

NDA Update – West Cumbria Sites Stakeholder Group - 7th April 2011

1. Introduction

This report has been written immediately after the end of 2010/2011 performance year. It covers our current view of end of year performance at both Sellafield & LLWR, although performance data is still being assessed.

2. Sellafield Ltd

Performance

As previously reported as part of the Government's Comprehensive Spending Review (CSR) the NDA was set three high level Departmental Strategic Objectives (DSOs) in the fields of liability reduction, value for money & hazard reduction. Underlying targets are then set to focus site based activity. For 2010/11 twelve of these relate solely to Sellafield, with Sellafield Ltd also contributing to another four NDA estate wide targets:

Liability Reduction

7 targets existed in this area, those completed were;

- Completion of 16 SMP fuel assemblies for European contracts ahead of plan
- Thorp reprocessing of 350 tonnes against a target of 300 tonnes
- Thorp internal flask moves

2 targets are still being assessed but would appear to be on track namely:

- Meeting overall scheduled performance as captured in agreed plans
- Support & overhead cost reduction of 5% compared to 2009/2010

The 2 targets identified as being at risk in October were not achieved:

- Evaporator D modules, now due for completion in May 2011
- Reprocessing of Magnox fuel, 233 tonnes achieved against a target of 703

Value For Money

31st March 2010 was the end of the previous three year CSR period during which across the NDA estate there was a target of a 3% cost reduction. End of year financial data is still being assessed but Sellafield are on track to deliver better than the target.

Hazard Reduction

8 targets existed in this area, those completed were;

- First Generation Magnox Storage Pond test rig
- Pile Fuel Cladding Silo alternative off gas system commissioned
- Liquor activity reductions in Magnox Swarf Silos exceeded the target of 180m³, with 240m³ achieved
- Completion of the manufacture of one silo emptying plant machine
- Loading of one vitrified flask ready for the next overseas return

Of the three remaining, evaluations are in hand to confirm achievement of the site's contribution to NDA estate wide Safety & Environmental Detriment reduction and Pile Fuel Storage Pond desludging activities, the annual target for the vitrification of high level waste will not be achieved.

Conclusion

We have seen further improvements in operational performance for the period 2010/2011 across a wide range of areas, although performance in the areas of Magnox Reprocessing and High Level Waste Vitrification has been disappointing. In general the number of targets achieved, in addition to those referred to above, signal a good year, especially when set against the challenge of continuing efficiencies as reflected in the Annual Funding Limit.

Development of the Sellafield Performance Plan

Considerable progress has been made on the development of a new Sellafield Performance Plan. In line with contractual requirements NMP/Sellafield Ltd first had to develop a revised baseline plan that was robust and achievable but based upon historic levels of performance.

The contract also requires the agreement of a new performance plan that sets out future targets for achievement. It is this plan that will drive improvements in performance and deliver the efficiencies necessary to ensure value for money.

Those performance plans were delivered to the NDA, in accordance with contractual timescales, at the end of the financial year and are currently being reviewed to ensure they are underpinned with high confidence levels of delivery. Once agreed we will have a plan for Sellafield, including performance targets, against which success can be truly and realistically judged.

It remains the intention of the NDA, NMP & Sellafield Ltd to publish a stakeholder edition of the plan that sets out clearly the role and challenges of each aspect of site activity, delivery milestones and annual performance data. This will provide a consistent approach to reporting performance data and progress both to the Site Stakeholder Group and other organizations/groups.

Safety & Environmental Performance

- The development of Sellafield Performance Plans will for many of the high risk, high hazard plants bring forward the start of retrieval of material and shorten the length of retrievals compared to the contract baseline plan.
- Whilst this work has been going on, Sellafield Ltd have also made progress with actual delivery of risk and hazard reduction activities, for example the Liquor Activity Reduction, isolation of redundant pipework and the transfer of cans of material out of ageing stores.

- Over the full year 2010/11, the number of nuclear, radiological and environmental events or near misses has significantly reduced compared to the previous year and those events which have occurred have not led to any actual significant consequences. Nevertheless, the subsequent investigations did reveal some organisational weaknesses which Sellafield Ltd are addressing.
- The number of industrial safety events leading to days away from work or reportable to the HSE has also fallen. Sellafield Ltd's industrial safety incident rates are good compared to industry in general, although still the highest of all of the companies that operate NDA sites. Incidents are dominated by simple slips, trips and falls. We continue to encourage Sellafield Ltd's Peer to Peer observation scheme because there has been shown to be a strong correlation between high numbers of observations and a reduction in incident statistics.
- Improvement plans on the site are captured in the Integrated Change Programme (ICP) and this has been reviewed to re-prioritise programme streams and make improvements to the overall leadership and governance of the ICP. It is expected this will deliver improvements in standards of operation and safety performance across the site. NDA welcomes Sellafield Ltd's steps to strengthen its own internal assurance processes, for example strengthening the Assurance Framework and introducing a Plant Evaluation Board.
- Sellafield Ltd continues to take a leading part in collaborative working with the other NDA site licence companies, including sharing good practices and peer assist visits to other sites.

3. LLWR Ltd

Good progress is being made on several work fronts at LLWR the period from 1st October 2010 to 31st March 2011 and has seen particular emphasis in the following areas:

- Closing out the Vault 9 project with protracted post contract claim negotiations with the main contractor Birse about to be finalised and a detailed report capturing lessons learned – an informative and valuable piece of work that will inform future NDA and LLWR contracts/projects.
- Following a period of data analysis and review, production of the final Environmental Safety Case documentation for submission to the Environment Agency in May 2011 is virtually complete. We are confident that LLWR will meet the submission date.
- Good work continues on establishing and co-ordinating waste treatment routes. This financial year approximately 1,000 tonnes of metallic waste has been diverted from the Repository for treatment and recycling.
- LLWR launched its combustible waste service with the first consignment being shipped week commencing 14th March thus further embedding the principles of the Waste Hierarchy.
- Decommissioning of legacy plutonium contaminated facilities has surged ahead with the period witnessing considerable progress in Magazines 4 and 10. This is a large scale project that will run until March 2016 with subsequent demolition of the decontaminated facilities occurring in line with the construction programme for future vaults.

- During the past six months LLWR have deployed concerted effort to replace their primary electrical supply and distribution system. Whilst the old system has continued to provide electrical supply to the site for decades it is well past its design life and many of the component parts are obsolete. The new sub-stations greatly reduce the risk of interruption or failure of power supply to the site.
- LLWR continue to interface with key personnel within NDA and work with our stakeholders to the mutual benefit of all parties.

4. NDA Strategy & Business Plan

Following the completion of public consultation the updated NDA Strategy has been approved by the Secretary of State for Energy and Climate Change, jointly with the Scottish Ministers, and was published on the 21st March. It sets the direction for delivering the nuclear clean-up programme and confirms that addressing the high risk, high hazard plants is the absolute priority. Resources are prioritised to tackle the most challenging facilities. This strategic approach is particularly pertinent to Sellafield and linked to the delivery of the Sellafield performance plans should deliver real success over the next 10 to 20 years.

The priority to tackle the high risk, high hazard plants is also reflected in the NDA Business Plan 2011/2014 which was published on 31st March. Te refers to an accelerated programme of risk and hazard reduction at Sellafield as well as challenging targets for reprocessing and vitrification of highly active liquors. Annual expenditure at Sellafield is planned at £1.55 billion and includes the continued construction of Evaporator D, currently the largest single project in the UK nuclear estate.

Other key tasks for NDA will include:

- Supporting UK Government policy in the development of future arrangements for plutonium stocks
- Making further progress towards implementation of geological disposal for higher activity wastes
- Progressing plans for the movement of nuclear materials to optimise the use of NDA sites

5. Conclusion

The Sellafield Performance Plan will be an excellent vehicle against which to judge the success of our contractual relationships with Sellafield Ltd and Nuclear Management Partners.

2011/12 sees the implementation of the first year of a positive but challenging Comprehensive Spending Review settlement alongside detailed consideration of policy issues arising out of the new NDA Strategy.

Indeed 2011/2012 can be seen as a pivotal year and one that will require a high level of proactive stakeholder engagement by the SLCs and ourselves.