

Meeting:	NuLeAF Steering Group, 14 July 2010
Agenda Item:	4
Subject:	Coalition Government Policies
Author:	Fred Barker
Purpose:	To report on Coalition Government policies and potential implications

Introduction

This report covers:

- Government policies on nuclear legacy management
- Government policies on wider issues relevant to nuclear legacy management
- The funding of nuclear legacy management
- The NDA's organisational effectiveness review
- Potential Implications for NuLeAF

Recommendation

That the Steering Group agree to:

- 1 write to the NDA to ask for an update on (a) discussions with Government about funding for 2011 onwards and (b) what consideration is being given to the role of Parent Body Organisations in risk sharing and funding nuclear legacy management facilities; and
- 2 consider a report at the AGM on 20 October on the implications of cuts in public expenditure for NuLeAF.

Contribution to Achieving Strategic Objectives

This report is relevant to the following NuLeAF objectives:

- Encourage development of funding models for NDA, and specific radioactive waste management projects, that enable progress to be made in legacy management (dependent upon openness and transparency, effective engagement, robust regulation and due regard to the long term).
- Encourage regional bodies to develop policy in Regional Strategies on the management of radioactive wastes.

1 Government Policies on Nuclear Legacy Management

It is understood that the Coalition Government is not planning any fundamental changes to policies on nuclear legacy management.

At the liaison meeting with the Executive Director on 15 June, DECC officials explained that the Government remains committed to the current process for siting a geological disposal facility based on the concepts of partnership and volunteerism, and to ensuring that adequate funds are available for that programme.

Officials also indicated that Ministers are likely to approve the NDA's proposed strategy for managing LLW by the summer recess (29 July).

In a speech to the Nuclear Industry Forum (NIF) on 16 June, Charles Hendry, the Minister for Energy, highlighted that the issue of radioactive waste is a "crucial challenge ... that we take seriously". He added that the Government wants to "give increased confidence on how it manages nuclear waste in the long term and to demonstrate that progress towards geological disposal is taken seriously at the highest levels."

2 Government Policies on Wider Issues Relevant to Nuclear Legacy Management

As is widely known, the Government has also stated that it sees a role for new nuclear, provided that there is no subsidy¹. The Minister has stated that "we will urgently take forward work on planning, regulatory Justification, Generic Design Assessment and on waste and decommissioning finance" (speech to the NIF, 16 June). He added that the Government wishes to see National Policy Statements (NPS) continue, including the Nuclear NPS, and that they will be ratified, not just debated, by Parliament.

A more detailed update on new build developments is included in the Progress Report at item 7.

In addition, the Government has confirmed a commitment to a fast-track process for major infrastructure projects. It intends to introduce legislation by the end of the year which would, in effect, transfer the functions of the Infrastructure Planning Commission (IPC) into a Major Infrastructure Planning Unit within the Planning Inspectorate. The Unit's recommendations on specific projects would go to the Secretary of State for decision. In the meantime, the IPC's current processes continue.

The Secretary of State for Communities and Local Government (CLG) has also written to local planning authorities to highlight the Coalition Government's plans to abolish regional strategies. The Planning Inspectorate has explained that planners should take the Government's commitment into account as a material consideration, but until the regional

¹ The Coalition Agreement states that: "We will implement a process allowing the Liberal Democrats to maintain their opposition to nuclear power while permitting the Government to bring forward the National Planning Statement for ratification by Parliament so that new nuclear construction becomes possible. This process will involve ... specific agreement that a Liberal Democrat spokesperson will speak against the Planning Statement, but that Liberal Democrat MPs will abstain; and – clarity that this will not be regarded as an issue of confidence."

strategies are abolished and any transitional arrangements put in place, regional strategies should continue to be treated as part of the development plan (see [PI advice](#)).

The Secretary of State has also announced the dismantling of regional local authority leaders' boards, which took over most of the functions and staff of the old regional assemblies last year, including spatial planning functions. The press release announcing the move states that "The dismantling of these boards will see local authorities put firmly back in control of delivering the services and provision for their area and will ensure local people can hold their leaders to account" (CLG Press Release, 17 June).

The CLG press release also states that: "Following the abolition of the regional spatial strategies responsibility for strategic planning will lie with local authorities who will decide how they will work together on planning issues that cross administrative boundaries."

The implications for strategic planning for radioactive waste management are considered briefly in the Progress Report under item 7. NuLeAF's strategic objective on regional strategies will require appropriate amendment at the AGM in October.

3 The Funding of Nuclear Legacy Management

Press stories in early June reported that the Secretary of State for Energy and Climate Change, Chris Huhne, was warning of a "£4bn hole" in funding nuclear legacy management (eg *Independent*, 2 June). These stories were based on recognition that the proportion of funding from Government will have to increase as NDA income from its commercial operations decreases over the next few years. This position has been understood for a considerable period of time and does not represent discovery of a new 'funding blackhole'. In response, DECC is reported to have re-stated the commitment to address NDA funding in future spending rounds.

As reported to the last SG meeting, NDA funding for 2011 onwards is to be agreed at the next spending review. In preparation for this, NDA has engaged with Government as part of its 'Public Value Programme' (PVP) to identify options for "improving effectiveness and affordability". At the National Stakeholder Group in mid-March, the CEO, Tony Fountain, reported that the 'broad headlines' of the NDA PVP submission were that there were some proposed programme deletions, but that the main emphasis was on being more efficient.

The SG will recall that when reviewing NuLeAF's strategic objectives at the AGM in 2009, it was reported that some 'Parent Body Organisations' (who are responsible for the delivery of NDA site programmes) may be prepared to take on risks and fund radioactive waste management facilities. In recognition of this, it was noted that innovative funding approaches should be encouraged, where consistent with NuLeAF's other objectives.

It is proposed that NuLeAF contact the NDA to ask for an update on (a) discussions about funding for 2011 onwards and (b) what consideration is being given to the role of PBOs in risk sharing and funding nuclear legacy management facilities.

4 The NDA's Organisational Effectiveness Review

The SG will also be aware that the NDA has begun a formal consultation process with its staff about the potential impact on jobs from a proposed new structure emerging from an organisational effectiveness review (NDA press release, 22 June 2010).

The new organisational structure represents a reduction of around 30% in the NDA's current staffing of just under 300. The rationale for the change is reported to be that NDA's current structure reflects the needs of its start-up phase, whereas the new structure is to reflect NDA's future role of setting direction and holding its contractors to account for performance delivery.

The new structure and terms of any subsequent redundancies are the subject of a consultation period of 30 days with staff representatives.

It is understood that the Radioactive Waste Management Division within NDA – which is responsible for the GDF programme – will not be subject to any staff losses.

5 Potential Implications of Cuts in Public Expenditure for NuLeAF

At the time of writing, the likely impact of public expenditure cuts on NuLeAF is unclear. The main impacts are likely to be on funding and attendance of members and officers at NuLeAF meetings and events. It is suggested that a report on the likely impacts and options for sustaining NuLeAF's programme of work be considered at the AGM on 20 October.