Department for Science, Innovation & Technology

Department for Energy Security & Net Zero

Lord Vallance
Minister of State for Science, Research and Innovation and Energy Security & Net Zero

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Sir Geoffrey Clinton-Brown MP
Public Accounts Committee
House of Commons
London
SW1A 0AA

13 October 2025

Dear Sir Geoffrey,

I am writing to notify you of a new contingent liability which the Department for Energy Security and Net Zero plans to undertake upon accession to the Convention on Supplementary Compensation for Nuclear Damage (CSC).

The CSC is an international nuclear third party liability (NTPL) treaty under the auspices of the International Atomic Energy Agency. NTPL treaties establish minimum compensation thresholds which operators have financial security to cover, assign liability exclusively to the operator of the nuclear installation, and channel claims to the jurisdiction where the incident occurs. The UK is already party to the Paris Convention on Third Party Liability in the Field of Nuclear Energy (Paris Convention) and the Brussels Convention Supplementary to the Paris Convention on Third Party Liability in the Field of Nuclear Energy (Brussels Supplementary Convention) which are implemented domestically through the Nuclear Installations Act 1965. To enhance the UK's NTPL regime and support the development of new nuclear projects, the UK has been working towards accession to the CSC. The necessary implementing legislation was enacted through the Energy Act 2023.

Nuclear power, as one of the most reliable, secure, low-carbon sources of electricity, is and will continue to be an essential part of the energy mix on the UK's journey to net zero by 2050. The

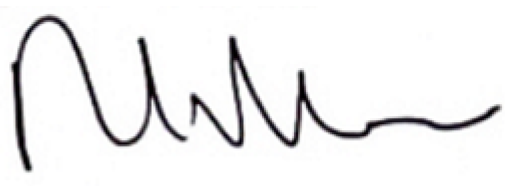
CSC plays an important role in establishing a robust third party liability framework which is critical for attracting investment in new nuclear, enabling nuclear exports, and ensuring fair and effective compensation for victims of nuclear incidents.

Accession to the CSC will establish NTPL treaty relations with the eleven contracting parties to the convention thus further removing potential barriers to investment and supporting UK exports. This step is expected to enhance investor confidence and strengthen supply chains, contributing to the growth of the UK’s nuclear industry.

The CSC establishes a shared international fund to provide compensation in the event of a nuclear incident. The UK’s accession will result in a contingent liability due to contributions to this fund. The shared international fund is made up of contributions from contracting parties to the convention based on their installed nuclear capacity and UN rate of assessment. At present, assuming UK membership to the convention, the supplementary compensation fund would be valued at approximately £120m, with the UK’s contribution at £6.6m. This figure will be subject to adjustment as the UK's nuclear fleet evolves.
The trigger for this contingent liability is a nuclear incident in a contracting party to the convention. In the unlikely event of an incident in another contracting party, said contracting party could call on the UK to make its contribution of £6.6m to the supplementary compensation fund once the national minimum compensation amount is exhausted. Additionally, should an incident occur in the UK, HMG is obligated to compensate victims up to the value of the supplementary compensation fund of approximately £120m. In the event of a civil incident the UK would then receive the contributions from the other contracting parties to the convention. To date, there have been no calls on this fund. Full details on how the contributions to the shared international fund are set out in Article IV of the treaty.

Authority for any expenditure required under this liability will be sought through the normal procedure. The Treasury has approved the proposal in principle. If, during the period of fourteen parliamentary sitting days beginning on the date on which this Minute was laid before parliament, a member signifies an objection by giving notice of a Parliamentary Question or by otherwise raising the matter in parliament, final approval to proceed with incurring the liability will be withheld pending an examination of the objection.

Yours sincerely,



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