



Minutes of a meeting of the Nuclear Decommissioning Authority Board (“NDA”)

Held on 15 May 2023 at Hinton House, Birchwood Park Avenue,
Risley, Warrington, WA3 6GR and via Teams

PRESENT: [REDACTED] Roz Rivaz Chair (“Chair”)
Janet Ashdown Non-Executive Director & SID
David Peattie Group Chief Executive Officer (“CEO”)
Kate Bowyer Group Chief Financial Officer (“CFO”)
Kathryn Cearns Non-Executive Director
Evelyn Dickey Non-Executive Director
Francis Livens Non-Executive Director
Alex Reeves Non-Executive Director
Chris Train Non-Executive Director

IN ATTENDANCE: Matthew Shaw Acting Group General Counsel and Company Secretary
Alan Cumming Group Chief Operations & Performance Improvement Officer
Paul Vallance Group Chief Communications and Stakeholder Relations Officer
s.40 Assistant Company Secretary

Part only

Susannah Taylor	Group Financial Controller	
s.40	Head of Legal and Deputy General Counsel	
s.40	Senior Counsel – Enterprise Risk	Via Teams
s.40	All Boards Event Facilitator (External)	Via Teams
s.40	Operations Director, Sellafield	Via Teams
s.40	Head of MSSS Programme, Sellafield	Via Teams
s.40	Head of Projects, Sellafield	Via Teams
s.40	NDA Programme Director, Sellafield	Via Teams
s.40	Project Director, Sellafield	Via Teams
s.40	PPP Project Director, BEPPS2, Sellafield	Via Teams
Clive Nixon	Chief Nuclear Strategy Officer	Via Teams
Rob Fletcher	Magnox CEO	Via Teams
Andy Munro	Site Director - Magnox	Via Teams
s.40	Group Development Director	Via Teams
s.40	Deputy Company Secretary	Via Teams
Tony Meggs	Chair of the Sellafield Board	Via Teams

APOLOGIES: n/a

Agenda Item	Action Owner
1. Safety moment (oral)	
1.1 A quorum being present, the Chair opened the meeting at 10:59. The Board welcomed K Bowyer as its newest member.	
1.2 D Peattie reminded the Board of the importance of remaining vigilant whilst driving, especially when on business. The Board noted that employees who are driving should not take calls during their journey to avoid distractions, even if the call is taken while parked in a safe location.	
1.3 F Livens recalled a recent incident whereby he had prevented pedestrians from stepping into oncoming traffic. The Board agreed that constant vigilance when travelling was essential, even around familiar areas. The Board discussed the recent changes to the UK Highway Code, noting that not all the rules were being properly adhered to by drivers. The Chair recommended a tutorial video on the changes produced by Age Concern UK.	



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2.	Meeting Administration	
2.1.	Apologies	
2.1.1.	No apologies were noted.	
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 business of the meeting.	
2.3.	Minutes of the previous Board meeting	
2.3.1.	The minutes of the previous meeting on 20 April 2023 were APPROVED subject to the following modifications: <ul style="list-style-type: none"> i) Minor spelling and grammatical errors (K Cearns to highlight) ii) Item 5.1.3: The Board agreed to the removal of 'therefore' in the minutes. iii) Item 7.1.4: The Board agreed that an action was required to verify the Magnox targets iv) Item 12.1 (erroneously labelled as 11.1 in the draft): K Cearns would be observing the Sellafield ARAC meetings as opposed to chairing them in order to maintain her independence as a Member of the NDA Board. 	
2.4.	Decision Log	
2.4.1.	The Board noted the Decision Log from the last meeting and reminded itself that the revised Committee Terms of Reference would be brought to the July Board meeting for review and approval.	
2.5	Actions Review	
2.5.1	The Committee discussed the following actions: <ul style="list-style-type: none"> i. Actions 1799, 1839, 1846, 1848, 1849, 1851 and 1852 were noted as ongoing, updates on each would come to future Board meetings. ii. Actions 1841, 1844, 1847 and 1853 were all APPROVED to be closed, as per the items scheduled for discussion on the meeting's agenda. iii. Action 1850: The Board noted the short deadline for the action as assigned to K Bowyer given her recent joining date. K Bowyer updated the Board on progress noting that further discussions would be taking place in the week, after which the proposed Group Key Targets would be circulated to the Board for offline approval. The action would be formally presented at the next meeting for formal closure. 	
3.	Chair's Observation (oral)	
3.1	The Chair thanked Board Members for accommodating K Bowyer's induction at short notice. The Chair updated the Board on recent preparation activities relating to the All-Boards Event scheduled for July.	
3.2	The Board noted the recent Chair's letter received on 5 th May 2023.	
3.3	The Chair updated the Board on the recent projects review meeting she and C Train had attended with s.40. 11 findings were discussed. The Board noted the open offer to s.40 to review all ongoing matters. Asset care and associated risk management, resourcing and cultural challenges were key topics of discussion	
3.4	The Board noted the ongoing appraisal process and that the Chair would meet with all Members individually over the up-coming period.	
3.5	The Board advised that at the most recent Nuclear Chairs' Forum meeting, the key topic of discussion had been around resourcing challenges. The Chair advised the Board of the changes to the forum following the establishment of DESNZ and that an additional directorate on strategy had been established.	



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3.6	The Board noted the Chair’s upcoming meeting with s.40 scheduled for June.	
4.	CEO’s Update (oral)	
4.1	D Peattie outlined highlights, events and developments on key matters since the last Board meeting and advised Members of an upcoming dinner with s.40 organisation and s.40 a meeting with the Permanent Secretary, QGM/QPM sessions and s.40’ tour of Sellafield, which D Peattie would also attend.	
4.2	The Board discussed in detail the outstanding pay remit issue for the 2022/23 year, noting that the delay was severely hindering attempts to address cultural challenges within the NDA. The Board noted that the quantum of the pay request was within remit guidelines so the reason for the ongoing delay should be queried. The Board agreed that a letter should be sent to the Secretary of State highlighting their concerns. D Peattie would draft the letter on behalf of the Chair, A Reeves and E Dickey would review which would be sent subject to the Board’s final approval. Subsequent events have led to a pause and a redraft.	D Peattie
4.3	s.36	
5.	CFO’s Update	
	<i>S Taylor joined the meeting</i>	
5.1	The Board thanked S Taylor for her interim leadership of the Finance function ahead of K Bowyer’s appointment.	
5.2	The paper was taken as read. S Taylor summarised the key takeaways from the supplementary estimate figures and outlined the financial performance over the year. The Board noted the significant impact inflation had had on the year’s outturn.	
5.3	The Board noted the current draft of the Annual Report and Accounts. S Taylor confirmed that the 2022/23 accounting figures had been submitted to DESNZ. The latest draft of the Annual Report and Accounts would be added to Board Intelligence.	M Shaw
5.4	The Board noted the changes to the NAO’s audit process this year in respect of the Operating Companies and which has been clearly communicated to all relevant parties. S Taylor updated the Board on the audit’s progress, highlighted the volume of information submitted to the NAO, the resourcing challenge the NAO has and that the team had advised the NAO to highlight any issues or queries as early as possible to ensure they could be resolved.	
5.5	The Board noted that the statutory audits of the Operating Companies would be completed significantly later than the NDA’s accounts were due to be submitted. K Cearns confirmed that this was being addressed with s.40 from the NAO in order to find a long-term solution.	
5.6	The CFO advised the Board that the 2023/24 P1 results were under review with the Operating Companies. The Board noted the step up in cost base and associated risks expected in the year, the impact of inflation would become clearer over the coming months. The CFO advised that the GLT would be briefed on this the following week and that the Group was aiming for early sight of any issues in order to manage the overall portfolio. P Vallance noted the pressures on fund allocations to meet plans for the year and that a portfolio approach would help to provide better clarity. The CFO will provide an oral update to the continuing work on inflation of programme costs at the next board meeting, for inclusion in the CFO Report to the July Board meeting	K Bowyer



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5.7	The Board noted the magnitude of the overall overhead ('hotel') costs in the Magnox figures. The CFO advised that this was being reviewed and may also include project costs.	
5.8	The Board requested that a teach-in on the movement of the Nuclear Provision, how this has been articulated in the accounts and the underlying changes to expected spend, be brought to the next meeting. The Board noted that this would not impact the 2022/23 accounts but would give the Board a better understanding of the issue.	K Bowyer
5.9	K Cearns presented the ARAC update and the paper was taken as read. K Cearns advised the Board of the recent ARAC Chairs' forum meeting, a key point of discussion was on IR35 good practice and how the group can collectively improve its oversight of contractors. The Forum also recommended that, in light of the current and forecasted audit market challenges, a request would be made to the NAO to oversee the audits of the entire group from the 2024/25 financial year. The Board commented that this approach would also satisfy non-audit fee concerns and conflicts of interest. The Board noted that Bruce Martin had now stepped down as an advisor to the ARAC. K Cearns advised that the ARAC Chairs had agreed to observe each other's meetings.	
5.10	The Board noted that the ARAC had recently approved the Internal Audit Plan. M Shaw would confirm whether this also needed to come to the Board for final sign-off.	
	<i>S Taylor left the meeting</i>	
6.	Safety & Performance Improvement Update	
6.1.	The paper was taken as read. The Board requested that the productivity slides be incorporated into the main report going forwards as opposed to appearing as an appendix.	
6.2.	A Cumming summarised the latest performance and developments in key areas. The Board noted the latest interactions with the regulators.	
6.3.	The Board noted the progress made over the period and concluded that while it was essential that improvements be made, the group must remain mindful of the challenges of the current environment to delivering projects. The Board also noted that the pay remit delays were further impacting cultural progress.	
6.4.	The Board discussed the risks associated with the vitrification process. A Cumming advised that the NDA teams were supporting with this work. The Board noted that responsibility for its performance management lay with the Sellafield Board but that A Cumming's future reports to the Board would include regular updates on progress.	
6.5.	The Board discussed the status of the relationship between Sellafield and the ONR and suggested that a more formal review of the situation take place at a future meeting. The Board reiterated the importance of the group's relationship with the ONR and that it remained a key stakeholder with which an open and trusted dialogue must be maintained. The Board discussed whether performance objectives for the OpCos' CEOs should include a point on the maintenance of regulatory relationships and it was confirmed that D Peattie had recommended this in last year's review for the Sellafield CEO. A Cumming would bring an overview of the status of the Operating Companies' relationships with the regulators to the next Board meeting.	A Cumming
6.6.	The Board discussed the letter issued by the ONR to Sellafield last week, it was noted that the letter should have been circulated to the Sellafield Board and not just the CEO given its nature. D Peattie confirmed that he had shared a copy of the letter with the Sellafield Chair. D Peattie would also share a copy of the letter with the Board.	D Peattie
6.7.	The Board noted the Sellafield Nuclear Safety review that had been discussed at the HSSE Committee in April.	



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6.8.	E Dickey advised that she had observed the latest round of Accounting Officer reviews. She noted that the discussions had demonstrated good examples of the Executive team having robust conversations with the Operating Companies, some real progress on the ground and effective collaboration across the group. The Board requested that the dates of upcoming AOR meetings be included in the board packs going forward.	
7.	Health and Safety Responsibilities of the NDA Executive and NDA Board	
	s.40 and s.40 joined the meeting.	
7.1.	The paper was taken as read and the Board noted and discussed the respective roles and responsibilities of the NDA and the Operating Companies under health and safety legislation. s.40 confirmed that the principles summarised in the paper were aligned to the Group Operating Framework and were further supported by the 2021 Framework Document.	
7.2.	s.40 confirmed that the advice had been shared with and agreed with the Sellafield legal team. The Board agreed that it was vital the Operational Companies understood the NDA's role and responsibilities.	
	s.40 and s.40 left the meeting.	
8.	Main Board Topics	
8.1.	Update on All Board's event	
	s.40 joined the meeting.	
8.1.1	The paper was taken as read. The Chair outlined the background to the event and the proposed goals and drivers of the session. s.40 summarised the recent Chairs' discussions.	
8.1.2	The Board discussed the plans for the session, agreeing that the overall aim of the event should be to establish and build on existing connections and relationships between the board members. The discussions should allow for each Board to learn more about each other's concerns and priorities in respect of achieving the Group's mission. The Board agreed that any pre-read material should be kept to a minimum.	
8.1.3	s.40 outlined next steps, advising that a draft agenda would be established following input from the other boards. The Chair advised that the Chairs' meeting in June would establish which company would lead on the respective sections of the day.	
	s.40 left the meeting.	
8.2	Committee Reports	
8.2.1	The Committee update papers were taken as read.	
8.2.2	The Board noted that the ARAC update was given as part of the CFO's update (see minute 5.1).	
8.2.3	E Dickey updated the Board on the business discussed at the latest RemCo on 10 May. The Board noted that three targets had been missed on the 2022/23 STIP. The Board discussed the personal elements of the executive incentives. E Dickey advised that clarity been requested in respect of how SMART targets would be applied for the 2023/24 year. The Board noted the high quality of the papers submitted for the meeting but agreed that the agenda planning for the year-end meetings next year would need some revision.	
8.2.4	J Ashdown updated the Board on the business discussed at the latest HSSE Committee meeting on 27 April, noting three items in particular: <ul style="list-style-type: none"> i. The Deep Dive on the Sellafield fall from height in 2021. J Ashdown advised that the senior operator responsible for the investigation had presented to the 	



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	<p>Committee and clearly outlined the changes implemented since the incident. The Board noted that s.40, the new Head Safety, Safeguards and Quality, would be invited to a committee meeting after her first 100 days in post.</p> <p>ii. Sellafield Nuclear Safety Review: The Board noted that the WANO Report was to be shared with the Committee. J Ashdown observed that s.40 attendance in person at the meeting contributed significantly to the quality of the discussions. The Board noted the lessons learned for the NDA in making its assurance framework more robust and that the Committee would retain focus on Sellafield’s improvement plan.</p> <p>iii. The Board noted that the HSSE Committee had endorsed that the H&S responsibilities of the NDA Board and Executive be presented to the full Board.</p>	
8.2.5	J Ashdown updated the Board on the business discussed at the latest S&G Committee meeting on 27 April. The Board noted the item on carbon in concrete and discussed the wider challenges associated with gaining approval for the financing of low carbon/carbon neutral projects. F Livens advised that the Future Challenge Board would be discussing how the technology and innovation agenda aligned to sustainability plans.	
8.3	P&PCo Report (oral)	
8.3.1	C Train updated the Board on the business discussed at the latest P&PCo. The Board noted two main papers from Sellafield that the Committee had endorsed for presentation to the Board meeting. The Board noted that improvements to the quality of the papers submitted were required.	
8.3.2	C Train summarised the MSSS retrievals resubmission proposal. The Board noted the advantage the HSSE Committee members had gained from visiting the site in order to better understand the challenges and complexities of the process. The Board noted the criticality of the level of risk associated with the project activities compared with the need to meet the targets set. C Train confirmed that Sellafield would apply for sanction in respect of the third part of the mission.	
8.3.3	The Board noted the current spend of the Box Encapsulation Plant Production Store 2 (BEPPS 2) project compared to progress. The Board noted the importance of achieving key milestones in the process so as not to impact retrievals at the MSSS end. The Board noted that the design for store three would be different from one and two and that better articulation of this was needed in the paper.	
8.4	MSSS Retrievals Resubmission	
	s.40, s.40, s.40 and s.40 joined the meeting	
8.4.1	The paper was taken as read. s.40 outlined the history of the project and the basis of the proposal for approval. The Board noted the discussion in the P&PCo update item (8.3.2).	
8.4.2	After due care and consideration, the Board resolved to APPROVE the proposal.	
	s.40 and s.40, left the meeting	
8.5	Box Encapsulation Plant Production Store 2 (BEPPS 2) OBC	
8.5.1	The paper was taken as read. The Board noted the discussion in the P&PCo update item (8.3.3). s.40 noted the advantage of engaging with PPP to meet resourcing challenges, ultimately helping to address the risk. The Board discussed the opportunity realisation of the project. s.40 would share further information on how the identified opportunities would be included in future plans.	s.40
8.5.2	After due care and consideration, the Board resolved to APPROVE the proposal.	



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	s.40 and s.40 left the meeting	
8.6	Sanction Forward Plan	
	s.40 and J Harrison joined the meeting	
8.6.1	The paper was taken as read. s.40 updated the Board on the latest developments to the plan. The Board noted that the commentary under the heading Project Saltus was incorrect and related to a different project and asked for this to be revised in the next report.	
	s.40 and J Harrison left the meeting	
8.7	Chairs’ Challenge 2023 – Billions and Decades	
	C Nixon joined the meeting.	
8.7.1	The paper was taken as read. C Nixon outlined the background to and aims of the paper, noting the support received to date from the Operating Companies and explained that securing dedicated resource for the project would be key.	
8.7.2	The Board suggested that engaging an external contributor to review and challenge the subject matter experts leading the project would avoid wholly technical group thinking. C Nixon advised that key individuals from the Leadership Academy would be asked to contribute to this effect.	
8.7.3	C Nixon advised that the current relationship with the regulators in relation to the project was good and that their representatives would be engaged at an early stage in the process.	
8.7.4	The Board queried how sustainability considerations would be built into the plan. C Nixon confirmed that sustainability considerations would form a key dimension of the assessments and the evaluations. s.40 was involved to this effect.	
8.7.5	The Board also questioned how the resourcing challenges would be met in a sprint timeline? C Nixon advised that the teams would be populated, and resource mitigation strategies built into the plan subject to the Board’s approval of the initial proposal.	
8.7.6	After due care and consideration, the Board resolved to APPROVE the proposal.	
	C Nixon left the meeting.	
8.8	AGR Update	
	R Fletcher, C Nixon, s.40, A Munro and s.40 joined the meeting.	
8.8.1	The paper was taken as read. D Peattie advised the Board of the changes due to the dashboard update which will be submitted to a future meeting.	
8.8.2	The presentation team reminded the Board where the responsibilities for each stage of the project lay and summarised the recent work and collaborations.	
8.8.3	The Board questioned how the pace of activities was to be maintained. The team advised that a resilience plan for the teams on the programme was being developed to maintain momentum whilst avoiding burnout. 400 new operators were being brought in to support the workstreams and an enhanced apprenticeship plan was being launched. The team also updated the Board on the latest engagements with EDF on the TUPE plans for the workforce. The aim was to ensure that a sufficient resources for the right skill set were retained without taking on too much risk. The Board noted that any amendments to existing agreements would require EDF’s approval.	
8.8.4	The Board noted that the rod spacer issues previously identified was being worked on, that efforts to fix this were unlikely to impact the project timeline and that this would be confirmed in due course.	



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8.8.5	The Board agreed that maintaining the relationship with the Nuclear Liability Fund Trustees would be key. K Cearns advised that she and s.40 were leading the initial engagement and would look to introduce the wider boards as appropriate in due course.	
8.8.6	The Board congratulated to the team on the progress to-date and reminded them to reach out to the NDA for support where required.	
	<i>R Fletcher, C Nixon, s.40, A Munro and s.40 left the meeting.</i>	
8.9	Update on review of Sanctions and Delegations process (oral)	
	<i>J Harrison joined the meeting.</i>	
8.9.1	J Harrison updated the Board on the latest developments relating to the Sanctions and Delegations process review, noting the assurance and sanction governance structure established as part of the Beacon Project. Lessons learned from other Beacon Projects were being used to refine the scope and goals of the work, including leadership and accountability. The Board noted that the NDA ARAC would oversee the process going forward, and this would be discussed with the ARAC Chairs Forum.	
8.9.2	The Board commented that an overall improvement in the quality of board and committee papers would help to improve the sanction process and that once the process was well established and there was confidence in the level of assurance provided, the volume of detail and content could be tailored more specifically to the forum being addressed. The Board suggested that it should be the sponsoring Executive of a project/programme that presented it to the NDA Board and Committees. The Board commented that the Operational Companies needed to take responsibility for the assurance of their respective proposals.	
8.9.3	The Board discussed the measures of success for improving the sanctions process, commenting that a general increase in speed of projects passing through the process would be aided by an improvement in the assurance process. J Harrison and A Cumming would share a proposed timeline for implementation (including progress metrics and milestones) as part of the next Board update. <i>[Following the meeting, this action was reallocated to K Bowyer.]</i>	J Harrison
	<i>J Harrison left the meeting.</i>	
9.	Review of Framework Document – scope and forward programme of work (oral)	
	<i>s.40 joined the meeting.</i>	
9.1.	s.40 advised the Board of the background to the Framework Document and the governance steps required for its review process. The Board discussed the purpose and contents of the Framework document, noting that it included precedent set out by the Treasury over which the NDA did not have influence.	
9.2.	s.40 outlined the main goals of the review. s.40 confirmed that the work would not include a review of the sanctions process or delegations of authority. The Board noted that the review would not align with the latest Chairs' letter which would be out of date by the time of publication but would look to mirror its language as appropriate. The Board agreed that the review should include only necessary updates as opposed to fundamental changes. The Board requested that the NDA team take the lead on coordinating the feedback from the Operational Companies.	
9.3.	s.40 advised that a final draft would be brought to the Board for approval towards the end of the calendar year, following which it would be shared with the regulators. The Board noted this review stage would take place over several months and recommended that the NDA ensure to request clear feedback on timelines to avoid any issues. Pending final	



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	enforcement, the revised Framework would look to be published by the end of the financial year ending 31 March 2024.	
	s.40 left the meeting.	
10.	Forward Agenda	
10.1	The Board noted the forward agenda and plans for the next meeting in London on 23 June. It was agreed that an informal dinner would be arranged for those arriving the evening before.	
	s.40 joined the meeting. s.40 left the meeting.	
11.	s.36 Update	
11.1 – 11.7	These minutes are confidential. Please see Addendum to the minutes.	
	s.40 left the meeting	
12.	Board Reflections	
12.1	The Board reflections were deferred to the next meeting.	
13.	Any Other Business	
13.1	There being no further business, the Chair closed the meeting.	