

**NUCLEAR DECOMMISSIONING AUTHORITY (NDA)
REPORT TO THE HARWELL CHILTON CAMPUS
LOCAL STAKEHOLDER GROUP**

**Dick Francis
NDA Harwell Site Programme Manager
15 March 2007**

NDA Funding

The NDA's funding comes from a combination of income from commercial operations and grant-in-aid from the DTI. There is no question of the DTI cutting any of the funding which it provides to the NDA. However the performance of some of our commercial operations is subject to uncertainty and we have been talking about this issue with them as part of the routine annual budgetary discussions.

The NDA is pleased to confirm that the DTI has agreed to fund a programme of £2.472 billion for 2007/8 which represents a small increase on programme spending in the current year and is significantly higher than the 05/06 budget. This settlement will allow the NDA and its contractors to continue to meet our priorities of safety, regulatory compliance, tackling highest hazards and providing more funding for decommissioning by maximising commercial income. In this context and within the overall budget limit, we have prioritised tackling the highest hazards at Sellafield and Dounreay.

The NDA remains in discussion with Government on the spending limits for the next three years, building on the agreement reached for 07/08. The aim will be, at least, to maintain these historically high levels of expenditure on cleaning up the UK's nuclear legacy. Also, work is progressing on an examination of the whole funding and financing regime for nuclear decommissioning with the goal of providing stability over the long term.

The NDA has now issued funding guidance for next year to our contractors (including UKAEA) on the basis of an overall NDA budget of £2.472 billion. UKAEA are currently revising the Lifetime Plans (LTPs) for their sites in accordance with the revised budget allocations.

NDA Reorganisation

Since its establishment on 1st April 2005, the NDA has focussed on building its resources, setting up its systems and procedures and developing its Strategy. This was achieved using an organisational structure that was based on a need to gather an in-depth understanding of the 20 sites for which we are responsible and in managing the associated contracts. As the NDA moves out of its start up phase and into 'delivery', the management team has reviewed the priorities and resources needed to meet its challenges and this has resulted in a review of the organisation's design. Key to that review is the need to re-shape the interface between the NDA and its

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contractors. NDA Directors agreed that the focus of the organisation should be towards Site Licence Companies (SLCs) rather than to the individual sites. The new structure will give us the appropriate resources and skills needed to take forward the business of establishing new SLCs; to run the competitions through to the award of contract and transition; and, then to manage the new contracts.

As part of the restructuring of the UK civil nuclear industry, the NDA is setting up these SLCs to carry out decommissioning and commercial operations across its twenty sites. It is currently planned to have seven SLCs, each of which will be owned by a Parent Body Organisation (PBO) for the duration of a contract awarded by the NDA.

The SLCs, as the enduring entity, will employ the workforce on the sites they manage. A programme of competitions has already begun to choose the PBOs. The competitions for the Low Level Waste Repository SLC and the Sellafield SLC are underway with the southern bundle of Magnox reactor sites due to begin later this year.

After a period of discussion with existing contractors, the NDA is now able to confirm names for each of the SLCs. The timing of the use of the names for branding individual sites will depend on decisions taken by existing contractors in the run up to competition. However, where appropriate the NDA will now refer to the SLCs by the names listed below.

Sellafield Ltd

This SLC comprises Sellafield, including Calder Hall; Windscale & Capenhurst

Magnox North Ltd

This SLC comprises Chapelcross; Hunterston A; Trawsfynydd; Wylfa & Oldbury

Magnox South Ltd

This SLC comprises Berkeley; Bradwell; Dungeness A; Hinkley Point A & Sizewell A

Dounreay Site Restoration Ltd

This SLC comprises the Dounreay site only

Research Sites Restoration Ltd

This SLC comprises the Harwell & Winfrith facilities

Low Level Waste Repository Site Licence Company Ltd

This SLC – which can be shortened to LLWR (SLC) Ltd - comprises the low level waste repository near Drigg in Cumbria

Springfields Fuels Ltd

This SLC comprises the Springfields plant near Preston, Lancashire

From 1 April 07, decommissioning at NDA sites will be the responsibility of the Director for Decommissioning and Clean Up (reporting to the NDA Chief Executive). Programme Directors (reporting to the Director for Decommissioning and Clean Up) are being appointed to lead NDA teams providing SLC oversight management for decommissioning activities at Sellafield, Magnox North, Magnox South, Harwell / Winfrith and Dounreay. The two NDA teams covering Harwell and Winfrith are currently reorganising into one team to provide efficient and effective links with

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Harwell / Winfrith – in preparation for the formal setting up in due course of Research Sites Restoration Ltd.

New Nuclear Forum Created

Achieving best practice and standardisation of contracts are the aims of a new nuclear forum launched last month. ‘The Tier 1 Working Group’ is a collaboration between the NDA, the Nuclear Industry Association (NIA) and 25 international companies. The forum will aid two-way discussion between the NDA and aspiring ‘Tier 1’ companies - those contractors looking to manage large-scale nuclear projects; and will identify improvements based on industry best practice and experience helping the NDA evolve its current contracts.

Harwell Site End State

The NDA is pleased to acknowledge the hard work and dedication of all those involved in the development of the Harwell Site End State Consultation Output Report. We look forward to receiving your agreed final version of this report.

Environment Agency Source Programme

NDA is also pleased to acknowledge the contribution that Harwell is making to the Environment Agency Source Programme – as summarised by Dr Wilkins in his Harwell report to the Local Stakeholder Group today.

Delicensing Event at Harwell

The programme to clean up the Harwell site and transform it into a world-class centre for excellence in science and innovation entered a new era in February. The NDA was pleased to participate in an event that took place at Harwell on 9 February, when Sir Anthony Cleaver, Chairman of the NDA, visited the site and together with Lady Barbara Thomas Judge, Chairman of the UKAEA, unveiled a commemorative stone beside Harwell’s Hangar 9 lagoon to mark the delicensing of a large area of land. This process has involved the submission by UKAEA of a detailed case which demonstrated that there was no danger from ionising radiation in the area. It is planned that the delicensed land – some seven hectares in all – will be released for redevelopment as part of the Harwell Science and Innovation Campus. The NDA congratulates all those involved in this very significant delicensing achievement.

Harwell Lease

As also noted by Dr Wilkins in his Harwell report today, the land at Harwell that has been designated to the NDA will be leased to the NDA from 1 April this year. (The designated land includes the entire nuclear licensed site).

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Nirex

Further to the notes on Nirex provided in the NDA report of 24 November 06 (Appendix 1 to the 57th Minutes) - after a period of consultation, Nirex's parent company Nirex CLG Limited (jointly owned by Defra and DTI) approved the sale of its shares in UK Nirex Ltd to the NDA. The NDA has continued to consult with Nirex staff about how best to integrate them into the NDA. The NDA is working with Government, Nirex staff, unions and regulators to affect a swift and smooth transition, in accordance with TUPE regulations, enabling the important work Nirex is involved in to continue.

NDA will also be safeguarding Nirex's key skills and expertise, as these are of utmost importance to the programme of work to secure geological disposal. We will be taking great care to ensure that Nirex's packaging advisory function and safety case work is ring-fenced and independent within the NDA from the operations side of our work.

The integration of Nirex staff and operations into the NDA is on target to be completed by 31 March 07. However, some tasks will (as planned) continue beyond this date including, for example, the integration of the quality management system and the 'Solvent Winding Up' of the Company. (It is intended that Nirex Ltd will cease trading on 31 March 07 and also that 'Nirex' signs will be changed to 'NDA' from 1 April 07).

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NDA Harwell Site Programme Manager
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