

The NDA Business Plan 2008-2011



Agenda

- The Business Plan
- Objectives
- Overview
- Budget
- Strategic challenges
- Deliverables
- Next steps



The Business Plan

- Meets Energy Act requirements
- Is consistent with our Strategy
- Replaces Annual Plan
- Provides detail for year 1 and outline for years 2 and 3
- Reflects our CSR settlement
- Forms basis for what we have to deliver

Business Plan 2008/2011



NDA
Nuclear
Decommissioning
Authority

Objectives

Primary objectives

- Encourage the highest standards in health, safety, security and environmental performance
- Deliver hazard reduction
- Progress decommissioning and clean-up
- Maximise commercial value
- Manage radioactive waste safely
- Determine the scope of the liabilities

Objectives

Secondary objectives

- Provide socio-economic support and development
- Deliver skills, Research & Development and supply chain development

To enable us to deliver these objectives we will

- Compete the management of our sites
- Control cost and drive efficiency

Overview

- Sets the NDA business in context
- Describes our main achievements to date
- Raises strategic challenges including:
 - Addressing hazard reduction at Sellafield & Dounreay within a pressurised funding environment
 - Balancing our waste remit with other priorities
 - Moving forward with competition
 - Balancing desirability with affordability

Budget

- Figures reflect the 2007 Comprehensive Spending Review
- Total planned expenditure:
 - 2008/9 £2,855 m
 - 2009/10 £2,817.3 m (estimated)
 - 2010/11 £2,784.6 m (estimated)
- Anticipated income 2008/9 £1,318.2 m
- Must achieve an efficiency saving of 3%
 - reflects likely Departmental Strategic Objective

Site deliverables

- Each SLC split into sites
- Covers:
 - Site description
 - Expenditure and income for 2008/9
 - Site activities
 - Key performance indicators
 - Regulatory matters
 - Site budget



Strategic challenges

- Addressing hazards under funding pressures
 - Funds prioritised for high hazard facilities at Sellafield and Dounreay
 - Revised strategy for Magnox, Harwell and Winfrith sites
 - Efficiencies needed
 - Fixed costs must be reduced
 - Industry structure progressively changing



Strategic challenges

- Balancing our waste remit with other priorities
 - Creating a national LLW strategy
 - Interim storage and geological disposal for higher activity wastes
 - Working with Government & Devolved Admins.
 - Clarity needed on Government intentions
 - Supporting the MRWS programme
 - Engaging with stakeholders
 - Identify solution for graphite



Strategic challenges

- Moving forward with competition
 - Award LLWR contract – bring in new PBO
 - Sellafield preferred bidder by May 2008
 - Magnox South competition currently on hold
 - Undertaking review of both with Government
 - Work continues to:
 - Review incumbent contracts
 - Develop new fee arrangements
 - Engage with supply chain

Strategic challenges

- Balancing desirability with affordability
 - Implications for Magnox sites, Harwell and Winfrith
 - Delays to reactor defuelling and Magnox reprocessing
 - Magnox reprocessing not completed until 2016 or later
 - Potential impact on OSPAR commitments
 - Will address in 2008 Strategy Review

Some key objectives

- Refine HSSE metrics
- Finalise the hazard baseline
- Return first vitrified waste returns to customers
- Review the future of Springfields and Capenhurst
- Commence stakeholder engagement under MRWS
- Work with partners on socio-economic issues

Next steps

- Business Plan launched w/c 5 November 2007
- Consultation to 31 January 2008
- February - amended in light of consultation and resubmitted to NDA Board for approval
- Government approval required by 31 March 2008
- 1 April 2008 – Business Plan in place
- Spring 2008 - preparations to roll it forward one year, consultation etc