

<b>Meeting:</b>	NuLeAF Steering Group, 11 July 2013
<b>Agenda Item:</b>	7
<b>Subject:</b>	Service Plan 2012-14 Update
<b>Author:</b>	All
<b>Purpose:</b>	To update members on progress with the actions set out in the NuLeAF Service Plan 2012-14 not covered elsewhere

### **Introduction:**

This paper covers progress in all the main areas set out in the Service Plan, excluding those for which a separate paper has been provided.

- Submarine Dismantling Project (PM)
- Financial update (CD)
- Liaison with LGA (PM)
- Government Response re Justification for Plutonium Recycling (SK)
- Service Plan (proposed 'report card' on 2012-14 Service Plan/draft Service Plan for 2013-15 to be prepared for presentation to October SG and AGM) (SK/PM/CD)

### **Recommendations:**

1. The Steering Group is recommended to comment on, and agree the draft 'report card' for circulation.
2. The Steering Group agree that officers prepare an up dated draft Service Plan for the period 2013/15 for presentation to the October 2013 Steering Group and AGM.

### **Contribution to 2012/14 Service Plan:**

This report provides a note of progress against areas of the Service Plan, enabling members to assess the extent to which NuLeAF is delivering against the objectives set.

#### **1. Submarine Dismantling Project**

The MOD has now confirmed that the 27 decommissioned nuclear subs will be dismantled at Rosyth and Devonport (where the subs are currently located) rather than at any other site.

The first submarine to be dismantled will be at Rosyth. A range of permits have to be sought so work is likely to start in 2016. It is currently expected that on average 1 sub per year will be dismantled from 2016, meaning that

work will extend until the 2040s. One option they are considering is whether Low Level Waste (LLW) could be removed at an earlier stage, before the Reactor Pressure Vessel (RPV) itself.

All RPVs will be stored at a site, yet to be agreed, in a new building. MOD is looking at its own sites and has asked the NDA to offer sites on their estate. Private contractors have also been invited to bid. It seems likely that the final location will be on MOD or NDA land given the long time commitment and low financial return on storage of a very limited part of the nuclear inventory.

Crucial to the next stage of the SDP will be Public and Stakeholder engagement (PSE). Four stages of engagement are planned over the next few years, on both the site selection and the accompanying Strategic Environmental Assessment (SEA). Engagement events will be held at shortlisted storage sites once these have been identified. These meetings will take place in 2014. In 2014/15 there will be a further stage of engagement around the post consultation option analysis.

The project has until now been guided by an Advisory Group involving a wide range of stakeholders including NuLeAF. Engagement will now be overseen by a smaller group with the main Advisory Group dormant and only revived if it is felt there is a need. Les Netherton has been confirmed as Chair of the new group. NuLeAF is a member of this new group and will continue to be actively involved in the next stage of the process.

## **2. Business Support and Member Services**

It was agreed at the AGM in October 07 that NuLeAF's accounts be audited by Suffolk County Council on an annual basis. The sixth annual audit has recently been completed. Audit Services found the records provided (both manual and electronic) to be in order and "Administration and audit trails are clear, concise and easy to follow," and rated the overall accounts to be "Effective". The main findings of the report were:

- "Whilst VAT is usually treated correctly, there were occasions when it has not been reclaimed, or where it is not known if VAT could be reclaimed due to the type of card receipt produced for reimbursement,
- Audit have recommended that clarity be obtained over what is acceptable expenditure outside normal transactions (e.g. leaving present for staff member, gratuities added to restaurant bills)."

The Income and Expenditure Statement for 2012-13 was checked and verified. Income was £108,394.22 and expenditure £108,785.97. The small deficit has been met from reserves. The income figure includes £6,041.72 in respect of commissioned work for the Low Level Waste Repository which has been carried out in FY 2013-14.

In terms of the current financial year (FY), NDA has again made an increased contribution in the current financial year (£75,000 against £50,000 in previous years). However, applications for funding have to be made each year and this increased payment cannot be relied upon.

A shortfall of £16,266 is anticipated at the end of FY13-14, which can be met from reserves.

### **3. Liaison with the Local Government Association (LGA)**

NuLeAF's Co-Directors met with Caroline Green and Piali Dasgupta of the LGA on June 5<sup>th</sup>. The aim of the meeting was to raise awareness of NuLeAF's role and to explore the work of both organisations. The LGA is facing significant challenges following a further reduction in Government funding, and it is likely that the staff and resources involved in issues related to the work of NuLeAF will diminish.

The meeting focussed on the Managing Radioactive Waste Safely Programme (MRWS) and the ways in which the LGA and NuLeAF could help engage local authorities in future work around the identification of a site for a Geological Disposal Facility.

LGA provided useful advice about engagement with the wider local authority network around MRWS. Through LGA, NuLeAF is now seeking to engage with the Local Enterprise Partnership (LEP) network and to place an article in the Autumn on the MRWS process in the LGA's 'First' magazine.

### **4. Other consultations: Government Response to the management of the UK's plutonium**

The Government's preferred option for managing the UK plutonium stockpile – reuse as mixed oxide fuel (MOX) - was set out in DECC's response to the consultation on the long-term management of UK plutonium in December 2011.

In May 2012 DECC sought views on proposals for making justification applications and justification decisions concerning the end-to-end process for the reuse of plutonium. NuLeAF responded to this consultation<sup>1</sup> broadly agreeing that it is sensible to issue guidance to applicants and we commented on the issues that should be considered in justification applications, particularly the need to be site specific and disaggregate the costs and benefits nationally and locally. NuLeAF's points have not been directly addressed in this DECC response.

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<sup>1</sup> [Comments on the proposed justification process for the reuse of the UK civilian plutonium stockpile](#)

DECC reiterate that the purpose of justification is to assess whether the benefits of any new practice using radioactive materials will outweigh potential health detriments. It is not the purpose of a justification process to weigh the costs and benefits of different practices using plutonium to identify the most beneficial practice. Decisions about which technology to deploy will be for an applicant.

Currently, there are two reactor options for burning plutonium being assessed by the NDA, and a third option, currently preferred by Government, for MOX fuel fabrication and burning MOX fuel assemblies in either new nuclear reactors or dedicated MOX burning reactors (or a combination of both). Given all the uncertainties, Government argues it is sensible for guidance to applicants to be generic and capable of applying to any potential plutonium use option. DECC say some proposals from consultation responses have been accepted and conclude: "The Guidance for Applicants ...(now)... sets out the proposed process and information required to make an application for justification of the end-to-end process."

Separately in June 2013 DECC released a redacted internal review of the performance of the Sellafield MOX Plant (SMP) which was closed last year, concluding actual performance was very poor and that "...aggregate net total losses for the full plant lifecycle of around £2.2bn."

The report recommends: "If a decision is made to construct a new MOX plant in the UK, lessons from SMP should be used to inform decision making, planning and execution of the project covering areas including:

- having the right skills and capability which may involve making use of appropriate third party experience;
- ensuring there is a good design in place and early resolution of any design issues;
- realistic costing and planning;
- avoiding imposition of artificial time and cost constraints;
- safeguarding value for money (VFM) by seeking to minimise risk exposure of the UK taxpayer through, inter alia, a robust contractual framework;
- ensuring fit for purpose, consistent operational / safety design criteria that are as far as possible, not modified over time;
- not carrying on when issues arise until there is clarity on the cost implications and scale of the correction that is required;
- clarity and consistency in the basis of VFM analysis;
- ensuring good quality project management including realistic targets, performance metrics and a gated process;
- ensuring appropriate phasing in the project plan, for example, only building the plant and entering into contracts with customers after justification is in place;
- ensuring there are robust governance arrangements in place, both with government and with the responsible corporate board, an appropriately

- qualified governance team with the necessary commercial and financial skills and that government has appropriate levers over its funding commitments and a clear monitoring framework; and
- addressing cultural issues, including openness, honesty and realistic reporting.”

## **5. Service plan**

The Service Plan proposes that NuLeAF members be surveyed annually in order to assess views on progress with the implementation of key work streams, including:

- NDA Strategy & Operations
- Low Level Waste Strategy
- Geological Disposal Facility Siting
- Legacy Management Implications of New Build
- Community Funds and Socio-Economic Support
- Business Support and Members Services
- Other consultation responses

Officers have developed a short draft ‘report card’<sup>2</sup> structured around the above work streams and propose to circulate this for feedback in September. Feedback will be reported to the October 2013 AGM as part of an assessment of Service Plan performance. The Steering Group is recommended to comment on, and agree the draft ‘report card’ for circulation.

It is further recommended that the Steering Group agree that officers prepare an up dated draft Service Plan for the period 2013/15 for presentation to the October 2013 Steering Group and AGM.



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