UK Civil Nuclear Decommissioning

Bill Roberts, Former CFO of the NDA
Bill Roberts

• Experienced senior executive, with a wealth of international Board level experience in Energy, Environment and Infrastructure in UK, US, Europe and Emerging Markets.

• Founder Director and former CFO of the UK’s Nuclear Decommissioning Authority, responsible for business processes, systems, procurement and controls and re-financing UK decommissioning programmes.

• Career includes: E&Y, British Railways, TXU, UK Gov, CFO at NDA and the European Commission.

• Non exec roles in pension, insurance and energy companies and in an educational charity.
The NDA

- Non-Departmental Public Body established in April 2005
- **Owner of the civil UK legacy sites** with a legal obligation to decommission the civil public sector nuclear legacy, and to do that using competition and the supply chain.
- **Sites and facilities built from 1940s** onwards, some are still operational, manufacturing fuel, processing and re-processing wastes, transportation, research, power generation.
- **Annual expenditures of ~£3.3 bn**, Head Office based in North West England
- **NDA also owns nuclear materials**, including the plutonium, reckoned to have equivalent energy value to the North S Continental Shelf
- British Energy/EDF stations are not decommissioning yet, but have to create provisions for their AGR stations.
Some complexities…

- 19 sites - **no two sites have the same design** due to evolution

- 39 reactors, 5 fuel reprocessing plants, 3 fuel fabrication plants, 1 redundant enrichment plant and stores, warehouses, tanks, silos containing wastes, transportation infrastructure

- **Heterogeneous mix** of systems, liabilities and assets, with lots of unknowns. Concrete, steel, asbestos and dust are characteristic of decommissioning

- NDA publish **detailed long term plans** for each site.
The OGA has recently conducted a detailed field by field analysis which estimates costs for 2015 to 2050 at £47 billion.

Annual Spend in 2014 was around £1 billion, and OGA estimate this will rise to £2 billion by 2018.

Costs are allowable for tax relief, mean the taxpayer supports about 50% of this spend, not in DECC’s budget, but HMT’s.

OGA itself funded by levy.

### NDA v OGA

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NDA v OGA

Decommissioning Cost

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# NDA’s organises its 19 sites through 6 SLCs

## Government
- **Policy**
  - DECC, Scottish Govt, Devolved assemblies, ShEx, DEFRA

## Regulators
- **ONR, EA, SEPA, NAO, et al**

## The NDA
- **Strategy, planning, contracting, performance**
  - £42m admin
  - £150m R&D, fees

## NDA subsidiaries
- RWM, DRS, INS, NDA Properties, Rutherford
  - £90m

## The NDA’s subsidiaries
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## Site Licence Companies, T1 Contractors and 2015 expenditure

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## Notes
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• The SLC is often called the Tier 1 contractor. A Tier 2 company holds a direct contract with the Tier 1 (SLC) and is often the primary interface for contracting with SME (Tier 3 & 4). Tier 2 companies often hold a framework contract with Tier 1s that will often include the specialist services of Tier 3 & 4 companies.

• The SLCs and the NDA manage their wide range of contracts and engagement with the supply chain. Each has a dedicated suppliers’ portal that is intended to make forthcoming procurements and recent awards visible and should be published on each SLC’s suppliers’ portal.

• The Government’s aspiration is that by the end of the Parliament (2015), 25% of government spend flows to Small and Medium-sized Enterprises (SMEs), directly and indirectly through the supply chain.
Points to take away

- Decommissioning is **a very long term programme** and needs to be managed as such, with much early investment on characterisation.

- **Plant by plant**, approach now being replaced by **category management** - supply chain teams, clustering, standardisation, batching.

- **Batches include** ventilation systems, control systems, tanks/vessels, cranes, sub-stations, asbestos removal, safety case support etc

- **Sellafield structure** changed from 2017, with procurement ongoing for many framework agreements for work batches.

- More effort on **innovation** to improve clean up effectiveness, including remotes, robotics, lasers, plasticisers, recycling (e.g. 000s tonnes steel)

- NDA have invested heavily in **supporting the supply chain** to encourage innovation and competition and SME participation.
Category management at Sellafield

Graphic courtesy of Sellafield
Category Management at Magnox

Graphic courtesy of Magnox
Some useful links

- Crown Commercial Service
  www.contractsfinder.gov.uk

- OJEU
  http://ted.europa.eu/TED/

- NIA supply chain portal
  www.nuclearsupplychain.com

- NDA
  http://www.nda.gov.uk/suppliers/
  #current-tender-opportunities

- Magnox
  https://magnoxsites.com/suppliers

- Dounreay
  http://dounreay.com/suppliers

- Sellafield
  http://suppliers.sellafieldsites.com
Want to find out more?

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