

Sellafield Ltd report
to the
West Cumbria Sites Stakeholder Group
Thursday April 2 2009

This report is issued as part of Sellafield Ltd's commitment to ensuring that information is available to members of the public.

The reports will be distributed on a six monthly basis prior to the West Cumbria Sites Stakeholder Group (WCSSG) main scrutiny meetings. It is available in local libraries, council offices and on the WCSSG website: www.wcssg.co.uk

Representatives from Sellafield Ltd attend the WCSSG meetings and are happy to field any questions raised.

Introduction

Since the last meeting of the WCSSG there have been significant changes in the management structure of Sellafield Ltd.

On November 24th Nuclear Management Partners (NMP) completed the transfer of shares in Sellafield Ltd and took over as Parent Body Organisation (PBO) from BNFL. This marked the end of a two-year competitive bidding process to find a new PBO for Sellafield Ltd.

NMP is a consortium made up of three partners; URS Washington Division from the United States, British company AMEC and French company AREVA.

As Sellafield Ltd's PBO, NMP's role is to provide strategic direction to Sellafield Ltd, which remains the Site Licence Company (SLC).

The SLC manages the day-to-day running of the Sellafield and Capenhurst sites, under contract to the Nuclear Decommissioning Authority (NDA).

NMP's vision for Sellafield Ltd is:

“The SLC and its people will achieve the NDA mission through safe, sustainable, world class performance and effective partnering with stakeholders to become the site and workforce of choice for potential new missions.”

NMP's first job as PBO was to appoint a new executive team for Sellafield Ltd. This has been done in two phases.

Initially, the previous executive was replaced on a “like for like” basis, with nine new directors joining Paul Foster, who was retained from the previous team, to form the company's new executive team.

However, NMP believes that a larger executive team in a re-organised management structure will be better placed to deliver Sellafield Ltd's programme of work. Since the end of November, the organisation structure has been changed accordingly and nine additional directors have been put in post in the new executive team.

The new directorates have been created mainly by splitting some of the larger old directorates into two or more smaller ones.

Bob Pedde was originally appointed as Managing Director, succeeding Barry Snelson MBE. However, a family medical problem meant Mr Pedde was forced to give up his position and return to the United States.

William (Bill) Poulson, whose previous experience involved overseeing the operations of a number of US nuclear sites, including the Savannah River Site, was appointed as Mr Pedde's successor.

As part of the changes to the management structure, Sellafield Ltd has appointed two deputy managing directors, George Beveridge and Todd Wright, who, along with Mr Poulson, make up the Managing Director's office.

A copy of the new company structure, appendix one, can be found at the end of this report.

These changes were carried out in a phased process, so as to allow the site to continue functioning safely and productively while they took place.

The site's management of change process has been fully utilised to ensure that safety and environmental management are not compromised.

After completing share transfer, Sellafield Ltd presented a 100 day plan, which is an initial change programme designed to engage and energise the workforce, stakeholders and customers.

The 100 day plan maps out what Sellafield Ltd will achieve over the initial period from share transfer.

The goal during the 100 day period has been to maintain safe operations, engage with stakeholders, customers and the workforce and build the foundation for efficiency initiatives.

The plan is focused around NMP's fundamental approach of **People, Partnering** and **Performance**.

Those fundamentals transcend the 100 day plan, and have been adopted as the ethos for Sellafield Ltd's future.

People

Sellafield Ltd has adopted a set of company values, which the new management team is working to cascade down through the company. These are:

Safety, we will actively care for each others' safety.

People, we will enable and encourage each individual to reach their full potential.

Respect, we will value people as they are – the abilities, contributions and participation of all.

Integrity, we will do what is right.

Commitment, we will do what we say when we say we will do it.

Learning, we will create a climate of continuous learning.

New teams have been introduced to look at the operations and processes at Sellafield Ltd. These teams contain a mix of experts from the parent companies of NMP and Sellafield Ltd employees.

The idea behind the teams is that they allow daily processes and operations of Sellafield to be analysed by a mix of some of the company's best people and experts with vast experience and knowledge from the three partners which make up the PBO.

The idea behind the teams' introduction is that having a fresh pair of eyes looking at day to day operations may allow the teams to come up with fresh ideas and solutions to problems by sharing best practice from around the world.

The teams are called PAIS Teams, PAIS stands for;

Partner – each team comprises subject matter experts from the parent companies partnered with members of the SLC; this is a key part of the process.

Assess – the assessment phase will look at procedures, policies and practices that are in place, with interaction and engagement of the work force.

Innovate – the major focus of PAIS Teams is the development of innovative solutions on how to improve performance in each area examined. Identified solutions will be managed by the MD office for consistent implementation across the business.

Sustain – outcomes from the 'innovate' phase must be institutionalised into site procedures, policies and practices to ensure the identified improvements are sustained and built on for the future.

There are a total of 13 different PAIS Teams looking at each area of the business. The teams typically have six to eight members and generally an equal mix of existing Sellafield Ltd staff and employees from the three companies which make up the PBO.

The PAIS teams are scheduled to submit their recommendations in early April, and a schedule of work will then be established to implement the proposed improvements across the sites, as a key part of the overall change programme.

Sellafield Ltd is making a renewed effort to strengthen the relationship between the company and the employees' representatives in the unions. A partnership programme has been launched, with a view to agreeing a partnering charter.

One of the key improvements already identified is better use of the Performance Management Agreement (PMA) process.

The PMA is an agreement between the company and each employee, detailing what is expected from each over the next 12 months. The PMA is discussed and agreed at a one to one meeting between the employee and their line manager. These meetings are a key tool in identifying development opportunities for employees, something which Sellafield Ltd is keen to further enhance.

The PMA process is currently being enhanced, and will include quarterly reviews, individual development plans and opportunities for managers to nominate employees for development processes like the newly established Talent Pool.

Partnering

As mentioned above, one of the key fundamentals of the new Sellafield Ltd ethos is Partnering.

In keeping with this a Partnering Charter was signed between Sellafield Ltd, NMP and the NDA on the date of share transfer.

This charter is a commitment to delivering world class performance by delivering shared objectives through partnering, mutual support, trust and respect. It maps out how the organisations will work together

Work is also ongoing to develop a socio-economic plan for Sellafield Ltd, which will be strategically focused and integrated with the NDA and NMP socio-economic policies. The SLC's stakeholder relations department is working closely with key stakeholders to help develop the plan.

The same department is working with the NDA and community leaders to develop Sellafield Ltd's input into strategic decisions.

The new executive team is also meeting regularly with all our regulators to develop constructive relationships based round a common understanding of our collective aims for the sites.

Performance

Sellafield Ltd believes that if we get the *People* and the *Partnering* aspects right then world class performance will follow. We are focused on making the improvements necessary to achieve world class performance. However we recognise that making such improvements will be fruitless unless the improvements are sustainable, and the world class performance is continuous.

Safety Performance

Another change that has been introduced across the whole of Sellafield Ltd is that each meeting now begins with a safety share, where someone involved in the meeting provides information or advice relating to safety. The purpose of this is two fold; the safety share gives an opportunity to share best practice around safety, even if it is something as simple as advice on driving conditions. It also demonstrates a commitment

that safety comes before everything else, putting the subject at the forefront of people's minds.

Key Safety Indicators

The key safety indicators for the site are split into nuclear safety and conventional safety accidents. The nuclear element is recorded through the Sellafield Incident Reports (SIR's) as reported weekly in the Sellafield Newsletter. At the time of writing the report there have been 32 SIR's against a full (financial) year target of less than 28.

The conventional safety target is recorded using RIDDOR reportable Lost Time Accidents, (Reporting of Injuries, Diseases and Dangerous Occurrences Regulations.) To date there have been 15 reported cases against a full year forecast of less than 18.

Operational Performance

SMP

The performance of the Sellafield MOX Plant (SMP) is under continuous review by the NDA.

The plant has demonstrated some significant achievements and improvements in performance recently, hitting all of its operations targets over the past three months. Since the last WCSSG meeting the plant has achieved its best ever throughput in rod manufacturing, with 24 rods produced in a single day and 80 rods produced in a week. However, despite these improvements, the plant is still operating below target.

The SMP team has achieved an excellent safety record. At the time of writing this report, it had reached over 700,000 hours of working without a lost time accident.

SMP is concentrating on building MOX fuel assemblies for a German customer due for delivery in September. Two fuel assemblies have been built and all the high enrichment rods for the first eight assemblies have been completed, with approximately 180 rods outstanding for other enrichments.

Thorp

At the time of writing the report, Thorp is preparing to start normal reprocessing operations, after the Medium Active Salt-Free Evaporator went online in mid January.

This year to date, 91.75 tonnes of fuel have been reprocessed, against an annual target of 220.

There have been a number of contributing factors in the performance of the plant, including a problem with a chiller in one of the chemical plants, and a malfunctioning centrifuge.

The problem centrifuge had a shaft that was showing signs of wear and was shut down.

At the time of writing the report, a new shaft is still being installed, but the work is expected to be completed before the end of March. The centrifuges are used to remove any solids from the dissolved fuel after shearing.

Magnox

At the time of writing this report, 472.98tes of fuel have been reprocessed in Magnox, against an annual target of 540. This is due to the plant being five weeks late coming out of a planned shutdown. The main reasons for the delay were time lost due to a crane collision event during a shutdown, problems encountered at the start of the shutdown in decontaminating the basket transfer flask and delays during the run up of the plant, caused mainly due to fixing a steam leak.

Since the plant restarted, it has run well and has recovered much of the lost ground. At the time of writing the report, it is forecast that it will only be 20tes, or one week, behind target at the end of the financial year.

Waste treatment

There have been a number of challenges.

LLWR is in the process of changing its Conditions for Acceptance and Sellafield Waste Department, as its biggest consignor, is having to adapt accordingly.

Specifically, there will be greater emphasis on correct routing of waste and conditioning/treatment of waste prior to storage.

Waste reduction/reclassification initiatives are at the forefront of our efforts.

Bag monitoring procedures for LLW are being introduced for Production Ops areas which will enable waste that previously was classified as LLW to be exempted and go to general landfill. Also, investigations are underway to enable reclassification of PCM as LLW.

Additionally audits of Low Level Waste and Plutonium Contaminated Material now contain elements of direction on waste reduction and emphasis on correct disposal routes

Decommissioning

Teams across the Decommissioning Directorate have continued to progress work on the portfolio, achieving a number of project milestones, including:

Zone 1 (Legacy Ponds and Silos)

Sellafield Dry Pack (SDP) Project achieved a major milestone with the successful completion of stage one, the design and build site construction works. The work over many months included complex removal of thousands of tonnes of redundant plant equipment, internal demolition of shield structures in order to prepare the existing

building for the new process and the construction of the new Box Transfer Facility base slab and walls. Once completed, the plants will receive intermediate level solid waste from the B38 silos for treatment into a product suitable for long term storage.

Following the start of sludge retrievals in the Pile Fuel Storage Pond, the Retrievals project team achieved another major milestone in October, when it started sludge pumping operations within the pond. Sludge is now being manoeuvred and pumped, using the previously installed Remotely Operated Vehicle, into a purpose built storage corral located within the main pond. The sludge, which consists of debris and corroded products, will be stored in the corral until it can be processed through the new Sludge Packing Plant currently under construction.

Waste Plants Portfolio team has clocked up over a million man hours without a single lost time accident, a tremendous achievement given the work undertaken during this period.

Work on the foundations for the six new packaged substations, which form part of the Power Distribution project, is well underway with three completed to date. The Power Distribution Project will entail the construction of a new electrical substation and replacement of the electrical supplies to the Comprehensive Import Export Facility (CIEF) building once constructed. Site work has also started on the alterations to Contractors' site1 to enable the Box Encapsulation Plant CIEF project to commence excavations for construction of the new facility.

The second of the three stainless steel Buffer Storage Tanks (BST) for the Local Sludge Treatment Plant (LSTP) was delivered to site in January; delivery of the final BST is currently scheduled for the end of March and the installation of the tanks will commence subject to safety case approval. LSTP provides the facilities to store, and eventually passivate by encapsulation, the sludge retrieved from the Pile Fuel Storage Pond.

Collaborative working by Sellafeld Ltd, AMEC and Norwest Holst combined with the innovative use of a terrier rig has led to the timely completion of bore holing on the B29's Local Sludge Treatment Plant Export site. The 'terrier' is a small track-mounted soil sampling rig, designed to carry out rapid, relatively shallow ground investigations for geotechnical and geo-environmental assessment. It also offers future cost savings for other studies on site.

Zones 2&3 (Decommissioning)

The Alpha Portfolio team successfully removed the last of 57 glove boxes from the redundant fuel fabrication facility, a major hazard reduction. The facility operated from 1971 to 1992 manufacturing mixed-oxide (MOX) fuel assemblies for the Dounreay Prototype Fast Reactor. Radiological conditions meant this area could only be tackled by air-fed-suits operators. Using a combination of manual and remote techniques, gloveboxes as large as 4m³ have been successfully size reduced and packaged into over two thousand 200 litre drums in total.

The first stage for the removal of the redundant Re-circulated Cooling Water (RCW) pipeline as part of the Asset Care project has been completed successfully and safely ahead of programme.

The Waste Task Team celebrated its best figures for exempt metals released from site. Having previously released 450 tonnes in 2006/7 and 720 tonnes during 2007/08, the implementation of the Waste Hierarchy (Reduce, Reuse, Recycle) across all operations enabled the team hit its 1000 tonne target for 2008/09 early

Zone 4 (Major Projects)

On Sellafield Product and Residue Store (SPRS), the construction phase was completed to schedule, allowing the plant to be handed over to the commissioning team to programme. To date commissioning work is progressing well and the project remains on target for handover to the operations team as detailed in the project programme. The project team has also exceeded 1.2 million man hours without a lost time accident. The plant will provide additional storage for product arising from Thorp and Magnox reprocessing lines.

The third Encapsulated Product Store (EPS3), which will provide additional Intermediate Level Waste Storage for waste from reprocessing operation on site as well as future clean-up work, is approaching the completion of the walls construction. Manufacture of necessary plant and equipment has also commenced so that it can be installed to programme.

Interim funding on the Evaporative Capacity Projects (Evaporators D and E) has been sanctioned by the Nuclear Decommissioning Authority, enabling the projects to continue to progress essential design and development work.

Corporate Responsibility

Between the 1st of October 2008 and 28th of February 2009, a total of 995 children and teachers from 38 schools, one Beaver group and one Family Centre took part in the primary environmental and physical science workshops at the Yottenfews Educational Project. That means that in the year to date, from 1 April 2008 to 28 February 2009, 2,973 children and adults have visited Yottenfews.

Sellafield employees have supported 15 separate educational events since October 2008 to promote interest in science, engineering, technology and mathematics.

These include long-term projects, such as the Engineering Education Scheme in which 6th form students work alongside Sellafield engineers from October to April each year to solve real-life engineering problems.

In March we arranged for a planetarium to visit West Cumbrian schools as part of our support for National Science Week.

A new group of Sellafield Science and Engineering Ambassadors was recruited in January and more than 20 educational events are currently being planned for later in 2009.

Sellafield Ltd has made a number of donations to community projects over recent months. The Lighthouse Centre in Haverigg was given £50k for a not-for-profit catering service, vocational training centre, nursery and childcare facilities and community resource centre.

Cleator Moor into Work Project was awarded £20K. The project is aimed at encouraging benefit-dependent people into training and/or work. Similar schemes in Whitehaven and Maryport were also given major awards.

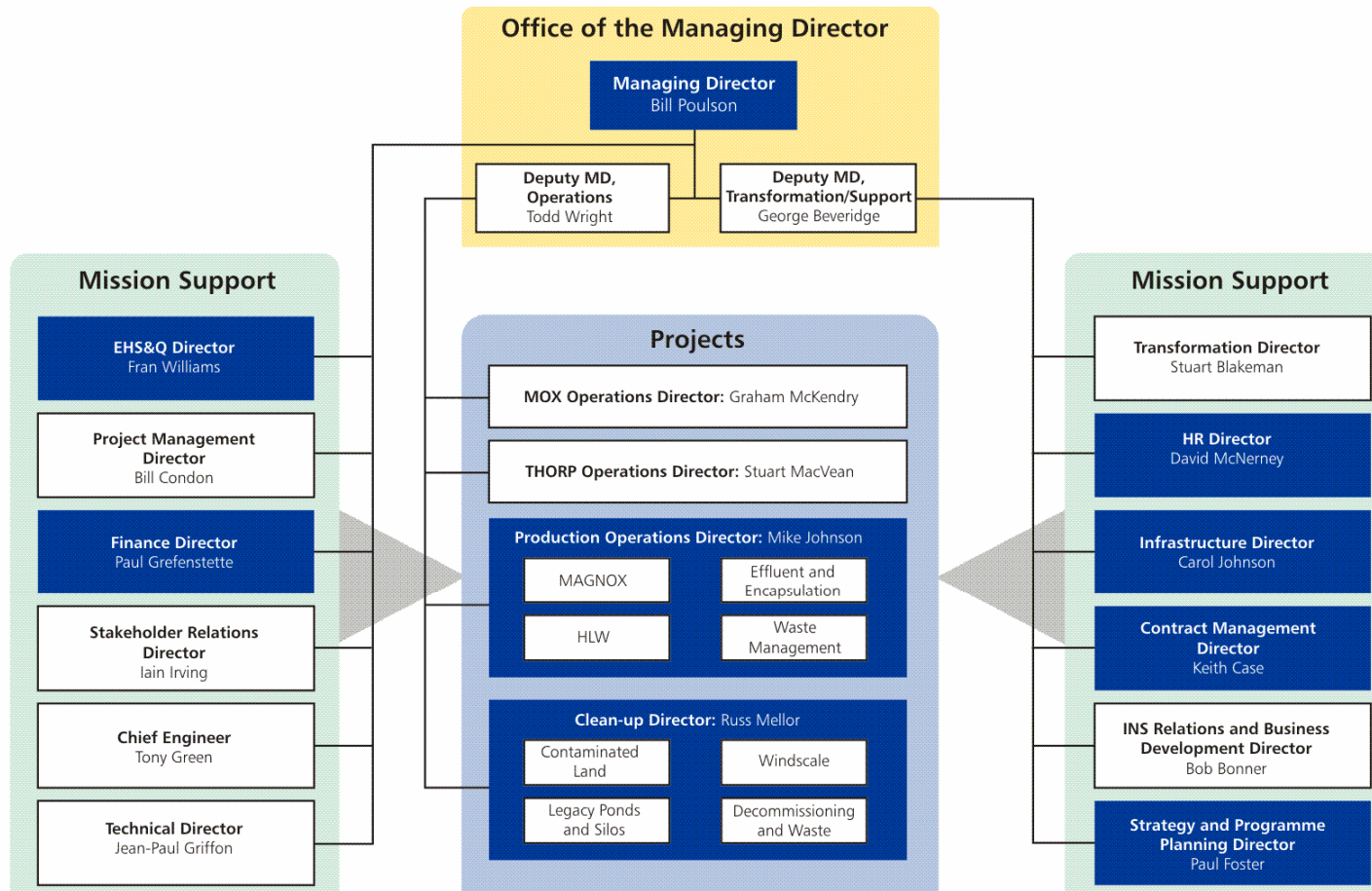
Copeland's Cultural Olympiad is an event which will take place in Whitehaven, Egremont and Millom. It was awarded a total of £5k.

West Cumbria Excellence Cluster was awarded over £5k to extend its Open University course scheme to all the secondary schools from Maryport to Millom.

Sellafield Ltd is supporting a Women Rock Whitehaven event, which is being held to raise money for Breakthrough Breast Cancer. The concert is being organised by a committee comprising of members of SL staff. As part of the sponsorship, a campaign will be launched on the Sellafield site.

In November Sellafield worker Mark Andrews, was awarded the "outstanding achievement" prize at the Copeland Pride Awards for his work with the Charlie and Kathleen Dunnery Children's Fund (CKDCF).

Mark is the CKDCF treasurer and has been a crucial part of the work the charity has done since it was set up in 2002 by well known local music star Francis Dunnery, in memory of his parents. Mark is responsible for the day to day running of the charity, which has raised well over £25,000 for local causes.



 Coloured boxes equals like for like replacements

List of Acronyms:

AFO	-	Authorised fire arms officers
AGR	-	Advanced Gas Cooled Reactor
ASW	-	Agency Supplied Worker
BERR	-	Business Enterprise and Regulatory Reform
BOC	-	Bottom Outer Coil
CAGR	-	Civil Advanced Gas Reactor
CHPP	-	Combined Heat and Power Plant
COBRA	-	Cabinet Office Briefing Room 'A'
COGEMA	-	French government owned nuclear group
CNC	-	Civil Nuclear Constabulary
CSW	-	Contractor Supplied Worker
DACR	-	Days Away Case Rate
DTI	-	Department of Trade and Industry
EAC	-	Endorsement for Active Commissioning
EARP	-	Enhanced Actinide Removal Plant
E&EP	-	Effluent and Encapsulation Plant
EHS&Q	-	Environmental Health, Safety and Quality
EPS	-	Encapsulation Plant Store
EPS2	-	Encapsulation Plant Store 2
FCRT	-	Fuel Channel Retrieval Tool
FHP	-	Fuel Handling Plant
HA	-	Highly Active
HAL	-	High Active Liquor
HANO	-	Highly Active North Cell
HLWP	-	High Level Waste Plant
HMIC	-	Her Majesty's Inspectorate of Constabulary
HSE	-	Health & Safety Executive
ILW	-	Intermediate Level Waste
INES	-	International Nuclear Event Scale
INS	-	International Nuclear Services
LLW	-	Low Level Waste
LLWR	-	Low Level Waste Repository
LRQA	-	Lloyds Register Quality Assurance
LTA	-	Lost Time Accident
LTP	-	Life Time Plan

MA	-	Medium Active
MAC	-	Medium Active Concentrate
MER	-	Magnox East River
MBGWS	-	Miscellaneous Beta Gamma Waste Store
MOX	-	Mixed Oxide
NDA	-	Nuclear Decommissioning Authority
ND&MPG	-	Nuclear Decommissioning and Major Project Group
NII	-	Nuclear Installations Inspectorate
NOK	-	Nordostschweizerische Kraftwerke AG - Swedish Utility
NM	-	Nuclear Material
OCNS	-	Office of Civil Nuclear Security
ORM	-	Other Radioactive Material
OSHA	-	Occupational Safety & Health Administration
PACSR	-	Pre-Active Commissioning Safety Report
PCM	-	Plutonium Contaminated Material
PF&S	-	Plutonium Finishing and Storage
REF	-	Residues Export Facility
RIDDOR	-	Reporting of Injuries, Diseases & Dangerous Occurrences Regulations
QA	-	Quality Assurance
ROV	-	Remotely Operated Vehicle
SAV	-	Separation Area Ventilation
SDP	-	Silos Direct Encapsulation Plant
S&DNSC	-	Sellafield and Drigg Nuclear Safety Committee
SMP	-	Sellafield Mox Plant
SOCPA	-	Serious Organised Crime and Police Act
SPP1	-	Sludge Packaging Plant 1
SPRS	-	Sellafield Products Residues Store
THORP	-	Thermal Oxide Reprocessing Plant
TPFL	-	Thorp Plutonium Finishing Line
TRC	-	Technical and Residues sub committee
UKAEA	-	United Kingdom Atomic Energy Authority
UKSO	-	UK Safeguards Office
VIT	-	Vitrification
VPS	-	Vitrification Product Store
WANO	-	World Association of Nuclear Operators
WCDA	-	West Cumbria Development Agency

WCDF	-	West Cumbria Development Fund
WCSSG	-	West Cumbria Sites Stakeholder Group
WEP	-	Waste Encapsulation Plant
WPEP	-	Waste Packaging and Encapsulation Plant
WTC	-	Waste Treatment Complex
WVP	-	Waste Vitrification Plant