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Dear Chair,

**GOVERNMENT RESPONSE TO THE MAGNOX INQUIRY AND THE BEIS
DEPARTMENTAL REVIEW INTO THE NDA**

Government is today publishing a document detailing our response to the Magnox Inquiry and the recent BEIS Departmental Review into the Nuclear Decommissioning Authority.

Background

The Magnox Inquiry was an independent, non-statutory inquiry commissioned in 2017 by the then Secretary of State for Business, Energy and Industrial Strategy, Rt Hon Greg Clark MP. Its purpose was to review the procurement and subsequent termination of a management contract for decommissioning the Magnox nuclear power stations. The final report was published in March 2021, with a total of 57 recommendations. These centred around future commercial assurance, oversight of governance procedures and culture change.

With regard to the Departmental Review, pre-work for a Tailored Review into the NDA was initially commissioned in December 2019. In 2020 the Government decided to close the current tailored review programme of Arm's Length Bodies, and to replace it with a new programme. As a result of this, government departments were requested not to start any new tailored reviews until a new programme was in place. BEIS took the decision to continue the evidence-gathering under the auspices of a 'Departmental', rather than 'Tailored', review given the long-standing public commitments made.

The Departmental Review was, therefore, conducted by an independent team within BEIS, and published in June 2021, with a total of 26 recommendations. The review itself addresses several of the Inquiry's recommendations for BEIS and UKGI as well as offering further recommendations for consideration. These centred around the form and function of the Nuclear Decommissioning Authority, its oversight by Government and its internal governance, organisational health and operational effectiveness.

The Committee, in its twenty-first report of session 2017-19, made a number of recommendations in relation to the events surrounding the Magnox contract and requested a response to the final report of the Inquiry.

In its sixty-fifth report of session 2017-19 the Committee requested a response to the Tailored Review (now Departmental Review).

In its twenty-eighth report of session 2019-21 the Committee stated: "...On publication of the Magnox Inquiry and Tailored Review, the Department and the Nuclear Decommissioning Authority should set out publicly what has been learnt from them".

Government Response

I enclose a copy of the Government response with this letter. The Government response is co-authored by BEIS, the Cabinet Office and UK Government Investments.

The Nuclear Decommissioning Authority has developed its own joint response to the Magnox Inquiry and the Departmental Review. This is complementary to the Government response and will be sent to you by way of separate letter from the Nuclear Decommissioning Authority.

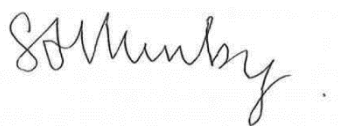
We share this document with you so as to meet our commitment in Recommendation 6 of the Committee's February 2018 report into the Magnox contract. There are a number of remaining related recommendations, which we intend to address by way of a more comprehensive letter to the Committee later this year.

Both reviews that are being responded to today contain valuable lessons for the Nuclear Decommissioning Authority and for the Government. We take the recommendations very seriously and have considered them with great care. The responses will give stakeholders confidence of the depth of reach and robustness with which the learnings from the reports will have an impact on the Nuclear Decommissioning Authority.

The Government and the Nuclear Decommissioning Authority will prioritise the implementation of the commitments within these responses as we continue to deliver against the UK's critical nuclear decommissioning challenges.

I will be happy to provide further information should you require it.

Yours sincerely,

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

Permanent Secretary, Department for Business, Energy & Industrial Strategy