

Socio-economics and Community Benefits: A NuLeAF perspective

Steering Group, 5th December 2018

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Current situation

- NDA is an important part of the economy in many communities.
- 2004 Energy Act – requires NDA to consider socio-economic impacts.
- £3Bn pa – how can we maximise positive impacts?
- NDA Socio-economic funds – 1% of total. Is support consistent?(Economic Insight Report 2018).
- A time of change– closure of THORP, future plans for Magnox, in-situ disposal, GDF launch.



NDA position

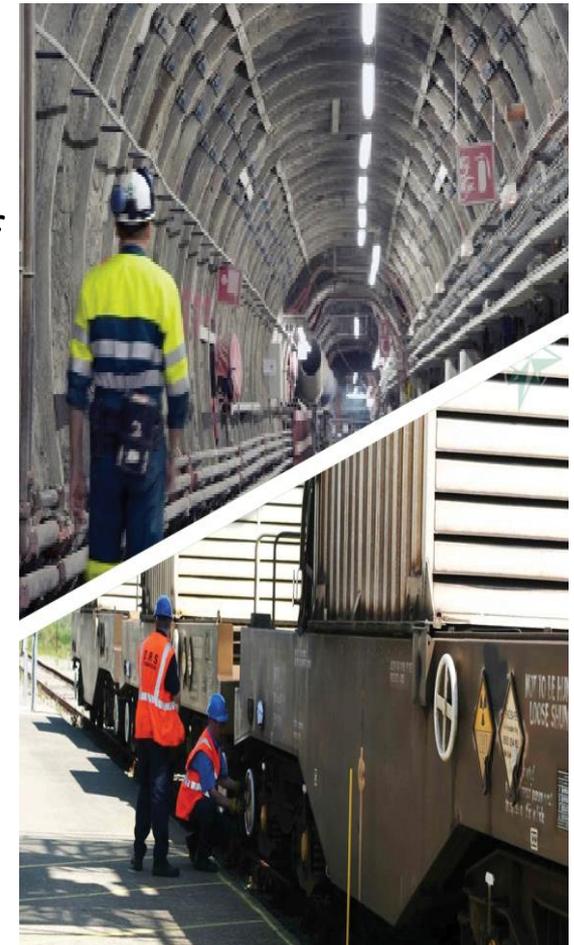
- *'We want to secure greater socio-economic benefit for communities around our sites'* NDA Strategy p91
- *'We will work together.... to develop tailored socio-economic strategies for communities and look for opportunities to link our activities to regional economic growth strategies'* (ibid)
- Areas for action include skills retention, reuse of NDA land, local supply chains, STEM/education and skills.



NuLeAF's Position

Briefing Paper 16: Community Benefits

- Strategic Objective *'to seek to ensure that a consistent, proportionate and transparent approach can be taken to the establishment of Community Funds.'*
- Community funds and wider socio-economic support packages
- Highlights existing examples:
 - Copeland Community Fund
 - GDF package of direct and indirect support
 - Kings Cliffe – LLW disposal
- Notes lack of consistency



Justification for Community Funds

- **Actual or perceived impacts** – e.g. on health, environment, transport, local infrastructure, the economy
- **Intergenerational impacts** – sites will now host waste for many decades
- **Optimising use of national facilities**
e.g. landfill or incinerators take pressure off LLWR
- **Civic Responsibility** – Corporate Social Responsibility to communities



Comparable Industries

- **Review of Waste Policy (2011)** *‘The principle that those most impacted should benefit most should operate across all scales from street...to local authority’*
- **National Infrastructure Plan (2011)** – *‘government should engage with developers and local authorities on community benefit and bring forward proposals’*
- **Community Benefits from Onshore Wind Development (2014)** *‘Communities hosting renewable energy play a vital role in meeting our national need....and it is absolutely right that they should be recognised and rewarded for their contribution’*



Comparable Industries

- New Nuclear – Hinkley agreement £1,000 per MWh - £128million over 40 years.
- Onshore oil and gas:
 - Industry wide scheme. £100k during exploration phase and then 1% of gross revenue during production - £5-10M per site over 25 years.
 - Shale Wealth Fund – 10% of tax revenues
- Renewables UK – Community Benefit Protocol – onshore wind £5,000 per MW.
- Scottish Renewables – similar funding plus other commitments round community ownership.
- Race Bank – offshore wind - £465k pa for 20 years.



A National Framework

BP16 calls for national framework for community benefits and funds. This would:

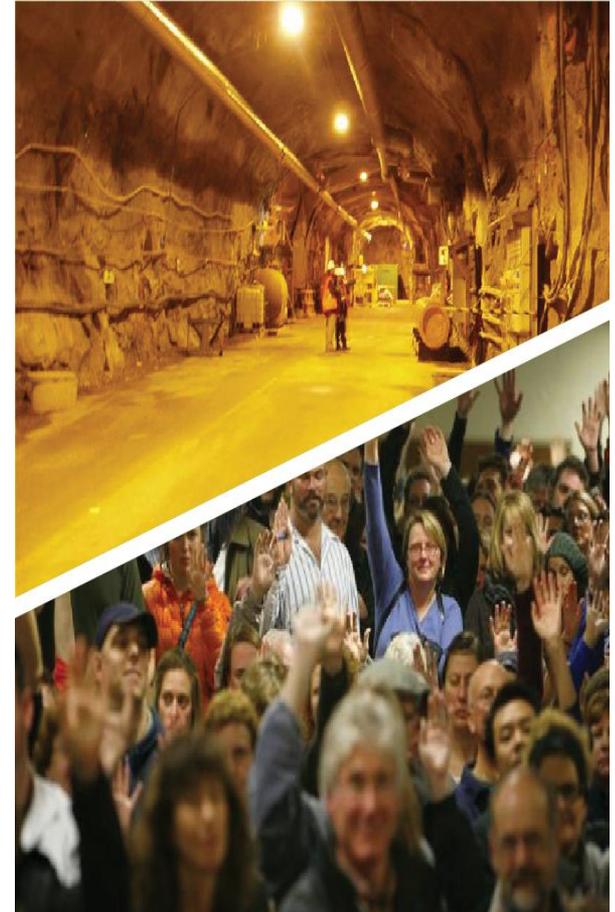
- clarify the legislative bases for provision of community funds
- clarify the types of radioactive waste management facilities covered by the framework
- acknowledge the justifications for providing community funds
- provide guidance on the types of initiatives that can be funded
- clarify the process for initiating discussions and reaching agreement
- provide guidance on how a fund should be administered/managed
- demonstrate equity and fairness in fund allocation between communities



A National Framework

A National Framework would be beneficial to communities and to the nuclear industry. It would:

- Avoid 'negotiating from scratch' each time a proposal is made
- Avoid inconsistencies between agreements in different areas
- Create a more streamlined process and avoid delays
- Ensure greater transparency
- Increase goodwill on the part of local stakeholders and a sense among communities that they are being treated in a fair way that is justified and proportionate



Long term storage

- Communities that host nuclear facilities and/or waste performing a service for the whole UK – this should be recognised
- Waste will now be stored for longer than originally envisaged – some communities are or will host waste that didn't arise locally
- Context has changed since plans for waste stores devised – comparable industries and international experience
- Spain – clear rules established and regular and significant payments to host communities



Conclusions – member views?

- Time of change for NDA – how do we maximise benefits?
- Development of socio-economic strategies and links to regional growth?
- Role of the Nuclear Sector Deal?
- Sellafield – current situation and future?
- Magnox: Change of model – opportunity to do things better.
- How do we address long term storage?
- Near Surface Disposal – how will economic and community interests be addressed?
- Are NuLeAF's objectives in this area right? What more could we do?



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