



**NUCLEAR DECOMMISSIONING AUTHORITY
BOARD MEETING**

Minutes of the meeting of the Nuclear Decommissioning Authority (“NDA”) Board held on
22 March 2023 at 10 Victoria Street, Westminster, London, SW1H 0NN and by video conference

Present (Board Members):	
Ros Rivaz (Chair)	*Evelyn Dickey (Non-Executive Member)
David Peattie (Chief Executive Officer)	*Francis Livens (Non-Executive Member)
Mel Zuydam (Chief Financial Officer)	Chris Train (Non-Executive Member)
*Janet Ashdown (Senior Independent Director)	*Alex Reeves (Non-Executive Member)
Kathryn Cearns (Non-Executive Member) in part as noted in the minutes	

In attendance:	
*Mike Barber (HR Director - Group People Strategy) in part	*[Minute redacted – s.40 Personal] (Programme Manager, Magnox) in part
*[Minute redacted – s.40 Personal] (Senior Legal Counsel in part)	*[Minute redacted – s.40 Personal] (Head of Site Remediation, Sellafield) in part
Alan Cumming (Chief Operations and Performance Improvement Officer)	* [Minute redacted – s.40 Personal] (Head of Non-NDA Liabilities) in part
[Minute redacted – s.40 Personal] (Executive Assistant to CEO) in part	* [Minute redacted – s.40 Personal] (Deputy Company Secretary)
Jeremy Harrison (Group Director of Risk and Assurance) – in part	*[Minute redacted – s.40 Personal] (Magnox CEO) – in part
*[Minute redacted – s.40 Personal] (Programme Manager, Magnox) in part	Frank Rainford (Group Chief of Staff and Security Officer) in part
*[Minute redacted – s.40 Personal] (Category Manager, Sellafield) in part	*[Minute redacted – s.40 Personal] (NDA Programme Director, Sellafield) in part
*[Minute redacted – s.40 Personal] (Chief Supply Chain Officer, Sellafield) in part	Matthew Shaw (Acting Group General Counsel and Company Secretary)
*[Minute redacted – s.40 Personal] (Programme Manager, Sellafield) in part	*[Minute redacted – s.40 Personal] (Chief Counsel (Projects and Commercial), Magnox)
*[Minute redacted – s.40 Personal] (Head of Sanction) in part	*[Minute redacted – s.40 Personal] (Magnox COO) – in part

* Denotes attendance via MS Teams

Apologies (Attendees):	
Neil Harnby (Group General Counsel and Company Secretary)	Paul Vallance

AGENDA ITEM	Action Owner
<i>[Due to the replacement of agenda item 7.8 (Review of the Terms of Reference) with an update on DEZ&NZ Medium Term Priorities, and reordering of agenda items during the meeting, the minutes do not follow the running order of the agenda in the meeting pack. They reflect the running order of the meeting.]</i>	
1. Safety Moment	
1.1 D Peattie reported that the ONR had issued a notice to Magnox in relation to hand injuries and the Board noted that the issue had been discussed at the GLT and the	



	remediation activities being undertaken. The Board attested to the seriousness with which the issue was being taken, as observed on recent site visits.	
2.	Board Administration	
2.1	Apologies	
2.1.1	There were no apologies for absence.	
2.2	Conflicts of Interest	
2.2.1	The Board considered the register of interests and APPROVED that all Board Members present could participate fully in the meeting.	
2.3	Minutes of previous Board Meeting	
2.3.1	The minutes of the meeting held on 15 February 2023 were APPROVED for signing, subject to the following amendments: <ul style="list-style-type: none"> (i) minute 2.6.2 be amended to reflect the Board’s observation that training on directors’ duties in the context of the NDA’s operating environment was required; (ii) minute 8.6.2 be rephrased to reflect that at that point in the meeting the Chair had reminded the Board of her interest in Computercenter; and (iii) it be noted at minute 8.2.2 that following the meeting K Cearns had received evidence from M Zuydam confirming that [Minute redacted – s.43 Commercial]. 	
2.4	Decision Log	
2.4.1	The record of decisions from the Board meeting held on 15 February 2023 was noted.	
2.5	Action Update	
2.5.1	The Board considered the update on actions arising from previous meetings and: <ul style="list-style-type: none"> (i) confirmed that it was content with the timeframes to complete the actions from the 2022 Board effectiveness review and that action 1822 could be closed; and (ii) agreed that actions 1823 and 1824 could be closed. 	
3.	Chair’s Observations	
3.1	The Chair referred to her recent conversations with various Board Members confirming HMG’s decision not to renew her appointment as NDA Board Chair for a second term. R Rivaz emphasised to the Board that despite her disappointment she was committed to discharging her role fully until her appointment ceased on 31 August 2023. The Board noted that in view of her departure R Rivaz had agreed with HMG that an external effectiveness review would not be conducted in 2023, it being more appropriate to allow her successor to determine this process.	
3.2	A Reeves provided an update on the recruitment process for a new Chair successor and noted that HMG would launch the process imminently but that the priority was to clarify an interim arrangement. It was noted J Ashdown and E Dickey had agreed to extend their terms by 12 months and that if F Livens was prepared to continue his role on the Board this would also shortly be considered by HMG.	
3.3	The Chair noted that herself and D Peattie were due to meet with [Minute redacted – s.40 Personal] later that day and that due to the Minister’s proposal to visit Sellafield on 18 and 19 April, it may no longer be feasible to visit Winfrith for the April Board meeting. An update would be provided to the Board as soon as available.	
3.4	The Chair commented on the decision to replace the agenda item on the review of the Terms of Reference (ToR) of the Committees with an update on DEZ&NZ Medium Term Priorities. It was noted that the Chair, J Ashdown and K Cearns were to meet with M Shaw on 31 March to reach a decision on the areas of overlap in responsibility identified and from there each ToR would be reviewed at its respective Committee. A	M Shaw



	revised timeline for the review of the Committee ToRs, Board ToR and the Matters Reserved for the Board, would be produced.	
3.5	It was noted that a review of the NDA's Framework Document was about to commence. The scope of the review was still be agreed with HMG. A Reeves shared his insight into the shape the review was anticipated to take. The Board requested that it be given an update on the scope of the review and be presented with the near final draft when ready. The Board also noted that it would expect the draft to be presented to it if during the review particular areas came to light that required its input.	
3.6	The Chair outlined the topics it was anticipated would be discussed at Nominations Committee meeting in April and noted that she would work with M Shaw on producing the agenda.	
3.7	The Chair concluded her observations with an update on progress on the arrangement and agenda for the meeting of the NDA Board and each of the OpCo boards in July 2023.	
4.	CEO's Update	
4.1	D Peattie provided updates to the Board on the following matters: <ul style="list-style-type: none"> (i) [Minute redacted – s.36 Policy]this; (ii) [Minute redacted – s.36 Policy]; (iii) the latest correspondence with HMG on the Pu Disposition Programme and MOD Post Irradiation Examination Programme Expectations which would be shared with the Board as part of the upcoming weekly update email; and (iv) his most recent discussions with HMG, including [Minute redacted – s.40 Personal]whom he had met along with [Minute redacted – s.40 Personal]to discuss the GDF. 	
5.	P&PC Report	
5.1	C Train provided an update on the key matters considered at the Programmes & Projects Committee ("P&PCo") meeting held on 21 February. The Board noted that: <ul style="list-style-type: none"> (i) An update had been provided on PPP. P&PCo has found the update on progress and focus on the challenges ahead for the partnership particularly useful. (ii) P&PCo had received a quarterly update on the Project & Programme Management (PPM) Excellent Programme and welcomed the regularity of this reporting. (iii) The Group Director of Risk & Assurance had presented the quarterly assurance report and an update on the work of the Group Assurance Steering Group. (iv) P&PCo had endorsed the strategy and planned procurement activity for Decommissioning and Nuclear Waste Partners (DNWP) to be considered later on the agenda. C Train commended the inclusion in the paper presented to the Board of the discussion and challenges raised at P&PCo and encouraged the continuation of this approach. The Board agreed with this approach and that further insight also be provided into the areas P&PCo spent its time focused on when considering such requests. (v) A special P&PCo meeting had been held on 8 March to consider the Hinkley Point A Vault Retrieval and Packaging Project. It was noted that the P&PCo had endorsed the onwards submission of the FBC to the Board. C Train, R Rivaz and K Cearns had visited Hinkley Point A and B the previous day and commented on the context it had provided to the project and learnings from the estate that had been reflected in the paper. Positive 	



	<p>feedback was provided on the visit, particularly the site culture and commitment of the staff involved.</p> <p>[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.	Hinkley Point A Vault Retrieval and Packaging FBC	
6.1	<p>The Board noted the request to endorse for HMG approval the FBC for the HPA Vault Retrieval and Packaging (VRP) Project. Specifically, the approval of an additional project sanction of [Minute redacted – s.43 Commercial] (Escalated P80) bringing the cumulative project sanction to [Minute redacted – s.43 Commercial]. This would enable the project to undertake the detailed design, manufacture, commissioning, handover to operations and project close out.</p>	
6.2	<p>[Minute redacted – s.40 Personal] noted that the project was part of the critical path for the site and had been subjected to a robust governance process prior to its presentation within the NDA. The Board noted the scrutiny provided to the cost escalation, the contingency breakdown as it was much larger than usual, the complexity of the technical solution and commercial strategy for the procurement. G Parry-Jones highlighted that a preferred contractor had been selected and their tender was valid until 31 July. Sanction of the submission was required in June to enable them to be contracted.</p>	
6.3	<p>The Board discussed the request and sought further explanation from the project team on the legal risk associated with the project and appropriateness of the larger than usual contingency. The Board also sought assurance that the lack of full understanding of the project complexity, which had contributed to the underestimation of plant and equipment costs, was not materialising in other projects. [Minute redacted – s.40 Personal] confirmed that nothing of similar significance had been brought to her attention, but she encouraged early indication of such circumstances. The Board RESOLVED TO ENDORSE for HMG approval:</p> <ul style="list-style-type: none"> (i) the FBC and additional project sanction of [Minute redacted – s.43 Commercial]; and (ii) the contract at [Minute redacted – s.43 Commercial] with the preferred contractor to enable Magnox to issue an ‘Instruction to Proceed’. <p>[Minute redacted – s.40 Personal], [Minute redacted – s.40 Personal], [Minute redacted – s.40 Personal] and [Minute redacted – s.40 Personal] <i>left and</i> [Minute redacted – s.40 Personal], [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>	
7.	Decommissioning and Nuclear Waste Partners OBC Procurement	
7.1	<p>[Minute redacted – s.40 Personal] provided a summary of the strategy and planned procurement activity for the Decommissioning and Nuclear Waste Partners (DNWP) framework, [Minute redacted – s.43 Commercial], to be used by the programmes retrieving legacy waste and remediating the Sellafield site. It was proposed that DNWP replace the current Design Service Alliance (DSA) and Decommissioning Delivery Partnership (DDP) used by the programmes, which had been successful but were approaching their full term and needed to be replaced.</p>	
7.2	<p>The project team highlighted that a condition of NDA approval of the business case was that Sellafield were to structure the Competition Contract Notice in such a way the other NDA estate site licence companies may access DNWP in exceptional circumstances. It was noted that the Operating Model, Strategy and call off procedure for DNWP would not change, but wider that other NDA group entities may seek access to the framework for emergent and exceptional requirements.</p>	



7.3	<p>The Board discussed the submission and sought further information on how the potential risk of concentration if PPP or other contractors with large contracts at Sellafield were successful would be managed. [Minute redacted – s.40 Personal]outlined how the tender strategy, market engagement and robust performance assurance would mitigate against the risk of this and poor performance. [Minute redacted – s.36 Policy]. The Board was comfortable with the additional information provided and RESOLVED TO ENDORSE:</p> <ul style="list-style-type: none"> (i) the strategy and planned procurement activity for DNWP, and request HMG approval; and (ii) that Sellafield structure the Competition Contract Notice in such a way the other NDA estate site licence companies may access DNWP in exceptional circumstances. <p><i>[/Minute redacted – s.40 Personal], [Minute redacted – s.40 Personal], [Minute redacted – s.40 Personal], [Minute redacted – s.40 Personal]and [Minute redacted – s.40 Personal] left the meeting]</i></p>	
8.	CFO's Update	
8.1	<p>M Zuydam updated the Board on financial performance for the current year. [Minute redacted – s.43 Commercial]. The Board questioned whether the underspend could be utilised and noted that it was prudent to maintain this. The year end outturn would be based on the March RPI metric to be released on 19 April. A cautious approach was being maintained to the impact on income numbers. The Board noted that the final outcome was dependent on several factors in addition to inflation that would need to be carefully leveraged to ensure the future strength of the balance sheet.</p>	
8.2	<p>M Zuydam provided an update on the financial planning being undertaken for FY2023/24. [Minute redacted – s.43 Commercial]. The CFO drew the Board's attention to the threats and opportunities associated with 2023/24 budget, the most significant risk relating to fuel deliveries. The CFO discussed the mitigations available to the risks, including the potential to benefit from the second tranche of the SOGIN contract.</p>	
8.3	<p>The Board also noted updates from the CFO on the progress of the external audit for the 2022/23 financial statements, the internal audit of the achievement of the GKTs for 2022/23 and progress on the IFF.</p>	
8.4	<p>The Board discussed the updates provided by M Zuydam and sought clarification on the following points:</p> <ul style="list-style-type: none"> (i) The position of the NLF in relation to the AGRs. It was agreed that the CFO would update the Board when DEZNZ responded on the Ministerial Submission. (ii) What the change in proposed activity for FY2023/24 would involve and assurance that this would not impact on e.g., health and safety. (iii) The appropriateness of the narrow range attributed inflation risk on the FY2023/24 budget. (iv) Whether it would be appropriate to separately report the impact of inflation on day-to-day costs. (v) How the impact of a further drop in fuel deliveries on income had been calculated and whether it aligned with Sellafield's view of the impact. (vi) [Minute redacted – s.36 Policy]. M Zuydam agreed to articulate the measures more clearly. <p><i>[A Cumming left and [Minute redacted – s.40 Personal] joined the meeting] [Following the meeting it was announced that M Zuydam would be leaving the NDA with effect from 31 March 2023. Accordingly, his outstanding actions were allocated to the Interim CFO, S Taylor.]</i></p>	<p>M Zuydam</p> <p>M Zuydam</p>



9.	Update on Final Draft 2023-26 Business Plan	
9.1	M Zuydam referred to the final draft of the NDA 2023-26 Business Plan circulated to Board Members offline on 3 March that had been submitted to HMG for ministerial approval prior to laying and publishing. It was noted that the consultation had provided minor comments and the Business Plan was available on the website.	
10.	Forward Agenda	
10.1	The Board considered the forward agenda and noted that: <ul style="list-style-type: none"> (i) As requested, the document now included upcoming key NDA events the Board may be interested in attending. (ii) Arrangements for the April Board meeting, to include a site visit to Winfrith, needed to be revisited following the request of [Minute redacted – s.40 Personal] to visit Sellafield on the same date. 	
10.2	The Board noted the update on culture to be provided to the Board meeting in April and requested that this include: (i) detail on the experience of colleagues in the OpCos on the roll out of Speak Up; and (ii) a deeper dive into the steps being taken to improve the Group’s diversity and bring in talent at entry levels (including as apprentices) in the organisation. /[Minute redacted – s.40 Personal] and [Minute redacted – s.40 Personal] joined the meeting]	[Minute redacted – s.40 Personal] / D Vineall
11.	Operation Fieldfare	
11.1	The Board considered the case for agreeing that the Secretary of State (SoS) issue a new designation direction under the Energy Act 2004 (the Designation Direction) to provide the NDA with the function to handle sensitive nuclear material in designated circumstances as part of the Operation Fieldfare project. [Minute redacted – s.40 Personal] explained the rationale for requesting permission to obtain the Designation Direction prior to consideration of the business case for Operation Fieldfare by the GIC and how the work on the project had been balanced the NDA’s approach to Trusted To Do More and achievement of the Mission. [A Cumming rejoined the meeting]	
11.2	[Minute redacted – s.40 Personal] responded to questions received from the Board on the request to support the application for the Designation Direction, specifically: <ul style="list-style-type: none"> (i) the source of the funding for the project and whether the funding provider sufficiently understood the NDA’s costs; (ii) the rationale for the NDA being involved in the procurement of source collection and handling services and whether it could face any repercussions if there was a delay in securing regulatory approval; (iii) the resources that would be required to implement the project; and (iv) the ultimate storage location for the sensitive nuclear material. 	
11.3	The Board RESOLVED: <ul style="list-style-type: none"> (i) to consent to the extension of the NDA’s statutory responsibilities to cover the Operation Fieldfare project and the issue of a new Designation Direction by the SOS; (ii) that authority be delegated to the Accounting Officer to progress the extension of the NDA’s functions to allow it prepare for and dispose with the sealed sources provided that if the current proposal materially changed it would be returned to the Board for consideration. /[Minute redacted – s.40 Personal] and [Minute redacted – s.40 Personal] left the meeting]	
12.	Safety & Performance Improvement Update	



12.1	<p>A Cumming provided an update on safety and performance across the Group. The Board noted:</p> <ul style="list-style-type: none"> (i) That the current TRIR was relatively stable but there were some recent incidents that required further investigation, including the fire within the RCA at Hunterston A, and learnings, on slips and trapped body parts, to be shared. (ii) That learnings related to back injuries following the fall from height at Magnox Reprocessing in October 2021, including the immediate response at the time of the incident, would be presented to the HSSE committee. (iii) A Cumming's view of the seriousness of the health and safety situation at Sellafield. [Minute redacted – s.36 Policy] (iv) A note on the legal responsibilities of the NDA Executive and NDA Board with regards to health & safety was to be shared with the HSSE committee and thereafter the OpCos. The Board requested that it also receive this. 	A Cumming
12.2	<p>A Cumming highlighted that the OpCos had been requested to attend the AORs in May with detailed resourcing and improvement plans, in response to previously identified productivity concerns. It was noted that this information was necessary to enable oversight of performance and to hold the OpCos to account. The Board observed that without this information it was difficult for it to assist with areas of poor performance and indicated its willingness to support improvements in information flows and the collection of essential data e.g., on skills. The Board discussed the possibility of using the board-to-board event in July to clarify the responsibilities of the OpCos and NDA for performance management and the criticality of information flows to that.</p> <p><i>[A Cumming left and [Minute redacted – s.40 Personal] joined the meeting]</i></p>	
13.	Sanction Forward Plan	
13.1	<p>The Board noted the overview of upcoming sanction proposals due to be presented to the Group Investment Committee, P&PCo, Board and HMG up to December 2023. J Maxwell highlighted the key changes to the submission timetable since the update to the Board in February and the progress of business cases with HMG for approval.</p> <p><i>[[Minute redacted – s.40 Personal]] left and F Rainford joined the meeting]</i></p>	
14.	DEZ&NZ Medium Term Priorities	
14.1	<p>F Rainford tabled a short presentation that summarised the points made in DESNZ 'Priorities' letter to the CEO dated 27 February and letter of 10 March responding to the Chair's Mid-Year Letter. The Board noted each of the points and F Rainford outlined the scrutiny, assurance and governance being applied by the NDA to ensure each was addressed and in an integrated way given the areas of overlap in each letter and with the existing IRR programme. The Board noted that the themes in each letter were as it would expect and the importance of UKGI receiving assurance from the NDA that each was being addressed and flowed throughout the organisation. It was noted that the work being undertaken by the Communications team to ensure employees understood the contribution of their role to the GKTs would contribute to this.</p> <p><i>[[Minute redacted – s.40 Personal] joined and F Rainford left the meeting]</i></p>	
15.	Update on improvements to Sanction process	
15.1	<p>The Board noted the update on progress to identify opportunities to optimise and streamline the NDA sanction process and that the intention was to address three key areas:</p> <ul style="list-style-type: none"> (i) Streamline the end-to-end sanction process. (ii) Rationalise the paperwork demands of the overall process. 	



	(iii) Improve the application of HMG delegations across the group.	
15.2	C Train highlighted that it was key to identify the content to be presented to each governance forum in the process and that this would drive improvements in the speed of the process and quality of the supporting papers. The Board noted that C Train and A Cumming were to meet with the Chairs of the programmes and projects committees across the group to discuss the proposals and assure the outcomes sought were understood. Securing appropriate ongoing assurance to those committees was also important.	
15.3	<p>The Board noted its support for the project and progress made to date and discussed several points, specifically:</p> <ul style="list-style-type: none"> (i) Whether the project team’s approach could have benefitted from identifying a desired end state. It was noted that this had been shared with the Board as part of a previous update and would be recirculated. (ii) That HMG may not recognise the three-to-five-month time taken for a sanction to clear DESNZ and HMT governance. The Board also expressed uncertainty as to whether HMG would be prepared to adopt related Service Level Agreements. It was noted that examples had been shared with BEIS (now DESNZ) on the length of time taken for sanction approvals to go through HMG. The Board requested that this be uploaded to Board Intelligence. (iii) That Sellafield (SL) did not have the equivalent of a programmes and projects committee and that the SL CFO was to seek authority from the SL Board to form an investment committee. The Board noted its interest in the formation of the committee. (iv) The benefit of engagement with DESNZ and HMT to test principles for improvements requiring their agreement. (v) The constitution of the steering committee to be formed to deliver the improvements. It was noted that this would be determined as the improvements were finalised and an update given to the Board in due course. 	<p>[Minute redacted – s.40 Personal]</p> <p>J Harrison</p>
16.	IRR Response - DR13 (approval for closure)	
16.1	<p>The Board considered the closure narrative for IRR Response – DR13 recommendation. The Board RESOLVED TO APPROVE the closure of DR13 subject to the following edits to paragraph (ii) of the response:</p> <ul style="list-style-type: none"> (i) Reflection that the allowance in the proposed quota for non-executives across the group for flexibility to appoint a further three NEDS had been rejected by BEIS (now DESNZ). (ii) Reference be made to the NDA employees appointed by the NDA as non-executive directors to the OpCo boards. <p>In addition, the Board requested that the deadline for submission of an approved response to IRR DR13 be checked to determine whether this should be held back until the anticipated approval of the recent High Pay Quota submission.</p>	
17.	NDA Group Risk Appetite	
17.1	J Harrison reminded the Board of the outcomes from the Board workshop held in February to discuss and confirm the NDA group risk appetite statement, the individual impact category appetite assessments, and profile ranges to be used by the group. The Board noted the updates made to the risk appetite statement and nine of the individual impact category risk appetite statements post the workshop (three having been agreed during the workshop and required no further update). A Reeves suggested that wording could be added to the Group Risk Appetite Statement on	



	'Security – Cyber and Information' and 'Regulatory' to reflect that maintaining a good relationship with ONR was important. Subject to the resolution of this suggestion offline by J Harrison, the Board RESOLVED TO APPROVE the NDA group risk appetite statement and NDA group impact category risk appetite statements and profile ranges as set out in the Information Pack for the meeting.	
18.	Gender Pay Gap Reporting	
18.1	The Board considered the Gender Pay Gap Information in respect of the group as at 31 March 2022 that was due to be published on 28 March 2023. The Board observed that the results for bringing in talent to the organisation at entry levels (including as apprentices) were lower than it would expect. It was agreed that an update on the steps being taken to close the gender pay gap and improve the Group's diversity and bring in talent at entry levels would be provided to the Board in April as part of the planned update on Culture. The Board was content with the planned publication and sought assurance that appropriate communication lines were prepared in case of any public response.	D Vineall
19.	Any Other Business	
19.1	F Livens reported that the Nuclear Decommissioning Research Centre was considering several major capital investments that could be of interest to the NDA. F Livens would keep the Board updated on developments.	
20.	Board reflections	
20.1	The Board shared its reflections on the meeting in particular that whilst the papers had been good, paper writers should be challenged to include the essential information in their reports and that the information pack be used just to share useful information which was not essential for the Board to consider.	
20.2	There being no other business the Chair closed the meeting.	