



**Minutes of the Nuclear Decommissioning Authority (“NDA”)
Board meeting held on 23 June 2023
at 7th Floor, Caxton House, Tothill Street, London SW1H 9NA and TEAMS**

PRESENT:	Ros Rivaz	Chair of the Board	
	David Peattie	Group Chief Executive Officer (“CEO”)	
	Kate Bowyer	Group Chief Financial Officer (“CFO”)	
	Janet Ashdown	Non-Executive Director and SID	
	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	
	s.40	Assistant Company Secretary	
	Alan Cumming	Group Chief Operations and Performance Improvement Officer	
	Paul Vallance	Director of Communications and Stakeholder Relations	
	David Vineall	Human Resources Director	<i>[Part only – via Teams]</i>
	Clive Nixon	Chief Nuclear Strategy Officer	<i>[Part only – via Teams]</i>
	s.40	Head of Non-NDA Liabilities	<i>[Part only – via Teams]</i>
	Andrew Munro	Magnox Future Missions Director	<i>[Part only – via Teams]</i>
	s.40	Dounreay Project Manager	<i>[Part only – via Teams]</i>
	Corhyn Parr	NWS CEO	<i>[Part only – via Teams]</i>
	s.40	NWS GDF Programme Director	<i>[Part only – via Teams]</i>
	s.40	Head of Sanction	<i>[Part only – via Teams]</i>
 APOLOGIES:	 None		

Agenda Item	Action Owner
1. Welcome and Safety moment	
1.1 A quorum being present, the Chair opened the meeting at 8:30.	
1.2 A Cumming reflected on the recent warm weather and highlighted the steps employers need to take to ensure the safety of their employees, particularly for employees working outside.	
2. Meeting 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 business of the meeting. R Rivaz noted that her role on the MoD Defence Equipment and Support Board would end in June 2023.	
2.3 Minutes of the previous meeting(s)	
2.3.1 The minutes of the previous meeting on 15 May 2023 were APPROVED subject to the following amendments: (i) Minor spelling and grammatical errors (ii) Item 1.2: Amendments to more accurately reflect the safety discussion regarding driving on business. (iii) Item 8.2.4: More detail on the HSSE update.	



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	(iv) Item 8.9.1: Amendments to reflect that the NDA ARAC has oversight over the Sanctions and Delegations process review, with the ARAC Chairs Forum being consulted where necessary.	
	(v) Item 9.3: The revised Framework Document would be agreed by the end of the calendar year with a view to publication at the end of the financial year.	
2.3.2	The Board discussed actions arising from confidential minutes and it was agreed that a confidential action log would be produced.	
2.4	Decisions Log	
2.4.1	The Board noted the Decision Log from the previous meeting on 15 May 2023.	
2.5	Actions Review	
2.5.1	The Board noted the actions log and: <ul style="list-style-type: none"> i. Item 1839: A Reeves agreed to meet K Bowyer and S Taylor to ensure that ‘efficiencies’ are not used to describe measures that are not directly cost saving. ii. Item 1864: The letter to s.40 would no longer be appropriate due to the current pay remit discussions with HMG. This action would be closed. iii. Item 1867: This action would be closed out upon the sharing of the ARAC paper regarding the Nuclear Provision teach-in session with the Board. iv. Agreed to close actions 1846, 1848, 1850, 1852, 1865, 1868, 1869 and 1870. 	M Shaw
3.	Chair’s Observations	
3.1	R Rivaz noted the receipt of a letter from ONR to D Peattie, which would be discussed later in the meeting. She noted the work being undertaken on various sensitive projects which would be discussed later in the meeting. The Board discussed generally the need to ensure that the governance arrangements for each of those projects were clearly set out and communicated to HMG when appropriate.	
3.2	R Rivaz outlined the work underway to handover the Chair role to C Train, reported on a positive meeting with s.40 and on planned meetings with s.40 from DESNZ and s.40 from the ONR, reported on progress in preparing a response to the Chair’s letter and noted that an update on progress against the Board Effectiveness outcomes and the results of the annual Committee Terms of Reference would be tabled at the July Board meeting.	
4.	CEO’s Update	
	<i>David Vineall joined the meeting.</i>	
4.1-4.5	These minutes are confidential. Please see Addendum to the minutes.	
4.6	The CEO’s written report was taken as read. D Peattie also gave an update on s.36 and explained that a decision had been taken not to proceed with the project any further, primarily because of the potential for it to be a distraction to the NDA’s core mission. P Vallance outlined the work which had been undertaken by the project team to evaluate the potential options which informed this decision.	
5.	CFO’s Update	
5.1	K Bowyer gave an update on the preparation of the Annual Report and Accounts (“ARA”) and explained that comments were being processed prior to the submission of the ARA to the Audit and Risk Assurance Committee (ARAC) and Board for endorsement and approval respectively the following week. She explained that several additional disclosures were still under review by the NAO.	
5.2	The Board noted the CFO report. K Bowyer explained that Group spending levels continued as a theme in Period 2 with Magnox forecast to overspend by £30 million against its budget in the financial year. The Board asked for an explanation of the Magnox overspend. K Bowyer explained that this was due to increased productivity at Magnox and explained the approach agreed by the Group Leadership team to increase the Magnox budget and partially offset this by Group portfolio management, subject to Magnox making up the remaining £10m shortfall through efficiencies and feasibility	



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	analyses on its active workstreams. K Bowyer noted that work was underway at Sellafield to calculate the impact of inflation on its project portfolio.	
6.	FY 2022/23 Annual Report and Accounts (including Nuclear Provision)	
6.1	K Bowyer outlined the status of the draft annual report and accounts.	
6.2	The Board discussed the likely increase in the nuclear provision in the accounts and asked the Executive team to explain the rationale for this. K Bowyer explained that the change in the nuclear provision was largely the input of different discount rates and also inflation and revised cost estimates. The Board emphasised that any change in the nuclear provision could significantly impact the public perception of the NDA and the reason for any change in the estimate should be clearly articulated in the disclosure. It was noted that OpCo Lifetime Plans were useful in providing a baseline of the impact of OpCo work on the future Group financial position. The Board reiterated the importance of having confidence in the baseline calculations and of understanding the impact future additions to the NDA group’s scope of work, such as the AGR stations, would have on the provision.	
7.	Safety & Performance Improvement Update	
7.1	A Cumming presented the update and noted that the total recordable incident rate was currently 0.3, which was relatively flat and is a continued area of focus despite being lower than some other comparable organisations.	
7.2	s.24	
7.3	The Board discussed the ONR letter to NDA, which set out its perspective of the role of the NDA in holding its wholly owned subsidiaries to account. It was recommended that the ONR current attendance at the Health, Safety, Security & Environment (HSSE) Committee meetings should be increased to twice per year and put on a more formal basis. The Accounting Officer review cycle was discussed, and it was explained that these would continue to include a focus on OpCo safety, security and cyber performance. The Board discussed the Safety Conference held in December 2022 and noted that the NDA Executive would consider a regular schedule for the NDA Group Safety Conference.	
7.4	A Cumming discussed the ongoing work to improve assurance reporting to the Board. The Board noted the benefits of scorecard reporting to enhance the Board’s understanding of performance of the OpCos. The Board requested that the financials and productivity performance be addressed together in the Board papers going forward, in order to understand when underspend relates to less activity, for example.	
8.	Main Board Topics	
8.1	Project Saltus OBC	
	C Nixon, s.40, A Munro and s.40 joined the meeting	
8.1.1	s.40 provided an overview of the background and noted the closer working relationship between MOD and NDA for the management of MOD nuclear liabilities. A sprint paper had been endorsed by MOD and BEIS Ministers which recognised the case for changing MOD’s original plan for decommissioning the Vulcan site which recommended exploring the potential transfer of the site from the MOD to the NDA for decommissioning. Work was ongoing to demonstrate the value that the NDA Group can offer for this work, which would utilise the efficiencies arising from the decommissioning work being undertaken on the adjacent Dounreay site. s.40 explained the strategic and economic cases for the proposal, which had been enhanced by the merger of Magnox Limited and Dounreay Site Restoration Limited.	
8.1.2	s.40 outlined the assurance work undertaken on the proposal and its governance route. The Outline Business Case (OBC) for the proposed transfer and work had been endorsed by the Dounreay and Magnox Executive Committees, the Magnox Board and	



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	the NDA Group Investment Committee. A Munro noted the involvement of Magnox in the preparatory work for the OBC, including in the formulation of the Hold Point Control Plan.	
8.1.3	The Board noted the helpful legal advice which accompanied the business case. It was emphasised that an appropriate level of due diligence was required to enable the Magnox and NDA Boards to make informed decisions and to make a recommendation to DESNZ regarding the transfer. The Board discussed the workforce challenges in Caithness and highlighted the opportunity this could present staff who wished to seek ongoing employment in Caithness. s.40 outlined the plan for staff currently working on the Vulcan site and noted that there would be differences in post-transfer arrangements between the staff employed by MoD and Rolls Royce. He also explained that work was required with the Scottish Government to establish an agreed interpretation of Scottish Government Higher Active Waste Policy for the Vulcan site, which was currently excluded from the policy.	
8.1.4	The Board RESOLVED TO: (i) ENDORSE the Outline Business Case. (ii) APPROVE the hold-point control plan. (iii) APPROVE the next hold-point.	
8.1.5	The Board also noted the preferred option regarding the future decommissioning of the Vulcan site which would be undertaken by the Dounreay division of Magnox.	
	<i>C Parr and s.40 joined and C Nixon, s.40, A Munro and s.40 left the meeting</i>	
8.2	GDF overview and robust storage	
8.2.1	C Parr explained that she was now the Senior Responsible Owner for the GDF programme, following Karen Wheeler’s departure. She outlined that there were now four communities formally engaged in the process and provided an overview of each of the communities, their stage in the process, the political situation in each area, and the likely priorities of each community. She also explained the expected geology in each area, the local challenges, and opportunities and how they might impact upon the cost and time to develop a GDF in each location. The Board asked a series of questions about the programme and emphasised the importance of the stakeholder engagement work which C Parr explained in detail.	
8.2.2	s.40 outlined the work undertaken to optimise the estimated schedule for the programme, including work with other OpCos. A One NDA approach for the work had been prioritised to establish a cultural alignment across the Group for delivery efficiency. The baseline for the work was expected to be completed by early July, and the uncertainty ranges in the proposal would be clarified in the future Outline Business Case. The Board discussed the approach and emphasised the benefits of projecting a clear message to stakeholders.	
8.2.3	The Board commended the work undertaken to date and noted the work required to progress the current programme tranches.	
	<i>s.40 joined and C Parr and s.40 left the meeting.</i>	
8.3	Sanction Forward Plan	
8.3.1	s.40 outlined the sanction forward plan and noted that the GDF Site Characterisation OBC has been removed from the sanction plan until a new date has been found. The Dounreay Lifetime Plan PBC has been delayed and was scheduled for the September 2023 Board meeting. The CNC Operational Unit Project FBC resubmission FBC was scheduled for the September Board 2023 meeting. The Board discussed the business case and requested that a clear narrative for the cost changes and delays was demonstrated when presented.	
8.3.2	s.40 provided an update on the business cases with HMG and noted:	



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	<ul style="list-style-type: none"> (i) The Decommissioning Nuclear Waste Partners (DNWP) OBC had received HMT CST approval and procurement could commence. (ii) HMT had asked for additional information for the Hinkley Point A Vault Retrieval and Packaging FBC due to concerns regarding the additional cost of the proposal (iii) Fellside Combined Heat & Power Plant was with HMT for approval (iv) MSSS Retrievals FBC Resubmission had been presented to DESNZ PIC on 22 June and a response was pending. 	
	s.40 left the meeting.	
8.4	Committee Reports	
8.4.1	<p>K Cearns outlined the report from the ARAC meeting held on 13 June 2023 and noted that:</p> <ul style="list-style-type: none"> (i) The Committee approved the risk assurance plan and schedule for the upcoming year. The GSR deep dive schedule was to be re-circulated to the ARAC for review once its feedback had been incorporated. (ii) The Committee had discussed the further work needed to manage consultancy spend. (iii) The Magnox CFO had provided an update on the IR35 audit regarding contracts management and agreed to keep K Cearns updated on ongoing developments. (iv) An update on energy hedging was provided. 	
8.4.2	The Board discussed the appropriate governance forum for the continued monitoring of energy hedging. It was agreed that Audit and Risk Assurance Committee would manage the financial reporting aspect of energy hedging, and that oversight of the overall strategy would be passed to the Programmes & Projects Committee.	
8.4.3	<p>E Dickey provided the report from the Remuneration Committee (RemCo) on 14 June 2023 and noted that:</p> <ul style="list-style-type: none"> (i) The 16 Group Key Targets had been approved by the Board and the RemCo had approved the inclusion of all the GKTs bar the Culture Beacon in the NDA Short-Term Incentive Plan (STIP) for 2023/24. (ii) The Committee had discussed the structure of reward targets, which were to be standardised where possible for consistency, and the most appropriate timing to introduce the planned change to the calculation methodology for the corporate element of the NDA STIP. (iii) A date was in place to discuss the CEO’s personal targets. (iv) The internal audit into Group Rewards demonstrated a Group appetite for a reward framework to be introduced, and a timetable for the implementation of this framework was set. (v) A special meeting of the Committee would be scheduled in late July to decide the 2023-2026 LTIP targets, and this would also examine targets relating to the long-term delivery of the Speak Up policy. (vi) A meeting of the Group Remuneration Committee chairs was scheduled in July 2023, and would discuss the Group Reward framework, succession planning and skills. (vii) PwC was to provide a training session for Group Remuneration Committee Chairs on good governance practices for the remuneration Committees. 	
9.	Items to be taken as read	
9.1	Group Mobility Case Studies	
9.1.1	The Board commended the case studies provided and requested that a deep dive be scheduled with the Sustainability and Governance Committee.	M Shaw



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9.2	Update on policy consultation on managing radioactive substances and nuclear decommissioning	
9.2.1	The Board noted the update.	
9.3	Plutonium storage interactions with disposition	
9.3.1	The Board noted the update.	
9.4	IRR DR14 (approval for closure)	
9.4.1	The Board considered the approval for closure of action DR14 from the Group’s Integrated Review Response. Following discussion, the Board RESOLVED TO APPROVE the closure subject to checking whether reference was needed to be made to NTS being a sovereign asset.	
9.5	Report on performance of Energus	
9.5.1	The Board discussed the report and agreed that certain elements of the initial request were not covered. The issues of concern would be monitored by the Sustainability and Governance Committee.	
10.	Board reflections	
10.1	The Board was supportive of the venue of the meeting and noted that it would be a regular venue for future meetings, subject to availability.	
11.	AOB	
11.1	F Livens outlined the outcomes of the Future Challenge board meeting in Aberdeen on 20 June 2023. There was strong regulatory support for technology and innovation and the meeting reflected on the connection with the sustainability. The meeting discussed the requirement for significant investment in technology and innovation, and the Board discussed the level of capital required for this. It was noted that an update on NDA technology and innovation work would be presented at a future Board meeting.	
11.2	The Board discussed online training modules on the Learning Management System and asked for the policies associated with the Fraud Prevention e-learning module to be shared with the Board.	M Shaw
12.	Project Updates	
12.1	s.36	
	<i>A Cumming left the meeting.</i>	
12.1.1-12.1.3	These minutes are confidential. Please see Addendum to the minutes.	
12.2	s.36	
12.1.1-12.1.2	These minutes are confidential. Please see Addendum to the minutes.	
13.	Other	
13.1	There being no further business, the Chair closed the meeting at 15:00.	