

# Briefing for SSG meetings December 2010



DSG(2010)C140

## Summary

- The NDA's draft Business Plan 2011–2014 has now been published for consultation.
- The NDA Annual Report & Accounts was published on 15 November.
- NDA-supported socio-economic projects for Wales were showcased at an event in Gwynedd.
- 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 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.
- The Low Level Waste Strategy 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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| • Business Plan for consultation                                     | Concludes 26 January 2011                  |
| • Submission of Strategy II to Ministers                             | January 2011                               |
| • <a href="#">Publication of UK Radioactive Waste Inventory 2011</a> | <a href="#">January 2011 (provisional)</a> |
| • <a href="#">Publication of Disposal Safety Case System for GDF</a> | <a href="#">Early 2011</a>                 |
| • Formal adoption of Strategy II                                     | 31 March 2011                              |

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## **Draft Business Plan published**

The NDA's draft Business Plan 2011–2014 has now been published for consultation, closing on 26 January 2011. The document sets out the NDA's key objectives and the progress it expects to be made across its 19 sites over the next three years, in line with its recent funding settlement.

The importance of the NDA's clean-up mission was recognised in October's Comprehensive Spending Review which saw an increase in direct grant provided by the Government, together with NDA's commercial income, enabling an average expenditure of close to £3 billion per year over the next four years. The consultation closes on 26 January 2011.

## **Annual Report & Accounts**

The Annual Report, laid before Parliament last month, 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."

## **Welsh projects under the spotlight**

Welsh Assembly politicians and local authority representatives gathered at Trawsfynydd site to highlight a series of NDA-supported projects aimed at providing an economic stimulus to the North Wales region. The projects contribute to the newly launched Meirionnydd Employment Plan which aims to address the challenges facing following the decline of some key industries, including the ongoing decommissioning of Trawsfynydd nuclear site.

Since 2005, NDA has invested more than £4 million in a wide range of North Wales socio-economic projects, of which around £2.5 million will benefit the Meirionnydd area specifically. The contributions have helped to leverage additional funding in the region of £12-14 million from various sources.

## **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).

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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.

## **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.

## **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.

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## **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.

## **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.

## **Waste facility opens**

A state-of-the-art storage facility for the nation's low-level nuclear waste opened at the NDA's site near Drigg in Cumbria last month. Vault 9 has a capacity of 110,000 cubic metres and is designed to meet the stringent requirements of the UK's nuclear and environmental regulators. Since the early days of planning Vault 9, the emphasis has switched from single-solution disposal of Low Level Waste, which consumes capacity at the LLW Repository, to smarter strategies such as waste minimisation and recycling, particularly of metals, in line with the 2007 Government Low Level Waste policy.