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Response to the Committee regarding October 5th Magnox Public Account Committee hearing

During the Public Accounts Committee Hearing on the 5th October I committed to providing the Committee with written updates on several points, I am writing now to provide those updates.

Timeline for identifying a site for a Geological Disposal Facility

Sir Geoffrey Clifton-Brown asked about the expected delivery schedule for the geological disposal facility (GDF). As I noted during the Committee hearing, a consent-based process is underway in England and Wales to identify a suitable location to dispose of our most hazardous radioactive waste. The process is designed so that communities choosing to participate in the siting process as potential hosts of a future GDF can have all their questions answered and can make an informed decision about whether hosting a GDF is right for their community.

The planning assumption is that there will be an initial 5 year period (this is the stage we are currently in) where the developer, Radioactive Waste Management Ltd (RWM), will be inviting and encouraging interest from potential host communities. During this period, initial site investigations will take place to assess suitability of the geology in interested communities. Following that, there will be a process of down selection to a smaller number of communities in which more detailed site investigations will be undertaken, including drilling of boreholes in order to properly characterise the potential sites. This second stage could take up to 10-15 years depending on the complexity of the geology. Following this stage, we will select a final site and start construction and then operation of the facility. We expect a GDF will begin operating in the 2040s. The operation phase will last for 100+ years and

will include ongoing aspects of construction as chambers in the underground facility will be dug on an ongoing basis depending on need.

Impact of the cost of decommissioning on the overall cost of producing electricity using Nuclear Reactors

Having considered this question in detail and with advice from BEIS officials who undertook a preliminary analysis, I am of the opinion that it will only be possible to come to an answer that the Government could endorse by undertaking a detailed study. Such a study would need to take into account issues such as the overall cost of operation for the fleet, liabilities over time, financing costs, capital costs throughout the lifecycle and an accounting of associated costs and benefits to the UK's nuclear estate.

As I noted during the hearing, both the construction and decommissioning of nuclear reactors has progressed substantially and so it is not clear that further investigations would generate relevant lessons learned for our current work. It would also involve a significant amount of expense due to the historic nature of much of the data, and the results are therefore likely to be indicative at best, rather than definitive.

If this is an issue that the committee would like to pursue themselves, I would be happy for my officials to meet with your researchers and share their preliminary analysis.

As I set out at the hearing there is a statutory requirement (2008 Energy Act) that requires all new nuclear projects to fully fund their own decommissioning. In terms of projecting the costs of decommissioning the developers of new reactors must produce a Decommissioning and Waste Management Plan (DWMP) that sets out a strategic plan for how decommissioning will take place as well as estimating the cost for that decommissioning.

For the Hinkley Point C development the NDA were asked by HMG to assess the DWMP produced by EDFE. The latest version of the DWMP was produced in 2014 with the NDA assessment concluding that the decommissioning cost estimates produced were robust. The next version of the DWMP is expected to be produced in 2024 before any fuel is loaded into the new station. I would anticipate that the NDA will also be asked to review this version of the document.

John Clarke and Stephen Henwood's departure from the NDA

I can confirm that neither John Clarke or Stephen Henwood received any form of pay off when they left their NDA positions.

Government support for Nuclear skills

Government, through membership of the Nuclear Skills Strategy Group (NSSG), are committed to ensuring the UK civil and defence nuclear industries have the required skills to deliver their existing decommissioning requirements together with supporting proposed future programmes. NSSG includes representation from BEIS, MOD and the NDA.

The NSSG is an employer-led nuclear industry skills body, underpinned by a UK-wide partnership approach between Government, industry, training providers, and the various skills bodies. The Group collectively works to deliver its Nuclear Skills Strategic Plan to address the key risks to skills and resources facing the industry. The strategy addresses the skills infrastructure, processes, and the training provision needed to secure the required supply of qualified and competent people across the civil and defence sectors. In terms of cross-fertilisation, there is a specific NSSG subgroup on 'transferability' which considers movement of people within the sector (e.g. company to company), between civil and defence, and from nuclear to other sectors, and vice versa.

Magnox Inquiry final report

I am happy to commit to providing the committee with a copy of the Magnox Inquiry final report as soon as possible, once it has been handed over to the Secretary of State. The Inquiry is in its final stages, and with the conclusion of legal action against it we hope to receive this soon, and it is our intent to publish as quickly as possible.

NDA Tailored Review

I also wanted to give the Committee an update on the Tailored Review. During the hearing I explained that what began as evidence-gathering for the Tailored Review of the NDA would now continue as a Departmental Review and would conclude by the end of the year, allowing us to decide how to integrate its findings with the new Cabinet Office Arm's Length Body (ALB) review process. I will ensure that we write to the Committee again once we have a confirmed timetable for that to happen.

Impact on Magnox workers of the £95k cap

I have agreed with David Peattie to respond to this question given it relates to a central Government policy. As you will be aware the Exit Payments Cap legislation is due to come into force this year. As a public body, the NDA group, which includes the subsidiary businesses will be complying fully with the exit payment cap. NDA & HMG engaged closely with Trade Unions as part of the consultation on the cap and came to an agreement on a limited and targeted waiver process for this cap for staff made redundant through completion of decommissioning objectives. There are also wider waiver processes available which it may be possible to apply based on the particular characteristics of each situation.

A handwritten signature in dark ink, appearing to read 'Sarah Munby', is centered on the page. The signature is fluid and cursive, with a small dot at the end.

Sarah Munby