

Principles for Liabilities Management

A Response to the DTIs White Paper 'Managing the Nuclear Legacy'

from the

Business Futures Working Group

of the BNFL National Stakeholder Dialogue

November 2002

212 High Holborn
London WC1V 7VW

tel 020 7836 2626

fax 020 7242 1180

email info@envcouncil.org.uk

www the-environment-council.org.uk

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If you have any comments or queries regarding this report please contact:

Rhuari Bennett

Direct Line: +44 (0) 20 7632 0134

E-mail: rhuarib@envcouncil.org.uk

The process was designed and facilitated by Richard Harris of RJH Associates for The Environment Council and by Steve Robinson, Helen Ashley and Rhuari Bennett of The Environment Council. Content advice was provided by Paul Scott of Next Step Consulting.

212 High Holborn
London WC1V 7WW

tel 020 7836 2626

fax 020 7242 1180

email info@envcouncil.org.uk

www the-environment-council.org.uk

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Foreword

Aim of the BNFL National Dialogue

The BNFL National Dialogue involves a wide range of organisations and individuals interested in or concerned about nuclear issues. Its aim *is to inform BNFL's decision-making process about the improvement of their environmental performance in the context of their overall development.*

The dialogue is open to national organisations and regional groups as well as well as expert and specialist concerns. If you believe you are affected by the issues, think you can contribute or wish to participate (or if you know of anyone else who should be involved) then please contact The Environment Council on 020 7632 0117. (Criteria for Membership are attached).

Participation (by organisations or individuals) in either the overall dialogue or the working groups must not be taken as an indication of support or disagreement with the dialogue itself, its outputs or BNFL's activities.

Any quotes from the reports used in talks, articles, consultation papers and/or other documents published on paper or electronically must be put within the context given within the relevant section of the working group's report. The Environment Council strongly advise those considering quoting from the reports to forward their proposed text for review to Rhuari Bennett (rhuarib@envcouncil.org.uk)

The role of the convenor

The convenor of the dialogue is The Environment Council, an independent UK charity. The Environment Council is responsible for designing and facilitating each stage in the dialogue, and provides relevant support, like issuing invitations and booking venues.

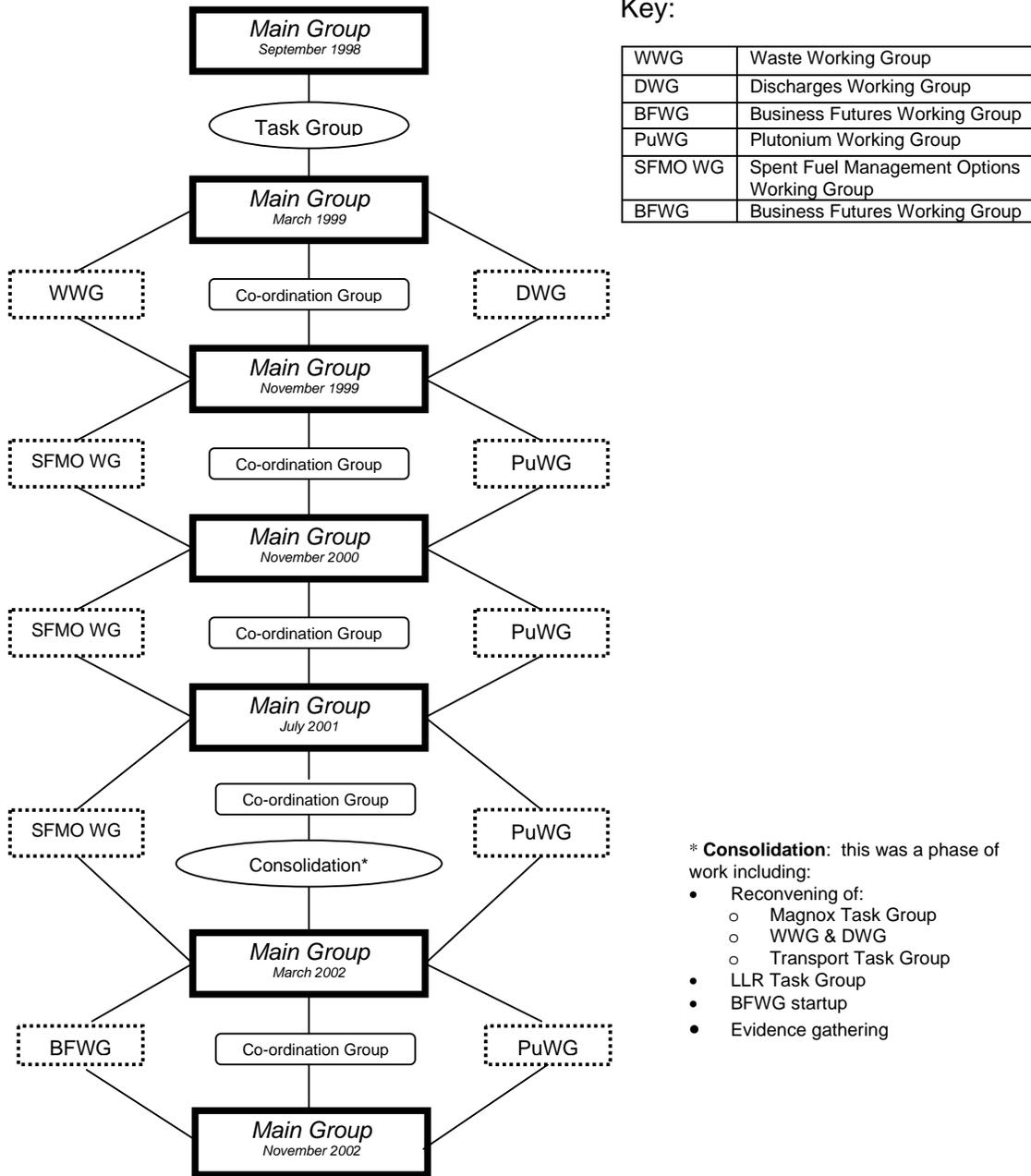
The Environment Council is not responsible for any issue discussed in the dialogue, and holds no formal position on any of the substantive issues that are or might be considered. It is for the participants to decide what issues are raised, how they might be addressed and how any observations, conclusions and recommendations might be recorded and communicated.

The website of The Environment Council, www.the-environment-council.org.uk displays a full history and evolution of the Dialogue, as well as all of the reports that have been produced from the process.

The Environment Council, November 2002.

History of the BNFL National Stakeholder Dialogue

The diagram below outlines the inception and evolution of the BNFL National Stakeholder Dialogue process. A more detailed history and explanation of each of the groups, together with the reports produced and lists of group members is available at www.the-environment-council.org.uk



Notes:

- The Coordination Group is responsible for providing guidance on linkages and continuity between groups, as well as identifying problems and “potential wobbles.”
- “Socio-Economic” and “Transport” issues were discussed throughout the process
- Contact Rhuari Bennett for more information on 020 7632 0134, rhuarib@envcouncil.org.uk

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Introduction and Background

The Business Futures Working Group (BFWG or the Group) was formed in October 2001 and is the fifth working group to be set up under the BNFL National Stakeholder Dialogue. Its formation preceded the publication of the “Managing the Nuclear Legacy” White Paper by the DTI that proposed the formation of a Liabilities Management Authority (LMA). At its inaugural meeting, the BFWG defined its aims as:

1. Providing analysis and advice to the Company on the impact of the development of the LMA, and informing the DTI’s LMA development process.
2. Reviewing/monitoring the development of the Company’s strategy in respect of providing services to governments and nuclear utilities.
3. Identify other business futures the Company might adopt, including the examination of non-nuclear business futures.
4. Develop guidance to the Company on recommended ways forward, including milestones and targets where appropriate.

As part of the DTI’s consultation process on the White Paper, the Group was asked to provide input relating to funding and the principles of openness and transparency, which are fundamental to the formation of the LMA. While responding to this request, the Group decided that it was appropriate to carry out a more wide-ranging review of principles, which should underpin the management of nuclear liabilities.

The development of principles aimed to provide a specification for the LMA, which, if met, would best enable it to achieve its mission as set out in the White Paper. Commenting at the level of principles provides a robust and enduring framework against which to judge the establishment and operation of the LMA.

The principles developed by the working group are presented below and represent a consensus view amongst all Group members (see Appendix 1). The breadth of this consensus adds considerably to the weight, which should be given to this input. In particular, the BFWG draws attention to the fundamental principles of openness and transparency, which are given prominence in the White Paper. The Group believes that these principles, as reflected here, must be adopted at the earliest possible opportunity, and should become a central and permanent feature of the Government’s approach to Liabilities Management leading up to the establishment of the LMA. This is essential to the task of building up public confidence in the LMA and the management of nuclear liabilities.

The Group recognised that radioactive waste policy is a devolved matter. References to “Government” therefore include the relevant devolved administrations.

The numbering and ordering of the principles does not imply a relative importance or priority.

Process

The BFWG developed a set of principles, which emerged from its discussion of overarching issues arising from consideration of the White Paper. The Group initially considered the White Paper using the categories of Achievement, Safety, Environment and Finance. BFWG subsequently identified the need for two further categories, Generic Issues and Outstanding Issues. All six categories were then reviewed under seven areas: Playing Field, Structure, Standards and Methodology, Inclusive Process of Decision Making, Agreed Strategy and Prioritised Cleanup Plans, Motivated People working to Agreed Standards, and Evidence of Progress. The results of these discussions were developed in the form of detailed issues within a matrix (see Appendix 3, which includes an explanation of the areas considered).

The finance category was examined and a set of funding principles was developed. These were considered to be largely independent of issues raised under the categories of safety, achievement and the environment, but are directly affected by them, as they directly influence the level of funding required.

While undertaking its task, the Group found that the original categories overlapped considerably in many areas, and there is clearly a balance to be struck between several aspects of these categories. BFWG found that the issues in the matrix could be grouped under the headings:

A. Structure and Policy, B. Funding, C. Regulation, D. Programming,
E. Infrastructure, F. Contracting, G. Reporting.

These groupings appear to identify the key stand-alone issues, which require principles to be derived. The matrix from Appendix 3 was used to inform the development of principles in the groupings selected above.

As the process proceeded, a number of the principles were found to interact and had to be taken in their entirety and applied as overarching all the other groupings.

The BFWG recommends that the DTI must take these principles into account when:

- Preparing the Nuclear Reform Bill
- Developing its work programme for establishing the LMA.

Overarching principles

(All of these principles interact and must be taken in their entirety)

1. The Government must ensure that there are clear national interpretations on how broad principles such as risk, hazard, inter-generational equity and sustainable development are to be applied to decommissioning and waste management. These must be developed in a way which maximises stakeholder and public confidence
2. Government must recognise the importance of relationships with the local communities and make timely arrangements for remedying any significant associated socio-economic changes. This must include:
 - the development and delivery of appropriate action plans through relevant Government departments and other public agencies
 - the availability of funding to deliver the agreed action plans commensurate with the level of change.
 - an acknowledgement in the remit of the LMA that socio-economic and environmental support must be one of the selection criteria for the appointment of contractors.
3. In undertaking its work the LMA must take into account the findings of the BNFL National Stakeholder Dialogue. (See Appendix 2 for list of reports)
4. The LMA must be open and transparent in all its activities, taking into account short and long-term concerns, which may span many generations.
5. Stakeholders must be engaged as far as possible throughout the decision-making processes. The LMA must develop, with stakeholders, acceptable principles for deciding when and how inclusive or exclusive decision-making should be applied.
6. A liabilities¹ management programme must be developed, funded and implemented which:
 - is based on a sound knowledge of the inventory and characteristics of the radioactive legacy to be managed
 - is consistent with emerging UK policy on radioactive waste management
 - is derived using transparent assumptions, principles and appropriate measures of progress, with clearly stated criteria for prioritising work;
 - enables LMA to demonstrate best value for money in discharging its liabilities through a balance of safety, environment, achievement of the programme, cost effectiveness and local and national socio-economic factors.
 - secures the continuity and delivery of the overall programme, including supply chain and skills development.
7. All assumptions, and how they are arrived at, including those relating to risk, methodologies, politics, social issues and regulatory regimes, must be made

¹ Liabilities, as defined in the White Paper

explicit and public.

8. The LMA must arrange for a regular review of decommissioning and waste management assumptions and strategies on the basis of wide stakeholder involvement and independent advice.

A. Structure and Policy

Structure

Noting the intention to form the LMA as a Non Departmental Public Body with direct overview by a DTI Minister and the Scottish equivalent:

1. the Government must ensure major decisions to be taken only in the light of full consultation with stakeholders. This must include the legislative framework and the structure of the LMA. DTI must ensure early and continued stakeholder involvement
2. prompt legislation is required to enable a transition to new arrangements as soon as possible to facilitate strategic overview, openness and transparency and provide security of funding
3. the method of appointing the LMA governing body, its composition, name, structure and accountabilities must aim to command public confidence.
4. although radioactive waste management policy is a devolved matter, the LMA must seek to maintain continuity of policy across the UK.
5. implementation of waste policy must be consistent across all waste producers.

Policy

1. Relationship between regulatory authorities (including local planning authorities) and LMA must be open, transparent and constructive
2. The UK Government decommissioning policy must be clearly stated, and address such matters as;
 - what is meant by decommissioning being carried out as soon as reasonably practicable?
 - what are the end points, which it is intended to achieve?
 - confirmation that timely, safe, effective decommissioning is fully consistent with UK obligations under OSPAR
 - new institutional arrangements associated with LMA
 - development of a policy on Nuclear Industry VLLW
3. Government must integrate waste management, discharges and decommissioning policies covering both the short and long term.

LMA Remit

1. The LMA must develop a strategic approach to meet the Government waste management, discharges and decommissioning policies.
2. In any scenario involving new nuclear build, the LMA must not have ownership or financial responsibility for any resulting waste streams or other nuclear liabilities arising.
3. When ownership and management of Drigg passes to LMA it must be integrated with overall UK radioactive waste management strategy.
4. The LMA must provide a programme to improve and develop the best possible estimates of costs and uncertainties of liabilities, noting that more stringent safety and environmental standards could cause cost rises in the future.
5. The LMA must have the in-house capability to operate as an intelligent customer.

Continued operation of commercial plants

1. The LMA must examine, as part of its annual review of performance, the case for continued commercial operation for Thorp, SMP and Magnox (stations and reprocessing plants), in a way, which maximises stakeholder and public confidence in its analysis and findings.
2. Continued operation of commercial plants must not adversely affect cleanup, for example by generating additional liabilities which could jeopardise the LMA's targets for discharging existing liabilities or which cannot be met by income from continued operation.
3. In the event of early closure of operational commercial plants, the LMA must be sensitive to the socio-economic effects, including the needs of the workforce, and must develop mitigation packages as has been previously identified in the published ERM report² which considered West Cumbria.

B. Funding

1. Funding and funding mechanisms relating to the LMA must be open, auditable and transparent to allow the source, allocation and expenditure of funds to be easily traceable.
2. Provisions for funding must be driven by a requirement for early and effective discharge of liabilities, rather than by considerations such as

² West Cumbria: Socio-economic Study, available at www.the-environment-council.org.uk

- financial discount rate.
3. Statements or estimates of the total cost of discharging liabilities must be accompanied by a clear explicit definition of the programme objective (end point) to be achieved, together with any underpinning risks and assumptions.
 4. Funding must be flexible to match the uncertainties surrounding liabilities and their definition.
 5. There must be a requirement in statute for a periodic formal review which would:
 - i. review progress to date and confirm end points and timescales which are required
 - ii. re-evaluate all other relevant assumptions taking into account policy development e.g. MRWS, and reassess the liabilities against those end points and timescales
 - iii. re-evaluate corresponding funding requirements, including existing provision, investment returns and discount rates, and the required future provision
 6. The BNFL liabilities and their associated financial provisions, which are to become the responsibility of the LMA, must be assessed, defined and made public before transfer takes place. This process must be designed to take account of lessons from the past to assist in increasing public confidence.
 7. The funding of the LMA must be used exclusively for its role³ in managing and discharging the UK nuclear legacy, as defined in the White Paper. Progressing liabilities management will require new facilities that will themselves require eventual decommissioning. Apart from these, any new licensed nuclear plant must fund the management of its own liabilities and must demonstrate it can do so.
 8. An investment policy must be developed, published and regularly reviewed. The policy would address the balance between investment return and financial risk and ethical investment principles. The management of investment decisions must minimise risks of conflicts of interest and diversion. The arrangements must also ensure probity, prudence and demonstrate independence and transparency. It must be recognised that this approach may entail additional costs.
 9. Funds must be drawn down against specifically identified and costed programmes of work that will include provision for contingencies on a defined basis.
 10. Statutory provisions must be made to ensure that funds are available for the lifetime of the projects and once committed must remain available for the liabilities management programme.

³ As encompassed in the White Paper (chapter 3)

11. Liability estimates and funding arrangements must be published in a readily understandable form, including an appropriate level of disaggregation and separation from financial information about the operation of commercial assets.
12. A capital sum to fully fund the discharge of currently assessed liabilities must be built up taking into account the principle of intergenerational equity. There must be an obligation on the LMA to publicly state when it will have built up its fund.

Conclusion

In order to meet these principles, a segregated fund (not a segregated account) is required.

Recommendation

The BFWG is of the opinion that a segregated fund must be established.

C. Regulation

The BFWG notes that initially the overall regulatory framework and the basis of the statutory relationships between licensees and regulators are not proposed to change. The Government must ensure:

1. strong, robust, transparent, consistent and independent regulation.
2. the development of effective inter-relationships between Government, LMA, site licensees, regulators and local planning authorities.
3. that the relationship between the regulators and the LMA does not adversely affect the licensee-regulator relationship
4. that the implementation of Decommissioning and Waste Management policy as defined (see Overarching Principle 3 and Policy section above) includes:
 - the standards and end points which it is intended to achieve, including any interim storage arrangements, environmental and safety principles, passive storage, and waste classification
 - agreed cleanup plans
 - the definition of a “soundly based” decommissioning strategy
 - the criteria against which the adequacy of the strategy should be measured.
5. that the LMA arrangements for ensuring continuity of decommissioning and waste management programmes, in the event of changes of licensee, are acceptable to the regulators.

D. Programming

Decommissioning and Waste Management programmes must be developed using methods, which transparently demonstrate that, a balance of safety, environment, achievement, cost effectiveness, and local and national socio-economic needs has been undertaken. A long-term optimum programme must be achieved which must be based on:

1. the definition and characterisation of the waste inventory supported by appropriate research and development, which allows the timely prioritisation of radioactive waste legacy management.
2. comprehensive site remediation plans which in turn conform with emerging UK radioactive waste management policy
3. a methodology for the prioritisation of waste streams, inventories and sites, including suitable measures such as a passivity/hazard index.

E. Infrastructure

The LMA must:

1. ensure the development and retention of a national and local skills and knowledge base sufficient to implement the long term programme referred to above, notwithstanding the current resource constraints facing the nuclear sector
2. make the best use of current and developing experience of decommissioning and waste management both UK and world-wide
3. ensure that it has presence at all its nuclear decommissioning and waste management sites commensurate with the scale of operations being undertaken
4. establish and maintain a Research and Development programme which delivers an open, shared and transparent knowledge base, and enables improvements in the delivery of the long term programme
5. develop an effective working relationship with stakeholders including local communities, and local and regional authorities to achieve a long-term balance between beneficial and detrimental impacts of the site programmes. This relationship must acknowledge the role of local authorities in planning and regeneration.

F. Contracting

The BFWG notes that the White Paper emphasises ‘the development of competitive markets for clean up contracts will be a key strategic element of the LMA’. However, the White Paper is largely silent as to how competitive contractorisation will ensure that the projected improvements are realised in practice.

Existing models of contractorisation would appear to raise barriers to a number of stated aims of the White Paper: development of access to Intellectual Property Rights (IPR), openness and transparency. A new model or paradigm of contractorisation, which might involve collaborative working, is required to make the best use of the available skills and resources while addressing the tensions outlined below.

The Government must, therefore, require the LMA to demonstrate, in a way which maximises stakeholder and public confidence, specific contracting arrangements which will address, *inter alia*, the potential tensions between contractorisation and the need for:

1. clear and identifiable lines of responsibility and accountability, especially where sub-contractors are used
2. the LMA and licensees to retain the appropriate attributes of an intelligent customer
3. the maintenance and development of improved safety and environmental standards
4. openness and transparency
5. commercial confidentiality
6. long term planning over times considerably in excess of individual contract periods
7. an ongoing Research and Development programme to deliver an open, shared and transparent knowledge base, enabling improvements in the delivery of the long-term programme.
8. the availability of key intellectual property rights (IPR) across the contractor base and over time
9. Incentives that encourage innovation and allow contractors to benefit from IPR available as a result of their work.

10. security
11. tax payer concerns about preventing misuse of funds and excessive profit making by contractors
12. maximisation of the opportunities for UK contractors and local workforces
13. continuity of employment and skills base
14. supply chain management
15. an incentivised workforce

Conclusion

The BFWG does not believe that current models of contractorisation successfully address these tensions. The timescale set by the White Paper consultation did not allow the Group to address potential solutions, but will be examining this area as part of its future work programme.

Recommendation

A new model or paradigm of contractorisation, which might involve collaborative working, is required to make the best use of the available skills and resources while addressing the tensions outlined above.

G. Reporting

1. As a Non Departmental Public Body, the LMA must establish reporting standards that achieve clarity in the accounting of liabilities management and its presentation, without being constrained by the restrictions placed on public limited companies by the Financial Services Regulations. These standards must include the provision of independent verification of published reports.
2. The LMA must involve stakeholders in developing a reporting regime to determine which information is to be made available, to identify the appropriate communication media and the reporting intervals. This should enable the LMA to establish national and local reporting arrangements that maximise stakeholder and public confidence.
3. There must be a reporting regime that clearly sets out reporting accountabilities for all parties engaged in work for and on behalf of the LMA
4. As part of the reporting regime, the LMA must develop a mechanism for resolving disputes about the availability of information.

5. Reporting must provide open, transparent and independently verified evidence of:
 - the basis on which contracts are awarded and incentivised
 - achievement of decommissioning and waste management targets as defined by the contracts
 - implementation and progress in meeting risk and hazard reduction, safety environmental and socio-economic targets
 - progress on the R+D programme and its application to liabilities management
 - a review and audit of decommissioning strategies on the basis of independent advice and consultation.

6. Ministerial reviews must be carried out and the results published to an agreed timetable.

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List of Appendices

Appendix 1 – List of Business Futures Working Group members

Appendix 2 – List of reports from the BNFL National Stakeholder Dialogue

Appendix 3 – Task / Attribute Table

Appendix 1 – List of BFWG members

The membership of the group has varied much over the first stage of the work programme. The table below is therefore not a comprehensive list of all attendees at all the meetings but rather a list of current ‘full-time’ group members.

Neil	Baldwin	BNFL
Phil	Hallington	BNFL
Grace	McGlynn	BNFL
Ric	Baldwin	BNFL ALFA
Mark	Drulia	BNFL ALFA
Tony	Free	British Energy
Fergus	McMorrow	Copeland Borough Council
John	Hetherington	Cumbria County Council
Helen	Costa	DTI
Richard	Griffin	DTI
Peter	Kane	General and Municipal Boiler Makers Union (GMB)
Fred	Barker	Independent Nuclear Policy Analyst
Simon	Clark	MoD
Peter	Addison	Nuclear Installations Inspectorate
Janet	Wilson	Nuclear Installations Inspectorate
John	Knox	North West Development Authority
Howard	Rooms	NCNI
Dai	Hudd	Prospect
Marion	Hersh	Scientists for Global Responsibility
Mark	Johnston	SERA
Dave	Camwell	Transport and General Workers Union (TGWU)
Andy	Munn	UKAEA
Sunil	Shastri	University of Hull
Gregg	Butler	Westlakes Research Institute
Steve	Jones	Westlakes Scientific Consulting
Pete	Wilkinson	Wilkinson Environmental Consulting

= 26 members

Appendix 2 – List of reports from the BNFL National Stakeholder Dialogue

All the reports listed below are in the public domain and can be downloaded from www.the-environment-council.org.uk They are listed below in reverse chronological order of publishing.

- Plutonium Working Group third interim report
- Spent Fuel Management Options Working Group final report
- Evidence Gathering: Influence, Productivity and Impact of the Dialogue
- West Cumbria: Socio-economic study
- Discharges Working Group report + first and second update
- Waste Working Group report + first and second update

Appendix 3 – Task / Attribute Table

This table was compiled from the work of the Business Futures Working Group, together with an analysis of points from the ‘Managing the Nuclear Legacy’ White Paper.

All the points identified were mapped onto the Tasks and Attributes Table, which separated the main attributes of the legacy management activity, Achievement, Safety, Environment, and Finance, into seven levels of involvement from Playing Field, Structure, Standards and Methodology, Inclusive process of decision making, Agreed strategy and prioritised cleanup plans, Motivated people working to agreed standards, and Evidence of progress. Though mapping the points on the vertical axis (Playing Field, Structure, Standards etc.) was relatively easy, the horizontal axis (Achievement, Safety, Environment etc.) was more difficult, with many themes applying to two or more columns. It was therefore decided to include a ‘Generic Issues’ column. Additionally, many of the points are known to represent areas of controversy for stakeholders, and an ‘Outstanding Issues’ column was included so that these could be flagged. The resulting matrix is seen below.

The unnumbered points were from the Working Group’s deliberations, while the numbered points refer to points made in the White Paper.

		Achievement	Safety	Environment	Finance	Generic Issues	Outstanding Issues
1	Playing Field (Legislation .policy)	Joint agreement on rad waste strategy Securing long term delivery → R and D 9 Importance of R&D emphasised here and elsewhere – delivery and making the case crucial – how to measure/assess?	Scientific consensus on risk and hazard Potential incompatibility of openness/transparency, security, tax payer concerns, UK priority and competitive tendering Legislative framework 14 Overall regulatory framework and the basis of the statutory relationships between licensees and regulators will not change but Inter-relationships between LMA, site licensees and regulators key- open, constructive relationship with regulators 60. Importance of strong, robust and independent regulation, consistency between regulators and good links to LMA.	UK and international commitments Joint agreement on rad waste strategy Legislative framework 14 Overall regulatory framework and the basis of the statutory relationships between licensees and regulators will not change but Inter-relationships between LMA, site licensees and regulators key- open, constructive relationship with regulators	Segregated fund Clarity and security of funding Securing long term delivery → R and D Funding - public/private? 1 Cleanup funded by taxpayers – national problem – cost effectiveness emphasised 40 Choice of funding mechanism and funding parameters 41 Long term nature of clean up programmes vis a vis priority for Government funding. 42 How important is self – standing independence/prioritisation for clean-up funding? FAQ 13 How will the funding levels within the segregated fund be determined?	Role of local authorities etc in planning permission, consultation, compensation, veto etc. 5 Not linked to New Build – but consultation on this subject proceeding in parallel 37 Effects of legislation timing? 57 Decommissioning: new institutional arrangements associated with LMA eg funding FAQ 2 Is the creation of the LMA a backdoor route to more nuclear power? 60. Importance of strong, robust and independent regulation, consistency between regulators and good links to LMA	4 MoD, sealed sources, VLLW not included in LMA – why not? 7 Waste Management policy is a devolved matter – links MNL-MRWS plus England-Scotland – must not diverge 11 VLLW ‘can be disposed of with domestic refuse’ – not so for nuclear industry – views for ‘all’ or ‘nothing’ FAQ 1 Why isn’t the LMA being given responsibility for other waste?

		Achievement	Safety	Environment	Finance	Generic Issues	Outstanding Issues
2	Structure	<p>Openness and transparency – what can/should or shouldn't be Getting a good start – name, board, structure 23 Non Departmental Public Body – direct oversight by DTI Minister and Scottish equivalent 25 Non-exec Chairman – CEO responsible to Parliament</p>	<p>Openness and transparency – what can/should or shouldn't be 22 Contractorisation and sub-contractorisation key – (US and other) experience in improvement quoted 34 Current operations/defueling/decommissioning licensees remain (Magnox/Magnox/BNFL) but could change 45 Relationship between regulators and LMA critical to LMA success 58 The Government would welcome comments, both of principle and detail, on the proposals set out above for reconstitution of the AEAC as a standalone force overseen by a statutory Police Authority.</p>	<p>Continuity of employment and skills base – BNFL, supply chain Openness and transparency – what can/should or shouldn't be 45 Relationship between regulators and LMA critical to LMA success</p>	<p>Continuity of employment and skills base – BNFL, supply chain Openness and transparency – what can/should or shouldn't be Structure of the delivery mechanisms – contracts, flexibility, licenses – what will they look like 24 Resources - £1Bn per year spending – operating costs £25-30 million</p>	<p>10 Opportunities for BNFL (and UKAEA) to become 'suppliers of choice' 26 It is essential that the LMA has the in-house capability to operate as a truly intelligent customer and can ensure management continuity – some guidance on attributes required (4.13 – 4.16) 27 Presence at all major sites – head office clearly trailed for London 32 New BNFL acts as commercial agent for LMA on commercial plants 35 Drigg passes to LMA as a national asset 36 Future of BNFL and Sellafield management to be considered in 2004/5 38 Skills base – long term, competing needs, current limited resource. FAQ 3 Over what timescales will competition for site management contracts be introduced? Include in the detailed consideration of T2, T10, T22 and T44 FAQ 4 Will foreign competitors be able to bid for site management contracts? ? Include in the detailed consideration of T2, T10, T22 and T44 FAQ 7 How will the LMA prevent misuse of funds and/or stop contractors making excessive profits? Include in the detailed consideration of T2, T10, T22 and T44 FAQ 8 What lessons have been learnt from the experience of contracting the management of nuclear site in the UK and overseas? FAQ 9 If I work for Magnox or at one of the BNFL sites transferring to the LMA, who will my employer be once the transfer takes place? Include in detailed consideration of T10, T36, T38 FAQ 10 What about employees of UKAEA? Include in detailed consideration of T10, T38</p>	<p>22 Contractorisation and sub-contractorisation key – (US and other) experience in improvement quoted FAQ 11 Why is it necessary to reprocess Magnox fuel? Refer to WWG and SFMOWG work. FAQ 12 How will LMA assess the case for continued operation of THORP, SMP and the Magnox stations? See T28, T29, T30, T 32, T31, T33</p>

		Achievement	Safety	Environment	Finance	Generic Issues	Outstanding Issues
3	Standards, methodology (regulation, risk standards, balancing methodologies , end points)	<p>Prioritisation and methodology, including evaluation of end points Agreement on long term strategy</p> <p>44 Tensions between competition requirement and long term work programmes? 48 Can BFG assist in identifying the factors which should be taken into account re discharge reduction decisions 52 Decommissioning: need for advances in practices to be shared across industry as new participants enter market and with the nuclear regulators 56 Decommissioning: what is the end point which it is intended to achieve?</p>	<p>Defined standards and end point definitions. Scientific consensus on risk and hazard Tradeoff between safety and profit, including contract design and incentives 33 Magnox operates to announce lifetimes as long as positive contribution. B205 lifetime reaffirmed as 'around 2012'. 46 Mapping across of regulatory principles to methodologies – risk/hazard, proportionate, cost-effective, holistic? 49 Decommissioning: what is meant by decommissioning being carried out as soon as reasonably practicable 56 Decommissioning: what is the end point which it is intended to achieve?</p>	<p>Prioritisation methodology. Scientific consensus on risk and hazard Tradeoff between safety and profit, including contract design and incentives 13 Past cost rises have been driven by regulatory changes – and may occur in the future 33 Magnox operates to announce lifetimes as long as positive contribution. B205 lifetime reaffirmed as 'around 2012'. 46 Mapping across of regulatory principles to methodologies – risk/hazard, proportionate, cost-effective, holistic? 48 Can BFG assist in identifying the factors which should be taken into account re discharge reduction decisions? 49 Decommissioning: what is meant by decommissioning being carried out as soon as reasonably practicable? 53 Decommissioning: confirmation that timely, safe, effective decommissioning fully consistent with UK obligations under OSPAR 56 Decommissioning: what is the end point which it is intended to achieve? FAQ 6 How long will contracts last? ? Include in the detailed consideration of T2, T10, T22 and T44 Interim Safe storage</p>	<p>Cost estimate and progress prioritised against risk – agreed end points Tradeoff between safety and profit, including contract design and incentives 1 Cleanup funded by taxpayers – national problem – cost effectiveness emphasised 2 Competition to drive efficiency, cost effectiveness, safety, environmental and intergenerational equity. FAQ6, FAQ7 8 Importance of local socio-economic effects 28 Continued operation of commercial plants (Thorp/SMP) only on the basis of improving financial position and not adversely affecting cleanup. 29 No subsidy for commercial ops 31 Additional contracts only with Ministerial permission after full analysis 33 Magnox operates to announce lifetimes as long as positive contribution. B205 lifetime reaffirmed as 'around 2012'. 54 Decommissioning: what is a "soundly based" decommissioning strategy? 55 Decommissioning: what are the criteria against which its adequacy should be addressed</p>	<p>1 Cleanup funded by taxpayers – national problem – cost effectiveness emphasised 2 Competition to drive efficiency, cost effectiveness, safety, environmental and intergenerational equity. FAQ6, FAQ7 8 Importance of local socio-economic effects 28 Continued operation of commercial plants (Thorp/SMP) only on the basis of improving financial position and not adversely affecting cleanup. 29 No subsidy for commercial ops 31 Additional contracts only with Ministerial permission after full analysis 33 Magnox operates to announce lifetimes as long as positive contribution. B205 lifetime reaffirmed as 'around 2012'. 54 Decommissioning: what is a "soundly based" decommissioning strategy? 55 Decommissioning: what are the criteria against which its adequacy should be addressed</p> <p>FAQ 3 Over what timescales will competition for site management contracts be introduced? Include in the detailed consideration of T2, T10, T22 and T44 FAQ 4 Will foreign competitors be able to bid for site management contracts? ? Include in the detailed consideration of T2, T10, T22 and T44 FAQ 5 How long will contracts last? ? Include in the detailed consideration of T2, T10, T22 and T44 FAQ 6 How will the LMA ensure compliance with contract provisions relating to safety, security and environmental requirements? Include in the detailed consideration of T2, T10, T22 and T44 FAQ 7 How will the LMA prevent misuse of funds and/or stop contractors making excessive profits? Include in the detailed consideration of T2, T10, T22 and T44 FAQ 8 What lessons have been learnt from the experience of contracting the management of nuclear site in the UK and overseas? T22</p>	<p>28 Continued operation of commercial plants (Thorp/SMP) only on the basis of improving financial position and not adversely affecting cleanup. 29 No subsidy for commercial ops 31 Additional contracts only with Ministerial permission after full analysis 33 Magnox operates to announce lifetimes as long as positive contribution. B205 lifetime reaffirmed as 'around 2012'</p>

		Achievement	Safety	Environment	Finance	Generic Issues	Outstanding Issues
4	Inclusive process of decision making (Stakeholder involvement, transparency)	Inclusive decision making process, methods and communications Agreement on long term strategy 43 Do new funding proposals build confidence?	Inclusive communications and decision making Tradeoff between safety and profit, including contract design and incentives 47 How to deliver the "more needs to be done" on regulatory transparency and consistency?	Inclusive agreement methodology relationship with local community Tradeoff between safety and profit, including contract design and incentives Decision making on 'controversial' assets 47 How to deliver the "more needs to be done" on regulatory transparency and consistency?	Inclusive decision making progress Tradeoff between safety and profit, including contract design and incentives Decision making on 'controversial' assets 30 Within commercial constraints' figures to be published 43 Do new funding proposals build confidence?	3 Openness, transparency – public confidence – need for process 6 Links to MRWS – appears to presuppose disposal (glossary) 18 The Government will expect major decisions to be taken only in the light of full consultation with stakeholders – emphasis on learning from experience – 'DTI has consulted widely with stakeholders'. 19 Strong emphasis on local stakeholders principles for deciding when inclusive or exclusive decision making should be applied	4 MoD, sealed sources, VLLW not included in LMA 18 The Government will expect major decisions to be taken only in the light of full consultation with stakeholders – emphasis on learning from experience – 'DTI has consulted widely with stakeholders'. 19 Strong emphasis on local stakeholders 21 DSRP quoted as state of the art (need for BFG to see?)
5	Agreed strategy and prioritised cleanup plans	Agreed cleanup plans and end points 9 Importance of R&D emphasised here and elsewhere – delivery and making the case crucial – how to measure/assess?	Agreed strategy with end points	Long term strategy. Agreement with local communities balancing benefit and detriment	Costs calculated and robust 12 New estimate of liabilities urgent task for LMU – costs will rise	15 Overview of whole system 'managing the competing demands of different sites'. National hazards index? 16 Comprehensive long term site plans 20 Plans and performance measures will be published - specific objectives on openness and transparency – performance measures key 50 Decommissioning: should site remediation plans be developed for all sites? 51 Decommissioning: what is the best way of ensuring review and audit of decommissioning strategies on basis of independent advice and consultation and frequency of such reviews? 54 Decommissioning: what is a "soundly based" decommissioning strategy?	21 DSRP quoted as state of the art (need for BFG to see?)

		Achievement	Safety	Environment	Finance	Generic Issues	Outstanding Issues
6	Motivated people working to agreed standards.	17 LMA management of skills and resource base	Safe standards of work	Skilled work force		17 LMA management of skills and resource base 38 Skills base – long term, competing needs, current limited resource	
7	Evidence of progress	Visible evidence of implementation, effective monitoring and review, including environmental targets	Monitor to accepted levels. Evidence of safety and hazard reduction.	Meeting UK and international commitments. Visible evidence of information, Visible evidence of progress including environmental targets Agreements with local communities on balancing benefit and detriment	Evidence of progress	51 Decommissioning: what is the best way of ensuring review and audit of decommissioning strategies on basis of independent advice and consultation and frequency of such reviews?	