

NDA Update – West Cumbria Sites Stakeholder Group 7th October 2010

1. Introduction

This report has been written to take account of the first six months activity on the two NDA owned sites in West Cumbria, Sellafield and the Low Level Waste Repository. Performance results against targets are not available until the end of that period 30th September.

2. Sellafield Ltd

Performance

As part of the Government's Comprehensive Spending Review process the NDA has been set three high level Departmental Strategic Objectives (DSOs) for liability reduction, value for money & hazard reduction.

In working towards meeting those requirements a series of underlying targets are set to focus site based activity. For 2010/11 twelve of the NDA's underlying targets relate solely to Sellafield, with Sellafield Ltd contributing to four other estate wide targets.

As regards performance in the first six months of the year it is worth noting that:

- The commencement of liquor activity reduction in Magnox Swarf Storage Silos in July signaled the start of reducing a major hazard.
- The Licence specification relating to Solid Waste Storage Cells was achieved by the specified date of 1 August 2010.
- The Licence specification relating to First Generation Magnox Storage Pond sludges was not achieved by specified date of 1 August 2010.
- The site has moved to a projectised structure which should deliver greater robustness in programme delivery.

After a successful year on the operating plants during 2009/10, the site has experienced a number of issues impacting on the availability of the operating plants in the first half year of 2010/11 and in some areas, such as vitrification of high level wastes and Magnox reprocessing, are unlikely to hit the year end targets.

The current year end forecast is as follows:

Liability Reduction

1 target completed – Completion of 16 SMP fuel assemblies for European contracts
4 on target to deliver for year end

- Thorp reprocessing throughput 300 tonnes
- Thorp internal flask moves
- Meeting scheduled performance as per agreed plans
- Support and overhead cost reduction of 5% compared to 2009/2010

2 at risk - Evaporator D modules and annual target for reprocessing Magnox fuel

Value for Money

On track to deliver the target of 3% cost reduction over three years of the current CSR period, due at the end of this financial year.

Hazard Reduction

2 targets completed – First Generation Magnox Storage Pond test rig, Pile Fuel Cladding Silo alternative off gas system commissioned

4 on target to deliver for year end

- Liquor activity reductions in the Magnox Swarf Storage Silos
- Completion of manufacturing of one silo emptying plant machine
- Loading of one vitrified flasks ready for next overseas return
- Contribution to estate wide Safety & Environmental Detriment (SED) reduction

1 at risk – Pile Fuel Storage Pond desludging activities,

1 unlikely to be achieved at year end – annual target for vitrification of highly active waste

By comparison for the year ended 31st March 2010 of the 44 underlying targets 41 were achieved.

Safety

We continue to see improving trends in safety performance.

The wide ranging action plan that emerged from the HALES cooling water event in January 2010, coupled with the introduction of initiatives such as disciplined operations and maintenance, has strengthened the basics of professional operations, especially in operational plants.

This has led to seeing only one nuclear safety event (hydrogen analyser event, INES level 1, provisional) in last six months. Although the event is concerning in itself, the regularity of such events is diminishing as previous trends were around 5 or 6 per year. Naturally we hope to see findings from the hydrogen analyser event used to continue to improve nuclear safety standards, especially in legacy high risk facilities.

We are seeing first signs of new and more pragmatic approaches in safety cases for decommissioning work which will help to progress work programmes. The achievement over 60 days between Lost Time Accidents is equivalent to over 4 million man hours. This is an excellent performance and has significantly improved when compared to the last couple of periods of 2009/10, due to initiatives such as Peer to Peer observation scheme.

However the incorrect transfer of waste bags to Lillyhall in April was a particular disappointment but we believe this event was also caused by a shortfall in disciplined operations which the above programmes are seeking to address

More broadly the move to projectisation will see EHS&Q staff to reporting directly to the delivery directorates, an important step towards those directorates having greater control over all of the resources that they require to deliver their mission.

We have also been pleased to see that the current release of personnel is subject to rigorous internal scrutiny and that the NII have examined the proposals and are satisfied that they can proceed.

Sellafield Plan development

Sellafield is the most complex and important site in the NDA estate. Since NMP won the contract to manage Sellafield Ltd in November 2008 they and the site have spent considerable effort investigating and reviewing the inherited lifetime plan in order to create a new fully underpinned baseline against which improvements in delivery and performance can be assessed. The inherited Sellafield plan had not been endorsed by the NDA as it was not considered to be either robust or deliverable.

In line with contractual requirements NMP/Sellafield Ltd first had to develop a revised baseline plan that is robust and achievable, based upon historic levels of performance. They are also then required to agree with NDA a new performance plan which will set out targets for achievement over the next 4 years and up to 2025, timescales that are linked to established contract review dates and the potential maximum length of the existing contract with NMP. Implementing the performance plan will drive improvements in performance and deliver the efficiencies necessary to ensure value for money for the taxpayer

The new baseline plans for all work programmes were submitted to the NDA in May as required. They have been reviewed, and following further work and discussions, have been accepted.

Developing performance plans for the most challenging and complex of Sellafield's work programmes (LP&S) are being prioritised and, when agreed, will see a real acceleration in high hazard retrieval compared to baseline assumptions. We expect these plans to be technically underpinned by November. The remaining performance plans are expected to be available around the end of the calendar year. Regulators continue to be involved in the process to ensure that the long term plan is acceptable to all parties.

It is essential that the necessary time is taken to construct these plans as together they will provide a new overall Sellafield performance plan that meets the requirements of the clean up mission, is acceptable to regulators, provides value for money, and is underpinned with high confidence levels of delivery. It will be against that plan that success can be truly and realistically be judged.

Priorities for Second Half of the Year

For the remainder of this financial year we will be looking for:

- Continued improvements in safety trends.
- Approval of business cases and sanctioning of key projects in the Legacy Ponds & Silos through DECC/Treasury
- The delivery of performance plans for Legacy Ponds and Silos during this calendar year and remainder of site by end of financial year
- Improvements in the availability of operating plants

3. LLWR Ltd

The period from 1st April to 30th September 2010 has once again been a hive of activity at LLWR and it is pleasing to note that good progress continues to be made across many fronts, notably:

- The site is performing well against NDA pre-set targets.
- The Parent Body Organisation, (PBO), continues to make concerted efforts to work with our stakeholders to the mutual benefit of all parties.
- The Vault 9 official opening ceremony was held on the 28th July the culmination of a huge amount of effort across many fronts. The project ensured that NDA's strategic risk associated with the LLW capacity gap was mitigated in the required timescales. Completion of Vault 9 provides a sustained operational capacity for the next 10 – 15 years and marks the completion of the first major project at LLWR with a new PBO at the helm.
- The development of the Environmental Safety Case (ESC) remains in good shape and on course for submission to the Environment Agency in May 2011 with targeted subsequent re-authorisation two years later.
- NDA have additionally tasked LLWR through the ESC to determine the volumetric and radiological capacity of the site with a view of establishing whether, in conjunction with alternative waste routes, the site has capacity to take LLW associated with NDA's decommissioning programme. An indicative theoretical position on future site capacity should be known in May 2011.
- Good work continues in stimulating the supply chain for the provision of Segregated Waste Services. Metal treatments continue to gain momentum. Positive management action is being actively pursued to deal with a backlog of metals from the estate that can be accelerated through this route. The next stages are targeting incineration and VLLW services.
- With the benefit of operating the new M&O contract for two and a half years, NDA and LLWR lead teams are actively looking at strengths and weaknesses in the current contract so that appropriate changes can be introduced,. This process is at an early stage but improvement areas will be shared with the wider community at the next six monthly report.

4. Socio Economics

A sort term economic impact study is underway to fully understand the potential loss of some 860 jobs across the NDA estate in West Cumbria during this financial year. A much more detailed socio economic study, which will take account of the emerging Sellafield plan, is being funded by the NDA through the Energy Coast Programme. It is expected the results of that study will be available by the end of the financial year.

5. NDA Strategy II

The consultation into an update NDA Strategy commenced on the 24th September, full details can be found on the website at www.nda.gov.uk A special meeting of the SSG will be held on the 26th October to enable all members to gain a full understanding of the issues raised in order to help inform their responses.
