

Proposed Draft Response to The Nuclear Decommissioning Authority's First Strategy

1. Introduction

Allerdale and Copeland Borough Councils jointly welcome the opportunity to comment on the Nuclear Decommissioning Authority's Draft Strategy. Our two local authorities are democratically elected by local people to represent their interests. Copeland Borough Council is a statutory consultee on the strategy. Government expects that Local Authorities continue to strengthen their community leadership roles and it is in that capacity that we respond. The NDA programmes will be the major driver that will shape the Copeland Community for years to come. 75% of Sellafield employees live in Copeland and all the nuclear licensed sites in Cumbria are located in the area. There will be substantial impact on Allerdale which provides the majority of the remaining workforce for the industry locally. We hope the NDA will fully understand this and give appropriate weight to the views of the two Councils when taking the strategy forward. This response has also been subject to consultation with other partners as shown on the attached list who support the content of this response, which has been approved by meetings of both full Councils. We wish to make the following comments in response to the consultation:

Firstly, we appreciate the NDA's commitment to earning public trust and the respect of national and local stakeholders. We also believe it is critical to act openly and transparently in order to generate public confidence; indeed it is the **only** way forward. The document was clear, concise and organised in such a way that it was easy to understand.

2. **Decommissioning and Clean-up**

Site Closure & End States

The Councils welcome the NDA's process of agreement on site end-states and end dates via a separate stakeholder consultation including engagement with Site Stakeholder Groups (SSG).

The Councils recognise the complex nature of Sellafield Nuclear Site and request that discussions on its end state and end date should not be rushed and should fully engage local stakeholders. In particular due recognition will have to be given to the role of the Local Planning Authority and Local Development Framework processes in considering future uses for the site.

As a matter of principle, we do not that believe that sites in Copeland should be treated less favourably than sites elsewhere in the country. We believe that industry that despoils land and buildings have a duty to the local community and society at large to put right contamination and return the site to its original condition. Any intention to reclaim sites to a lower standard should not

disadvantage the community affected. Therefore, incomplete clean up should only be carried out with the agreement of the community as represented by their local authority. This will need clear benefits to the community to arise from accepting a lower standard to offset the detriment.

Higher Hazard Priorities

We are pleased with the NDA's approach to prioritisation of higher hazard areas, that is the legacy facilities of Sellafield and Dounreay. In particular we welcome the higher priority given to the legacy ponds and silos retrieval project at Sellafield. It is essential that the greatest hazards on the site be removed as quickly as possible.

As you know we are keen to work with the NDA and other partners on a campaign to transform the external image of West Cumbria. Decommissioning of high hazard facilities provides an opportunity which, if carefully managed and publicised, has the potential to embed new images of West Cumbria being cleaned up and hazards removed in the wider public perception – thus creating new opportunities for our area. We are keen to work with the NDA in managing this change in perception.

Whilst recognising and supporting the need for prioritising high hazard priorities we would ask that top priority was given to ensuring that the number of employees needed to deliver contracts on West Cumbrian sites was kept as steady as possible although this may mean mixing high and lower priorities to create this stability.

In addition, we understand that the priority given to high hazard project areas will need to be reflected in the priority given to the downstream treatment of waste generated as a result of the work stream. There needs to be clear integrated management between waste generators, waste treatment and end receiver plants e.g. LLWR at Drigg. It is our current understanding that the current philosophy at the LLWR at Drigg is one of equal status between generators and does not give priority. This would evidently have significant impact to higher priority programmes. We would be interested in understanding further the impact of this prioritisation downstream.

Contaminated Land

The Councils are jointly concerned with the vast amount of contaminated land at Sellafield, which has been estimated at 20 million cubic metres. Our primary concern is to what extent the contamination may create a hazard, disbenefit and stigma to the public, workforce and environment, and future generations. We request that a clear and robust contaminated land survey of the whole area be carried out and progress be reported on a regular basis.

Magnox Reactor Programme

Both District Councils understand the principle of accelerated decommissioning at UK Magnox Power Stations and in particular Calder Hall.

The concept of reducing the period until a power station reaches a Care and Maintenance stage from 25 years to only 5 years has clear benefits to the environment and the tax payer.

However, we would like to make sure that this does not lead to a short-term bulge in employment necessitating the influx of temporary contract worker. Whilst longer term work available for local people would suffer. We would like to explore this further with you before coming to a conclusion on this issue.

In addition, we are concerned that there would be little provision for the volume of waste generated during this accelerated programme, as UK policy decisions on both ILW and LLW repositories would also need to be accelerated.

3. Waste Management

High Level Waste & Intermediate Level Waste

Options for the long-term management of High Level Waste (HLW) and Intermediate Level Waste (ILW) are currently being reviewed by the Government's independent committee CoRWM. The Councils recognise the NDA's position with regard to waste policy and understands there will be a need for a strategy review following the outcome of the CoRWM process. We also recognise and support the NDA in requesting Government to deliver a timely policy decision, as the delay in policy would have significant implications to accelerated decommissioning programmes at reactor sites and would impact on interim ILW storage decisions.

With regard to the rationalisation of storage locations for ILW pending the availability of a disposal facility, we would have serious concerns if West Cumbria were used as a centralised interim storage location. This would prejudice a future siting decision for a repository or other permanent facilities and concentrate perceived hazard and risk and associated stigma in our area to our further detriment. Increasing the amount of the U.K.'s waste stored locally will increase the likelihood of a disposal facility being in West Cumbria. Copeland Council has maintained a consistent policy in recent years that additional ILW from outside this area should not be moved to Copeland on an interim basis.

The Councils believe that an early decision on the final disposal method for higher level wastes and the location, or locations, for this should be determined as soon as possible. We believe that recent announcements by Government that the future of the nuclear energy option needs to be resolved within this parliament increases the chances of a rapid decision on disposal. It would be inappropriate for decisions on rationalisation on an interim basis to be taken in advance of that.

Copeland Borough Council takes the view the local community represented by Local Councils should have a veto over the import of radioactive waste into

their communities and that no community should be an unwilling victim. We believe that the presence of radioactive waste creates significant detriments for our communities and no community should have such detriments forced on them. Copeland Borough Council has made it clear that it is prepared to explore with Government whether there could be any circumstances under which local communities would be prepared to accept the role of housing radioactive waste on a long-term basis. Any such discussions would need to build on the principle established internationally, that receptor communities should be in receipt of offset packages that are appropriate in relation the intergenerational effects and scale of development proposed

The Councils do not accept the proposition that it is equitable for West Cumbrian communities to host waste generated in their own areas because they have received benefits from previous nuclear operations. Nuclear facilities in West Cumbria were installed to meet a national need and not a local need; the benefits have therefore been national whilst most of the detriment has been local.

Whilst the Councils understand that recommendations on disposal of higher level waste is the remit of CoRWM, we would like to make clear that our support, is at this stage, for phased deep disposal.

Low Level Waste

The NDA have raised some key issues with regard to the future role of the Low Level Waste Repository (LLWR) within the changing national Low Level Waste (LLW) Strategy, currently being reviewed by Government (DEFRA). The Councils support the NDA's view that the remaining capacity at the LLWR site at Drigg should meet local (West Cumbrian) needs, including reprocessing waste requirements, rather than be assumed to provide a single solution to LLW and decommissioning waste management.

The Councils recognise that there are both, key UK policy decisions to be made and, regulatory concerns with regard to climate change and subsequent coastal erosion issues, which question both the role and location of the LLWR. The Councils feel that to make any decisions that consider the future of the LLWR would be premature given the current uncertainty due to the aforementioned issues.

We believe that the current uncertainties should rule out further **disposals** at the Drigg site and it should be considered as a storage site until these issues are resolved. The NDA may wish to consider the proposed timing of competing this site in the light of current uncertainties. We also feel that historic disposal should not be ignored and stakeholder engagement should take place over the issue of the tumble tipped trenches to consider whether these should be reclaimed and stored in a way that is up to current standards.

Copeland Borough Council has formally taken the view that no further increase in capacity at the LLWR should be allowed until the industry reaches agreement with the Borough Council on a package of "offset" measures to

compensate for the presence of a radioactive waste facility in its area. Such arrangements are common-place in various parts of the world and are used to deal with the issues of equality between communities that are affected by the siting of radioactive waste stores and repositories.

We also note the NDA's desire to reduce costs at Drigg and we would be interested in seeing cost comparisons as there appears to be conflicting information on where Drigg sits in terms of comparative costs. We understand that methods of disposal can vary significantly depending on local circumstances. For example, tumble tipping may be acceptable in parts of the U.S., thus bringing down costs but would be concerning in a more densely populated country as our own. Related to this we should be seeking to maximise waste minimisation and recycling. This is not best served by reducing the cost of disposal. An interesting comparison can be drawn with domestic landfill and the Landfill Tax System. Copeland Council policy in relation to an offset package for the LLW facility is consistent with the principle applied in the current system of Landfill Credits for standard landfill arrangements such as that operating at Distington.

4. Commercial Operations and Assets

THORP

Both Councils recognise the current uncertainty for the future of the THORP plant at Sellafield and that the decision rests with Government. We would support the concept of maximisation of the net income from reprocessing to go towards offsetting the cost of decommissioning. The Council feels strongly that every effort should be made to make the plant operational again as soon as possible. Not only is it important for NDA income to support clean up, but also for local employment and its impacts on the NDA's socio economic duties. There are clear severe local and immediate economic consequences if the plant closed early. There would need to be a provision of substantial mitigating measures to offset the effects including retraining of the workforce and other socio-economic initiatives.

Furthermore, we recognise and support the strategic importance given to THORP as a means of managing AGR fuel. It should be noted that THORP ponds have planning permission only for spent fuel to be reprocessed in the facility and not for storage of spent fuel per se.

Sellafield MOX Plant (SMP)

We fully support the NDA's strategy to run the commercial operations in an efficient and effective manner. We also support the NDA's recognition of the strategic importance given to SMP in relation to the management of the UK stock of plutonium. We support the operation of SMP and hope that the facility can be fully utilised as soon as possible. The full operation of the plant is important to the local economy and as your Strategic document confirms may be able to play an important role.

The Councils recognise that the NDA has acquired a variety of 'off-site' assets and liabilities, we would ask the NDA to show a clear process of how they intend to dispose of them. When considering the disposal of assets we would ask that you work with the Council in considering whether they can play a part in delivering alternative benefits to the local community.

The Councils believe that reprocessed waste products arising from contracts from overseas operators should be returned as soon as possible. In response to the consultation on Waste Substitution, Copeland Borough Council's position was that, although it recognised the arguments around returning an equivalent radiological value of waste but a lesser volume, we could only accept substitution provided that appropriate measures were put in place to protect the image of the area. This is because the general public would not differentiate between different kinds of waste but would simply see West Cumbria now adopting the role as an 'international' dump for radioactive waste. In actual fact, this view was proven to be correct when the decision was announced as it was presented in the media in that way. To deal with the issue we asked for investment in image development for the area linked particularly to marketing related to tourism development. Up to now we have had no response to our concerns from the Department of Trade and Industry. We expect the NDA to take our needs into account in this matter forward.

5. Management of Nuclear Materials

Plutonium Stock

Both Councils are pleased the NDA plans to discuss with Government what proportion of civil plutonium should be held as strategic stock for future energy requirements. Furthermore, we support the concepts of sale of UK plutonium for overseas Mixed Oxide Fuel (MOX) manufacture and the repatriation of foreign owned material as MOX fuel. However, priority should be given to MOX fuel manufacture at SMP as long as it is safe and economically viable to do so.

6. Competition and Contracting

Competition

The strategy document states that the NDA plans to launch competition for the LLW facility in Copeland and the proposed LLW facility at Dounreay in 2006. To comment specifically on the Copeland LLW facility, in the context of contracting, Copeland Borough Council recognizes that it is a small site in comparison to many nuclear sites and therefore would be fairly straightforward to compete. Indeed it is an ideal candidate for the NDA to prove its contracting procedures.

However in the light of uncertainties about the future of the LLW Site as referred to in section 2 the NDA might want to consider whether it is still feasible to draw up a firm contract specification both. In any event our Councils request that it is made clear that any approvals for storage or disposal

of ILW/LLW at Drigg should be temporary pending the emergence of clear and definitive national policy for handling the whole UK radioactive waste inventory. (See Section 2).

The Councils are concerned about the impact of competition on the workforce of current operators. Whilst our understanding is that the majority of the workforce will remain unchanged certain levels of management will be affected. Whilst probably a relatively small number will be affected compared to the total number employed, they will often be people who are well assimilated into local society and make a very significant community contribution through active involvement in charities, schools, boards partnerships and events. This has been facilitated by the attitude and encouragement of BNG. There is the potential for a change of contractor to have major impact on this. For example, fixed term contracts are less likely to result in key personnel making this area their permanent home and may simply result in more commuting in and out of the area. They may have a different attitude to supporting their staff's engagement in local volunteering etc. We would like the NDA to give this issue some thought and discuss with us proposals that would ensure that competition would not lead to a reduction in community contribution currently received from the industry which is one of the strengths of the West Cumbrian scene.

Contract Policy & Procurement

Allerdale and Copeland are pleased to note that the NDA acknowledges that it does not see socio-economic issues in isolation and that it is their intention to maximize opportunities for local people and businesses arising through decommissioning and clean-up and to build a strong network of companies to serve the needs of the nuclear decommissioning industry. Furthermore we would urge the NDA to develop clear methods in order to maximize opportunities for local people and businesses arising through decommissioning and clean up.

We strongly support the NDA with regard to the procurement of locally based companies and individuals. In relation to EU procurement, we believe that the NDA has taken legal counsel on the wording in the Energy Act to identify what support this might give in relation to the interpretation of competition rules. We urge the NDA to monitor their performance with mutually agreed Key Performance Indicators to support local business and relevant actions to be taken forward by Business Support Agencies to strengthen the capability of local companies.

The Councils request that the strategy document contains clear requirements with regard to procurement by the NDA from its main contractors, including Tier 2 and 3 contractors in relation to the socio-economic agenda . We have concerns about the EU Procurement Rules and the significant restriction it places on the procurement of locally based companies. We request that the NDA consider the possibility of a system of 'weighting' during the pre-qualification stage, which might support the afore mentioned prior to the ITT stage.

We would like to see that requirements placed on tier one contractors by the NDA, in relation to socio economic responsibilities are, as far as possible, cascaded through to subcontracts for tier two and three contractors. We believe this should be a requirement of the contract between the NDA and tier one contractor.

7. Innovation, Skills, R&D and Good Practice

Skilled Workforce

The Strategy Document clearly shows the NDA's commitment to work with others to establish a nuclear skills institute based in West Cumbria, a national nuclear skills academy, a national research laboratory and an industry-wide pension scheme.

As key stakeholders the Councils are closely involved with the NDA, Partners and NWDA in assisting the development of the above initiatives, which we strongly support. We will continue to support the NDA and other partners in developing skills across the whole spectrum from NVQ to research degrees required to deliver the decommissioning remit.

It is very important that the benefits of these initiatives are, as far as possible, captured for the industry and for West Cumbria and we would urge that as much as possible of the economic activity generated is retained locally, so that we start developing a new base of activity which will offset job loss impacts in the area in which they occur.

The nuclear industry provides by far the largest pool of local skills in West Cumbria. As we attempt to transform the economy it is important we find a way of harnessing the skill the industry releases to support the development of new economic activity. It is also important that individuals no longer required by the industry are provided with support to develop alternative opportunities. We would be very interested in discussing with you the potential for the NDA supporting a local 'enterprise centre' that can develop new businesses from the local skill and knowledge resource that will be released.

We would also be interested to explore how intellectual property developed within the industry could be harnessed to support the development firstly, of the proposed Nuclear Institute, and then secondly, of new enterprises locally. Particularly important is the development of any potential to diversify into new areas. For example we would like to see more emphasis being put on the potential of linking nuclear related epidemiology and radiology into the wider health agenda. This might include consideration of the development of related hospital teaching facilities in West Cumbria.

We would also like to see robust workforce planning linked to reviews of the Lifecycle Baselines. Advanced notice of workforce changes will allow better consideration of socio economic issues in the sites prioritisation programme. It will allow better advanced planning of retraining and small business

development. It would also provide information, which would be of value in encouraging other new businesses to move to the area to benefit from skills being released.

8. Financial Requirements

Efficiency Gain

Allerdale and Copeland Councils welcome the NDA's drive for efficiency gain and recognize the complexity of striking the right balance in determining the funding allocation across all sites. We urge the NDA to show clear methods of monitoring their contractor's performance where savings have been made in order to ensure there is no reduction of quality or programme slippage. This is specifically applicable to Tier 2 or 3 contractors where the efficiency savings have been passed down from the Site Licence Contractor (SLC).

Prioritisation Process

It is evident that lifetime decommissioning costs are somewhat higher than previously estimated. It is important for West Cumbria that a fair and clear prioritization process is developed ensuring due commitment to West Cumbria's community needs with regard to timing and continuity of spend.

9. Socio-economic Developments and Stakeholder Relations

The Council believes that the NDA's socio economic responsibilities arise as a result of the need to manage the impacts of job loss arising from the decommissioning of the industry in Copeland. The economic impacts of this will be concentrated in West Cumbria and measures need to be taken to ensure the process of economic transition is managed. We welcome the statutory responsibility in relation to this and the NDA's clear enthusiasm for signing the Memorandum of Agreement which sets out objectives and roles and responsibilities.

The Councils request that a clear distinction is made between actions arising from this commitment and offset measures that may be agreed as a consequence of carrying the burden of hosting radioactive waste for the nation, as currently takes place at the LLW facility, or accepting other forms of nuclear related detriment on behalf of the nation. In nuclear timescales the former is a relatively short-term issue and the latter, which is potentially intergenerational, is very long term.

Savings Related Funding

We welcome the NDA 's intent to provide funding for socio economic development and would need to know about how the proposed mechanisms would work in practice and look forward to seeing the further details that you refer to in the document.

BNGSL are required to deliver savings of 7% and 5% in the next two financial years and, 2% thereafter. At a spend of £1bn per year on decommissioning; this amounts to £50m in the first year, £70m in the second and £20m for each of the following years.

We need to understand how these savings will be achieved and whether there will be implications for job losses in the short term, or longer term, and more specifically how this will affect business in the supply chain. It is important however that the NDA and its partners and contractors align with the aspirations and strategies in West Cumbria, in particular through the development and delivery of the emerging masterplan for West Cumbria which will feed into the deliberations of the West Cumbria Strategic Forum and the local Community Plan

The Councils request that clarification be given in the strategy document with reference to 'savings related funding'. Firstly, there needs to be clarification on:

- How the NDA will negotiate on the proportion of those savings, which will be made available to fund socio-economic initiatives.
- How the funding will be prioritised
- How the funding will be made available to the local authorities and its partners to deliver strategic initiatives.
- A clear process of stakeholder engagement with regard to influencing SLC's socio-economic plans.
- How the original cost is determined prior to identifying what savings have been made. If this is determined by reference to costing in Lifecycle Baselines that are based on unrealistic assumptions of what the community may find acceptable we would be concerned that stakeholder involvement may legitimately move costs upwards reducing savings available for socio economic activities. We would not want to be in a position where it is a choice between a proper job being done, from the community perspective, and socio economic investment. We would need to be sure that the cost base on which savings were sought was derived from full understanding of what are acceptable approaches and end states

We would be concerned if there was a risk that 'funding through savings' meant there was no certainty of resources being available for these activities and this reflected a lower priority be given to socio economic matters than for other elements of the programme. We would prefer to see a minimum amount being committed to in budgets with the potential of this being enhanced by savings.

Site Stakeholder Groups

The Councils support the NDA and welcome their transparent approach to public engagement and we recognise the important role Site Stakeholder Groups will have in achieving public awareness and confidence as part of the decision making process

National Archive & Preservation of Calder Hall Reactor

The Councils welcome the comments made in the Strategy Document with regard to the development of a museum and national Nuclear Archive..

The Councils support the concept of preserving Calder Hall Reactor One Building. The nuclear industry is part of Copeland's industrial heritage and we were interested to note that its design and condition are such that it lends itself to conversion into museum pieces.

We would request the NDA involve the Councils and their partners in the feasibility study and consultation process. We believe there is great potential for a National Museum, which could trace the history of nuclear development covering military and civilian use including the cold war etc. Consideration could be given to developing a 'heritage park' around this theme. The councils would be happy to assist in securing other matching funding for such an initiative such as Heritage Lottery Funding

9. Health, Safety, Security and Environment (HSSE) Policy

Public health and safety and care for our environment are the Councils primary concerns and we welcome the NDA's clear goals, which are simple; no accidents, no harm to people, and no damage to the environment. Furthermore, we support the commitment the NDA has shown in operational areas and their willingness to require continual improvement by their contractors.