

**Briefing for  
SSG meetings  
November 2010**



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DSG(2010)C128

Dear SSG member,

Please find attached a briefing on NDA corporate activities over the past month which I trust you will find useful. We intend to publish the update on a monthly basis for circulation to members of all Site Stakeholder Groups.

I would welcome any comments or suggestions you may have on this initiative to enhance our communications with SSGs.

Kind regards,

**Bill Hamilton**  
**Head of Stakeholder Communications**

23 November 2010



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## Summary

- The NDA Annual Report & Accounts was published on 15 November.
- Two consortia have been formally invited to participate in dialogue as the competition to appoint a new Parent Body Organisation for the Dounreay site moves forward.
- The NDA welcomed the Chancellor's October funding announcement, which sees expenditure maintained at current levels of around £3 billion a year for the next four years.
- The restructure of the NDA is now complete following a comprehensive organisational review.
- The fourth edition of Insight magazine is now available.
- NDA welcomes the publication of an initial geological report for West Cumbria, which concludes that a number of areas in Copeland and Allerdale are unsuitable for a deep geological disposal facility (GDF) for nuclear waste.
- The NDA and URENCO Ltd have signed a set of non-binding commercial principles to support a potential transfer of the NDA-owned Capenhurst site to URENCO.
- Wylfa Power Station on Anglesey, owned by the NDA, is to continue generating electricity beyond December 2010 for up to two additional years.
- The NDA has appointed Mark Lesinski as Executive Director, Delivery, and David Batters as Chief Financial Officer.
- Consultation on the Draft Strategy is set to conclude on 24<sup>th</sup> November.
- The Low Level Waste Strategy has been published.
- A technical revision to the MOP programme has been published.
- A new storage facility for the nation's low-level nuclear waste opened at the NDA's site near Drigg in Cumbria last month.

## Diary dates

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| • Launch of draft Business Plan for consultation | 1 <sup>st</sup> December 2010 (provisional) |
| • Submission of Strategy II to Ministers         | January 2011                                |
| • Formal adoption of Strategy II                 | 31 March 2011                               |



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## **Annual Report & Accounts**

The Annual Report, laid before Parliament on 15 November, details strong performance against budget with revenue generation of £1.0 billion, exceeding target by £0.1 billion. Alongside the efforts to drive up revenues, there is a continued commitment to reducing costs and driving further efficiency in delivery of the NDA programme. This resulted in £0.2 billion savings in the year, enabling £2.7 billion of work to be delivered from the NDA's £2.5 billion budget.

Energy Minister, Charles Hendry said: "The NDA should be congratulated for seeking ways to improve the affordability of its programme whilst maintaining a focus on safety and tackling the highest hazards. It is also showing strong leadership by reducing its own costs, and in doing so setting a good example to its sites."

## **Dounreay competition moves ahead**

The NDA has issued its Invitation to Participate in Dialogue to the two consortia who successfully prequalified in the competition to appoint a Parent Body Organisation for the Dounreay Site Restoration Ltd (DSRL) Site Licence Company (SLC).

The consortia are:

- Babcock Dounreay Partnership: comprising Babcock Nuclear Services Ltd, CH2M Hill International Nuclear Services Ltd and URS International Holdings (UK) Ltd.
- Caithness Solutions: comprising Energy Solutions EU Ltd and Amec Nuclear Holdings Ltd.

Formal Dialogue will take place over an anticipated 12 weeks, following a period of formal site information-gathering during which the participants will have access to the Dounreay site and SLC personnel, reviewing information and visiting the site's key facilities and areas of work. This will assist them in the preparation of their final tender submission.

## **NDA welcomes funding settlement**

The NDA has welcomed the Chancellor's announcement last month that the NDA funding settlement over the next four years will ensure that total expenditure will be maintained at current levels of around £3 billion a year. This figure includes the NDA's projected commercial income. Full details will be published in the draft Business Plan that is due to be published for consultation in early December.

## **Organisational changes**

The NDA has completed its restructure following a comprehensive organisational review that started in January 2010. The changes include a 30% reduction in the number of NDA staff from 300 to 210, ambitious targets for generating commercial income from NDA assets, deferral of some non-critical site activity into future years and tough efficiency targets for Site Licence Companies.



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## **Fourth edition of Insight available**

The latest edition of the NDA's news magazine Insight is now available and can be downloaded from the website.

## **West Cumbria geological report**

NDA has welcomed the publication of an initial geological report for West Cumbria, which concludes that a number of areas in Copeland and Allerdale are unsuitable for a deep geological disposal facility (GDF) for nuclear waste. The screening does not show where a facility would eventually be located, but, based on high-level geological exclusion criteria, is simply intended to avoid unnecessary work. Cumbrian partnership Managing Radioactive Waste Safely (MRWS) is talking to Government about the siting process for a GDF and has published the report on its website.

## **Capenhurst transfer in pipeline**

The NDA and URENCO Ltd have signed a set of non-binding commercial principles to support a potential transfer of the NDA-owned Capenhurst site to URENCO. Formal discussions will now commence with an aim of achieving final agreement by mid-2011. The proposal would transfer the land and operations to URENCO under a long lease and services contract. This is anticipated to reduce NDA's net liabilities for managing and clearing the site, provide continued employment opportunities for the site workforce and pave the way for investment by URENCO, which occupies neighbouring facilities.

## **Wylfa powers on**

Wylfa Power Station on Anglesey, owned by the NDA, is to continue generating electricity beyond December 2010 for up to two additional years. Site operator Magnox North has been undertaking work to support the period of extended generation over the last year, including an evaluation of the Periodic Safety Review – required every 10 years by the Health and Safety Executive's Nuclear Directorate to validate the safe and compliant operation of the site. The Environment Agency, which regulates other aspects of the site's work, had also been involved in this programme of work. Extended generation will be subject to the site continuing to meet rigorous operational and safety standards.

## **Executive Directors appointed**

The NDA has appointed two new Executive Directors. Mark Lesinski will be Executive Director, Delivery. Mark has over 30 years experience in the nuclear industry, holding senior roles in both the US and UK. He joins from Magnox South Ltd where he has been Managing Director since early 2008. David Batters has been appointed Chief Financial Officer. David, a Chartered Management Accountant, joins the NDA from BAE Systems where he has held a variety of roles over a 22-year period in the UK and overseas. His most recent role was Director of Group Mergers & Acquisitions.



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## **Strategy consultation**

NDA's 12-week consultation on its Draft Strategy, launched on 1<sup>st</sup> September, concludes on 24<sup>th</sup> November. Following feedback and amendments, the Strategy must be endorsed by both the UK and Scottish Government before it is published in March 2011. Stakeholders have had the opportunity to influence the proposed Strategy, which is required to be updated every five years, through discussion forums and presentations at the National Stakeholder Group.

## **Low Level Waste Strategy published**

The NDA has published the UK Strategy for the Management of Solid Low Level Radioactive Waste (LLW) from the Nuclear Industry. Low level waste covers a wide variety of lightly contaminated material that arises as scrap and redundant equipment in both nuclear and non-nuclear industries. It generally comprises plastic, paper, clothing, wood, metal and building rubble. The strategy, subject to consultation with stakeholders in 2009, targets better application of the waste hierarchy to reduce the amount of solid low level radioactive waste generated and reduce reliance on disposal.

## **MOP update**

The NDA, in conjunction with Magnox South, Magnox North and Sellafield Ltd, has published a further revision to the Magnox Operating Programme (MOP) to reflect achievements and challenges since January 2009. The eighth MOP, published in 2008 and regularly reviewed, defines the key deliverables of the whole Magnox fuel cycle, covering fuel manufacture, electricity generation, fuelling and reactor defuelling, and reprocessing of spent fuel. The latest review concludes that the risks