

NDA Briefing Note for Berkeley SSG Meeting, 3 February 2010

NDA Statement on Public Value Programme

The NDA is totally focused on achieving its clean-up mission while providing value for money for the UK taxpayer. This is even more crucial given the wider economic situation.

As part of its financial and budgetary planning processes the NDA, along with other agencies, is taking part in a Government-wide review to identify options for transformational value for money savings called the Public Value Programme (PVP). The aim is to drive efficiency and effectiveness, and options identified through the PVP process will be used to inform the next spending review, currently expected in the first half of 2010.

The NDA Board will consider a range of options that will be submitted to a review panel of senior Government officials, including representation from the nuclear regulators which is essential to ensure safety considerations are taken fully into account. The range of scenarios to be considered includes:

- ❖ Bringing forward some work, subject to affordability, where there are strong value for money business cases
- ❖ Deferral of some non-essential work to later years
- ❖ Deletion of scope where alternative plans can be formed
- ❖ Increasing income generation from our remaining assets
- ❖ Opportunities for further efficiency savings across the estate

This work has begun and is due to be completed by February. We will ensure that stakeholders are kept informed at all stages of this process.

Within a constrained funding environment, it is critical that we are able to direct every available pound towards core activity. Therefore, it is a priority for the whole NDA estate, including our Site Licence Companies which carry out the work on our sites and the NDA itself, to reduce the proportion of our budget spent on support costs so that we can deliver more decommissioning and clean-up work.

High Level Waste Returned Overseas from Sellafield

The programme of returning solid Highly Active Waste (HAW) from Sellafield to overseas customers, announced in September last year, began in January 2010.

The first stage was the transport of a single 113te flask, containing 28 stainless steel containers of solid HAW from the Sellafield site, on a specially constructed rail wagon, to the port of Barrow, ready for shipment to Japan. The waste

involved arises from the reprocessing of Japanese customers' used nuclear fuel at Sellafield.

The flask is then transferred on to a Pacific Nuclear Transport Ltd (PNTL) vessel prior to its departure for Japan, with the voyage due to be completed by the end of March this year.

The transportation to Japan will be delivered by International Nuclear Services and PNTL. PNTL has operated ships that travelled for more than five million miles without any incident involving the release of radioactivity and in 2007 PNTL completed a programme of 12 similar HAW transports to Japan for the French nuclear industry

Regulators review RWMD

The regulators have now carried out a review of the NDA's Radioactive Waste Management Directorate (RWMD).

The review, by the Environment Agency, the Nuclear Directorate of the Health and Safety Executive and the Department for Transport, considered the structure and staffing of the NDA's Radioactive Waste Management Directorate.

NDA agreed with regulators that the transition to a prospective SLC would be marked by:

- ❖ Arrangements for RWMD to voluntarily submit to regulatory scrutiny and advice.
- ❖ Regulatory agreement that RWMD has made progress toward meeting agreed principles concerning its governance, structure and operation as a prospective SLC as measured by specific progress criteria.

It is very important for the NDA to show it is successfully transforming this part of the NDA to become an organisation that will ultimately be able to hold a nuclear site licence for a geological disposal facility. To demonstrate further development, the RWMD is now operating as a prospective SLC under voluntary regulatory scrutiny.

Integrated Waste Management Strategy published

NDA has published its overview of integrated waste strategy. It reflects numerous interactions with Site Licence Companies (SLCs), industry regulators, Government departments and NDA's National Stakeholder Group.

The document, together with work on higher and lower activity waste topics, makes up the integrated waste strategy for the estate. NDA will pick up on waste issues in the next NDA strategy, scheduled for public consultation in 2010. Consultations on our draft UK nuclear industry low level radioactive waste strategy took place in 2009, and a final strategy document is now being developed to reflect the input received.

Newsletter launched

The NDA has published a 16-page newsletter, Insight, that gives a brief taste of ongoing activities around the 19 sites and the challenges being tackled by the organisation and its delivery partners. The quarterly newsletter, available in both printed and web formats, was launched at the recent National Stakeholder Group meeting in Manchester, and is aiming for a non-technical, accessible style to ensure as wide an audience as possible.

Dounreay Competition Industry Event

The first part of the event, which will be held at the Wick Assembly Rooms, is being hosted by the Dounreay Stakeholder Group, with support from the NDA.

During the event prospective Parent Body Organisation (PBO) bidders will have the opportunity to meet with local stakeholders, and hear about the potential socio-economic impacts of the closure of the Dounreay site on the local area and opportunities for their mitigation.

Bidders will also receive an update on the NDA's emerging contracting and procurement strategies for the competition.

Ahead of this event, the NDA has announced its planned forward funding assumptions for Dounreay.

Feedback from market engagement has reinforced the importance of having clarity and certainty on future funding for the site. Responding to this, the NDA has worked with Government on reviewing funding options that would provide this, offer an attractive package to bidders, and deliver the best value for money.

The NDA is planning to maintain funding for Dounreay at a capped level of up to £150 million per annum for the duration of the contract to achieve the site Interim End State, currently planned to be achieved by 2025. This has been termed Planned Assured Funding.

This will allow the NDA to run an effective competition and deliver value for money from a new PBO. Such an approach will provide clarity on the level of funds necessary to deliver essential components of the programme, and provide confidence that the corresponding level of funds will be sustainable in the context of future funding decisions.

These funding arrangements will mean re-phasing some major projects, which will in turn provide the PBO bidders with the opportunity to bring their own ideas and innovations to these projects. It will provide the funding necessary to deliver all the essential components of the programme at Dounreay, and provides stability for the decommissioning skill base and capability which has been created at the site.

Note – All documents referred to can be downloaded from www.nda.gov.uk

