

UKAEA, Windscale Report to the West Cumbria Sites Stakeholder Group

Date: October 2006

This report covers the period from 31st March 2006 – 30th September 2006

UKAEA

At a company level, UKAEA has continued to work to restructure into 3 basic groupings, in line with the changes brought about with the creation of the Nuclear Decommissioning Authority (NDA) and in preparation for competition of the sites. We will create a business arm, a number of Site Licensee Companies and there will be a residual Non Departmental Public Body (NDPB). We are in discussion with NDA and the regulators about the details of these, but have provided an indication to staff of their likely allocation to the new entities.

At Windscale we are working towards a stand-alone Site Licence Company (SLC), but recognise that the future of Windscale is currently the subject of the 'discussion' initiated by NDA. In this model the majority of staff would be employed by the SLC, which would hold the Nuclear Site Licence and the contract with NDA. A small number (up to 10%) would be employed by the business arm (UKAEA Ltd) and then seconded back into the SLC. This model is already working at Sellafield where about 60 British Nuclear Group (BNG) employees are seconded into BNGSL.

Dipesh Shah, our Chief Executive Officer (CEO) left UKAEA at the end of August . His replacement is being recruited, and meanwhile the Board has appointed Dounreay Director Norman Harrison as acting Chief Operating Officer (COO).

Windscale Site

Operational Performance

We have continued to strengthen the Windscale team, through a campaign of recruitment and through secondments from our partners, CH2MHill and Amec. We are maintaining our focus on safe delivery, and are very aware of the potential distraction from the discussions around our future. We are addressing this with, amongst other things, staff discussion groups.

Two significant changes to our programme came into effect at the start of the financial year. On WAGR we are now directly managing all aspects of the project, funded directly from NDA. This has increased our team by around 50

people. In the Leased Operations Facility we now have direct funding for the engineering work in support of the new Operational Safety Case (OSC).

On the Piles project a very significant milestone was achieved when NII accepted the new OSC for Pile 1. This is the culmination of a major programme of work to show that the reactor does not pose the risks previously considered.

The Integrated Safety Improvement Programme (ISIP) which UKAEA and Nexia jointly manage addresses a wide range of improvements, focused around the new OSC for the Shielded Examination Facility. The programme included actions to address the shortcomings identified in the Improvement Notices issued by NII last year. The planned improvements have now been made to the satisfaction of NII.

We finished the last financial year as the best performing site in NDA's Region 3 and we are determined to maintain this strong performance. We are currently achieving a schedule performance well into the 90%^s and delivering below estimated cost, such that we have been able to bring work forward from future years. We are continuing to develop plans for acceleration of our programme.

Safety & Security

The NII observed the annual demonstration exercise at Windscale and were satisfied that this was an adequate demonstration of Windscale's emergency arrangements.

In the period, there has been one RIDDOR reportable event. A contracted member of staff received a back injury whilst moving furniture which resulted in an absence from work. I am pleased to report that he has returned to work.

On the 22nd May 2006, a warning letter was received from the Environment Agency with regards to Windscale's arrangements for the recording and reporting of aerial discharges in accordance with the discharge authorisation.

A corrective plan to address the issues raised in the warning letter was completed at the end of June 06 and has now been rigorously implemented.

Forward Programme

During the first week in October, UKAEA Windscale is delighted to be hosting the 41st meeting of the Technical Advisory Group of the Nuclear Energy Agency of the Organisation for Economic Co-operation and Development (OECD).

In November, a delegation from the International Atomic Energy Agency's (IAEA) Technical Research Co-ordination group will also be visiting the UK. UKAEA Windscale is again hosting this event.

Stakeholder Issues & Site Visits

We have continued to welcome a variety of stakeholders to the site. We have hosted visits by Mr Jamie Reed MP, the Copeland Nuclear Working Group and Mr Peter Stybelski (CEO Cumbria County Council). We also had the opportunity to talk to the Secretary of State, the Right Honourable Alistair Darling about our work at Windscale during his recent visit to West Cumbria.

We have also supported some additional stakeholder events in the community:

- NuTech Exhibition – UKAEA Windscale provided financial sponsorship for this event as well as exhibiting and participating in the meet the buyer event which ran simultaneously to the exhibition.
- IMechE Event – UKAEA provided financial sponsorship for the lecture which was given by Johnny Ball.

The wider consultation exercise for the Integrated Waste Strategy for the Windscale Site is due to be completed on the 15th September 2006. Following that, comments will be considered prior to the final strategy report being produced. The consultation documents can be found on the UKAEA web page.

Index of Acronyms

NDA	Nuclear Decommissioning Authority
NDPB	Non Departmental Public Body
SLC	Site Licence Company
BNG	British Nuclear Group
BNGSL	British Nuclear Group Sellafield Limited
CEO	Chief Executive Officer
COO	Chief Operating Officer
OSC	Operational Safety Case
NII	Nuclear Installations Inspectorate
RIDDOR	Reporting of Injuries, Diseases and Dangerous Occurrences Regulations
OECD	Organisation for Economic Co-operation and Development
TAG	Technical Advisory Group
IAEA	International Atomic Energy Agency
IWS	Integrated Waste Strategy