



Sellafield Ltd

Sellafield

Sellafield 2010 Lifecycle Baseline

WCSSG Commercial Sub Committee

Phil Hallington, Strategy and Programmes, Sellafield Ltd

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Sellafield Ltd

Key Points

- First Lifecycle Baseline to be produced by Sellafield under the ownership of NMP
- 2010 Lifecycle Baseline known as LCB 2010
- LCB 2010 built by Sellafield Ltd in partnership with NMP and NDA
- Issued to NDA and Regulators 24th May
- Supporting documentation to be issued in June and July
- Built around £1600M worth of scope

Main Purposes

- Provides Sellafield Ltd and NMP with information essential to complete planned work on time and within budget
- Provides NDA with a means for measuring contract performance
- Supports the effective allocation of resources (budget, labour, materials and services) necessary for the safe and successful work at Sellafield

Key Points

- The NDA have said that this is their top priority this year.
- The Build & Assure Process has ensured that we have produced a credible plan
- This is the basis by which we will be measured for the next 4 years.
- Deliverability is key – we cannot build aspirational performance into your plan.
- The contract will be output based, our performance will be measured through completed milestones or equivalent units NOT Level of effort.

History of the Sellafiled Lifecycle Baseline

History of Sellafield Site Lifecycle Baseline

Baseline Name	LTP07	LTP08	Inherited Baseline 09	Lifecycle Baseline 2010
Approval	Approved in 2007	Not Approved	Not Approved	On track for 2010 Approval
Key Strengths	<ul style="list-style-type: none"> Met NDA's improvement aims and strategy at time First baseline built upon integrated site strategy Met regulatory specifications 	<ul style="list-style-type: none"> Further built upon integrated strategy Met NDA strategy at the time, although LLW strategy starting to change Thoroughly reviewed 	<ul style="list-style-type: none"> Continued development of tripartite approach (Sellafield Ltd, INDA, regulators) Progress made here in ensuring baseline didn't include efficiencies, was fully underpinned, and wasn't constrained Regulators received a "plan they could believe in" for the execution year (1st year) 	<ul style="list-style-type: none"> Multiple build and assurance reviews Strict application of scheduling and estimating standards Provides a contract baseline Provides a performance baseline Provides a fully detailed and underpinned Execution Year Plan
Key Weaknesses	<ul style="list-style-type: none"> Efficiencies included Not underpinned Unconstrained BNFL and NDA recognized that LTP07 could not be delivered or afforded 	<ul style="list-style-type: none"> Exceeded the execution year (1st year) funding by £200 million Efficiencies included Not underpinned Unconstrained 	<ul style="list-style-type: none"> After the execution year (1st) year, the baseline had historic weaknesses: <ul style="list-style-type: none"> Efficiencies included Not underpinned Unconstrained 	<ul style="list-style-type: none"> NONE – addresses the weaknesses of the previous baselines
Evolution	<p>From overly optimistic and undeliverable ...</p>			<p>... to realistic and deliverable.</p>

Key Features of LCB 2010

- **Built on a different basis than previous versions**—based on the output of quality assurance reviews and changes to the strategic assumptions
- **Aligned**—aligned with site and national strategy and will allow delivery of strategic assumptions.
- **Realistic**—avoids the earlier pitfalls of over-optimism and built on established norms
- **Comparable**—meets international project management industry standards (norms) concerning efficiencies, constraints, and underpinning
- **Underpinned**—underpinned to 2025/2026 at appropriate levels
- **Fundable**—makes funding decisions easier to understand, justify, and plan for
- **Deliverable**— provides a high degree of confidence that Sellafield Ltd will be able to deliver results to NDA and stakeholders
- **Prioritised**—baseline established to prioritised process agreed with NDA - “fix first what matters the most.”

High Hazard

- Submission includes the top 5 High Hazard Programmes at Sellafield:
 - Highly Active Liquor
 - Pile Fuel Storage Pond
 - First Generation Magnox Storage Pond
 - Magnox Fuel Cladding Silos
 - Pile Fuel Cladding Silo
- The 5 High Hazard programmes represent:
 - 22% of all site programs
 - 35% of the **total site costs** in the first 4 years
 - 77% of the **major project costs** in the first 4 years
 - 99% of the **hazard potential** on the site
- Additional around £100M of funding in LCB 2010 is for accelerating High Hazard and Risk Reduction

Commercial

- Provides for the ongoing receipt of AGR fuel
- Delivers existing contracts with utility customers
- Detailed underpinned programme for Thorp
- Delivers the Magnox Operating Programme
- Ongoing production of MOX fuel
- Continued export of high level waste to overseas customers

Integrated Change Programme

- The Integrated Change Programme provides a step change in Sellafield Ltd's capability to deliver accelerated high hazard and risk reduction against a background of improving safety performance
- This is delivered through a series of integrated work programmes aligned to strategic imperatives with measurable benefits
- Key to the acceleration will be Performance Improvement Action Plans for each programme area.
- An essential component of the Performance Improvement Action Plans are the Milestone Opportunities Range

Milestone Opportunities Ranges

- Milestone Opportunities Range (MOR) --a range of potential schedule improvements to key regulatory milestones resulting from implementation of improvement plan actions
- As these plans accomplish more work for less money through becoming much more efficient on site, regulatory milestones can be accomplished years earlier than currently anticipated
- Projections for efficiencies and savings in the immediate year will always be the most mature
- As more details become available, the maturity levels increases for future years.
- MORs will be updated annually to reflect actual performance and the level of confidence as improvements are implemented

Annual Site Funding Limit

- LCB 2010 built to around £1600M worth of scope
- NDA set the Annual Site Funding for Sellafield at £1500M
- Crucially this includes around £100M extra for work in High Hazard areas
- Overall though this means that we have less money to do the work that we would like to do and so we must use ICP to become much more efficient
- Sellafield Ltd looking at options of how to manage this