Department for Business, Energy & Industrial Strategy

The Rt Hon Greg Hands MP
Minister of State for Energy, Clean Growth and Climate Change

Department for Business, Energy & Industrial Strategy
1 Victoria Street
London
SW1H 0ET

T +44 (0) 20 7215 5000
E enquiries@beis.gov.uk
W www.gov.uk

Darren Jones MP
Chair of BEIS Committee
House of Commons
London
SW1A 0AA

26 August 2022

I am writing to notify you of a liability the Department for Business, Energy & Industrial Strategy are undertaking for the Sellafield Replacement Sea Line (RSL) lease between the NDA and two landlords, Crown Estate (TCE) and Baron Egremont of the Leconfield Estate (Egremont) on 17th January 2022. This was following Departmental and HMT agreement to the indemnity in February 2021.

Sellafield Ltd is responsible for safely delivering decommissioning, reprocessing and nuclear waste management on behalf of the NDA. Sellafield Ltd discharge radiological and non-radiological aqueous waste from the Sellafield Site under permit from the Environment Agency. Aqueous wastes are generally treated in effluent treatment plants prior to being discharged into the Irish Sea. The aqueous waste is discharged via the Sellafield Replacement Sea Line (RSL) which is an 18-inch nominal diameter steel pipe encased in concrete.

The pipeline runs from the Sellafield site over foreshore and seabed owned by two separate third party landowners, The Crown Estate (TCE) and Baron Egremont of the Leconfield Estate (Egremont).

These are long standing liabilities, with the lease arrangement for the unlimited liabilities in place since 1991. This lease pre-dates the formation of NDA in 2004, following the introduction of new guidelines and status of Sellafield as part of central Government (2016) meant such indemnities now require government approval.

The Replacement Sea Line (RSL) is a critical asset for the delivery of nuclear safety and the environmental performance of the Sellafield Site. The continued performance of the asset is required to meet business and risk reduction objectives and, without long term property rights being in place, this cannot be guaranteed.

It is normal practice, when a Government Department proposes to undertake a contingent liability in excess of £300,000 for which there is no specific statutory authority, for the Minister concerned to present a Departmental Minute and Written Ministerial Statement (WMS) to Parliament giving particulars of the liability created and explaining the circumstances. The Departmental Minute will be laid as soon as is possible following this summer House Recess.

It is also normal practice that any contingent liabilities should not be incurred until 14 sitting days after Parliament has been notified of the government’s intention to incur a contingent liability. If the liability is called, provision for any payment will be sought through the normal Supply procedure.

Regrettably, this was not done ahead of new lease terms coming into effect on 17 January 2022. NDA had been working with the Department and HMT to approve the Sea lines indemnity, a delay due to commercial negotiations meant that NDA had not notified the Department that the lease had been finalised allowing BEIS to complete the necessary processes. In reviewing, BEIS recognised that the process to notify had not been followed, and for complete transparency are notifying parliament now.

HM Treasury have given their approval for this indemnity.

Yours ever,

THE RT HON GREG HANDS MP
Minister of State for Energy, Clean Growth and Climate Change