

<b>Meeting:</b>	NuLeAF Steering Group, 30 April 2008
<b>Agenda Item:</b>	7
<b>Subject:</b>	NDA Developments
<b>Author:</b>	Fred Barker
<b>Purpose:</b>	To provide an overview of developments

## **Introduction**

This report provides an overview of NDA developments (additional to GDF and LLW strategy development covered under items 4 and 5). These include:

- NDA funding arrangements and Business Plan
- Developing a 'value framework'
- Preparations for the review of NDA Strategy
- Update re radioactive waste strategy
- Update re interim storage review
- Results of the local engagement review
- National Stakeholder Group

## **Recommendations**

That the Steering Group agrees to:

- 1 monitor developments relating to alternative funding models for the NDA and the 'value framework';
- 2 consider a report on opportunities for engaging in the NDA strategy review at its next meeting; and
- 3 brief member authorities on the current position with the reviews of (a) interim storage and (b) local engagement arrangements in the next issue of the e-bulletin.

## **1 NDA Funding Arrangements and Business Plan**

At its last meeting, the SG agreed a set of comments on the NDA's draft business plan ([Comments on draft business plan](#)), which were submitted to the NDA on 31 January 08. The NDA has subsequently published an approved plan, setting out detailed funding levels for its 19 sites for 08-09 ([Approved Business Plan Published](#)).

The SG's comments on the draft business plan highlighted concerns that current funding arrangements do not allow the NDA to drive forward effective programmes of work that build and maintain stakeholder confidence. The comments suggested that it would be timely for Government to identify alternative funding arrangements.

The House of Commons Business and Enterprise Committee have recently reached similar conclusions:

We believe the NDA's funding model is unsustainable ... Nuclear decommissioning is too important to be left to the mercy of changing priorities in the Treasury and uncertain commercial income; as the Permanent Secretary acknowledged, a new system of funding is needed, and work on this needs to begin urgently. ('Funding the NDA', Fourth Report 07-08, April 08, HC 394, para 37)

It is understood that Government has initiated a review of the NDA's funding model and will make a formal response to the HoC Committee by 7 June. The NDA's Approved Business Plan states that it is working with Government to examine other funding models. The Government's response to the HoC Committee will be reported to the SG meeting on 7 July.

Other key points from the Approved Business Plan include:

- The re-prioritisation of funds from lower hazard sites to Sellafield is driven by the need for hazard and risk reduction. A third party has been commissioned to provide assurance that additional work at Sellafield is essential and NDA will seek to minimise adverse impacts at other sites.
- NDA recognises that a more 'sophisticated' approach to decision-making about priorities is needed. Work is underway to develop a Value Framework (see below).
- As a contingency, NDA has asked Magnox Electric to identify the minimum level of funding required to maintain 'safe and secure sites'. It describes this as a planning exercise, not an implementation programme. Magnox Electric has initiated a programme to identify options and assess impacts, including skills and socio-economic issues. Briefings have been provided to Site Stakeholder Groups. A report is to be submitted to the NDA in autumn 08, to inform NDA decision-making on spending for subsequent years
- To meet Government targets, NDA is seeking to make annual savings of 3%, amounting to £240 million a year, for example, through Site Licensee Companies reducing fixed costs.

## **2 Developing a Value Framework (VF)**

This is being developed by the NDA to inform and explain decision-making about spending priorities.

The SG welcomed commitment to develop the framework in its comments on the draft business plan, but pointed out that:

It will be important that stakeholders are able to understand this process, and be able to see how it is being applied in practice. There are also likely to be benefits in involving stakeholders in the process, particularly where it involves value judgements on the relative importance to accord to different criteria such as hazard reduction and jobs. The benefits of stakeholder participation can include increased stakeholder confidence in the process and outcome, and more robust decision-making about priorities.

The Executive Director (ED) attended a NDA workshop on the framework on 23 January. This reviewed the pros and cons of using cost benefit analysis (CBA) or multi-criteria assessment (MCA) based approaches. The NDA has subsequently decided to develop a CBA-based approach.

Although widely used, CBA approaches have been subject to criticism. For example, a recent critique commissioned by Friends of the Earth identifies 6 ‘flaws’ of CBA approaches ([FoE Critique of CBA](#)). The ED has suggested to the NDA that the VF project team review the FoE critique, so that it is able to address perceived flaws in CBA approaches. The NDA’s view is that sufficient safeguards can be included in the wider decision process to address concerns.

The NDA has invited the ED to participate in a VF Reference Group to act as a ‘sounding board’ as it develops the VF further. The reference group is meeting on 8 and 30 May.

The deadline for final development of the VF is to use it to support the development of a revised NDA strategy.

### **3 Preparations for Review of NDA Strategy**

The NDA published its first Strategy in April 06 and is now preparing to undertake a full review, which will be informed by a Strategic Environmental Assessment (SEA). The timetable for the review is currently as follows:

Mar 08 – May 09	SEA
July 08 – May 09	Explore strategy options
Aug 08 – Feb 10	Stakeholder engagement
Oct 09 – May 10	Prepare draft Strategy
June 10 – Aug 10	Consult on draft Strategy

As a result of discussion at the November NSG, the NDA has agreed to prepare an engagement plan for the review, setting out when and how stakeholders will have opportunity to be involved in the process. Further details should be available in time for the July meeting of the SG. That meeting can consider, for example, whether to focus on the Strategy Review in NuLeAF regional seminars in the autumn.

The Strategy Review will be the main topic for discussion at the May meeting of the National Stakeholder Group (see ‘7’ below).

#### **4 Update on Radioactive Waste Management Strategies**

At its last meeting the SG was informed about the setting up of the NDA's National Waste Management Strategy Group ([New Group will help NDA develop Waste Strategies](#)).

The ED attended a meeting of the group on 27 March. Discussion covered risks and opportunities, specifications for Integrated Waste Strategies (IWS), review of package longevity, and the review of interim storage (see '5' below). The group agreed that:

- a one-off workshop should be organised for NWMSG members to discuss the timing and mapping of opportunities for amending strategies for managing radioactive wastes (to feed into the review of NDA Strategy); and
- the current specification for site IWSs was adequate, but that NDA should consider a possible addendum on best practices.

On the longevity of radwaste packages, it was reported that alternative matrices and packages are being considered with a view to increasing package lifetimes, and that some existing waste packages could deteriorate faster than previously anticipated raising a question about the optimum timing of repository backfill for affected wastes (see discussion of retrievability under agenda item 4).

NDA have also published a number of basic briefing papers on aspects of current radwaste management strategies on its website ([NDA Briefing Papers](#)).

#### **5 Update on Review of Interim Storage**

The NDA has undertaken a review of interim storage arrangements for ILW and HLW, taking into account CoRWM's recommendations. The findings are being submitted to Government for approval. The review addresses the robustness of current facilities against timescale changes, planning constraints, monitoring and inspection regimes and future waste arisings. It is anticipated that a public domain version of the findings will be published in June, and that these will be discussed at a stakeholder workshop in the summer.

In its published strategy NDA also committed to investigate opportunities for optimisation of ILW storage at a smaller number of sites. It is understood that the proportion of ILW that might be involved amounts to about 5% of the ILW inventory that will arise at NDA sites before 2040. Although subject to further discussion and potential change, it is understood that provisional recommendations are that:

- NDA should continue to encourage waste minimisation opportunities to help reduce the overall number of ILW packages and storage requirements.
- The main focus of investigating storage consolidation opportunities should be southern Magnox and UKAEA sites.
- The current baseline plans for ILW stores at Dounreay, Hunterston A, Sellafield, Trawsfynydd and Hinkley Point should be pursued.
- Local site-to-site opportunities should be investigated for the relatively small quantities of ILW at Chapel Cross and Wylfa.
- Opportunities should be pursued for five Magnox sites (Oldbury, Dungeness A, Bradwell, Sizewell and Berkeley) to consolidate ILW at NDA sites with an existing or committed store (if volume minimisation initiatives free up capacity), OR to transfer ILW to a

separate regional store located at one of the NDA sites with an existing or committed store.

- UKAEA should be encouraged to pursue opportunities for three sites (Harwell, Winfrith and Culham) to consolidate 'Magnox compatible' ILW packages at NDA sites with existing or committed stores, or to transfer ILW to a separate regional store located at one of those NDA sites. The fallback position is to have an ILW store at one, two or all three of the UKAEA sites. A separate solution is needed for 'non-Magnox compatible' packages.
- Effective stakeholder engagement is required, as the transfer of wastes will be of particular interest to local communities, local authorities and the Regulators.

## **6 Results of the Local Engagement Review**

At its last meeting, the SG considered a detailed report on the NDA's review of local engagement arrangements and agreed to submit a set of proposals to the NDA. These proposals were subsequently published as Briefing Paper 12 ([BP 12, Jan 08](#)).

It is understood that the NDA has taken most of the SG's proposals on board in developing revised guidance for Site Licensee Companies and Site Stakeholder Groups. A 'final draft' version of the NDA's revised guidance will be available by the end of April, and will be discussed at the National Stakeholder Group in May. A copy will be mailed to SG members separately, or will be made available at the SG meeting. Comments on the draft are being sought by 30 June.

## **7 National Stakeholder Group**

The next meeting of the NSG is on 21-22 May in Edinburgh. As a result of input from the SG, its representation has been increased from 2 to 4 places. For the May meeting, the NuLeAF representatives will be the Chair, Deputy Chair, Executive Director and Nuclear Issues Manager, Cumbria CC. As noted above, the meeting will focus on the impending review of Strategy, including an introductory presentation and opportunity for preliminary discussion of key topics in the review. The main points from the discussion will be reported to the July meeting of the SG.