

## Draft NDA Business Plan 2012 – 2015

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**Summary and Recommendation:** The Nuclear Decommissioning Authority (NDA) is consulting on its draft business plan for 2012 – 2015. This report summarises the key issues relevant to Copeland Borough Council and its communities and proposes a draft response to the consultation for submission by the deadline of 3<sup>rd</sup> February. It is recommended that the comments in the draft response be agreed for submission to the NDA.

### **1. Background**

The NDA is consulting on its Draft Business Plan until 3 February 2012. Subject to Government approval, the Business Plan will be finalized and published by the end of March 2012. Whilst NDA Business Plans are three year rolling documents, this plan focuses on NDA proposals for FY 2012-13. The draft Business Plan sets out the NDA's key priorities (unchanged from last year) and the progress it expects to make across its 19 sites, in line with its October 2010 Comprehensive Spending Review funding settlement. It gives effect to the strategic theme priorities identified in the *NDA Strategy 2011-16*.

Launching the draft Plan Tony Fountain, NDA outgoing Chief Executive Officer, said:

*“The highest priority remains delivering and accelerating the work on the Legacy Ponds and Silos at Sellafield. The proportion of expenditure on these programmes has risen considerably and there is a greater sense of urgency and real progress on site. The new Sellafield Performance Plan is now being used as a basis for building our business plan targets for the site and successful delivery will ensure that critical national infrastructure continues to operate effectively. We are confident this is a credible plan for Sellafield, underpinned both technically and in terms of capability, which will give us the best chance of success.”*

### **2. Spend**

In the 2012 – 2015 draft Business Plan the NDA spend on the Sellafield Ltd sites (which includes Windscale and Capenhurst in Cheshire) rises from £1.55bn in 2011/12 to £1.63bn in 2012/13. Spending at the Low Level Waste Repository

falls from £36m in FY 2011/12 to £30m in FY 2012/13 and spending by NDA's Radioactive Waste Management Directorate (which supports the MRWS programme) also falls from £23.7m in FY 2011/12 to £19.7m in FY2012/13. Spending on Socio Economics, Skills, R&D and Knowledge Management rises from £21m in 2011/12 to £26.4m in FY2012/13.

In past years this last figure has been disaggregated to show the levels of expenditure against each activity, but this information is not available this year. In fact generally little explanation of rises and falls in expenditure is provided in the draft Business Plan and it is suggested that NDA be asked to provide further clarification.

Overall the draft Business Plan is silent on socio economic support. Given the need to plan for upskilling and retraining of the Sellafield workforce as decommissioning/new missions and new nuclear build develops, an increase in skills funding could be expected. NDA are seeking 20% reductions in "support and overhead costs" at Sellafield. A better understanding of the impact of this on local site contractors and site staffing would be helpful.

The spend above refers to 'Knowledge Management'. There is an outstanding commitment from NDA to publish a knowledge management strategy but this is still awaited. It would be appropriate to remind NDA in response to this draft Business Plan of its outstanding commitment.

### **3. Legacy Ponds and Silos**

As referred to above, NDA's priority is to remediate 'intolerable' risks in the Legacy Ponds and Silos at Sellafield. In fact a new high level NDA plan overview shows activity on the Sellafield site out to 2030/31 and indicates retrieval of unconditioned wastes as the dominant activity for the next 20 years. Whilst the need to drive down the 'intolerable' risks presented by legacy ponds and silos is strongly supported it is worth noting that decommissioning activity across the remainder of the Sellafield site receives little mention and appears largely on hold. NDA should be asked to comment on this.

Reference is made to transfers of 'breeder fuel' from Dounreay to Sellafield in FY 2012/13 and work to 'progress the capability to transfer materials off site' at other locations. NDA has promised the local authorities for West Cumbria a more comprehensive overview as to the anticipated implications for Sellafield as it progresses site restoration across its UK estate. NDA should be reminded of its commitment to provide more information on this matter.

### **4. Highly Active Liquor**

NDA will continue to prioritise the reduction of the backlog of highly active liquor (HAL) stored at Sellafield. This is a waste by-product of spent fuel reprocessing.

At its peak in the mid-1990s the backlog was circa 1400m<sup>3</sup>. According to the draft Business Plan this backlog has now reduced to 836m<sup>3</sup> and the plan is to complete the conversion of this liquid waste into a stable solid 'vitrified' packaged form (ready for disposal to a deep geological repository or return to overseas customers) by FY 2020/21, some 3 years after all spent fuel reprocessing at Sellafield ceases.

Key to completion of the vitrification campaign is the new Evaporator D under construction at Sellafield. This is the largest UK nuclear construction project but the draft Business Plan makes little reference to it other than to say that 'further module deliveries for the construction of Evaporator D will be received in FY 2012/13'. The expected plant completion date reported in the 2011/12 NDA Business Plan was FY 2013/2014. No confirmation of this date is provide in the current draft Business Plan and NDA should be asked if this date still holds good.

## **5. Radioactive Waste Management Directorate (RWMD)**

The draft Business Plan confirms that 'programme optimization including accelerated scenarios/options' is a 'key activity' in FY 2012/13. This is a reference to Government's aspiration to achieve an operational GDF by 2029 – more than 10 years earlier than currently anticipated. The West Cumbria Managing Radioactive Waste Safely Partnership has expressed its concern to Government about this. Maintaining public confidence in a GDF siting process for both surface and sub-surface facilities will be key to progress.

Further work to support implementation of Government's 'preferred policy' of plutonium recycling through fabrication of 'mixed oxide' nuclear fuel is also identified as a 'key activity' as is further work to establish with site license companies their waste co-location potential, and the 'capability to transfer materials between sites'. This latter activity has been referred to above and will begin to be felt within Copeland in 2012/13 with planned nuclear materials transfers from Dounreay to Sellafield.

## **6. Low Level Waste**

The 20 year overview of NDA key activities set out in the draft Business Plan is not very revealing for the LLWR. Work through to FY 2030/31 is summarised as 'operate LLWR and implement LLW policy'. For the coming FY 2012/13 a number of key activities are identified including 'support Environment Agency assessment of the site Environmental Safety Case' and 'determine the site optimization and closure works planning application', currently being assessed by Cumbria County Council.

Of possible concern given the experience locally may be the draft Business Plan commitment to 'Delivery of the National Waste Programme to optimize LLW Strategy Implementation' and a commitment to 'maintain the momentum of the

supply chain investment in waste treatment arrangements.’ These statements need further clarification. NDA should be asked to clarify if they refer to the need for more landfill disposal capacity (which would not be welcome) or if they are references to more treatment facilities to drive wastes up the ‘waste hierarchy’ and away from landfill disposal, or disposal at the LLWR (which would be welcome). Both statements may encompass both potential activities.

## **7. Other observations**

Return of wastes and materials to overseas customers will continue between 2012 and 2015 with further shipments of vitrified high level waste and MOX fuel. Reference is made to the transport of spent fuel. It is not clear if this is receipt or return or both. Further clarification from NDA should be requested.

For the period 2012 to 2015 the draft Plan also refers to ‘Review options for West Cumbria assets’. More information on this point will be needed so the implication can be better understood.

The draft Business Plan makes no reference to NDA engagement with the supply chain or how its procurement strategy can benefit local businesses and local communities. This is a matter of continuing concern for the local economy.

Lastly, a notable omission from the draft Business Plan is the lack of information to help stakeholders understand whether NDA’s second 5 year strategy, which the annual NDA Business Plans implement, is itself largely ‘on track’. There is a general absence of performance data in the draft Business Plan and the recommendation is that such information be included.

## **8. Conclusion**

The NDA draft Business Plan for 2012/15 reaffirms the priorities agreed in the NDA Strategy for 2011-2016 and it identifies many activities across its estate that will impact on Copeland and its communities. It flags a number of important areas of work on the Sellafield site, at the LLWR, and by NDA’s Radioactive Waste Management Directorate that potentially have significant impacts on the local economy and environment. However, there is a marked lack of detail regarding a number of key issues as identified in the body of the report and the attached draft letter of response requests further information in relation to these matters.

Appendix A –

## **Draft Response to NDA ref draft Business Plan 2012 – 2015**

David Batters  
Acting Chief Executive Officer  
Nuclear Decommissioning Authority  
Herodus House  
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Cumbria CA24 3HU

Dear David

### **Draft Business Plan 2012 – 2015**

Thank you for the opportunity to respond to your consultation on the draft Business Plan 2012 – 2015. This has been discussed at the Council's Strategic Nuclear and Energy Board on 1<sup>st</sup> Feb and the Council has the following comments, which for your information mirror those of both Cumbria County Council and Allerdale Borough Council.

1. We note spending on Socio Economics, Skills, R&D and Knowledge Management rises from £21m in 2011/12 to £26.4m in FY2012/13. In past years this figure has been disaggregated to show the levels of expenditure against each activity, but this information is not available this year. In fact generally little explanation of rises and falls in expenditure is provided in the draft Business Plan and we would welcome further clarification on these points.
2. Given the need to plan for upskilling and retraining of the Sellafield workforce as decommissioning/new missions and new nuclear build develops, we would expect to see an increase in skills funding. We also note the target of 20% reductions in "support and overhead costs" at Sellafield and would wish to better understand the impact of this on local site contractors and site staffing levels.
3. The above spend figure includes 'Knowledge Management'. There is an outstanding commitment from NDA to publish a knowledge management strategy but this is still awaited. We would welcome your further advice on this matter.
4. We welcome the new NDA draft plan overview showing activity on the Sellafield site out to 2030/31. This indicates retrieval of unconditioned

wastes as the dominant activity for the next 20 years. Whilst the need to drive down 'intolerable' risks presented by the legacy ponds and silos is strongly supported we note that decommissioning activity across the remainder of the Sellafield site appears largely on hold. We would welcome your comments on this.

5. Reference is made in the draft Plan to transfers of 'breeder fuel' from Dounreay to Sellafield in FY 2012/13 and work to 'progress the capability to transfer materials off site' at other locations. We look forward to receiving a more detailed briefing from you about the anticipated long term implications for Sellafield as NDA progresses site restoration across its estate.
6. We welcome the commitment to complete the conversion of HAL into a stable vitrified packaged waste form by FY 2020/21. Key to achieving this target is the new Evaporator D now under construction at Sellafield. We note that Evaporator D completion date reported in the 2011/12 NDA Business Plan was FY 2013/2014. No confirmation of this date is provide in the current draft Business Plan and we would welcome your assurance that construction work continues to progress to plan.
7. Regarding the LLWR we note the commitment to 'Delivery of the National Waste Programme to optimize LLW Strategy Implementation' and the commitment to 'maintain the momentum of the supply chain investment in waste treatment arrangements.' We think these statements need some elaboration and confirmation that they are not referring to more landfill disposal capacity but the provision of more treatment facilities to drive wastes up the 'waste hierarchy' and away from landfill disposal, or disposal at the LLWR.
8. We note that the return of wastes and materials to overseas customers will continue between 2012 and 2015 with further shipments of vitrified high level waste and MOX fuel. Reference is made in the draft Business Plan to the transport of spent fuel. It is not clear if this is receipt or return or both. We would welcome your clarification on this point.
9. For the period 2012 to 2015 the draft Plan also refers to 'Review options for West Cumbria assets'. More information on this point would be welcome so that we can better understand the implications.
10. The draft Business Plan makes no reference to NDA engagement with the supply chain or how its procurement strategy can benefit local businesses and local communities. As you will be aware, this is a matter of continuing engagement between the local authorities for West Cumbria and the NDA. The draft Business Plan should acknowledge NDA's socio economic responsibilities in the procurement of supplies and services.

11. A notable omission from the draft Business Plan is the lack of any information to help stakeholders understand whether NDA's second 5 year strategy, which your annual Business Plans implement, is itself largely on track. There is an absence of performance data in the draft Business Plan which the Council would wish to see included.

I look forward to receiving your comments on the above points in due course.