approach to fraud, bribery and corruption’ as ‘no tolerance for’ or ‘will not tolerate’. • indicate that the policy was applicable to all, and that training may be required for some. 	
11.2.2	Subject to the resolution of the feedback provided the Board RESOLVED TO APPROVE the Policy.	
12.	Other	
12.1	Forward Agenda	
12.1.1	The Board noted the forward agenda of planned business at its upcoming meetings and that this would be updated by the Corporate Governance team to reflect the requests made throughout the meeting.	
12.1.2	The Board requested an update on the progress made by the Chief Information Officer since his appointment. It was noted that the CIO had provided a ‘100 days’ update to the A&RAC in June that had been well received. The Board requested this be added to the agenda for its October meeting.	
12.2	Any Other Business	
12.2.1	An update on the extension of the Sellafield IT Services Agreement (ITSA) was requested. It was noted that the extension proposal had been through BEIS and would now proceed to Treasury.	
12.2.2	There being no other business the Chair closed the meeting.	
	<i>[The Board meeting was followed by a Board reflections session during which the Chair sought feedback on the running of the meeting.]</i>	