

Meeting:	NuLeAF Steering Group, 28 April 2009
Agenda Item:	6
Subject:	NDA Strategy Review and Developments
Author:	Fred Barker
Purpose:	To report on progress with the NDA strategy review and other NDA-related developments

Introduction

This report provides an overview of progress with the Nuclear Decommissioning Authority (NDA) strategy review and other NDA-related developments. It covers

- the meeting of NuLeAF's Strategy Review Group on 23 March
- updates on topic reviews, the value framework, the NDA business plan, socio-economic projects and the National Stakeholder Group (NSG).

Recommendation

It is recommended that the Steering Group write to the NDA to request that it consider ways of increasing stakeholder understanding of, and confidence in, the Value Framework, for example, through commissioning and publishing an independent review of its development and use.

Contribution to Achieving Strategic Objectives

The recommendation is intended as a step towards promoting the following NuLeAF objective:

- To encourage development of a robust, transparent and participative process for informing NDA decisions about prioritisation of spending across sites.

1 Meeting of the Strategy Review Group (SRG)

The third meeting of NuLeAF's SRG took place on 23 March. NDA officers attended the meeting to discuss key aspects of the NDA's strategy review. The draft note of the meeting is attached as Annex 1.

The meeting considered:

- An overview of the NDA's strategy management system
- Asset optimisation
- Site end states
- Reactor decommissioning wastes

Key points to note are:

- Site end states are to be formally reviewed early in 2010. This review will take account of site restoration issues, availability of waste routes and business optimisation. NDA wishes to undertake the review so that any changes to factors that influence site end states can be accommodated, not because it thinks that fundamental changes are likely to be necessary.
- For reactor decommissioning wastes, questions for review include: what disposal routes other than the geological disposal facility (GDF) might become available for reactor graphite? Could reactor steel be kept out of the GDF by using decay storage prior to disposal? Could most reactor concrete be consigned to a LLW disposal route? Definitive answers will not be available in 2009. Further work will involve examination of business case arguments.

The point was made that NuLeAF would wish to engage with NDA as work on these topics progresses.

It is proposed that the timing and agenda for the next meeting of the SRG be reviewed following the meeting of the NSG in June.

2 Update on NDA Topic Reviews

Other updates on individual topic reviews are:

- Land quality management: the first draft of a strategic review is nearing completion. This will underpin the process of identifying and screening options. To date, the review has continued to support the prioritisation of the characterisation of contaminated land and ground water.
- Non-NDA liabilities: NDA is working with British Energy and the MoD to establish their precise requirements and a comparison with NDA programmes.
- Safe and secure sites: the Magnox study has been completed. The data and scenario modelling capability developed as part of the work are being used to optimise the existing lifetime plans, and to examine various options for the Spending Review later in 2009.
- Public and stakeholder engagement: NDA has been working on a draft engagement strategy and will share a draft text with stakeholders in the near future.

3 The Value Framework (VF)

The SG will recall that the following requests for further information were made in comments on the draft NDA business plan:

- The lessons learnt to date from applying the current version of the VF to this year's site funding allocation process;
- The forward programme for developing and refining the VF; and
- How stakeholders will be involved in future development, refinement and application of the VF.

The Executive Director has had some discussion with the lead NDA officer on the VF to seek clarification. Key points are:

- The VF is viewed as a 'toolkit' for assessing the value and impact of different strategies, funding scenarios and options. It consists of a set of attributes that represent key aspects of the NDA's mission, which have been sub-divided into individual measures with national valuations. The VF should be seen as part of wider decision making processes.
- The attributes in the VF are: hazard reduction, environment, safety, security, socio-economics, cost and income.
- Valuation is carried out at a level appropriate to the maturity of the option being considered and its stage in the decision process. For initial high level option development, and decisions on whether to fund further development, the VF is used in a qualitative manner. As options are matured the VF is used in a more quantitative manner, based on values for individual metrics.
- The VF is used in 'bottom up' and 'top down' ways. The former approach is used in option assessments and development of business cases. The latter to show the impact of particular decisions eg around affordability and funding.
- The VF is currently being used in assessment of: ILW mini-stores, on site disposal of LLW and national LLW strategy.
- No wider stakeholder engagement in development of the VF is envisaged.

The NDA's aspiration is to develop a consistent approach to "measuring value" that is broadly acceptable to stakeholders and allows decision to be made on a national basis. At the current time, however, insufficient information has been made publicly available to allow stakeholders to judge whether the VF approach is acceptable and provides a robust input to decision-making.

It is therefore recommended that the SG write to the NDA to request that it consider ways of increasing stakeholder understanding of, and confidence in, the Value Framework, for example, through commissioning and publishing an independent review of its development and use.

4 NDA Business Plan for 2009-12

Following consultation, the NDA has published its Business Plan for 2009-12. The NDA website makes the following points:

- At £8.44 billion over the three years from 2008/09 to 2010/11, the NDA budget includes the highest ever level of Government spending on nuclear decommissioning. This year

site funding has been allocated to ensure NDA maintains “a balance of decommissioning progress while addressing the cost pressures that continue to apply to Sellafield”.

- The NDA has made significant progress in its core mission of hazard reduction. It will also deliver Government value for money targets by saving at least £240 million over the Comprehensive Spending Review period from 2008 to 2011.
- NDA has generated over £5.3 billion of commercial income over the past four years despite performance volatility at some plants. It plans to add a further £1.2 billion this financial year.
- The last year has confirmed that competition attracts world-leading companies with the potential to deliver more cost-effective clean-up. Following on from the successful conclusion of the competition to find a parent body for Sellafield Ltd, NDA has established a working partnership with Nuclear Management Partners through which it expects to deliver significant improvements in operational efficiency, project management and cost control at Sellafield.
- The competition to find a private sector parent body for Dounreay will be launched later this year, followed by the selection of a single parent body for the two Magnox Site Licence Companies and Research Sites Restoration Ltd covering the former UKAEA sites at Harwell and Winfrith.
- Reducing support costs will be key to maximising efficiency across the NDA estate.
- In recognition of the difficult economic circumstances, the NDA will reduce its planned expenditure on its own running costs for this year by £7 million.

5 Socio-Economic Projects

The meeting of the NSG in November 08 asked the NDA to clarify the system for Site Stakeholder Group applications for socio-economic projects, and to make spending on the socio-economic fund more transparent. In response, the NDA has held discussions with Site Programme Managers to develop ‘Priority Area Plans’ and to clarify the process for approval of socio-economic project applications. It is anticipated that further information will be provided at the next NSG meeting.

The SG will also wish to note that the secretariat is preparing a case study on the NDA’s recent decision to make an investment of £2.5 million in two projects to develop an Industrial Park and Business Incubation Centre at Chapelcross in Scotland.

6 Meeting of the National Stakeholder Group

The next meeting of the NDA NSG is taking place on 17-18 June. NuLeAF will be represented by Councillor Knowles, Councillor Swainson, Fred Barker and Stewart Kemp.

The NDA has stated that it will proactively use the next four NSGs as milestones towards the publication of its revised strategic plan, which has to take place by end March 2011.

The outcome of the meeting will be reported to the SG meeting on 15 July in Oxford.

Annex 1: Draft Note of Strategy Review Group meeting, 5 January, 2009, Manchester

Fred Barker (FB) – NuLeAF
David Davies (DD) – Copeland Borough Council
Catherine Draper (CD) – NuLeAF
Cllr Allan Holliday (AH) – Chair and Copeland Borough Council
Stewart Kemp (SK) – Cumbria County Council
Cllr Tim Knowles (TK) – Cumbria County Council
Sean Morris (SM) – Manchester City Council
John Pitchford (JP) – Suffolk County Council
Cllr Julian Swainson (JS) – Suffolk County Council
Cllr Bernard Whittle (BW) – Lancashire County Council

Anna Clark (AC) – NDA
John Inkester (JI) – NDA
Richard Mrowicki (RM) - NDA

1 Councillor Bill Risby

After welcoming everyone to the meeting, the Chair referred to the recent death of Councillor Bill Risby and highlighted the important contribution that Bill made to NuLeAF. The meeting observed a short silence.

2 Overview of the NDA's Strategy Management System

RM gave an overview of the NDA's Strategy Management System. Note that the slides for all NDA presentations are available on request from the NuLeAF secretariat.

Key points included:

- The next NDA strategy (the 'strategic plan') will be more strategic and less aspirational than the 06 version. It will be underpinned by more detailed analysis and present a snapshot of current strategy across all topics. Full review of the 'strategic plan' will start in a year's time.
- The 'Site Strategic Specifications' will play an important role in specifying the strategic direction that NDA requires the sites to take.
- The programme for provision of individual topic strategies has been under review and new position statements will be placed on the NDA website in the near future.
- There are individual topic strategies that will require further engagement during the course of 2009. The main ones are plutonium, site end states and higher activity wastes (see below).

The main points raised in discussion were:

- The likely emphasis in LLW strategy on encouraging the supply chain to deliver facilities away from licensed nuclear sites is contentious. TK pointed out that public opposition to the use of existing landfill sites for disposal of VLLW/LLW could have an adverse impact on support for other aspects of legacy management. He suggested there was a need for NDA to think again about the likely impacts of such an approach. JS stressed the need for public debate on local options for managing LLW. He suggested that local communities should have the opportunity to review the choices faced by their local site and inform decision-making. BW highlighted the reputational risks of pushing ahead with aspects of LLW strategy that are likely to be unpopular. FB pointed to the need to clarify the role that concerns about reputational risk and public acceptability should play in strategy development.
- RM recognised that this is a thorny issue and highlighted the importance of maximising capacity at the LLW repository near Drigg. He agreed that there is a need to reflect on how NDA should position itself strategically on LLW management. Site Strategic specifications are likely to

highlight the importance of implementing the waste management hierarchy, rather than be directive about where LLW should be managed.

- AC proposed that NDA's role is to explain the risk associated with waste management activities so that stakeholders can make an informed decision. JS supported publishing the consultation on the draft National LLW strategy to start the debate.
- SM raised his authority's concern that NDA actions would help to facilitate new nuclear build. RM pointed out that the current land sales were driven by the wish to maximise income and that once that is achieved the NDA's interest in the use of the land ends. JS questioned whether the land sales were in the best long-term interest of the NDA, and that it might be better to retain the land for potential future use for waste management.

3 Asset Optimisation

JI explained the approach that NDA is taking to asset optimisation. Key points include:

- Asset optimisation does not drive strategy in other key areas. Rather it is an enabler for topic strategies once they have been determined.
- NDA is overseeing the improvement of SLC asset registers, and filling in gaps in knowledge, in order to improve performance in asset and risk management.
- Its strategic objective is to have a fit for purpose asset management system to drive efficiencies, optimise asset use and enhance the NDA's ability to be an 'intelligent customer'.
- 'Critical' assets will be top priority (those for which failure can severely impact on the achievement of NDA's objectives).
- NDA is reviewing its need for long term research and development laboratories (Active Development Facilities).

The main points raised in discussion were:

- A range of work is currently undertaken using active development facilities, including development of Pu waste forms and spent fuel examinations. Some work is done for commercial operators.
- Current knowledge gaps include a full picture of what is needed to complete specific work programmes eg what life extensions of particular assets might be needed.

4 Site End States

AC explained the way that NDA is proposing to approach site end states in its strategy review.

Key points included:

- NDA strategy for site end states focuses on the method by which the site end state can be selected.
- The current baseline is that site end states have been selected via the consultation on end states in 06-07. Therefore, the proposed end states are as agreed during this consultation (still subject to ministerial approval).
- Current NDA work that may impact on end state definitions includes monitoring and influencing the interpretation of policy and regulations, e.g. mapping key principles and reviewing institutional control issues.
- Potential site end state options will be formally reviewed in early 2010. This review will need to take account of site restoration issues, availability of waste routes and business optimisation.

The main points in discussion were:

- The generic end state definition may need tweaking to take account of the differences between sites with and without LLW disposal facilities. The latter would also impact on potential site end uses and end dates.

- This topic review could be seen as a ‘change control process’. NDA wishes to undertake the review so that any changes to factors that influence site end states (*e.g.* changes in policy and other NDA topic strategies) can be accommodated, not because it thinks that fundamental changes are likely to be necessary.
- Nonetheless, there are concerns about re-opening the debate after a relatively short period of time, and how this might be perceived by local stakeholders. Care would be needed when doing this.

5 Reactor Decommissioning Waste

AC outlined the NDA’s plans for reviewing management options for reactor decommissioning wastes. The key points were:

- A project team will test the current baseline (geological disposal) against other options. Phase 1 of the work will be undertaken during 2009.
- Questions include: what other disposal routes may become available for reactor graphite? Could reactor steel be kept out of the GDF by using decay storage prior to disposal? Could most reactor concrete be consigned to a LLW disposal route?
- Definitive answers will not be available in 2009. Further work will involve examination of the value/business case arguments.

The main points in discussion were:

- Not to foreclose options for alternative routes for RDWs by discouraging the development of on-site disposal (primarily for LLW) in favour of off-site solutions.
- The need to be open and transparent about the scope for RDW disposal to on-site LLW disposal facilities, when such facilities are being discussed with local stakeholders and when initial planning applications are made.

6 Next Steps

A draft note of the meeting would be circulated to NDA for comment. This would then be considered by the NuLeAF Steering Group at its next meeting on 28 April.

FB stated that NuLeAF would welcome continued engagement on key topics, including Site End States and Reactor Decommissioning Wastes. RM stated that NDA valued the opportunity to work with NuLeAF as a point of contact for local government in England and Wales.

NDA participants were thanked for their input to the meeting.