



**The Rt Hon Chris Huhne MP**  
Secretary of State

Department of Energy & Climate Change  
3 Whitehall Place  
London  
SW1A 2AW

[www.decc.gov.uk](http://www.decc.gov.uk)

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June Love  
DSG Secretariat  
Traill House  
7 Orlig Street  
Thurso  
Caithness  
KW14 7BJ

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Thank you for your letter dated 9 August to Vince Cable and myself, inviting us to visit the Dounreay site. I intend to visit Dounreay in the forthcoming months. However, I cannot give an exact date for the visit as I have a very full diary at this time.

I can, however, assure you that tackling the nuclear legacy is a priority for the Government and that we are keen to see it dealt with vigorously and in a timely manner. I am aware of the impressive progress being made at Dounreay in particular. I also fully appreciate the efforts of the local workforce and those of the Stakeholder Group in making this happen.

Of course funding is an issue and I want to assure you that we are committed to securing the funding needed to ensure that the Nuclear Decommissioning Authority (NDA) and its contractors can continue to make progress on decommissioning and clean up. Funding from 11/12 onwards will, of course, be decided in the context of the next spending round. However, in order to run an effective competition for Dounreay and deliver value for money from a new Parent Body Organisation (PBO), funding scenarios for Dounreay were exceptionally taken outside and in advance of the wider Spending Review.

As you highlight in your letter, the decision reached was to provide planned assured funding for Dounreay at £150 million a year. I believe that this planned assured funding for Dounreay is a good deal, especially in the current fiscal circumstances. I know that funding had been projected to increase over the next few years as the major capital programmes at Dounreay were brought forward but any such uplift was never formally agreed and would always have been subject to review, but especially in the current economic and fiscal climate.

It is also the case that market engagement discussions with potential bidders for the Dounreay PBO competition clearly showed that the NDA would best maintain market interest in the Dounreay PBO competition by delaying the start of these capital programmes, thereby enabling the bidders to bring their expertise and innovation to bear on those programmes. The funding we have agreed will allow the site to continue to make significant progress with its programme and enable the NDA to tender a contract that will be attractive to the market. As at all of its sites, the NDA will, of course, continue to work with the site and its stakeholders to drive the programme forward.

A handwritten signature in black ink, appearing to read 'Chris Huhne', with a stylized flourish at the end.

**CHRIS HUHNE**