

NDA Report – West Cumbria Sites Stakeholder Group – 7th February 2012

Introduction

This report comes at the end of the third quarter of the current financial year, the first year of operations within the Government's current Comprehensive Spending Round.

This report is split into three parts. The first two are its main focus and cover current performance levels at both Sellafield and LLWR against the priorities and targets set for this year. Including those incorporated in our Business Plan for 2012 – 2014 relevant to this year.

The final section is a short summary of more strategic issues, which are subject to engagement programmes and included here for information purposes.

Sellafield Performance

As we enter the final quarter of 2011/2012 our focus remains driving performance at Sellafield to meet the targets and performance indicators set at the start of the year. These are challenging targets and reflect the need to improve delivery and progress risk and high hazard reduction.

At present we would envisage the SLC will achieve around 70-80% of those targets, which presumes improved performance to meet some targets that are currently under pressure. We have seen sustained levels of good performance in the area of nuclear and environmental safety. The number of notifiable events, given the challenges that the site and its facilities pose, remain at an encouraging level.

We would like to see further improvements in conventional industrial safety, i.e. trips, slips and falls, etc, and expect that the activities driven by the Integrated Change Programme will in turn deliver better results in this area.

The site continues to respond well to the many challenges posed post Fukushima and the outcomes of the Weightman report commissioned by the Government.

Projects

As reflected in our Business Plan targets and the Sellafield Performance Plan Risk & High Hazard reduction activities are our top priority. Work in this area of the site is particularly complex and challenging given the nature of the facilities involved. However we continue to set strong targets to focus activity. A number of those specific targets will not be met but in general we remain encouraged by progress in this area and the enthusiasm being applied to the work in hand.

Around half of the performance indicators for this area that are informed by the Business Plan targets have been met, and a number of others remain on track. Provided the recovery plans being put in place for the areas where performance has not met expectations are successful, then there will be minimal impact on the overall programme and the requirements of the Performance Plan.

Performance around the construction of Evaporator D is of course disappointing given the importance of this project. The construction of a new evaporator (Evaporator D) at the Sellafield site is important in both supporting the successful conclusion of the current reprocessing programmes and the decommissioning of the Highly Active Liquor (HAL) facility. At all times work must adhere to the strict requirements of the UK nuclear industry, particularly relevant at Sellafield where the complexities and constraints of the site pose their own challenges.

Since the original plans to increase capacity by the construction of additional evaporators beyond the three currently in operation, the scope for Evaporator D to also have an additional decommissioning role for the HAL facility. Previously it was thought a fifth evaporator would be needed for this purpose. This, together with the better lifetime management of Evap C means that the overall costs have been considerably reduced from earlier estimates. In round terms the earlier proposals for two new evaporators were costed at £1 billion while the costs for Evap D as currently scoped are £400 million.

Given our concerns around cost and timescale pressures a full review of the project is underway that will ultimately lead to an updated project plan. Inevitably, this will result in increases to both costs and schedule, which are expected to have a knock on effect of fee payable at the year end. Until that review is complete and a new plan produced it would not be appropriate to speculate on the detail of these impacts.

The Evap D project, currently valued at around £400m, is fully funded within the NDA's current four year funding settlement of approximately £12 billion. We would expect any requirement for additional expenditure on the Evaporator D project, whilst requiring Government approval, to be met from within the existing funding settlement. We remain confident that any resulting cost and timescale impacts will not prejudice the completion of the current reprocessing programmes. Evaporator D is and will remain a priority project given its important role in the high hazard programme.

Operational Plants

Performance in this area relies on ageing assets. However we continue to set challenging targets. Adjustments may be required in future years and direct comparisons with performance in the early life of those plants cannot always be made.

Magnox Reprocessing is a prime example given the age and uncertainties around the reliability of the facilities. So whilst throughput is falling short of the target, last years throughput has already been exceeded and final throughput is expected to be the best for some five years.

Good levels of performance in Thorp are becoming more sustainable which is also encouraging. A longer period of outage than expected in Vitrification will impact on year end results, however generally performance is improving and we will look towards further improvements as changes driven by the ICP impact.

Integrated Change Programme

The success of this programme of activity is seen as essential in building the appropriate culture and environment to support high levels of performance. The programme is already beginning to deliver results and worthy of note are positive changes in AGR receipts and record performance in the Fuel Handling Plant.

There are areas where positive change still needs to be delivered but the structured programme in place should encourage that.

Whilst the impact of programmes like this can be difficult to measure they have crucial role to play. A key to success has to be positive relationships between management and employees, including their representatives. As such we will continue to keep a close eye on the implementation of this programme and challenge where appropriate.

LLWR Performance

This period has seen the departure of site MD Dick Raaz and the appointment of his successor Dennis Thompson. Dick successfully led the site immediately after the NDA competition to acquire a Parent Body. He also oversaw the development of the site's Environmental Safety Case and arrangements for the site's wider role in delivering the national LLW strategy.

We were encouraged by a smooth transition to Dennis' leadership and support his drive for continuing improvements across the site which will always be necessary to sustain high levels of performance.

NDA Strategy Update

Since the last SSG meeting there have a number of developments in implementing the NDA's updated Strategy, agreed by Government in March last year.

Following a period of engagement a decision was made to implement proposals to move breeder materials from Dounreay and a range of materials from Harwell to Sellafield should be taken forward. The project teams including NDA and Sellafield personnel are seeking any necessary regulatory and other approvals required before the movements can commence. If these are achieved then movements from Dounreay are likely to start in Summer 2012 and those from Harwell in Spring 2013. However, these dates are subject to change.

The Babcock Dounreay Partnership was named in November as the preferred bidder in the Dounreay Parent Body competition. Work is now focused on achieving share transfer at the end of this financial year.

Views can still be sent to the NDA regarding:

- The Oxide Fuels Strategy Credible Options – 17th February 2012
- Integrated Waste Management Draft Strategy Development Programme – 24th February

Details can be found on the NDA website www.nda.gov.uk