



20th April 2010
Ref: DSG(2010)C034

Mr Randall Bargelt
NDA Programme Director
Nuclear Decommissioning Authority
Forss Business Park
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By Thurso

Please respond to:

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Dear Mr Bargelt

NDA BUSINESS PLAN

The Dounreay Stakeholder Group has discussed the recent letter sent by Sarah Kekus in regard to the NDA Business Plan 2010-2013 (your ref BP10/13-NDA-L14). Following discussion it was agreed to write to you to ask for clarification and/or to raise issues. These are as follows:

1. We would be pleased if you can clarify what a 'planned assured' funding level is - the group discussed this at its recent meeting on the 15th April and while the concept of assured planning is understood the term you have used "planned assured funding" introduces an element of uncertainty. Therefore we wish to see clarity on this statement.

While we recognise that NDA worked hard to get a commitment of funding for the Dounreay site to allow competition to continue the DSG emphasise again that predictable and stable funding is essential for our site. Given that additional funding for two of the three capital builds is no longer available and a flat funding of up to £150M has been indicated job reductions have come sooner than expected to the site.

The community has come to terms with the closure of the Dounreay site and the site has worked hard to deliver decommissioning in a safe and cost effective manner and therefore it is critical to ensure that funding is maintained and predictable up to the interim end state to ensure the retention of jobs to complete your mission. The level of funding will be even more important as the high hazard diminishes.

2. It is pleasing to see you have reflected comments on the reduction of the socio economic budget and that the £10M is to be maintained over the coming financial year. DSG does not believe that the NDA's remit for socio economics is just about providing funding. The NDA should consider other innovative ways of ensuring regeneration,

particularly in the areas, where diversification will prove to be difficult. In Scotland there is no nuclear new build and closure contracts for site decommissioning in place. Therefore NDA need to consider other ways of ensuring a benefit from socio economics - this may be in allowing site activities to be relocated off site to allow them to grow into a commercial business which may mean in the short term, additional costs are incurred but in the longer term there may also be a benefit to the NDA. NDA need to work through these ideas and to show real commitment. This should not simply be carried out by asking the site to support these activities from current budgets which will inevitably see a reduction in decommissioning activities, which in turn will impact on jobs.

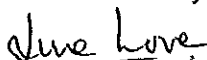
3. As outlined above NDA should fully consider the priority areas identified for socio economic activity and set out clear and transparent criteria for assessing these areas - criteria should include location, time period for decommissioning, future opportunities for areas, etc.

4. In response to the workforce transition being given greater prominence within the Plan the response is answered with "over time the numbers employed on our sites will diminish as clean-up progresses, but ... we are providing resources to support a wide range of training programmes that will enable individuals to develop skills for long term employment in any part of the nuclear industry." While this is good for sites with the opportunity for nuclear new build it does not necessarily provide a satisfactory response from a Scottish or Dounreay perspective, given current policy on nuclear new build. The key for Dounreay is that workforce transition is not necessarily into other nuclear work and the NDA need to reflect this.

5. On a related issue, point 11 mentions a commitment to implementing the "People Strategy Action Plan". We would be pleased to receive a copy of this document to allow us to understand the strategy and, importantly, try to align our regeneration activities with it.

DSG members look forward to your response in these areas. Alternatively we would be happy to host a meeting to discuss any of issues with you or your nominated colleagues.

Yours sincerely



Bob Earnshaw
DSG Chairman

cc: Stephen Henwood (NDA Chairman)
Tony Fountain (NDA Chief Executive)
Sarah Kekus (NDA Business Plan Project Manager)
Adrian Simper (NDA Strategy & Technology Director)
Stuart Chalmers (NDA Programme Manager)
Anna MacConnell (NDA Socio economic Manager)
Simon Middlemas (DSRL Managing Director)
Roger Hardy (Babcock International)
John Thurso, MP
Alistair Dodds (Chief Executive, Highland Council)
Sandy Brady (Chief Executive, HIE)
Sir Anthony Cleaver (CNSRP Chairman)