

Report to the West Cumbria Sites Stakeholder Group
From the Commercial Sub Committee
For
2 April 2009

The 3rd Commercial sub committee meeting was held on 13 January 2009 at the Ennerdale Country House Hotel, Cleator, which is the only meeting since the last scrutiny meeting on 2 October

Mike Davidson, Allerdale Borough Council chaired the Commercial sub committee, which received a good attendance; however, no representatives were present from either Copeland Borough Council or Cumbria County Council. There were a number of replacement members following Nuclear Management Partners (NMP) being awarded the Sellafield contract.

Keith Case, Executive Director of Commercial and Contract Management, (Sellafield Ltd) gave a presentation on NMP, their contract with the NDA, their priorities and plans for Sellafield Ltd, in particular arrangements with the supply chain

The existing Life Time Plan is going to be validated to make the plan fit for purpose by 24 May 2010. The funding has to match the plan in order that all the priority work can be carried out. Concern was expressed on the changing priorities and loss of funding to projects which directly affects suppliers' businesses.

Competition law prohibits favouring local suppliers but there is a driver to encourage local suppliers to compete for and win Sellafield contracts. However more work has to be carried out in this area, including using selection criteria to assess suppliers' socio-economic commitment. There was some criticism of the move to large bundled contracts which prohibit small, local suppliers winning contracts. There was concern that the local supply chain has been damaged and that Sellafield Ltd has lost contact with tier 3 and tier 4 suppliers.

Keith agreed to report on the levels of contracts awarded to local suppliers and the efforts to encourage the local supply chain to do business with Sellafield Ltd for the next meeting on 9 June 2009.

Sean Balmer, NDA Commercial Projects Director, (NDA) gave a presentation on the NDA's asset utilization, in particular the Land Phase 1 sale and the future sales of land around Sellafield and nuclear materials.

The NDA objective is to divest itself of land that is not needed and that can raise revenue to fund decommissioning and minimise Government funding. Land Phase 1 comprises the sale of packages of land around Wylfa, Bradwell and Oldbury. Land Phase 1.5 covers the Sellafield land disposal project and may also enable the disposition of NDA special materials. Westlakes Renaissance is working on the strategic siting assessment for new build at Sellafield. The NDA is liaising with Government over the timing for the Sellafield Land Disposal. Grid connectivity remains an issue at Sellafield.

Sean promised to provide an update on the sale of NDA assets and their use for the next meeting.

There was considerable discussion on the Evaporator D project which is vital to the site and the continued support to Thorp reprocessing. Some additional funding has been attained and a further update will be provided for the next meeting.

Graham McKendry, Executive Director of Recycling Operations, (Sellafield Ltd) outlined the main facilities and strategic roles of his directorate, and provided details of key achievements and challenges.

Thorp reprocessing throughput is limited by the availability of downstream evaporative capacity. Thorp is allocated a share of the current evaporative capacity; however the new Evaporator D will alleviate throughput constraints when it comes on line. Evaporator C has approval to process 300te of fuel from Thorp prior to a further inspection. It is difficult to forecast further throughput until the inspection is complete.

SMP throughput has been low and further investment may be required. There have been some positive signs of improvements and two MOX fuel assemblies have been built in 2007/08. SMP performance is being reviewed by the NDA however no decisions have been taken on the future of SMP. There has been no commitment from Areva as part of NMP to invest in SMP to improve throughput.

Mike Johnson, Executive Director of Production Operations (Sellafield Ltd) outlined the key facilities and strategic roles of the directorate, along with the key issues and successes.

The Residue Export Facility (REF) is being commissioned in preparation for the return of solid HA waste to customers. The date of the first shipment is being discussed with customers.

There was some discussion on security measures in place for shipments and the restrictions on pre-briefing the local community for MOX, plutonium and future HA shipments. The Office for Civil Nuclear Security (OCNS) regulate what information can be pre-briefed.

In 2007, it was agreed that councils who are affected by any significant transport issues should be briefed informally in relation to the transportation. It was also appreciated that some of the information has security implications and Sellafield Ltd must comply with strict Government security guidelines.

Mark Jervis, INS MD, (NDA) outlined the scope of INS' work and news from the subsidiary.

The new ship Pacific Heron arrived in June 2008 and has now been fitted with physical protection equipment for a MOX shipment later this year. Barrow community representatives were shown round the ship in September. Work on a



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further two new ships will commence this year and delivery of both vessels is planned for 20010/11. These ships will be used for MOX, HLW and ILW shipments. The Pacific Pintail has also been fitted with physical protection equipment in advance of the next MOX shipment.

Discussions are progressing with customers on the forthcoming Vitrified Residue Returns (VRR), the first of which is planned for 2009/10. Detailed discussions have taken place with customers on product specifications, flasks and quantities to be shipped in order that preparations can be made.

Mike Davidson summed up the meeting which had successfully outlined the commercial operations and there was an enthusiastic response to the call for agenda items for the next meeting. There was a general consensus that this was the best meeting so far and that it had be very worthwhile. The NDA were praised for their attendance and commitment to the Commercial Sub Group. Observers included Martin Forwood of Cumbrians Opposed to a Radioactive Environment (CORE) who was very complementary about the meeting and the information shared.