



Nuclear
Decommissioning
Authority

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VIA EMAIL

Dear Richard

Thank you for your email of 16 July regarding changes in the NDA. Your note identifies a number of important issues about changes within the NDA and how these might impact on stakeholders. I think it's important for me to say up front that we are facing unparalleled challenges in terms of the affordability of our mission and it is inevitable that this will have some consequences for us that are unwelcome for many of our stakeholders. Nevertheless we need to get on the front foot and manage these consequences, and I hope that in doing so we can call upon the help and support of our SSG chairs.

I intend to talk more about these changes at our next meeting but, in the meantime, I have attempted to address the issues you raised in the following paragraphs:

1. The NDA has some fundamental requirements that remain unchanged by the Organisational Effectiveness review, and at the heart of this is the need to ensure the SLCs deliver their programmes effectively and with value for money and that the NDA is able to hold them to account for their performance through effective management of the contract.

The OE review sets out some important changes to the model that is currently in place but essentially provides a different route to achieving the same goals, albeit with improved efficiency and effectiveness.

Within the Magnox estate we will still have an NDA Head of Programme reporting to an Executive Director and, under them, a team of people will between them provide the interface with the SLC supported by a larger centralised team which will include a Stakeholder & Socio Economic Manager dedicated to this part of the NDA estate.

We are transitioning to a model where the NDA is the strategic client that sets out its specific requirements of the SLCs and where plans are agreed with very clear targets for delivery. We also expect the SLCs and their PBOs to take much more responsibility for monitoring their own performance and to report to the NDA against progress or problems. We will of course continue to have a scrutiny role but we are in effect placing greater trust in the SLC to self manage the accuracy of their reporting, and take more accountability for business case development. However, we will retain the capacity to have sufficient checks and balances that will ensure our client responsibilities are fulfilled.

Similarly, we would sincerely hope that the SLCs have built up sufficient trust with stakeholders to be able to report on their performance directly to the SSG without the need for the NDA to produce separate and additional reports.

With regard to points of contact within the NDA for SSGs, there will continue to be a number of people to turn to when needed whether they are in the NDA's restructured site facing team, the centralised team or the stakeholder relations team. Whilst we do not envisage an NDA representative at every Magnox SSG meeting, we do envisage representation on specific matters and on a reasonably frequent basis to ensure relationships are maintained.

2. On site-related stakeholder engagement the NDA's role is to ensure that appropriate engagement mechanisms exist and are funded and that their use is properly planned and co-ordinated. We expect and provide funds to the SLCs to deliver effective engagement with stakeholders at site level. This includes provision of a professional secretariat service as well as advice and assistance with issues as they arise. This will be the subject of greater performance monitoring in the future but if you have any concerns in this area now then you should be raising them with the Site Director.
3. With regard to socio-economic support, we envisage continued progress in this area although the mechanism for delivery may evolve further. We currently have people working on socio-economic activities from the NDA, the SLC and the PBO. We want to ensure that our delivery arrangements are optimised and this may result in an enhanced role for the SLC on behalf of the NDA, given that the SLC is dealing on a day to day basis with the community representatives closest to the socio-economic issues, as well as being best placed to understand the workforce profile issues that will need managing.

The extent to which the NDA can find the funds to support the communities in their endeavours (either directly or via the SLCs) is dependent to a large extent upon the nature of the funding settlement from Government. However, we continue to plan on the basis that a similar amount of money will continue to be made available in the future. Our stakeholder relations team will have accountability for our socio-economic remit in the new organisation.

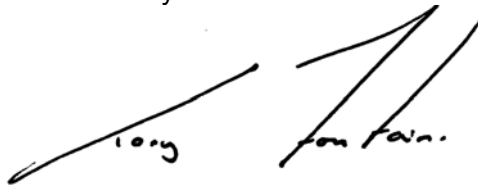
4. I am grateful for your contribution to the review of national engagement and I am well aware of your strongly held views, although I must say that there was quite a range of views expressed at NSG10 about options for the future including a number that were sympathetic to the idea of a reduced frequency NSG. The NSG event is very expensive to run and we are currently waiting to hear from Government as to whether or not NSG11 can proceed at all in the context of the freeze on communications related activity in the public sector. We shall see, but I believe it is inevitable that we will need to significantly reduce the costs of what we know today as 'NSG'. I know it is Jon Phillips' intention to share our thoughts on a way forward before NSG11 (assuming we are allowed to proceed) and that will provide you with the opportunity to consider the position further ahead of the meeting itself. Unfortunately, pressures of time mean I cannot commit to joining you before the NSG starts.

5. Finally, the departure of Richard Waite and Bob Churchill have nothing to do with the OE review, both have elected to leave the NDA after providing us with sterling service over the years. As you know, people come and go and new people arrive and bring their own strengths to the task. As the CEO of the NDA I remain committed to building positive and effective relationships with all our stakeholders – its one of the key parts of my job – and I expect those that work directly for me or within the organisation to share that commitment. We won't always get it right but we will try our best.

Fingers crossed we will get a further opportunity to discuss these issues in September.

With best wishes.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Tony Fountain', with a stylized flourish.

Tony Fountain
Chief Executive