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**SELLAFIELD: A CASE STUDY OF THE
SOCIAL LICENCE TO OPERATE**
Social Impact Multiplied

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Abstract

The study demonstrates how the social licence to operate for the UK's oldest nuclear facility is maintained over decades as the operations of the Sellafield nuclear facility continue to change. It illustrates how community support for changing operations are established and preserved through civic engagement, pioneering approaches towards social impact interventions and the pursuit of economic growth and diversification for the host community through effective partnership working. The study will demonstrate how and why partnership working succeeds, the central importance of effective communications and stakeholder relationships and the growing emergence of a multi-generational approach towards sustainability: environmentally, socially and economically.

11. INTRODUCTION

“Society is inside of man and man is inside society...The fish is in the water and the water is in the fish.”

Arthur Miller
‘The Shadows of the Gods’
Harper’s Magazine, 1958

A pioneer of the UK's nuclear industry, since the end of the second world war, the Sellafield site has supported UK national defence, generated electricity for nearly half a century, and developed the ability to safely manage nuclear waste.

Each chapter of Sellafield's history has delivered great benefit for the UK whilst creating a complex nuclear clean-up challenge for which there are no blueprints.

Decommissioning the Sellafield site will take more than 100 years and today, Sellafield covers 6 square kilometres, is home to more than 200 nuclear facilities and contains the largest inventory of untreated nuclear waste in the world.

No industrial development of such significance, over such a period of time, is possible without the existence of a robust social licence to operate. Sellafield's social licence to operate is formed by the relationships between site owner, site operator and the Sellafield host community.

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The study will demonstrate how and why partnership working succeeds, the central importance of effective communications and stakeholder relationships and the growing emergence of a multi-generational approach towards sustainability: environmentally, socially and economically.

The Sellafield site is operated by Sellafield Ltd; a wholly owned subsidiary of the NDA (Nuclear Decommissioning Authority). The NDA is a non-departmental public body created by the 2004 Energy Act and reporting into the UK government through the Department for Business, Energy and Industrial Strategy (BEIS).

The NDA occupies a strategic role; tasked with determining the approach towards the decommissioning of its nuclear facilities through setting targets, allocating budgets and monitoring progress.

The 2004 Act stated that:

“...the NDA shall have the function, to the extent that it considers it appropriate to do so, of -

- (e) giving encouragement and other support to activities that benefit the social or economic life of communities living near designated installations, designated sites or designated facilities or that produce other environmental benefits for such communities.”

2. SELLAFIELD: A CHANGING MISSION

Sellafield no longer produces electricity or manufactures nuclear fuel and reprocessing operations are coming to an end. Today, Sellafield Ltd is tasked with cleaning-up the UK's highest nuclear risks and hazards and with safeguarding nuclear fuel, materials and waste.

Our mission is nationally important, and our purpose is to keep Sellafield safe and secure, cleaning-up the site to a defined end state and creating a clean and safe environment for future generations.

We work in a way which prioritises the highest hazards and delivers the maximum value. This work is divided into four ‘value streams’:

- Retrievals: the nuclear waste materials contained within the historic 'legacy' ponds and silos at Sellafield represent the highest risks and hazards at the site. These are now in the process of being retrieved.
- Remediation: in addition to the retrievals programme, the Sellafield site hosts hundreds of nuclear and non-nuclear buildings that require remediation.
- Spent nuclear fuel management: spent nuclear fuel is currently reprocessed at Sellafield, but is scheduled to end imminently. Future arisings of spent nuclear fuel will be stored instead of being reprocessed.
- Special nuclear materials: we have the capabilities and infrastructure with which to provide expert storage for special nuclear materials.

All of the work undertaken by Sellafield Ltd is completed according to the following priorities:

Safe, secure site stewardship

Sellafield is the UK's largest nuclear site in the UK, and the safety and security of the site is the priority of Sellafield Ltd and the NDA. This approach informs every decision made across all our operations.

Demonstrable progress

As home to the UK's oldest nuclear facilities, the operational priorities at Sellafield focus upon the acceleration of safely cleaning up the oldest site facilities and the completion of our spent nuclear fuel reprocessing operations. The Thorp reprocessing programme has been completed, with the completion of Magnox reprocessing operations is imminent and the Thorp reprocessing programme was completed in November 2018.

Return on investment

The Nuclear Decommissioning Authority currently invests £2 billion of its annual budget at Sellafield and Sellafield Ltd is tasked with demonstrating value for money through the delivery of the Sellafield mission.

A changing mission requires a changed organisation. In recent years, Sellafield Ltd has prepared for this mission change and has changed the organisation accordingly to become a value-led organisation that reduces high hazards faster, responds to potential funding changes more quickly and which provides greater value to the UK taxpayer. In implementing this new approach, we are working to maximise the socio-economic impact from our funding and expenditure across our supply chains.

All these changes require the understanding and support of the Sellafield host community, only made possible by an effective social licence to operate (SLO).

The Sellafield SLO

The Social License to operate (SLO) is an increasingly important consideration of contemporary industries and modern businesses. The SLO has been described as “...existing when a project has the ongoing approval within the local community and other stakeholders, ongoing approval or broad social acceptance and, most frequently, as ongoing acceptance.” [1]

At the level of an individual project the Social License is rooted in the beliefs, perceptions and opinions held by the local population and other stakeholders about the project.[2] It is therefore granted by the community.

Sellafield Ltd achieves its SLO through effective relationships with employees, supply chain partner companies and local stakeholders (local government officials, local and national elected representatives and civic society generally).

Effective and regular communication is central to this. Externally, site operations are regularly explained to stakeholders and requested modifications are often and routinely accommodated. Internally, communication and dialogue relating to safe working and safe operations is a priority within Sellafield Ltd. The Sellafield SLO is rooted in understanding of and consent for ongoing operations (and changes to them). In a community dominated by the Sellafield site – with over 11,500 direct employees – employee sentiment is of fundamental importance in the attainment and maintenance of an SLO.

Stakeholder engagement and partnership

In addition to a closely managed stakeholder matrix, Sellafield Ltd provides the finances and secretariat function for an independent body – the West Cumbria Site Stakeholder Group (WCSSG) [3] The WCSSG undertakes the important task of providing public scrutiny of the nuclear industry and its operations in West Cumbria.

The WCSSG meets quarterly and consists of six working groups which examine the work undertaken at all West Cumbria’s nuclear sites. This covers emergency planning, operational issues, environmental performance and the socio-economic impacts of operations. The WCSSG incorporates representatives from trade unions, community groups, local governments and industry regulators and its meetings are held in freely accessible public spaces to which the public and media is invited to attend.

In recent years, Sellafield Ltd and the NDA has worked in a focussed partnership with local stakeholders to address how to best maximise the value of the Sellafield site to the communities closest to it through the SiX programme (below).

The SiX programme sits within the NDA local social and economic impact strategy [4] which states:

“We have always believed that decommissioning activities should benefit local communities and we must provide a positive legacy once our work is completed...decommissioning work can act as a local engine of growth with companies, especially smaller ones, using decommissioning at an NDA site as a springboard into other markets and sectors...”

Social trends and contemporary corporate philosophy

There is an emerging contemporary trend across a growing number of major and influential businesses to attend to social and environmental improvement.

These changes can perhaps best be understood through the Edelman ‘Trust Barometer’: an annual research programme that charts business sentiment, employer and employee attitudes.

The 2019 Edelman Trust Barometer [5] makes for vital reading. It chronicles a collapse in trust in civic institutions and traditional figures of authority alongside significantly increased levels of trust between individuals and their employer.

The research reveals that 75% of those surveyed by Edelman trusted their employer: 19% more than business in general and 25% more than government.

The 2019 survey found that overwhelmingly, employees expect their employers to be their partners in change – 67% of employees expect their company to join them in taking on social issues, 72% look to their employer for facts about economic issues and 58% for facts about technology. The report also found that 73% of the general population surveyed believe that businesses can both make money and improve society.

In light of these findings, Edelman made a series of recommendations for businesses to adopt, including empowering employees, leading change and focussing these efforts locally by caring for the communities where businesses operate by being “...part of the solution on education, inequality and infrastructure” and by enabling “...employees to volunteer and give back locally.”

Sellafield Ltd practiced this approach before 2019 and this approach is being adopted by an increasing number of businesses.

In a speech to the UN SDG (Sustainable Development Goals) [6] Business Forum in October 2019, former Unilever CEO Paul Polman explained that companies that take a lead on the world’s biggest problems would be the most successful of the 21st century and that companies that put short-term profit ahead of long-term sustainability would not survive.

Polman said there was a compelling business case for investing in the UN’s development goals with the opportunity to create at least \$12 trillion (£9.3tn) a year in economic growth and generate 380m jobs.

“Companies with a strong sense of purpose are better able to grow not only revenue and profits but also create additional value, such as customer loyalty, attracting top talent and developing new products and services.”

In the UK, EY have launched EPIC – the Embankment Project for Inclusive Capitalism [7]. And in the US, the American Business Roundtable, has made fundamental changes to its definition of the Purpose of a Corporation [8].

After more than forty years of prioritising shareholder value as the guiding principle of any business, in August 2019 a new Statement on the Purpose of a Corporation was signed by 181 leading American CEOs committing their companies to work for the benefit of all stakeholders – customers, employees, suppliers, communities and shareholders. [9]

Darren Walker, President of the Ford Foundation said of the new purpose:

“This is tremendous news because it is more critical than ever that businesses in the 21st century are focused on generating long-term value for all stakeholders and addressing the challenges we face, which will result in shared prosperity and sustainability for both business and society.”

Statement on the Purpose of a Corporation

This new statement of purpose commits its signatories to commitments that resemble something more than a pledge to attend to corporate social responsibility, it reads like something closer to an industrial strategy. The statement commits signatories to [10]:

- Deliver value to customers
- Invest in employees – a commitment to better terms and conditions and supporting employees through training and education that help develop new skills for a rapidly changing world.
- Dealing fairly and ethically with suppliers – a commitment to acting as good partners to the other companies, large and small, involved in business delivery.
- Supporting the communities in which businesses are based – a commitment to respect the people in these communities and to protect the environment by embracing sustainable practices across business.
- Generating long-term value for shareholders, who provide the capital that allows companies to invest, grow and innovate.

Sellafield Ltd has consistently been ahead of this curve since 2017.

In 2017 Sellafield Ltd commissioned Oxford Economics to help us better understand the economic effects of our business in those communities closest to our business operations. [11] This work illustrated the need for serious and urgent interventions throughout those communities in West Cumbria closest to the Sellafield site: in education, well-being, economic growth, community sustainability and more.

In response to the challenges outlined by this work, and in conjunction with the NDA and local stakeholders, Sellafield Ltd developed its SiX programme (Social Impact Multiplied). [12]

SiX is built upon five of the United Nations' Sustainable Development Goals, chosen to help address the social and economic challenges in the communities in which our business operates and one 'enabling' objective; to commit to improved social impact across the business by monitoring and evaluating performance.

Our social impact work is designed to ensure that our business operations deliver greater value for our communities. To do this as effectively as possible, we work with a broad range of community stakeholders –including charities, local authorities, academia and other businesses – to co-create solutions that work for them.

This approach informs our strategic social impact investments so that can then leverage and encourage further investment and development. Wherever possible, our social impact work seeks to identify, align and enable initiatives designed to achieve the outcomes upon which our social impact objectives are based.

As with any other taxpayer-funded programme, it is essential that our social impact interventions deliver sustainable and measurable outcomes.

The case studies included here demonstrate that this new, collaborative approach is already delivering results.

From the creation of Campus Whitehaven, the biggest education investment in the largest town closest to Sellafield for over half a century, to the co-creation of the WELL [13] project, a scheme designed to improve attainment in 120 primary and secondary schools in West Cumbria, to the funding of marine cleaning [14] and river restoration projects [15], we are working with partners in an unprecedented way to help deliver the greatest possible value from the operation of our business.

SiX represents a significant series of interventions from Sellafield Ltd and the NDA with recent investments and achievements demonstrating a strong commitment to sustainability.

Using the UN SDGs as its basis and being co-produced with local stakeholders, SiX has the principle of sustainability at its core and is a critical component of the Sellafield SLO.

SiX is comprised of the following objectives:

Resilient economies

To enable inclusive growth in the capacity, diversity and capability of our local economies.

This objective addresses local economic inequalities using growth in the nuclear sector but also through increasing the scale, diversity and development of existing sectors and new economic opportunities. By utilising our mission, we aim to attract and create new investment, knowledge, ideas, innovation, capability and resources that contribute to more inclusive and distributed local economies.

Thriving Communities

To assist our communities to thrive by supporting sustainable activities that help to create self-reliance and independence.

This objective focuses our social impact resources into activities with organisations, partners and community assets that are addressing critical social and environmental issues in our communities. This targets our resources to seek long term solutions, at scale if appropriate and to facilitate the financial independence, profitability and security of community anchor organisations.

Social Value Chains

To create social impact with our supply chain.

This objective aims to unlock and secure significant social impact with our current and future supply chain partners by commissioning suppliers who share our desire for a positive step-change in our communities: socially, economically and environmentally This supports our supply chain partners in working with us and our stakeholders to innovate for social impact.

Sustainable Incomes

To enhance opportunity and improved access to sustainable incomes, beyond the nuclear sector and beyond Sellafield Ltd, by increasing the skills, knowledge and aspirations of individuals and communities so that they can access a wider range of opportunities.

This objective seeks to help our current and future workforce and citizens to adapt to the rapidly changing nature of employment and the future of work by creating and designing new approaches towards personal development with which individuals with a variety of skillsets from multiple backgrounds can attain employment.

Collective Impact

To leverage social impact and investment by working with our stakeholders, partners and communities to practice an integrated approach and culture of delivery.

This objective is aimed at improving existing collaborative approaches and creating new ones that address priority issues in our communities by focusing our objectives and assets at the point they can have the most

impact. This maximises the social impact from all that we do at Sellafield Ltd making it a cultural commitment to sustainability.

Improve performance

This is an enabling objective designed to optimise social impact by measuring and evaluating our performance.

This objective ensures that by measuring and evaluating our social impact work, we will collect information which we will use to continually improve what we do. All this information will be shared with our employees, partners, stakeholders and communities.

In addition to the SiX programme, Sellafield Ltd is engaged in encouraging supply chain partners to devise and apply social impact initiatives. In May 2019, Sellafield Ltd announced a major, twenty-year framework contract with supply chain partners designed to assist the transformation of the company from a nuclear operator into a world leader in environmental remediation.[16]

This contract requires supply chain partners to work within the social impact objectives outlined in the SiX programme to deliver meaningful social impact in West Cumbria through their work at the Sellafield site and in addition to SiX.

4. SIX: CASE STUDIES & EVALUATION

Campus Whitehaven

A £10million investment from Sellafield Ltd leveraged in excess of £25million from other sources.

Whitehaven Bus Station & The Barclays Eagle Lab

A £5.6m investment into a derelict bus station at a gateway location that successfully leveraged a further circa £5m from other sources to further improve road infrastructure. The Bus Station[17] project resulted in Barclays locating its latest Eagle Lab [18] in Whitehaven; the first outside a major city in the north of England, the Eagle Lab will support start-up businesses and entrepreneurs with business space and the latest technologies.

Transforming West Cumbria

Examples of success include the Transforming West Cumbria [19] programme delivered by the Cumbria Community Foundation. This represents a multi-million-pound investment over an initial three years designed to address specific areas of need: family wellbeing, financial education, community activism, and inspiring young people.

The Edge

In addition, £2m of funding from Sellafield Ltd leveraged a further £2.5m the UK government funded Coastal Communities Fund with which to develop The Edge [20], a coastal activities centre that will create jobs and drive local economic diversification.

The Industrial Solutions Hub

A £1.6million investment from Sellafield Ltd and NDA which provided the basis upon which a £22.5m ‘Town Deal’ was secured from the UK government [21] for the community of Cleator Moor.

External evaluation

The above represent only some of the social and economic interventions made by Sellafield td and NDA through the SiX programme. External evaluation undertaken by Simetrica- Jacobs [22] shows that between 2017-20, Sellafield Ltd invested £31.29m through the SiX programme, generating £148m in social value in the process, £117.18m of benefits over and above costs and a return of £4.76 of social value for every pound spent.

Collectively, this benefit is accrued to individuals, communities, businesses and the exchequer.

Any social licence to operate is necessarily fluid as businesses, social, economic and environmental contexts change over time. Through effective relationship building with stakeholders and employees, constant dialogue and communication regarding operations and the development of a social impact programme that addresses the most pressing challenges of the Sellafield host community, Sellafield Ltd is working with partners to help identify solutions to these challenges for the benefit of the communities closest to its business operations.

Through Sellafield’s SiX programme, the value of Sellafield to the host community is increasing as the basis for continuing and completing the Sellafield mission – vibrant, diverse, sustainable host communities – is strengthened and maintained.

Still in its infancy, and ahead of the curve with regard to emerging corporate approaches to sustainability, the SiX programme will continue to evolve and serves as a best practice demonstration of partnership between industry and community.

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