



Chapelcross Site Stakeholder Group

Minutes of the Meeting held on Friday 11th March 2016 at 10.00 am at Council Chambers, Annan Town Hall, High Street, Annan

Present:

Cllr Ronnie Ogilvie (representing Annandale South) (Chairman)
Harry Brown (2km Resident Representative)
Jill Callander (SSG Secretary)
Peter Donnelly (Office for Nuclear Regulation, ONR)
Cllr Archie Dryburgh (representing Annandale East and Eskdale)
Jamie Ferguson (D&G Council, Community and Customer Services)
John Grierson (Scottish Sites Lead and Chapelcross Closure Director)
Cllr Sean Marshall (representing Annandale South)
Willie McNairn (2km Resident Representative)
Ian Park (Chapelcross Union Representative)
Cllr Craig Peacock (representing Annandale East and Eskdale) (Vice Chairman)
Andrew Rideout (NHS Dumfries and Galloway)
Jason Syers (Dumfries and Galloway Council, Strategic Projects Manager)
Cllr Stephen Thompson (representing Annandale North)
Deborah Ward (Nuclear Decommissioning Agency, NDA)
Ewan Young (Scottish Government)

Apologies:

Martin Brown (Representative of Federation of Community Councils)
Nigel Calvert (NHS Dumfries and Galloway)
Cllr Peter Diggie (representing Annandale North)
Cllr Dennis Male (representing Annandale East and Eskdale)
Gordon McMiken (Scottish Government Rural Payments and Inspections Division)
David Mundell MP
Elaine Murray MSP
David Stone (Scottish Environment Protection Agency, SEPA)

In Attendance:

Sheila Adams (Minutes)
Tim McCracken (Loreburn Housing Association)

1. Chairman's Opening Remarks

The Chairman welcomed everyone to the first meeting of 2016 and introduced Mrs Deborah Ward of the NDA and Andrew Rideout of NHS Dumfries and Galloway.

2. Announcements and Apologies *(including Declarations of Interest)*

The Secretary read the Apologies as listed above.

Councillor Marshall confirmed that he is employed by Magnox Limited and was attending the meeting as a Councillor, representing Annandale South.

3. Minutes of Previous Meeting and Matters Arising

The Minutes of the meeting of 11th December 2015 were approved as a true record and proposed as such by Cllr Archie Dryburgh and seconded by Cllr Craig Peacock.

In respect of action points from the previous meeting:

With regard to a representative from the Federation of Community Councils to replace Mr Jim Nesbitt on the Site Stakeholder Group, Mr Martin Brown will bring this up at the next Federation meeting in April and report back to the Secretariat – action carried forward.

Mrs Callander had made contact with the local members of the Scottish Youth Parliament to invite them to Site Stakeholder Group meetings. They are normally in School at the time of SSG meetings but will endeavour to attend when they can – action complete.

Mrs Callander conveyed the congratulations of Chapelcross Site Stakeholder Group to Wylfa Power Station on the end of its generation – action complete.

4. Chapelcross Closure Director's Report

(including update on Magnox Socio-Economic Scheme)

Mr John Grierson presented his report using the attached presentation slides, under the headings of Site News, Shaping the Organisation, Lifetime Plan 2015, Care and Maintenance Programme, Socio Economics, Magnox in the Community and Final Thoughts.

Mr Grierson reflected on a challenging three month period in terms of safety performance. There had been a couple of injuries consisting of one back strain and one slip. The return to work at the beginning of the new year saw a 'Safe Start' message across the whole Magnox estate to reinforce the importance of safety and bring this to the forefront of minds following the recent distractions in respect of Organisational Restructuring. The weather had also presented some challenges during this period. The stripping of Heat Exchangers 15 and 16 went very well, while Heat Exchangers 1 and 2 are proving more challenging. The site's end of year assessment for 2015 under SEPA's Compliance Assessment Scheme was rated excellent. Several ONR inspections have taken place during this period. Workforce numbers remain static at present but will gradually drop as time goes on.

The Organisational Restructuring process is well underway with individual consultations, selection criteria, best fit, independent reviews, feedback and appeals all complete. Six appeals were received at the first stage, 78% of employees (82% overall) received their first aspiration, 16 people are seeking an ongoing role on the site and nine have requested voluntary severance. The Management of Change document is being prepared and training programmes to help employees achieve National Certificates in core academic subjects to assist with Sellafield entry requirements are ongoing.

The Lifetime Plan 2015 is a requirement of the NDA following the change of Parent Body Organisation (PBO). It has been built and is to be submitted to the NDA. The Lifetime Plan incorporates changes in new technologies. There may be an opportunity to enter Care and Maintenance earlier than forecast if the budget will support it. Delivery of Phase 1 and 2 of the contract may negate the need to enter Interim Care and Maintenance. Benefits of delaying demolition will be assessed following retrieval and storage of Intermediate Level Waste (ILW).

With regard to Heat Exchanger deplanting, scaffolding is complete on Heat Exchangers 11, 12, 13 and 14 and 90% complete on Exchangers 3 and 4. A contract will be let for the remaining heat exchangers and it is hoped to complete eight next year. The interim waste storage facility is now at detailed design stage. Land quality management work carries on. Under waste operations, 367 tons of metal have been removed, 203 of which are from heat exchangers.

In terms of Socio Economics, £51,070 was distributed in 2014/15, with £33,950 in 2015/16. Although last year appears to be higher, this included £20k for the Chapelcross Framework Development Project so this year's figure is higher in reality. Of the grants awarded this year, 14 were under £1k with the balance being split between eight projects. Mr Grierson showed a selection of photographs under Stakeholder Activity, including the recent Small Schools and Large Schools Tag Rugby Festival.

As always, Mr Grierson's presentation ended by stressing that the safety of workers, the public and the environment are always the top priority at Chapelcross site.

Questions and Observations

Cllr Dryburgh asked for clarification on the 78% (overall 82%) of personnel receiving their first aspiration. Mr Grierson confirmed that 16 employees wish to remain in employment at Chapelcross and nine wish to leave. Of the 16, skill matching to roles will be undertaken. Cllr Peacock asked if there will be other opportunities where skill matches cannot be made and there are no other suitable vacancies or if these personnel will be made redundant. Mr Grierson responded that ultimately the individuals have choices to make. Magnox will however go from 3,500 employees to 0 in 13 years and while all redundancies to date have been voluntary, there may eventually be compulsory redundancies as a last resort. Mr Grierson added that ongoing support is being provided by the Beyond Chapelcross project and a retraining allowance for those leaving of £1500.

Cllr Peacock offered his congratulations on the excellent result from SEPA's Compliance assessment. Cllr Peacock was also pleased to note that the site may go directly to Care and Maintenance, omitting Interim Care and Maintenance, as this has been fully supported by the SSG over previous years.

Cllr Peacock asked Mr Grierson if he was comfortable that the £30m budget identified for site spend would be adequate to cover the works required and if there is contingency built in. Mr Grierson confirmed that this is the case and that all projects have a contingency amount which is mitigated throughout the year. Mr Grierson added that members will see the resources curve gradually reduce as business efficiencies are built in, which until now has been stepped changes but will be a gradual reduction going forward.

Mr Park asked what work would not be delivered due to a reduced workforce. Mr Grierson advised that all work in Phase 1 and 2 will be delivered to reach an end point. The best indications are that all heat exchanger work will be done within the next two years. Land quality work is in the supply chain and pond work will be done by 2023. 2023-25 will see the demolition of buildings. Mr Grierson added that project work will be done at a slower pace. Contingency arrangements are being developed on some shifts and a group has been set up to review 27 core processes. There is no longer a dedicated Business Team as they are all assigned to specific projects.

Mr Park enquired about the release of land. Mr Grierson replied that some areas are licensed and others are not and it will be for Scottish Enterprise and Dumfries and Galloway Council to work with the NDA on this. The Beyond Chapelcross Project has been very active looking at opportunities and the Chapelcross Framework Development Plan takes a longer-term look at the site.

Cllr Marshall understood the reasoning for the downward curve in resources and asked if more detail would be forthcoming at future SSG meetings. Mr Grierson confirmed that a Baseline Plan will be available in June and a Leadership workshop is taking place. The site will be stood down and regulators invited to the site to hear about the transformation work but the Lifetime Plan must be submitted to the Customer first before more detail can be disclosed.

Cllr Marshall acknowledged the work done by Dumfries and Galloway Council which is not underestimated on site. He encouraged continued discussion with the NDA and the continued proactivity of Chapelcross Site Stakeholder Group.

Cllr Ogilvie referred to a visit to Bradwell site which already had an Intermediate Level Waste (ILW) store. He asked how early there would be opportunities for personnel to change skill base to more construction type work. Mr Grierson responded that this is not core business and is specialist work. He emphasised that the site does not want to discard a skilled workforce and will retrain displaced staff wherever possible.

5. NDA Reports

Mrs Deborah Ward expanded on key points in the NDA report. A major milestone for Sellafield was the retrieval of bulk fuel from one of the oldest and most hazardous ponds on the estate and this has reduced radioactivity levels by 70%. The new model for Sellafield sees it become a wholly-owned subsidiary, with a new Chair, Tony Fountain, from 1 April 2016.

The Supply Chain Event hosted by NDA in November 2015 recorded a 97% success rate with visitors in a post-event survey. The Supply Chain Team pairs small and large businesses and enables them to understand the processes.

All content from the NDA's old website has now been migrated to the new site and the original one is no longer accessible. Suggestions for further improvements to the new website are welcomed.

The NDA is contributing £1/2m to the Innovate UK initiative which is a competitive process encouraging innovative ideas that can be applied to the nuclear industry. The competition opens on 28 March 2016.

It would appear that Wylfa is not the last Magnox power station in the world to close as there is still one in North Korea.

The NDA's Director of Communications, John Phillips, has retired from the NDA.

Questions and Observations

Cllr Marshall asked the publishing date of the NDA's Strategy 3 document. Mrs Ward advised that this would be in April as Government approval is required first. Cllr Peacock noted that a request for an extension to the consultation period was declined due to national Government guidelines.

Cllr Marshall asked if the publication and announcement of Strategy 3 would be delayed by Purdah for the Scottish Government and EU Referendum elections. Mrs Ward responded that this should not be affected and the Strategy document has to be published but there may not be big announcements.

Cllr Thompson referred to the budget discussion in the Minutes of the last meeting and asked if good work and efficiency was not rewarded. Mrs Ward advised that site budgets are allocated on a risk basis and are allocated annually. Savings have to be made to the overall NDA budget but this was a good budget compared to other Government Departments. Some of the savings to be made will come from Sellafield. Cllr Thompson asked how the budget seeks to give comfort to Chapelcross which is doing well against other demands. Mrs Ward responded that there are performance based incentives but she is unable to give details of how the budgets are allocated to sites. Mr Grierson added that the NDA provides Magnox with the funding and it is for the Magnox Executive to determine site allocations. If there is more work than money, work is prioritised. Mr Park referred to commercial organisations and in respect of Sellafield suggested that the workforce point of view is to go direct and 'cut out the middle man'. Mrs Ward replied that a strategic partner in the private sector introduces more efficiency and Sellafield had a complex management model which was judged not to be successful so it was changed.

Cllr Marshall was disappointed to note in the NDA Enterprise Bill that there will be a cap of £95k on redundancy payments for Magnox employees as this may affect Chapelcross employees.

Mrs Ward responded that the NDA has no control over this as a Government body. Cllr Dryburgh asked if an update on this payment cap would be provided at the National Stakeholder Conference. Mrs Ward was unable to answer this question but will take back to the NDA.

6. Other reports from SSG Bodies – ONR, SEPA, Scottish Government

ONR

The ONR report for October - December, circulated with the meeting papers, was taken as read. Mr Donnelly highlighted the main updates in the report, including a routine inspection on emergency arrangements which was deemed adequate. In respect of Licence Instruments, LI534 was issued in October 2015 giving approval for a new emergency plan as part of the changes arising as a result of the removal of the need for an off-site emergency plan.

The ONR's new Chief Executive, Adrienne Kelbie, is now in post and the Chief Nuclear Inspector post has been recruited. An announcement on this is anticipated on 23 March 2016.

Questions and Observations

There were no questions or observations on Mr Donnelly's report.

SEPA

SEPA's report was included with the meeting papers distributed in advance of the meeting and taken as read. Mr Stone was not present at the meeting.

Observations

There were no observations on the report from SEPA.

Scottish Government

Mr Young commenced his report by providing an update on what has happened with the Scottish Government's Higher Activity Waste Implementation Strategy since the last Site Stakeholder Group meeting in December 2015. Unfortunately, it is unlikely that the Higher Activity Waste Implementation Strategy (HAW IS) will be approved before May 2016. This latest delay to the HAW project is due to the formal pre-election period before the 2016 Scottish Parliament elections. While this delay is unfortunate, it is expected that the Strategy can be formally approved soon after a new Scottish Government in May 2016 (and assuming the HAW policy remains the same) and before the summer Site Stakeholder Groups. In the meantime, responses to the HAW IS consultation have been published on the Scottish Government's website. These responses have been carefully considered and have helped improve the quality of the draft HAW IS, which is expected to include new content on milestones, public engagement and Research and Development. The timeframe of the work involved in delivering the Strategy will take many decades. The Scottish Government aims to work closely with Site Stakeholder Groups, as the work streams emerging from the Strategy over the coming months and years ahead become clearer.

In respect of the UK Low Level Waste (LLW) Strategy since the last Site Stakeholder Group meeting, following Ministerial agreement across the whole of the UK, including Northern Ireland, the revised Strategy has now been published by DECC on behalf of the UK Government and the Devolved Administrations. The document is available on the UK Government website on the link:

<https://www.gov.uk/government/consultations/consultation-on-an-update-of-the-uk-strategy-for-the-management-of-solid-low-level-radioactive-waste-from-the-nuclear-industry>

In addition to the Strategy, DECC has also published the Government's response to the consultation responses received. The link to this document is as follows:

<https://www.gov.uk/government/consultations/consultation-on-an-update-of-the-uk-strategy-for-the-management-of-solid-low-level-radioactive-waste-from-the-nuclear-industry>

It is the Scottish Government's intention to make reference to the publication on its website and provide a copy of the links to the UK Government website, subject to the agreement of IT colleagues. Moving forward the Strategy provides a framework for continued capability and capacity for the safe, secure and environmentally responsible management and disposal of LLW in the UK.

While the scope and direction of the original Strategy remains unchanged, the revised Strategy reflects the progress that has been made since 2010. It also reflects the expected direction for Low Level Waste (LLW) management in the future. Central to the Strategy is the implementation of the waste hierarchy, which supports the provision of continued capability and capacity for managing LLW in the UK.

With regard to the UK NORM Strategy Implementation, the objective of the Strategy is to ensure that UK NORM waste can be disposed of safely and efficiently. This Strategy is in its implementation phase which is being led by DECC with support from the Scottish Government but which also includes the environmental regulators across the whole of the UK including Northern Ireland. An Implementation Group has been set up and a total of seven work streams have been identified and allocated to the relevant regulators and Government. Work is now ongoing on some of these work streams. The most recent meeting of the Implementation Group took place on Tuesday 8 March 2016 by teleconference. Updates were provided and progress has been made on a number of the work streams. In addition, a stakeholder workshop is to be organised by the Environment Agency in 2016 to both update those engaged in the NORM industries and allow them the opportunity to seek further information in respect of the implementation of the Strategy. With regard to the work streams both SEPA and the Environment Agency have been undertaking work on a number of these and updates indicate that work is progressing but not as well as was hoped at this time. On one of the work streams, DECC has engaged Public Health England (PHE) to undertake the work on the potential impact on NORM industries from the implementation of the exemption and clearance criteria in the revised European Basic Safety Standards Directive (BSSD) and provide a report by 31 March 2016. Another of the work streams is in respect of the trans frontier shipments of NORM waste for treatment abroad. A number of real examples are actively being considered. These real examples will provide a good opportunity to identify issues causing problems and identify possible solutions. The issues covered in the Strategy are long term in nature, and the Strategy is intended to set out a clear policy direction for many years. Government intends the Strategy to endure for a minimum of 5 years, and will consider when to review the Strategy in light of developments in NORM waste arisings and disposal practices.

Mr Young advised that Purdah begins on 24 March 2016 for the Scottish Government pre-election period till the elections on 5 May 2016.

Questions and Observations

Cllr Marshall was disappointed to note that the HAW Implementation Strategy will not be published before the elections and asked if it would include a definition of 'near site, near surface' when it is published. Mr Young was unable to answer this question but will take it back to colleagues, Mr Stewart-Roper and Mr Macdonald.

Mr Park asked what the long-term impact on the Strategy would be if the EU Referendum has a negative outcome and how this would be addressed. As above, Mr Young was not in a position to respond to this question and will revert to colleagues.

- Action – Mr Young to consult Scottish Government colleagues on responses to the questions posed on the definition of 'near site, near surface' in the Higher Activity Waste Implementation Strategy and the impact on the Strategy of Britain withdrawing from Europe.

Cllr Ogilvie noted that the Scottish Sites meeting scheduled for June has been cancelled due to Purdah and the next meeting is not scheduled until September. He asked if an update from the Scottish Government would be communicated between now and September. Mr Young confirmed that an update will be given to Site Stakeholder Groups at their meetings in June.

NHS Dumfries and Galloway

Cllr Ogilvie invited Mr Rideout to address the meeting but Mr Rideout had no comment to make.

7. External Meetings and Invitations –

NDA National Stakeholder Event, Manchester – 13/14 January 2016

Cllr Peacock reported on the event, which Cllr Dryburgh accompanied him to in place of Cllr Ogilvie who had other important business to attend to. Before the event started there was the usual Chairs meeting. An important outcome from this is that the Chair, on behalf of all Stakeholder Group Chairs, will write to the PBO and NDA with regard to the SSG secretariat, stating the agreement of all Chairs that there needs to be two full time positions for this role, not just one as is the current position. It was decided that for the next Chairs meeting all SSG's should provide a copy of their own agendas so that a comparison could be made on the business carried out at general meetings. Nigel Low has been appointed as new NDA Operating Manager for Magnox and Dounreay sites.

Day 1 of the Conference opened with John Clarke, NDA Chief Executive, advising that the Treasury Spending revenue settlement for the NDA is £16 billion. This was considered to be a good award for the NDA but it is committed to savings of £1 billion over the settlement period. Mr Clarke provided updates on the positions with different sites and any milestones reached and challenges overcome. The only fuelled reactor site left within the Magnox estate is Wylfa. There was a presentation on the new structure at Sellafield to Sellafield Ltd with a Board and Management team. Questions were invited and Cllr Peacock asked Mr Clarke if the NDA was still committed to the figure of 25% when procuring contracts towards SME's, given the commitments within the spending review on efficiency savings. Cllr Peacock was delighted to hear that not only is the NDA still committed but is raising the figure to 31% over the next period. The NDA will continue with plans for Interim Care and Maintenance. A number of questions were asked by Union representatives regarding the new structure for Sellafield and although this is an important subject, Cllr Peacock felt the conference was high-jacked somewhat on this matter and this topic would have been better dealt with in direct discussions with the appropriate management teams.

The NDA's Finance Director, Mr David Batters, informed attendees that the NDA Archive Centre at Dounreay would open in 2017. The Magnox consolidation period for the new PBO was taking longer than expected but would be complete by the end of February and Bradwell will be the first site to enter Care and Maintenance. The evening provided a good opportunity for networking and catching up with new and old acquaintances over dinner, including the chance to talk with some of the NDA Directors.

Day 2 began with a presentation on the progress with the GDF and an update on the work of the Radioactive Waste Management Team. Adrian Simper gave an update on the drafting of the NDA's new Strategy 3. A new format of splitting into smaller groups in different rooms was introduced to this Conference and presentations were made by specialist teams on the subjects of Waste Management; Research and Development; Stakeholder Engagement; People (incorporating skills and capability); and International Relations. Cllr Peacock found this to be an effective way of having a more direct discussion with specialists on subjects and being able to put forward individual questions and answer situations and he would support this way of interacting in future conferences. Again, Cllr Peacock found the Conference to be worthwhile attending, informative and a good networking opportunity and would hope to attend in the future.

Questions and Observations

Cllr Dryburgh disagreed with Cllr Peacock's observations on the number of questions from Union representatives dominating this part of the Conference and he congratulated Magnox Union representatives on their support of members.

Cllr Dryburgh expressed a preference for the continuation of National Stakeholder Group events and would not wish to see this split into separate regional events.

Mrs Ward advised that the NDA had noted that the preference of Site Stakeholder Groups is for a single national event. Mr Park added that he supports a national event as feedback from the whole estate is received.

Cllr Marshall added that Site Stakeholder Group also wish to retain one national event and not regionalised meetings.

8. CoReS / Beyond Chapelcross - Year 4 Report

Mr Jason Syers reported that there had not been a CoReS meeting since the last Site Stakeholder Group meeting, the next one being scheduled for June.

As reported at the last SSG meeting in December, two of the Officers of the Beyond Chapelcross Project had left the project due to personal circumstances. Unfortunately the recruitment process was taking longer than anticipated due to a lack of applicants, likely to be due to the short-term contract period. The posts had now been readvertised nationally. As an interim measure and to maintain momentum on the project, the activities of the two posts have been mainstreamed into Mrs Brown's and Mr Syers' Staff Teams within the Council and were being supported by existing staff members. Mr Syers confirmed that Dumfries and Galloway Council has met with the NDA regarding the next phase of the Beyond Chapelcross Project, which proved to be a positive and enthusiastic meeting. The Chapelcross Development Framework sets the platform for the next piece of work. The workforce transition is coming to a natural end and has less of a focus in the Development Framework. The next phase focusses on the recycling and reuse of the site. The Development Framework Plan builds on the work undertaken by Gillespies to form a vision and it is hoped to conclude this Plan by the end of the summer allowing a seamless transition from Phase 1 to Phase 2. Site works at Gretna Central Avenue are on programme and on track for completion in October 2016.

Questions and Observations

Cllr Marshall noted the unfortunate delay in recruiting new Project Officers after the departure of the two key Officers. He noted that the workload had been mainstreamed into Council Teams but felt that progress would be slowed down without a dedicated workforce and this did not appear to correlate with what Mrs Brown reported at the December meeting. Mr Syers clarified that a member of his team is working 3-4 days/week in Annan to minimise the impact. Another member of the team is working on derelict heritage buildings in Annan and there has been no dilution of progress with the project due to the resources deployed.

Cllr Peacock noted that negotiations for the second phase of the project are taking place now and asked the timescale for the project. He also asked who members should contact with any queries in the absence of dedicated personnel. Mr Syers advised that Mr Michael Smith of his team is overseeing the project and any questions should be directed to him. The next phase of the project has an initial five year life cycle but looking at the tasks ahead and development opportunities a longer period would be favoured. At the same time, strategic opportunities are being addressed and the current marketplace is being managed. Four enquiries have currently been received for the GLA corridor which is very positive.

Cllr Dryburgh asked if there had been any further communication regarding the conflicting views on an Energy Park. Mr Syers advised that a positive meeting of a group headed up by the Chief Executive of Loreburn Housing Association had been held and there is a strong desire to include potential partners. Mr Syers added that the Council is trying to coordinate the different groups to get alignment and a coherent proposition by harnessing the enthusiasm and knowledge.

Cllr Marshall asked if the Final Report on the Chapelcross Development Framework is available on Dumfries and Galloway Council's website. Mr Syers confirmed that the report can be viewed on the Council's website.

Mr Park was encouraged by what is being done and would like to see new industry and new employment as part of the redevelopment of the site. He would like to see examples and not just plans and referred to the former housing estate at Chapelcross, a new one of which would cut down emissions and be more sustainable. Mr Syers responded that the strategic Chapelcross Development Framework Plan looks at a mixed-use site with a variety of complementary options. Housing may be more difficult, but not impossible, due to people's scepticism of the site's nuclear history.

Cllr Ogilvie was pleased to note that there is another tenant in the Business Park.

9. Any Other Business

Mrs Callander advised of SEPA's public consultation on proposed new guidance on 'Requirements for Release of Nuclear Sites from Radioactive Substances Regulation'. The proposed new guidance has been produced jointly by the Scottish Environment Protection Agency (SEPA), the Environment Agency (EA) and Natural Resources Wales (NRW), together referred to as "the environment agencies" and is being managed by SEPA on behalf of all three environment agencies.

Full details and associated documents are available on the SEPA "Consultation Hub" website: <https://consultation.sepa.org.uk/operations-portfolio/grr>.

Action – Jill Callander to email the link to the Consultation to SSG Members.

10. Public Forum

There were no questions from the public.

11. Next Meeting – Friday 10th June 2016

The Chairman thanked everyone for attending the meeting and looked forward to seeing them at the next meeting on Friday, 10th June 2016.

The meeting closed at 11.35 pm.