

COMMUNITY BENEFITS

Policy Statement 7

February 2020

Executive Summary

Nuleaf believes that a clear, consistent, fair and ambitious approach is required to the provision of community benefits for nuclear decommissioning and radioactive waste management in the UK. This should recognise the impacts on communities of hosting (a) nuclear decommissioning sites (b) long term nuclear waste stores (c) radioactive waste management and disposal infrastructure such as landfill sites and (d) radioactive waste left in-situ or on-site.

This Policy Statement sets out Nuleaf's call for a framework for community benefits, covering all communities affected by decommissioning and legacy waste management. Further information on this issue is provided in **Nuleaf Briefing Paper 13: Community Benefits and Radioactive Waste Management.**

1. Background

In cleaning up the UK's nuclear legacy, the Nuclear Decommissioning Authority (NDA) spends around £3.3 billion every year, with the total cost of the clean up mission estimated at £121 billion over 120 years. Despite this huge expenditure of public money, the **Public Accounts Committee (PAC)** of the UK Parliament concluded in October 2018 that *'We are not convinced that the NDA is achieving the wider economic benefits that would help justify the vast amounts of public investment'*¹ at Sellafield and across the NDA estate.

We agree with this view. In our **Policy Statement 5: Nuclear Decommissioning and Socio-economics** we set out the actions that the Government and NDA should take to maximise economic benefit and offset the loss of quality jobs experienced by communities as a result of the decommissioning and closure of nuclear facilities.

¹ <https://publications.parliament.uk/pa/cm201719/cmselect/cmpublic/1375/137505.htm>

One particular area for action is the provision of **Community Benefits**. This Policy Statement sets out our view on this issue, which we believe is an essential part of an overall socio-economic package for nuclear communities.

Community benefits, also referred to as community funds, can be defined as:

*'a payment in money or kind to a local community in recognition for hosting a development that, whilst delivering national benefits, imposes a particular environmental, financial or other burden upon the locality where it is sited.'*²

Nuleaf believes that, in recognition of the service to the nation provided by communities that host nuclear legacy sites and waste management facilities, Government and the NDA should:

'ensure that a consistent, proportionate and transparent approach can be taken to the establishment of Community Funds associated with key radioactive waste management facilities' (Nuleaf Strategic Objective).

The basis on which NDA decisions on community funds and benefits are made are not always clearly understood and appear inconsistent. This contrasts with the generous packages of benefits paid to nuclear communities in other European countries, and to communities affected by other developments, such as renewable energy, within the UK.

2. Justification for Community Benefits

Community Funds or Benefits are widely recognised as a means of reflecting the contribution to wider national objectives that a community plays by taking on certain responsibilities. They help address the need for a **social licence to operate** and to reflect concerns about actual or perceived impacts, for example on the local economy, public health or the environment.

In a nuclear context, community funds also reflect the benefit that changes in waste management bring to the NDA Group and the wider country. For example:

- Diversion of waste from the Low-Level Waste Repository (LLWR) to alternative disposal routes has helped extend the lifespan of a significant national resource, eliminating the need for a new Repository at a cost of £Billions to the UK taxpayer.
- It is now proposed that significant quantities of Low Level and Very Low-Level Waste (VLLW) could remain on former nuclear sites rather than be removed as previously envisaged. This will save the Government hundreds of millions of pounds but will leave residual waste that will remain radioactive for hundreds of years.

² From NNLAG Framework on Community Benefits

Finally, the fact that nuclear decommissioning and waste management will take many decades, and the duration of radioactivity for waste disposed of on-site means there are **intergenerational impacts**. Future generations will not have benefited economically from the nuclear stations when they were operational but will continue to host legacy wastes within their community.

3. Examples of Community Funds

In other countries there are clear agreements to provide funds not just for waste disposal but also for the storage of spent fuel. For example, in Spain around £10 million per annum is provided for Spent Fuel storage³.

There is no protocol or standard approach to community funds in the nuclear industry in the UK. However, community benefits are accepted in principle and are already paid in relation to a number of elements of the overall NDA mission:

- Any community entering the Geological Disposal Facility siting process will receive **Community Investment Funding** of up to £1million per annum, rising to £2.5million per year. The final host community for the facility will receive much more significant support.
- The **Copeland Community Fund**⁴ is an agreement between the Low-Level Waste Repository (LLWR), Cumbria County Council and Copeland Borough Council, providing £1.5 million per year, in addition to an initial endowment of £10million. The fund is managed to provide a benefit to the residents of Copeland even after the Borough has stopped receiving waste.
- Through the **Magnox-Socio economic Scheme**⁵, small pots of money are available: up to £1,000 for small projects near sites and up to £10,000 for capital expenditure towards sustainable projects. To date funding, and wider Magnox socio-economic spend, has tended to be focussed on a few priority sites.

Comparable industries have entered into agreements or protocols on community benefits.

- In relation to **new nuclear development**, the Government has recognised the role that communities play in hosting such large infrastructure projects and has committed to a package of benefits proportionate to the amount of energy the power station will generate, up to a value of £1000 per MegaWatt (MW) per

³ Community Benefits and Geological Disposal: An International Review, P Richardson, Galston Sciences, 2010

⁴ <https://copelandcommunityfund.co.uk/>

⁵ [https://magnoxsocioeconomic.com/assets/news/Socio-economic%20plan%202016-19%20English%20\(2019%20rev\).pdf](https://magnoxsocioeconomic.com/assets/news/Socio-economic%20plan%202016-19%20English%20(2019%20rev).pdf)

annum for up to 40 years⁶. In the case of Hinkley Point C, this could amount to around £128 million.

- **Renewable UK**, the trade body for the renewable energy industry, has developed a **Community Benefits Protocol**⁷ which sets out a commitment to deliver tangible benefits to communities living by onshore wind farms of 5MW or above. **Scottish Renewables**, the renewable energy industry body for Scotland, also launched an **Onshore Wind Community Benefit Protocol**⁸. In England and Scotland, guidance is that all wind developments should provide community benefits packages equivalent to £5,000 per MW, index linked for the duration of the scheme.
- Developers have pledged to provide community funds for **offshore windfarms**, even when they are many kilometres from land and have little or no visual impact on communities⁹.
- The **UK Onshore Oil and Gas industry**, representing the shale gas sector, announced an industry wide community benefits scheme in June 2013¹⁰. At the exploration phase each local community will receive £100,000.

4. The legislative and Policy basis for Community Funds

The delivery of socio-economic benefits to host communities is underpinned by the legislation guiding the nuclear industry and by wider legislation, strategy and policy:

The **Energy Act 2004** requires the NDA to consider the socio-economic impacts of its activities on local communities and gives it a function of providing *'encouragement and other support to activities that benefit the social or economic life of communities'* living near NDA sites. The Act gives the NDA the *'power to make grants or loans to persons undertaking activities that benefit the social or economic life of communities'*.

The **Public Services (Social Value) Act 2012** places a duty on all those who commission public services to secure wider economic, social and environmental benefits.

In Wales, the **Well-being of Future Generations (Wales) Act 2015**¹¹ requires public bodies to consider the long-term impact of their decisions, to

⁶ <https://www.gov.uk/government/speeches/community-benefits-for-sites-that-host-new-nuclear-power-stations-michael-fallon>

⁷ https://cdn.ymaws.com/www.renewableuk.com/resource/resmgr/Docs/community_benefits_report.pdf

⁸ <https://www.scottishrenewables.com/publications/scottish-renewables-onshore-wind-community-benefit/>

⁹ <http://dudgeonoffshorewind.co.uk/community/community-fund>

¹⁰ <http://www.ukoog.org.uk/community/benefits>

¹¹ <https://futuregenerations.wales/about-us/future-generations-act/>

work with communities, and to address issues such as poverty and climate change.

The **Industrial Strategy**¹² and the **Nuclear Sector Deal**¹³ set clear objectives for securing wider economic benefits through decommissioning activities.

The **NDA's Strategy**¹⁴ and **Business Plan 2019-22**¹⁵ outlines the organisation's mission, namely to '*Deliver safe, sustainable and publicly acceptable solutions to the challenge of nuclear clean up and waste management*' supported by a socio-economic mission '*to support the maintenance of sustainable communities up to and after site closure*'.

The NDA has committed to preparing a group **Economic and Social Impact Strategy** in 2020, having been challenged by the UK Parliament's **Public Accounts Committee** as noted in Section 1.¹⁶

Finally, some local authorities have developed a Community Benefits Strategy, setting out their commitment to securing voluntary Community Benefit Contributions (CBCs) for all major developments. Anglesey/Ynys Mon County Council Strategy¹⁷ states that CBCs will be used to '*maximise positive benefits and impacts from all major projects... to contribute towards socio-economic transformation, together with an improvement in the quality of life and sustainability of its communities*'.

5. Recommendations

Nuleaf believes that **a clear, consistent, fair and ambitious approach is required to the provision of community benefits for nuclear decommissioning and radioactive waste management in the UK**. This should recognise the impacts on communities of hosting (a) nuclear decommissioning sites (b) long term nuclear waste stores (c) radioactive waste management and disposal infrastructure such as landfill sites and (d) radioactive waste left in-situ or on-site.

We propose that the **UK and Welsh Government, working with the Nuclear Decommissioning Authority (NDA), Nuleaf and other stakeholders, establishes a Framework for community funds for all affected communities**. This should:

¹² <https://www.gov.uk/government/topical-events/the-uks-industrial-strategy>

¹³ <https://www.gov.uk/government/publications/nuclear-sector-deal/nuclear-sector-deal>

¹⁴ https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/609601/Extract_from_NDA_Socio-Economic_Strategy_III.pdf

¹⁵ https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/790526/NDABusinessPlan2019-2022.pdf

¹⁶ <https://publications.parliament.uk/pa/cm201719/cmselect/cmpubacc/1375/137505.htm>

¹⁷ <https://www.anglesey.gov.uk/documents/Docs-en/Business/Energy-Island/Community-Benefit-Contributions-Strategy.pdf>

- Provide dedicated funding for facilities and activities in local communities;
- Underpin a strong commitment to supporting the socio-economic health and wellbeing of communities through employment policies and procurement/spending decisions;
- Include mitigation measures that arise solely from a Section 106 Agreement as part of the planning process but be additional and complimentary to these; and
- Provide flexibility so that local agreements for community benefits can reflect local circumstances and needs, including how these evolve over time.

An example of a possible Framework is set out in **Annex A of Nuleaf's Briefing Paper 13**.

To inform this Framework, the **NDA should undertake a review of community benefits across the NDA estate**. This should recognise the changing situation for nuclear communities brought about by plans for continuous decommissioning for some sites, the lengthening time that communities will host ILW, and the recent proposal for in situ disposal of waste. This review should:

- Involve Nuleaf, local authorities, local communities and Site Stakeholder Groups (SSGs);
- Benchmark NDA performance on community funds against (a) comparable industries in the UK and (b) international best practice in nuclear decommissioning operations; and
- Establish a consistent and fair approach to such funds along with better reporting of outcomes.

A commitment to a Community Benefits Framework should be set out clearly in:

- The upcoming **Nuclear Decommissioning and Radioactive Substances White Paper**
- **NDA Strategy 4**
- The **NDA Local economic and social impact Strategy 2020-26**

At the local site level, **proposals should explain how plans will be translated into specific actions for Community Benefit at each site**. This should be covered in the revised Lifetime Plan for each site, and performance regularly reported to SSGs and to host local authorities.

Finally, **we would encourage Local Authorities to develop policy on Community Benefits and set it out in relevant policy documents**. This can then be used to engage with the nuclear industry. Nuleaf will monitor the situation across member sites and use our meetings as a forum for continued information sharing and discussion on this issue.