

No Security Marking

Angus Mackintosh 24/10/2005 09:00

To: Dorothy K Seed/Group Office/Risley/BNFL@BNFL
cc:
Fax to:
Subject: FOI request

Dorothy

In response to your FOI request. I don't know whether this is appropriate.

Angus

----- Forwarded by Angus Mackintosh/Group Office/Risley/BNFL on 24/10/2005 08:59



"miranda kirschel" <miranda.kirschel@niauk.org> on 17/02/2004 15:54:52

To: Angus Mackintosh/Group Office/Risley/BNFL@BNFL
cc:
Fax to:
Subject: FW: NDA article for BNFL World

\*\*\*\*\* Message inserted by MIMESweeper \*\*\*\*\*

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Hi Angus
Please find attached the article from Philip Sellers on the NDA. Sorry about the delay in getting this to you, but they wanted to make some changes. Also in Industry Link there was a picture and a caption which should not be included in your article, as they were erroneous. Best regards

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**Article for BNFL World**  
**'Establishing the NDA: the work continues'**  
**by Philip Sellers**

**(Introduction)**

Setting up the Nuclear Decommissioning Authority (NDA) reflects a major shift in focus in Government policy for the nuclear industry. The priority is to provide strategic direction to the decommissioning and clean up of our £50 billion nuclear 'legacy.' Though important challenges will be faced during the next fourteen months, significant progress has been made towards achieving a fully operational NDA by April 2005.

The legislative process is firmly underway. The Energy Bill, introduced in the House of Lords, received Second Reading on 11 December. The Lords Grand Committee has finished considering the amendments tabled on the NDA aspects of the Bill. We hope to gain Royal Assent by July, so that the NDA can be a legal entity by October.

**(Contracts / Competition)**

The NDA will promote and develop a competitive market for nuclear clean up in the UK. By providing appropriate incentives for contractors to perform, the NDA will bring the best available skills to the task of cleaning up the nuclear legacy.

Initial responsibility for the management and operation of site licensees will remain with the incumbent site operators, BNFL and UKAEA. We need to negotiate and agree sensible timescales for the interim arrangements with incumbents that are but which do not impair the Government's goal of open and fair competition for site management contracts. It will be for the NDA to decide the timetable for introducing competition.

**(Funding)**

The NDA must have the financial arrangements it needs to operate effectively. It will be funded directly by the Government. A statutory segregated account, known as the Nuclear Decommissioning Funding Account (NDFA), will record amounts spent and received by the NDA and indicate the resources needed for clean up looking 10 years ahead. This signals the Government's commitment to funding nuclear clean up over the long-term. It is conscious of the need to give the nuclear clean up market, particularly new entrants, confidence that the NDA will have the funding arrangements necessary to deliver its programme.

The opening balance of the NDFA will be credited with the value of BNFL's Nuclear Liabilities Investment Portfolio (NLIP), the Magnox Undertaking at the time it is extinguished and an additional sum provided by Government. The balance of the account will also be credited with revenues accrued from the NDA's commercial operations, including Magnox generation and THORP and SMP contracts. It will also reflect the annual contribution from Government.

### **(Mobilisation)**

The NDA will have its headquarters in West Cumbria. It is likely to have 200 to 250 core staff, comprising a diverse mix of skills including: programme management, planning, commercial, technical, safety, environmental and communications specialists. It will also assign staff to oversee sites at which there is a significant level of expenditure, notably Sellafield and Dounreay, where the NDA will have a long-term presence.

The appointment of the Chair, the non-executive Board members and the Chief Executive will go ahead as soon as possible after the Bill becomes law, to enable the NDA to begin recruiting its staff. As a first measure, the DTI is looking to appoint a Policy Advisor who, on successful passage of the Energy Bill, will become the NDA Chair. Details can be found on the 'Managing the Nuclear Legacy' website at the following address: <http://www.dti.gov.uk/nuclearcleanup/pdfs/ndachairad.pdf>

### **(LMU)**

The DTI's Liabilities Management Unit (LMU) is preparing the ground for the NDA. It is made up mostly of secondees from the UK nuclear industry and other private sector staff with some public servants. The DTI has also acquired Bechtel as a partner contractor to bring in valuable expertise built up in the US clean up market.

We now have initial, but comprehensive, plans presenting the scope of work, budgets and schedules needed to decommission and clean up sites. They provide essential 'road maps' for managing site activity under the new contracts. They also provide the raw data from which the NDA will prepare a UK-wide baseline to form the basis for its strategic planning and prioritisation. The work of constructing the baselines has been helped enormously by the assistance and cooperation of both the site operators and the regulators.

The LMU has also been developing possible approaches to contracting for the NDA to consider. Much technical work lies ahead in finalising these arrangements. Once completed, they will provide important tools to enable the NDA to drive forward clean up of the nuclear legacy.

### **(Stakeholder Engagement)**

The Government is committed to creating an open and transparent NDA. Underpinning the Department's approach has been a commitment to engage with stakeholders at all stages. Last year, the DTI held two rounds of regional events with stakeholders across the UK and a national stakeholder event in November. The DTI has also recently published the first draft of a Stakeholder Engagement Framework for consultation until 31 March. The final framework will set out the NDA's processes for engaging with stakeholders on an open and transparent basis and will be recommended to the NDA on its inception. Copies of the draft framework can be accessed from the 'Managing the Nuclear Legacy' website at the following address: <http://www.dti.gov.uk/nuclearcleanup/ach/draftframework.doc>.

The project team's task is clear but challenging: to ensure that a viable Nuclear Decommissioning Authority is in place by April 2005. The Programme Board will see through the effective delivery of that project.

At our first meeting under my Chairmanship, we adopted the mission statement of ensuring that the NDA would have 'the best funding, the best policies and the best resources we could deliver.' That, of course, is the hard bit.

**Note to editors on Philip Sellers:**

1. Philip Sellers has chaired the NDA Programme Board since June 2003. The Programme Board is part of the Department of Trade and Industry's (DTI) governance structure and provides a strategic oversight of the project to establish the NDA by April 2005. Its membership includes Senior Civil Servants from the DTI and other Whitehall Departments, including HM Treasury and DEFRA, and external members. The current Chair of the Nuclear Industries Association, Tony Cooper, is a non-executive Board member.

*Ch NDA  
Non-executive  
Board*