The **Environment** Council

BNFLNational Stakeholder Dialogue

Main Group Meeting 28-29 November 2002

Summary Report

Issue date: 16 January 2003

Contents	Page
Introduction History of the BNFL Dialogue Company Viewpoint Updates Plutonium Working Group Business Futures Working Group Coordination Group Way Forward Evaluation	2 3-5 5-6 7-9 9-11 12-14 14-16
Appendix 1: List of Attendees	FA 23-26 02 27 28-30

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 and reporting services were provided by Paul Scott of Next Step Consulting.

The role of the convenor

The convenor of the BNFL National Stakeholder 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.

Contact Rhuari Bennett for more information on 020 7632 0134 or email rhuarib@envcouncil.org.uk

Introduction

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.

A process map showing the history of the BNFL National Stakeholder Dialogue can be found on page 2.

On 28 & 29 November 2002 the Main Group of the BNFL National Stakeholder Dialogue met in Manchester. This was the seventh Main Group Meeting since the start of the dialogue.

A list of organisations & individuals attending this meeting is given in Appendix 1.

Main Group meetings have been held every eight to twelve months to review the work since the previous Main Group and to plan and agree a future work programme.

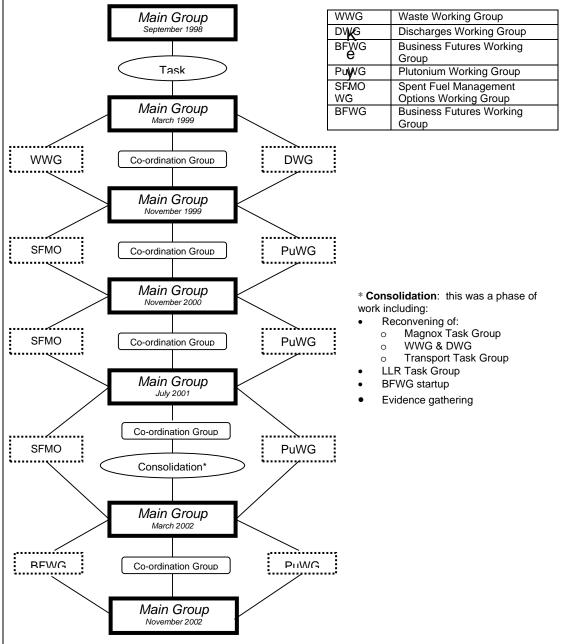
In stakeholder dialogue meetings it is important that participants should have the opportunity to influence the agenda and means of working, make recommendations both for the meeting itself and the way forward, and as far as possible take ownership of the process and results. To ensure the meeting was interactive, rather than a closed 'lecture', a variety of working styles were employed to encourage opportunities for feedback including browsing, discussion groups and plenary sessions.

Any text highlighted within a box in this report denotes an agreement by the Main Group stakeholders.

This report provides a summary of the discussions held during both days of the meeting. All attendees also received a photoreport of the complete contemporaneous written record.

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 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, <u>rhuarib@envcouncil.org.uk</u>

Company viewpoint

Suzannah Lansdell of The Environment Council opened the meeting and welcomed the attendees. After an introduction to the meeting by the facilitator (Richard Harris), David Bonser, BNFL ALFA Board Director, outlined how the Company is engaging in the Dialogue. This introduction took the form of a presentation (see Appendix 2) followed by a Question & Answer session.

Key points of the presentation included:

- The Company is working towards the new structure that will be organised under the
 forthcoming Liabilities Management Authority (LMA). Within BNFL, a 'shadow' Liabilities
 Management Unit called ALFA is working with the Company's Business Groups and the
 DTI's LMU to ensure a seamless transition to the new regime, when it comes into effect.
- Company progress. An appendix to the Coordination Report (presented at the meeting) details some Company responses to previous recommendations from the Dialogue. Looking more broadly at Company business, it has been a successful year.
 - Following a very safe shutdown of B205, Magnox reprocessing has to make up some 40 tonnes this year to get back on target (see Appendix 3 for graph, which will be updated again at the next Main Group meeting)
 - Generating plant is operating well and is in fact ahead of its projected programme, although the depressed energy market may mean this is not translated into financial benefits
 - Thorp is also operating well and a 5 year improvement programme introduced in the vitrification plant. This year, more containers have been processed by vitrification to date than during the whole of the preceding year, and in addition the new vitrification line 3 is currently being commissioned and is performing well.
- Looking forward to the new LMA regime, the Company is assessing how it will operate
 under new 'management & operation' structures at its sites. Although some work will be
 subcontracted (and some already is), most of those currently working at Company sites
 can expect to continue under the new regime, as the workforce will be regarded as a
 'transferable entity' under new contract arrangements. The split of skills under the LMA,
 as well as the split of assets, will be important
- Progress of the Dialogue
 - The Dialogue is very important to the Company (investment of much resources, including the time of senior staff). The Company is committed to the process, and to the overall process of engaging with stakeholders. Whether the Dialogue will continue under the LMA has yet to be decided, but the Company will be responsible for at least the coming 2 years for this type of decision, and will be considering how to take the learning from the Dialogue into the way forward. Views on continuing stakeholder engagement are welcome (attendees are invited to contact David Bonser, representatives from the Company or The Environment Council).
 - The Company focus on issues of this type has for many years been in terms of Environment, Health & Safety. The Company is now looking to transform this into a broader approach of Corporate Social Responsibility (CSR) which looks at economics (as opposed to pure accountancy issues), environmental and social issues. A small team, headed by David Bonser, has been formed to appraise what CSR means for the Company, and how the Company should report on these issues and progress made. This CSR approach has full support from the

Chairman and the Board. The Company would actively welcome views from Main Group attendees, along with other stakeholders, as to how this shift of focus can best be achieved, and the range of issues to be considered. The Main Group agreed that a sheet inviting such feedback should be sent out to all attendees, together with the photo-report, within a few weeks. This will provide valuable input for the Company's first CSR report, to be published in 2003. Alternatively, stakeholders are invited to contact David Bonser and / or Grace McGlynn directly.

- Clean-up at Sellafield. Much has been discussed over the past year about the huge volume of clean-up and decommissioning over which the LMA will preside. However, few people outside the Company are aware of the achievements already made in this area at Sellafield:
 - B277, an early MOX plant producing fuel for the Dounreay fast reactors and originally containing more Pu than any civil reactor, has been successfully decommissioned and is now used as a store for PCM (Pu-contaminated material).
 - Windscale pile chimney the superstructure on the remaining pile contained all the lining and filters contaminated during the 1957 fire. The superstructure has been cleaned up and at some point in the future the Company will demolish the chimney itself.
 - A set of steel settling tanks showed signs of corrosion, and needed reinforcement and protection. In the largest such construction anywhere in Europe, a roof was constructed in separate sections and placed over the tanks, in an innovative operation which avoided placing a crane directly over the tanks at any time
 - At the Drigg site, unsorted radwaste was discovered which had been stored during the 1950s and 1960s, without any form of inventory. The waste was removed, sorted and disposed of.

Following David Bonser's presentation, questions were invited:

Q: Was use of B277 for Pu immobilisation considered?

A: No, the process used in B277 was outdated and inferior to the current MOX production process, and would not be used now – too contaminating. Using it as an immobilisation route would result in unacceptable worker radiation dose levels

Q: What if Parliament does not approve the establishment of the LMA?

A: Then we continue as we are now, owning and operating the sites and following the current 10-year business plan. In any event, the LMU will strengthen the DTI's ability to improve performance and value in our clean-up programme. So the LMU would continue, with a strong influence on BNFL and the UKAEA.

Q: What are the details of the deal the Company has just signed with EdF? Does it include MOX or uranium fuel?

A: It's great news for the Company – we've negotiated provision of up to 20% of fuel for EdF, manufactured by our Westinghouse subsidiary at sites in Sweden, Spain and the USA. We will deliver uranium fuel.

Q: How can the Dialogue engage ordinary citizens, including Irish citizens? How can they contribute to the industry's future direction? The Dialogue needs to include policy-makers and the Company's real owners – it appears limited in content (what we can discuss) and who it involves.

A: When the Dialogue started, there was no hint of the LMA development. The Dialogue was solely between the Company and its stakeholders. However, some representatives (such as those from the NII, the DTI and DEFA) have contributed, and through them the Dialogue may have influenced Government. The Company cannot speak on behalf of the 'owner' (shareholder), but is pleased that the DTI has spent time at Dialogue meetings, and it's also encouraging that the DTI has shown its clear intention to talk and engage with stakeholders, as referenced in the White Paper. The Company is committed to stakeholder engagement – also outside the Dialogue – but the Dialogue can only involve individual representatives: It's very difficult to engage with the general public, but the Company would welcome views on how this might be achieved.

Q: How will the forthcoming CSR report ensure that different views are expressed, and will it be independently verified?

A: The Company recognises the importance of third party statements in this type of report – its EHS reports to date have been independently verified, as the CSR report will be. The Company also recognises that there is a range of views as to how it should develop. The CSR report will not be greenwash, it will push internal comfort levels and cover issues which are sometimes controversial.

A: What is the legal basis of the 40% discount for British Energy spent fuel reprocessing? (refers to an announcement made the same day)

A: Don't believe everything you read in the papers!

Updates

The meeting took the opportunity to receive updates on some current issues related to the Dialogue:

- LMA. Stephen Spivey from the DTI outlined that the recently completed consultation had shown strong support for the proposed LMA and the approach set out in the White Paper. There had been many responses (including responses from around 60 individuals and 19 NGOs). The DTI is prepared to publish a summary of the responses. Concerns raised included the issues of contractorisation & safety, and the transparency of the process (including stakeholder engagement). The Bill will be drafted in spring 2003, and funding options will be decided early in the new year. There will be a consultation process involving area stakeholder forums, and a study will be published on stakeholder engagement, which will explore how the LMA should engage at both national and local (operational) levels. By Easter 2003, it is hoped the Draft Bill will be published, together with a draft Memorandum of Understanding on how the LMA will interact with the regulators, and a draft management statement on how the LMA will interact with Government.
- Managing Radioactive Waste Safely (MRWS). Adam Scott from DEFRA outlined briefly that the Department will soon advertise for members of its consultative panel, and that the intention is to progress along the lines of the July 2002 announcement.
- **The Energy Review.** A White Paper is expected soon target publication date is February 2003. The responses to the consultation of which there were over 6,000 are currently being assessed, and a summary will be posted on the DTI website. The Performance and Innovation Unit's report stated that the nuclear option should be kept open, and the evaluation of the implications of this forms part of the current work.
- Current development and thinking behind the LMU/LMA

 Alan Edwards from the LMU gave a presentation covering a range of issues: the LMU remit; the current and proposed structures; tasks & processes (for slides of this presentation see Appendix 4). A Q & A session followed, which included the following issues:

Q: Will the LMA charge 'rent' for use of site assets?

A: It might be relevant to lease some assets, but generally, installations will belong to the LMA, and site operators will be incentivised to operate them efficiently (most assets are commercial and will be generating income)

Q: Could safety and environmental performance be prejudiced by contractorisation? A: The LMA will be looking at safety as a first requirement from contractors, and will examine their record. If their performance does not meet standards, they will incur penalties.

Q: What are the plans for involving local communities and the Trade Unions?

A: Close involvement is important, we will be involving them as we develop

Q: Issues of commercial confidentiality have often obfuscated in the past – can we be sure they will not override transparency?

A: All site data must be available to enable competitive tenders. There will need to be a balance between confidentiality and openness, but we hope the future contracts will create more openness than is now the case, or has been historically

Q: Which NGOs are you talking to?

A:Can't remember specifically, but all those participating in the Dialogue have been liaising with the LMU. Around 19 NGOs have been contacted, and more can be contacted if there are any suggestions. NGO views are being included in the development process. The LMU has produced two reports on this opinion gathering which are, or will be, publically available

Q: How does the policy of openness and transparency impact on local liaison committees and local communities?

A: It's difficult to find times to meet properly with local people. Often LLCs are manned by those who have the time, not necessarily those who would like to like to be on them –reorganisation may be needed, to meet the needs of local communities

It was pointed out that developing the LMA is a joint process, involving the Scottish Parliament and other devolved administrations

Plutonium Working Group (PuWG)

- The PuWG was formed at the Main Group meeting in November 1999. The Pu WG
 monitored and reviewed an investigation by the company into Pu management and
 disposition options. Group membership is detailed in Appendix 5 and on The Environment
 Council website.
- Stakeholders initially approved a work programme from November 1999 through to November 2000, and this was subsequently extended due to the expanding scope of work. Progress reports have been submitted to three previous Main Group meetings, and are available from The Environment Council website. A Final Draft Report was circulated to Main Group attendees in advance of the November meeting.
- The three-member Drafting Group presented an overview of the PuWG's work participants, objectives, report structure, work phases, major issues, recommendations.
- Following this presentation, the Main Group discussed the PuWG report and its findings in three separate groups. The members of the PuWG distributed themselves between these discussion groups in order to answer questions arising, give clarifications where necessary, and generally assist Main Group attendees in understanding the PuWG's work, report and recommendations.
- The Main Group then discussed the PuWG recommendations in plenary. The PuWG had made 9 recommendations to, and requests of, the Main Group (see Final Draft Report of the PuWG, page 43). All recommendations and requests were agreed by the Main Group, with the exception of recommendation 8, which it was agreed should be discussed the following day.

The Main Group agreed to the following PuWG recommendations and requests:

- 1. We commend this report of the Main Group as completion of the work of the PuWG
- 2. We recommend that the Main Group should ask the Company to formally consider and respond to the recommendations in this report (see Sections 4,5 and 8.4)
- 3. We recommend that the Main Group should invite the Business Futures Group to monitor the Company's response to the recommendations in our report and make further recommendations as appropriate
- 4. We recommend that the Coordination Group and Main Group ensure that security issues receive further consideration within the Dialogue, and decide how this consideration can be best achieved
- 5. We recommend that the Main Group should ask the Coordination Group to discuss possible solutions to the problem of lack of information provision about costs and report back to a future Main Group meeting
- 6. We recommend that the Main Group should encourage working groups to give careful consideration to the pros and cons of different models for undertaking detailed studies before deciding which one to adopt; to have realistic expectations about the potential for, and value of, detailed Multi-Attribute Decision Analyses; and to consider whether a SAP analysis should be undertaken first, so that the scope and priorities of the study are informed by SAP findings

- 7. We recommend that the Main Group should encourage working groups to engage directly with relevant stakeholders outside their membership
- 8. We recommend that the Main Group should authorise the Plutonium working Group to seek an opportunity to present the findings of this report to a future meeting of the DTI Inter-Departmental Working Group (IWG) on plutonium management

Issues arising from the PuWG discussions:

- Low-Level Radiation (LLR). To what extent had the PuWG considered uncertainties surrounding LLR in its work?
 - The Strategic Action Planning and Multi-Attribute Decision Analysis work can take uncertainties in dose-effect into account, although the data worked with by the PuWG was not specific enough to calculate possible radiation effects. It was not a major item of discussion (partly because more specific work would be taken into account in any subsequent environmental impact assessment not the objective of SAP or MADA). The group established to look at this area, CERRIE, has not yet reported, so the PuWG cannot be expected to have formed views on LLR.
 - The MG would like this issue to continue to be addressed perhaps the issue can be revisited once CERRIE has reported.

The work of CERRIE and any output reports need to be monitored and taken into account as the Dialogue proceeds

- Recommendation 7. refers to stakeholders outside both the Working and Main Groups (eg Nirex, invited to present to the PuWG and with whom a useful exchange of information and views had taken place)
- Recommendation 8. in list above some PuWG members expressed their disappointment at the failure of the DTI to send a representative to the PuWG after their original representative had left due to reorganisation.
- Several participants felt that the report would be improved with the addition of an
 executive summary. Some felt extra caveats and disclaimers should be added to the
 report, together with minor rewordings of some sections (particularly section 8.4) to
 show that not all stakeholders could view the possibility of new reactor build, or even
 the discussion and comparison of a new reactor build option against the immobilisation
 option, as being acceptable. The report disclaimer should state clearly that the PuWG
 takes no view on the merits of the options, and should refer to this disclaimer in Section
 8.4

The overall disclaimer prefacing the report will be extended, and reference to it will be made in section 8.4.6 A statement will be added about the aim of the report. The Main Group agrees that the report can be published once this has been done.

The PuWG will meet once more to draft an Executive Summary and agree a communications plan, and also to take forward any issues from this meeting which can be addressed by fine-tuning the drafting (additional draft amendments were noted)

Formal Presentation of the PuWG Report to the Company

The Drafting Group of the PuWG formally presented Norman Askew, BNFL Chief Executive, with a copy of the Final PuWG Report*. Mr Askew thanked the PuWG for its work, noting the significance of the Report, and the fact that its issues lie at the heart of many of the differences in opinion represented at the meeting.

A Government press release had been issued, concerning the Government's loan to British Energy (BE), and Mr Askew took the opportunity of commenting on this and the surrounding issues.

- The Government has stated that there may be financial restructuring of BE, but this may not be apparent until February 2003, so the current loan is being extended to cover this period of uncertainty.
- As part of on-going discussions, BNFL will give BE concessions on fuel prices and reprocessing charges, linked to base-load energy prices. The current drop in energy prices mean that energy generators without a retail division lose money with no 'hedge' to recoup any losses – which is why BE is in its current situation. As part of this package, BNFL now has a lifetime contract for fuel supply and reprocessing for BE's AGRs.
- The Government will underpin BE's historic liabilities ('historic' fuel being both spent fuel and fuel currently in reactors). Up to 65% of all free cash generated in future by BE will be placed in a fund to deal with these liabilities.
- Talks will be held with bond holders, to agree a price for their holdings.
- BE will sell its North American assets.

A short Q & A session followed:

Q: Will the Government take title of reprocessed Pu from spent BE fuel?

A: Not known

Q: Will BNFL taken a view as to whether it will continue processing now, and receive payment later?

A: BFNL is not going to stop providing services to BE

Q: What is the situation with European Commission approval for this deal? (if BNFL carries out the same work for less money, how will it make up the deficit – where will the money come from?)

A: The deficit will come from wherever BNFL has funds – except the liabilities fund. It may be that the cashflow has to suffer. The Commission has stated that the action falls within its rules, but it will review the rescue package and give a final view in early 2004 (by which time this will have become a political decision).

Q: This is an 'end of pipe' solution for BE, from a situation arising from a flawed trading arrangement – any plans to review NETA?

A: The main NETA issue is that it is a classic short-term measure, in a classic long-term industry, and this will need to be addressed at some stage. The currently 30% overcapacity brings down the energy price, and NETA mismatches this. Taking a 20-year view, there will need to be new build – whether gas, nuclear or whatever. There will always need to be an amount of overcapacity to deal with peak demand and to 'keep the UK lights on

Business Futures Working Group (BFWG)

- The BFWG's Draft aims and issues were prepared at the Group's first meeting in October 2001, revised in February 2002 and were approved by the Main Group in March 2002.
- Most of the BFWG's work to date, during 5 meetings, has focused on feedback and recommendations to the DTI in response to the LMA White Paper, in time for the October 2002 deadline.
- The Draft Interim Report consisted of two parts:
 - An outline of work in progress recommendations for the way forward (prospective work)
 - Draft Principles for Liabilities Management (as submitted to DTI) (retrospective work)
- Members of the BFWG presented this work and explained how it had been necessary first to focus on feedback to the DTI, before continuing with wider objectives

Retrospective work:

- The BFWG had been invited by the DTI to comment on funding options, and had drafted some recommendations. The group had then extended this work by drafting a set of overarching recommendations to the DTI in establishing the LMA.
- The BFWG had agreed that establishment of the LMA was a 'given', which it had accepted.
- The Main Group agreed to recommend all the BFWG's 'Principles for Liability Management' to the DTI, thus removing their draft status

Prospective work

- Revisiting the Socio-Economic Study
 - The BFWG recommended that the Socio-Economic Study, commissioned by the SFMOWG, be updated. New circumstances need to be taken into account, and if the study is to continue to be used in its entirety, some scenarios need revisiting.
 - Two new scenarios are proposed, covering a 'business case plus' and a 'liabilities clean-up'. A Steering Group has been established to take the study forward. It is expected that the work can begin in Spring 2003, with a report published by summer 2003.

BFWG Aims

- The BFWG proposed to carry out its forward work programme under four Aims (pages 2&3, Draft Interim Report, November 2002). Some of the Aims have 'sub-aims'. These Aims were discussed, together with issues arising.
- The BFWG will monitor LLR work, such as work published under <u>www.euradcom.org</u> It will wait for CERRIE feedback, but, without assuming current radiation models will be revised (especially relating to internal radiation risks) the BFWG work must be resilient if such changes occur.
- Some issues remain to be completed by the Security & Safegurds sub-group of the PuWG. The BFWG proposes this work be completed. Some stakeholders argued for the inclusion of transport issues within this work, especially relating to international MOX transport. This issue will be taken forward.

The Main Group accepted the BFWG's Aims as the basis for its future work. The Aims are: Aim 1: Providing analysis and advice to the Company on the development of the LMA, and informing the DTI's LMA development process

- Aim 2: Reviewing / monitoring the development of the Company's strategy in respect of providing services to governments and nuclear utilities
 - a) Strategic and policy context
 - Discharges implementation, impact on liabilities management
- Decommissioning of key sites (having regard to the Magnox Dialogue), waste management requirements, discharge profiles etc
- Waste management characterisation, retrieval and treatment impact on discharge profiles, variations in Discharge Authorisations
- b) Performance measures progress towards passivity and its implications for waste and liabilities management. Identification of important components for reporting corporate social responsibility, sustainability etc
- c) Hazard and risk issues need to strike a balance between short-term hazard reduction and securing long-term management options
- d) Transition management (BNFL to LMA) what is handed over to LMA? Management options? BNFL's responsibilities?
 - e) Contractorisation of legacy management and clean up
 - f) Site end points acceptability, end use (purpose and condition), contaminated land
- g) Possible / continuing nuclear business any new build, reactors, national and international aspects. Ongoing commercial activity (MOX and THORP)
- Aim 3: Identify other business futures the Company might adopt, including the examination of non-nuclear business futures
- a) Diversification eg non-nuclear options (through joint fact-finding?), international clean up
- Aim 4: Develop guidance to the Company on recommended ways forward, including milestones and targets where appropriate
 - a) Review monitoring of recommendations
 - b) Indicators and measures
- c) Decision-making criteria that prioritise risk and impacts in terms of environmental, social and economic effects

Co-ordination Group (CG)

The co-ordination group is a small group that meet regularly throughout the dialogue process. Members of the CG at the time of this meeting are listed in Appendix 5. Their role is as follows:

- Preparation
- Foresight and guidance
- Linkage between groups
- Identify potential problems
- Interpretation of groundrules
- Guidance
- Preparing reps for linkage with constituents
- Making things happen
- Continuity (and linking with peripherals)
- Implications of external events
- Communications management
- Coordination of projects (JASM and Bradwell)
- 'stabilising wobbles'
- The recent work of the CG was presented in a report to the Main Group and circulated in advance of the meeting.
- Members of the CG presented their work since the March 2002 Main group.
- The CG report included a list of recommendations to the Main Group. These were discussed, and after some clarifications, all were agreed.

The recommendations to the Main Group were as follows (comments have been added (*like this*) for clarity. Appendices mentioned in the text refer to Appendices to the Coordination Group's report to the Main Group)

Recommendation 1. The Co-ordination Group recommends that the Main Group endorses the basis of this approach, comments on any omissions and indicates where improvements can be made.

(this refers to the way forward outlined and recommended by the Plutonium Working Group and the Business Futures Working Group in their respective reports)

Recommendation 2. The Co-ordination Group recommends that BNFL continues to provide similar updates to the Main Group.

(this refers to periodic updates on Company responses to issues arising from previous Working Groups, such as the Spent Fuel Management Options Working Group)

Recommendation 3: As a result of its review, the Coordination Group recommends that in order to increase the value of the Dialogue:

- 3.1 improvements to monitoring, evaluation and reporting of the influence of the Dialogue be built into future work programmes wherever possible;
- 3.2 more systematic consultation with stakeholders that are either outside the Dialogue, or not members of a specific working group, be undertaken and reported;
- 3.3 working groups give careful consideration to the purpose, role and timing of SAP exercises within their work programme; and
- 3.4 the Company strives to be open and transparent and meet legitimate Dialogue needs for information and, when this is not possible, the Company should provide the earliest possible explanation of why this is the case.

Recommendation 4. The Coordination Group recommends that these issues be included in the further evaluation process proposed below.

(this refers to the evaluation both of how far the Dialogue should focus on issues judged to be most likely to have a significant influence on the Company, and how to encourage collaborative negotiation within the Dialogue. See Recommendation 8)

Recommendation 5. The Coordination Group recommends that only one Working Group continues, namely the Business Futures Working Group, with a series of associated Sub Groups, Advisory or Task Groups, where appropriate, examining specific issues identified within the agreed BFWG work programme.

Recommendation 6. The Coordination Group commends these draft principles to the Main Group and recommends their endorsement.

(this refers to key principles developed by the Business Futures Working Group to guide the development of the LMA)

Recommendation 7. The BFWG seeks input from the Main Group about how best to develop its ongoing work programme, and has circulated its 'Business Futures Working Group Draft Interim Report' with its suggestions.

Recommendation 8. It is recommended that the Main Group mandate the Coordination Group to initiate an evaluation process along the lines suggested (i.e. drawing on lessons from previous work using 'Joint Fact Finding' approaches) and report back to the next Main Group on progress.

Recommendation 9. The Coordination Group therefore recommends that the experience of previous groups should be taken into account in future, with particular care being taken to ensure consistency of membership from the outset.

(work with two current groups has shown that both content and process can suffer if there is a lack of continuity in participation)

Recommendation 10. The Main Group is asked to endorse that a meeting of representatives from the Coordination Group and the Magnox Decommissioning Dialogue Steering Group should be convened to explore and develop options for closer links.

Recommendation 11. The Main Group is asked to endorse that the BFWG takes on board the recommendations and lessons learned by JASM in addition to those reviewed in Appendix 3 [of the Co-ordination Group report].

Recommendation 12. The Main Group is invited to endorse the use of the Communications Strategy

(the Communications Strategy, developed by a sub-group of the Coordination Group, together with The Environment council – see Appendix 6)

The Main Group accepted all recommendations from the Coordination Group November 2002 report

The 'security & safeguards' work should continue along the lines of the recommendations of the BFWG (a workstream linked to the BFWG) and should be reviewed at the next Main Group. Alternatively, proposed Terms of Reference for a subgroup should be discussed by the Main Group.

In terms of transport, the group will be looking at the security & safeguards aspects of MOX transport in particular

Broadly, this means that the way forward recommended by the working groups and the CG will be adopted.

- The issue of stakeholder representation was discussed both within the Dialogue, and also the sharing of information with those outside the Dialogue.
 - Within the Dialogue, it's important to maintain a balance of stakeholder constituencies on working groups. It is recommended that membership be consistent over a period of time – eg a working group's membership should remain stable. It is also important the no major constituency is missing.
 - o The Coordination Group and The Environment Council regularly try to broaden representation, and membershp of the Coordination Group is open to volunteers.
 - The issue of resources was raised funding is sometimes an issue. A stakeholder support fund exists for cases of hardship, and stakeholders wishing to apply for funds should contact The Environment Council (fund administrators).
 - Where appropriate, external stakeholders should be invited to contribute to the Dialogue. The PuWG invited external stakeholders to contribute, and other reports may be sent to organisations outside the working groups for comment

The Way Forward

An outline of dates for future Working Group meetings was presented – work continues:

10/11	Dec 02	BFWG
16	Dec 02	CG
18	Dec 02	Socio-Economic
		Steering Group
29/30	Jan 03	BFWG
11	Feb 03	CG
18/19	Mar 03	BFWG
8	Apr 03	CG
7/8	May 03	BFWG
3	Jun 03	CG
17/18	Jun 03	BFWG
8/9	Jul 03	Main Group?
16/17	Jul 03	BFWG
22	Jul 03	CG
23	Sep 03	CG

A list of actions was agreed and can be found below:

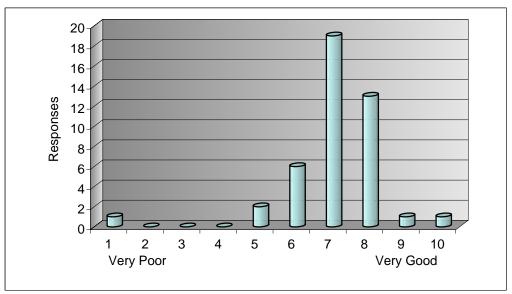
Action	Who	When
Include BNFL questionnaire on CSR report in meeting photo report (if you don't want to receive this tell ES)	TEC / Company	13 Dec 02
Monitor CERRIE & revisit previous work in light of CERRIE outputs	CG & BFWG	On-going
PuWG to reword recommendation 8.3.3 & 8.4 title	PuWG	15 Jan 03
PuWG to 'beef up' caveat at front of report (to clarify not all stakeholders support all options examined)	PuWG	15 Jan 03
Put disclaimer in 8.4 and at front of PuWG	PuWG	15 Jan 03
PuWG to amend / add wording to Annex 2 p3 to clarify this	PuWG	15 Jan 03
PuWG to meet once more to 'wrap up' and agree final wording before report released – not substantive, only drafting changes	PuWG	15 Jan 03
Publish PuWG report with agreed amendments	(TEC)	mid March 03
Agree a form of words for PuWG report disclaimer	(PuWG drafting Gp) & some stakeholders	29 Nov 02
Meet again for: exec summary, communications plan, address issues from this meeting, 'fine tune' report (eg Annex 2 p3 para2)	PuWG	15 Jan 03
Company formally to consider & respond to PuWG report recommendations	(Company)	Next MG
Monitor Company response to PuWG report recommendations & make further recommendations if appropriate	BFWG	Next MG
Discuss solutions to problem of lack of information provision about costs, and report back to future MG meetings	CG	By next MG
Working Groups to consider MADA & SAP timing	All WGs	Ongoing
Working Groups to consider engaging with relevant stakeholders outside MG membership	All WGs	Ongoing
PuWG to present findings to 'DTI Interdepartmental WG on Pu Management'	PuWG	By mid March 03
PuWG to present its work to BNFL's Executive (date to be set)	(TEC)	By mid March 03 latest
CG to sign off PuWG report after it's been amended following this meeting	CG	11 Feb 03
Ensure copy of the B205 performance chart is put in the photoreport, with an explanation	(Company)	13 Dec 03
Contact any stakeholders & ask them to get involved / re-involved in the process	All	Ongoing
Take CG report to Magnox Decommissioning Dialogue (updated after today)	(TEC / Company)	Next Steering Group mtg of Magnox Dialogue

Share CG report with DTI (updated after today)	(CG)	20 Dec 02
Look at a press release for the PuWG report at the PuWG	PuWG	15 Jan 03
meeting in Jan		
CG to meet Magnox Steering Group representatives to	CG to arrange	End Feb 03
discuss links & overlaps		
Change CG 'Recomm 1' to be consistent with Dialogue	CG	16 Dec 02
overall aim		
Arrange a date for the 'safety & security' workstream to	Those people	Today
begin	interested	
Photoreport from this meeting	(TEC)	13 Dec 02
CG to update its report (after today)	CG	16 Dec 02
Include Alan Edwards' overheads in photoreport	(TEC)	13 Dec 02
Prepare a meeting report of this meeting including a list of	Paul Scott	16 Dec 02
attendees		
Brief any 'absent friends'	All	By next
		meeting
Reprint recommendations to DTI without 'Draft' and give to	(TEC)	6 Dec 02
DTI		

Key: PuWG – Plutonium Working Group; CG – Coordination Group; TEC – The Environment Council; BFWG – Business Futures Working Group; () – a named representative from the organisation in brackets

Evaluation

- In addition to an evaluation of progress made at the end of Day 1, participants were also invited to evaluate progress using feedback forms, at the end of Day 2.
- The charts and comments below show all the feedback from attendees:
- **1.** How do you rate the value of the Dialogue over the past 8 months (since the last Main Group meeting)?



46 questionnaires returned

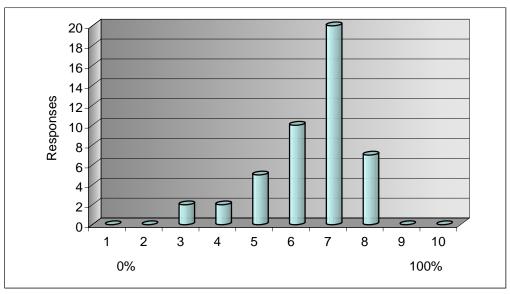
Comments:

- Sometimes slow due to new members and misunderstanding.
- Plutonium excellent. BFWG principle LMA very good.
- Quite productive in terms of ground covered and reports.
- Not present previously so difficult to say but appears to be good.
- Plutonium work very effective, a big success.
- Plutonium document is excellent.
- Cannot comment my first Dialogue.
- Good PuWG outcome and forward programme.
- PuWG superb well done.
- Very useful in gaining understanding of issues and enabling the Agency (?) to make input.
- A lot of very gritty work (PuWG) and a lot of good work to a timescale (BFWG).
- Much work done in a timely manner. Disagreement was resolved through dialogue.
- This is my first encounter with the Dialogue and so cannot comment on this.
- Cannot comment on this as first time attendee.
- None of the issues I raised in the last MG meeting have been dealt with.

³ did not give rank for Q1 (first-time attendees).

- Business Futures Group work great Pu saved from the fire. Main Group still lots of positions from particular camp (sorry, cheap shot).
- Excellent work completed, e.g. PuWG report.
- The particular areas of my interest (safeguards, security and plutonium immobilisation) have suffered due to OCNS three times cancelling after agreeing to come to meetings and the DTI failing to replace Robert Gunn on PWG.
- PWG report helped to prove Dialogue worthwhile.
- PuWG completed its task.
- The Dialogue is addressing relevant and challenging issues. The work done to complete PuWG, and the LMA principles, are excellent examples.

2. How confident are you that the Dialogue will proceed effectively?



46 questionnaires returned

Comments:

- The arrival of the LMA will have a massive impact on the Dialogue process.
- Nearly everyone involved is committed to the Dialogue.
- Significant progress.
- Concerned by all work passing to BFWG.
- Optimistic that added value of Dialogue will continue.
- Optimistic, building on early foundations, the effort was worth it.
- Generally promising.
- Concern over how transport and security will be taken forward in an inclusive <u>and</u> coordinated way.
- Some progress more effort is clearly needed in the working groups. Need to ensure momentum is maintained by reflecting on successes.
- Need to spend more time on the doubters and the reluctant participants.

- Some stakeholders have "fallen by the wayside". We are seeing the same faces repeatedly. Is the challenge sharp enough or could it become stale?
- Process is solvent(??) and inclusive, and ensures effective contribution from all.
- Having some trouble seeing future work programme a lot of "tis/tisn'ts" loom!
- This is an excellent method of dealing with these issues not perfect but constructive.
- Co-ordination Group report shows a forward-thinking attitude, whilst recognising the essential missing elements of participation (e.g. NGOs) and publicity.
- Think that the absence of some key groups could affect some outcomes but the process of continuing to try to engage may be helpful.
- Beware giving groups too much autonomy. Groups cannot set their own agendas they
 have to link to the purpose of the Dialogue and have their work overseen by the Main
 Group.
- Effectively for whom? Not for me or the stakeholders I 'represent'.
- Having completed significant pieces of work there must be a risk that direction will be lost as new work is started. Need to redouble coordination and focus.
- Although several people talked of convergence of work streatms, I think they may diverge now – between those committed to an expanded nuclear future and those committed to the opposite.
- BFWG means it needs to!
- It appears to be gathering momentum again and has a forward focus.
- Whilst it continues to address matters related to LMA, I believe we will make good progress. There are issues around New Build and Mox which will continue to be hard to resolve.

3. General Comments:

- A lot of work covered kept on track by excellent facilitation.
- Meeting format about right much better than last time.
- Serious concern regarding the balance of the coordination group and the BFWG.
- Benefits of locking LMA (LMU) and MRWS processes into Dialogue can the DTI/DEFRA (with BNFL agreement) take on board co-ownership and modest broadening of aim!
- Good format.
- General opportunities to discuss with people not normally seen are very valuable.
- Seems to be too much work to be done. My head found it hard, but good work!
- Why do we argue over WORDS? It's the PRINCIPLES that count.
- Lots of info put over well and kept on time.
- Would like more substance and less process management in MG meeting. Can Coordination groups do more liaison with other groups to reduce work at MG meetings?
- All participants need to remember it is not a forum for positioning but one for consensus.
- Key issue of zone of influence was rightly left out but needs to surface in future dialogues.
- Very well organised and executed gathering. Well done to all concerned!
- Thanks to all.
- Good progress so far.

- Attendance at this Main Group has been a particularly helpful insight into the process.
- May be worth considering that if people cannot commit time to working groups etc that
 they register an interest and their experience so that they can be called into groups when
 particular aspects are being discussed by the relevant group.
- Good work by PuWG.
- Need to revisit methods of working look forward to the evaluation.
- As member of Main Group only, wonder whether there is any way of understanding better
 the issues that influence the members of the Working Group in their business e.g. what
 are the real worries that people have about the international transport of mox?
- While the Dialogue sometimes seems slow, I can think of no better way of making progress with such tricky/complex issues. Continue as now.
- Good main group meeting.
- The Dialogue appears to be going from strength to strength. The facilitation / ground rules ensure effective direction from the ?? and NGOs alike.
- The Environment Council facilitates very well.
- How to generate greater understanding amongst stakeholders about the potential of Dialogue, how to set realistic objectives etc? This issue is always ducked.
- Well facilitated and now starting to pay dividends.
- Still a very worthwhile process. A concern is the lack of "mainstream" green group involvement in the Dialogue. This may limit the progress which can be ascribed to this Dialogue overall.

Appendix 1: List of Attendees

Please note this is a list of attendees only. The appearance of any organisation or individual on this list is not an indication of any endorsement of either this process or the Company itself. Similarly, attendance or not at the workshop should not be taken as indicating any supportive or negative views of the Company or this process.

BNFL National Stakeholder Dialogue Main Group Workshop, 28-29 November 2002 List of Attendees

Name	Surname	Organisation	
William	Waddington	Amalgamated Engineering and Electrical Union	
Gregg	Butler	Better Environmental Regulation Initiative	
Norman	Askew	BNFL	
Sian	Beaty	BNFL	
David	Bonser	BNFL	
Roger	Coates	BNFL	
John	Eldridge	BNFL	
Phil	Hallington	BNFL	
Robbie	Huston	BNFL	
Peter	Maher	BNFL	
Peter	Manning	BNFL	
Bryen	Martin	BNFL	
Richard	Mayson	BNFL	
Grace	McGlynn	BNFL	
Arthur	Roberts	BNFL	
Rex	Strong	BNFL	
Paul	Thomas	BNFL	
Rupert	Wilcox-Baker	BNFL	
David	Mason	BNFL Magnox Generation	
Mark	Drulia	BNFL ALFA	
Fergus	McMorrow	Copeland Borough Council	
Brian	White	Copeland Borough Council	
Linda	Hayes	Cricklewood Against Nuclear Trains	
John	Hetherington	Cumbria County Council	
Adam	Scott	Department for Environment, Food and Rural Affairs	
Stephen	Spivey	Department of Trade and Industry (DTI)	
Clive	Williams	Environment Agency	
Richard	Evans	Ethics etc.	
Stuart	Conney	Food Standards Agency	
David		Freelance Environmental Policy & Research	
David	Lowry	Consultant	
Peter	Kane	General & Municipal Boiler Makers Union	
Martin	Quin	General & Municipal Boiler Makers Union	
Chris	Wright	General & Municipal Boiler Makers Union	

BNFL National Stakeholder Dialogue Main Group Workshop, 28-29 November 2002 List of Attendees (contd.)

Name	Surname	Organisation	
Derek	Ockenden	Independent Consultant	
Mark	Johnston	Independent Environmentalist	
Dave	Andrews	Individual	
Mike	Clark	Irish Sea Nuclear Free Flotilla campaigner	
John	Robertson	Isle of Man Government Laboratory	
Richard	Mrowicki	Liabilities Management Authority (LMU)	
Richard	Bramhall	Low Level Radiation Campaign	
Simon	Clark	Ministry of Defence	
Pam	Vassie	NAG (formerly Nuclear Awareness Group)	
Stephanie	Haywood	National Radiological Protection Board	
John	Knox	Northwest Development Agency	
Paul	Leventhal	Nuclear Control Institute	
Neil	McCann	Nuclear Free Future campaigner	
Maria	Green	Nuclear Free Local Authorities	
Stewart	Kemp	Nuclear Free Local Authorities	
Ken	Wyatt	Nuclear Free Local Authorities	
Peter	Addison	Nuclear Installations Inspectorate	
Dick	Haworth	Nuclear Installations Inspectorate	
Janet	Wilson	Nuclear Installations Inspectorate	
Fred	Barker	Nuclear Policy Analyst	
David	Milner	Nuclear Trains Action Group	
Howard	Rooms	Nuklear 21	
Frank	Barnaby	Oxford Research Group	
Dai	Hudd	Prospect	
		Radioactive Waste Management Advisory	
Robert	Jackson	Committee	
David	Pollard	Radiological Protection Institute of Ireland	
David	Tomlin	Redcar and Cleveland Borough Council	
Julie	Tooley	Scottish Environmental Protection Agency	
Elizabeth	Gray	Scottish Executive	
Louise	Wright	Scottish Executive	
Tom	Cawley	Transport & General Workers Union	
Stewart	Conroy	Transport & General Workers Union	
Sunil	Shastri	University of Hull	
Steve	Jones	Westlakes Scientific Consulting	
Pete	Wilkinson	Wilkinson Environmental Consulting	
Speaker		Role	
Alan	Edwards	Liabilities Management Authority (LMU), DTI	
Name	Surname	Role	
Christine	Brown	BNFL Expert	

Appendix 2 – Presentation from David Bonser, BNFL ALFA



Stakeholder Dialogue

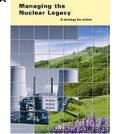
David Bonser, BNFL ALFA 28 November 2002

Page 1

Introduction



- David Bonser, Director BNFL ALFA
- Update on SFMO WG Recommendations
- LMA Model
- Illustrative Industry Structure
- Transferable Entity
- Stakeholder Dialogue
- Progress of the Dialogue
- Status of Reports and WG's
- CSR Reporting
- Progress with Clean Up
- Questions



A New Era

Status Report (1)



- Magnox Reprocessing
 - Throughput 2001/02 = 786Te
 - Target 2002/03 = 800Te (across 9 months shutdown)
 - Progress to date = 46Te behind Target (Effluent Pumps)

Station	8 November 2001	Latest Date for end of generation
Calder Hall	2006/08	2003
Chapelcross	2008/10	2005
Bradwell	2002	Closed in 2002
Hinkley Point A	2000	Closed in 2000
Dungeness	2006	2006
Sizewell A	2006	2006
Oldbury	2008	2008
Wylfa	2009	2010

Page 3

Status Report (2)



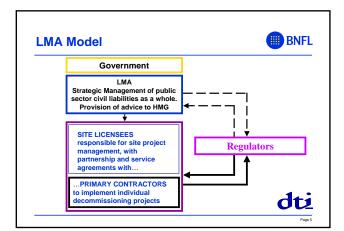
Vitrification

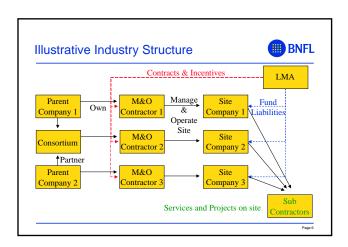
- 5 year improvement plan has commenced
- Performance to date (WVP 1&2) > Total for 2001 (Target 250)
- Line 3 undergoing Active Commissioning

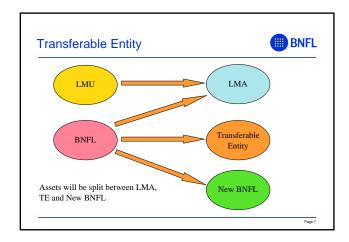
Thorp

• Reprocessed 380Te of Oxide Fuel in current financial year

Page 4







Stakeholder Dialogue



- Clearly these are changing times
- The White Paper clearly states a need for the LMA to engage with Stakeholders.
- BNFL will continue to be committed to the process
- Site M&O's may be required to run stakeholder programmes on behalf of LMA
- However, there is a need to learn from the dialogue process
- There are other ways of interaction and engagement
 I would welcome your views

Page 8

Progress of the Dialogue



- Co-ordination Group report contains a section on "Lessons Learned".
- This is reflected in the Business Futures Working Group report and recommendations for the way forward.
- Welcome Plutonium Working Group Report 2 year's effort , introduced new means of interaction with BNFL and important recommendations.
- Business Futures Working Group has initially concentrated on LMA White Paper.

Page 9

Corporate Social Responsibility (CSR)



- Related but not central to this meeting
- Responsibility framework reflected in the production of a Corporate Social Responsibility Report for FY 2002/03
- Stakeholder involvement in the process would be welcome
- Initially, we are keen to receive views on:
 - building on our EH&S focus to a CSR-based approach.
 - examples of best practice which BNFL might learn from.
- Views can be expressed either:
 - subsequent to meeting (Fax/Email) direct to me!
 - With your agreement, we could issue a proforma with the photo report (via TEC)

Page 10

Decommissioning and Reuse of an Alpha Facility: B277



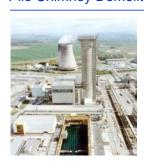


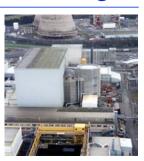


Page 11

Pile Chimney Demolition: B16



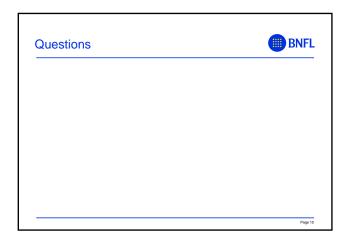




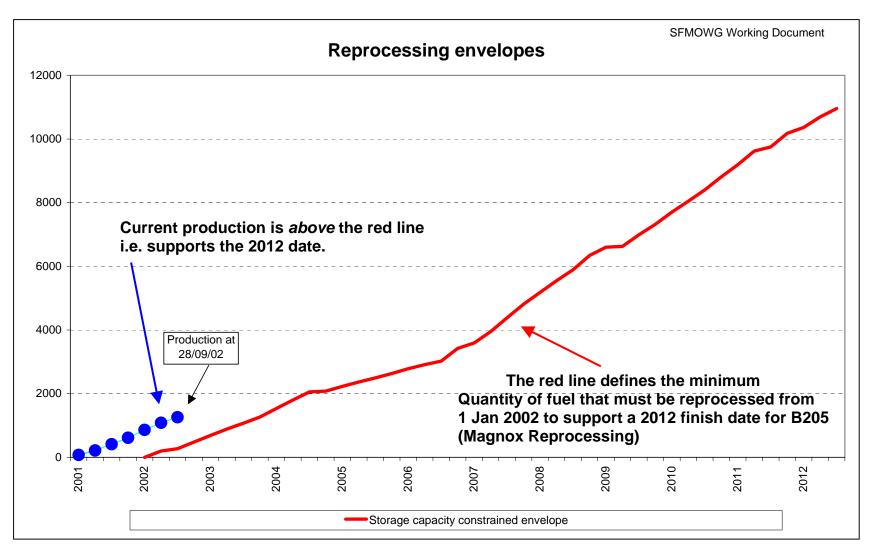
Page 17



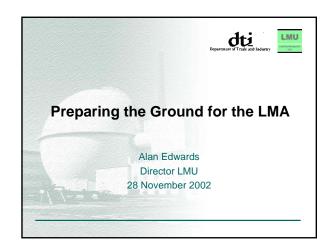


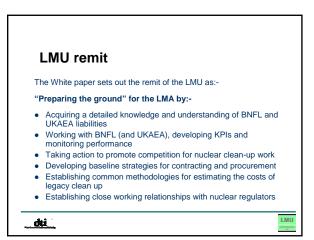


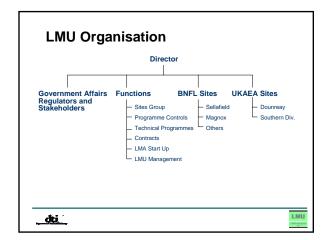
Appendix 3 Update on B205 Production to 28 September 2002



Appendix 4 – Presentation from Alan Edwards, LMU

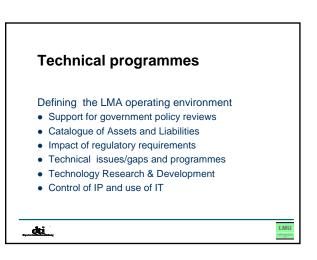






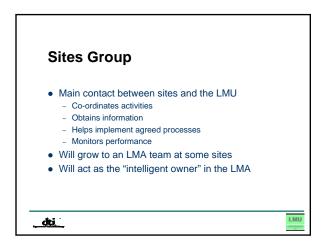


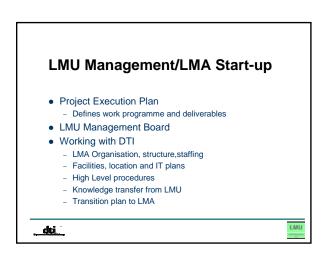
Government Affairs, Regulators and Stakeholders Interfacing with Government departments DEFRA including MRWS consultation Working with the Nuclear Reform Bill team Establishing effective relationships HSE/NII, EA, SEPA and OCNS LMU Regulatory Issues Forum established Defining "Openness and Transparency" Want to be distinct and different Involved in DTI consultation with NGOs Workshop to explore dialogue options

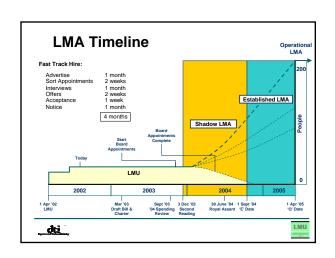


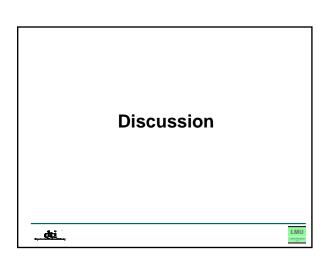












Appendix 5

Coordination Group

Members as at December 2002:

Peter Addison Nuclear Installations Inspectorate
Fred Barker Independent Nuclear Policy Analyst

David Bonser BNFL ALFA

Gregg Butler University of Manchester /

Westlakes Research Institute

Mark Drulia BNFL ALFA

John Kane GMB
Peter Kane GMB
Grace McGlynn BNFL

Brian White Copeland Borough Council

Rupert Wilcox-Baker BNFL ALFA

Peter Wilkinson Wilkinson Environmental Consulting

Plutonium Working Group

Members include:

Arthur Roberts BNFL

Brian White Copeland Borough Council

Chris Wright General & Municipal Boiler Maker's Union

Christine Brown BNFL Technical Expert
Clive Williams Environment Agency

Dave Andrews Campaign for Nuclear Disarmament Cymru

David Lowry Independent consultant

Dick Haworth Nuclear Installations Inspectorate

Frank Barnaby Oxford Research Group
Fred Barker Nuclear policy analyst

Howard Rooms National Campaign for the Nuclear Industry

Mark Drulia BNFL

Paul Leventhal Nuclear Control Institute

Roger Howsley BNFL

Sue Wilkinson British Energy

Steve Jones Westlakes Research Institute

The following members of the PuWG have withdrawn from the dialogue:

Shaun Burnie Greenpeace withdrew in November 2000

Jeff Blackwell Copeland B.C. represented by Brian White, Copeland B.C. Nigel Chamberlain CND (replaced by Dave Andrews, CND Cymru)

Dave Mason

NII

Bill Turner

British Energy

Robert Gunn

Rachel Western

Tony Free

NII

(replaced by Dick Haworth, NII)

(replaced by Sue Wilkinson)

(resigned in Sep 2001)

(withdrew due to illness)

(replaced by Sue Wilkinson)

Business Futures Working Group

This is a list of 'full time' group members as of November 2002:

Neil Baldwin BNFL
Phil Hallington BNFL
Grace McGlynn BNFL
Ric Baldwin ALFA
Mark Drulia ALFA

Tony Free British Energy

Fergus McMorrow Copeland Borough Council
John Hetherington Cumbria County Council

Helen Costa DTI Richard Griffin DTI

Peter Kane General & Municipal Boiler Makers Union 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 Nuklear 21
Dai Hudd Prospect

Marion Hersh Scientists for Global Responsibility

Mark Johnston Independent

Dave Camwell Transport and General Workers' Union

Andy Munn UKAEA

Sunil Shastri University of Hull

Gregg Butler Westlakes Research Institute
Steve Jones Westlakes Scientific Consulting
Pete Wilkinson Wilkinson Environmental Consulting