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Dr Adrian M. Simper
Investment & Programme Strategy Manager

NDA Headquarters
Herdus House
Westakes Science &
Technology Park
Moor Row
Cumbria CA24 3HU
T +44 (0)1925 802001
F +44 (0)1925 802003

NDA Switchboard
T +44 (0)1925 802300
www.nda.gov.uk

4 August 2006

Mr David Moore
West Cumbria Sites Stakeholder Group
Via Shirley Williams
British Nuclear Group Sellafield Ltd
Seascale
Cumbria
CA20 1PG

Reference: AMS/NDA0044

Dear David

Discussion on the Future of the Windscale Nuclear Licenced Site

The NDA's approved strategy considers the possibility of amalgamating the Windscale Nuclear Licensed Site and the Sellafield Nuclear Licensed Site. It also sets out the NDA's intention to remove Calder Hall from the Sellafield Nuclear Licensed Site and to place it within the Magnox Northern Bundle. The NDA now wishes to commence the discussion process identified in our strategy. I am therefore writing to you to seek your views on the relation between the Windscale and Sellafield sites.

NDA recognises the achievements of the UKAEA team at Windscale in their successful delivery of NDA's programme at Windscale. NDA's purpose in considering some form of amalgamation is to remove the inefficiencies associated with the nuclear site boundary between Windscale and Sellafield in order to facilitate NDA's mission in cleaning up the nuclear legacy at the Greater Sellafield site.

For the purposes of this discussion you should assume that the Calder Hall Site will become a separate Nuclear Licensed Site, licensed to Magnox Electric Ltd ('Magnox Northern Bundle') with associated transfers of staff, Discharge, Authorisations etc.

Options for the Windscale Site range from the *status quo*, through integration of the site with Sellafield with UKAEA operating the site as a large scale Tier 2 contractor to BNGSL, to wholesale integration with Sellafield. Our reference proposal for this consultation is for wholesale integration as follows:

1. The Sellafield Site will be re-licensed with a geographical scope including the current Windscale Nuclear Licensed Site and excluding the current Calder Site. The Licensee for the Sellafield Site to be British Nuclear Group Sellafield Ltd.
2. UKAEA employees at Windscale transferring to British Nuclear Group Sellafield Ltd. will do so under their existing terms and conditions and with continuity of service.
3. Discharge Authorisations and similar instruments relating to the Windscale Site to be transferred to British Nuclear Group Sellafield Ltd.
4. Existing UKAEA subcontracts will be transferred to BNGSL.

Where appropriate the powers of Nuclear Transfer Schemes will be used to affect the transfers.



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The timing of this restructuring event will be determined by the time necessary to complete the necessary steps, however, if the reference proposal were to proceed, NDA anticipates restructuring by March 2008.

NDA would welcome your views on:

- a) The principle of amalgamation of the Windscale and Sellafield sites.
- b) Alternative approaches for achieving the benefits of integration.
- c) The timing for any amalgamation of the Windscale and Sellafield sites.
- d) How best to implement any amalgamation of the Windscale and Sellafield sites including consideration of how to preserve the positive aspects of UKAEA's business delivery unit at Windscale.

NDA will consider any responses to this letter in coming to a final decision on the future of Windscale. No formal process has been chosen at this time as the evaluation will depend on the nature of the submission, however, NDA will take into account:

- Evidence supporting or contradicting our belief that significant benefits can accrue from removal of the licensed site boundary.
- Alternative organisational and/or contractual arrangements achieving the same or better benefits.
- Factual matters which constrain the flexibility of the chosen solution.

Responses to this letter should reach me at the NDA Headquarters address shown in the letterhead by noon on Monday 18th September 2006.

The list of bodies being consulted are:

1. United Kingdom Atomic Energy Authority.
2. British Nuclear Group Sellafield Limited.
3. Health and Safety Executive, Nuclear Installation Inspectorate.
4. The Environment Agency.
5. West Cumbria Site Stakeholder Group.
6. UKAEA employees at Windscale.

As identified in our Strategy, this is a discussion and I am happy to meet with interested parties either together or separately during the period leading up to 18th September. NDA expects to make its final decision before the end of September 2006.

Yours sincerely



Dr. Adrian Simper
Investment & Programme Strategy Manager

T: 01925 802035
M: 07976 851483
F: 01925 802196
E: adrian.simper@nda.gov.uk

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