19 February 2019

Meg Hillier MP  
Chair Committee of Public Accounts  
House of Commons  
London  
SW1A 0AA

Dear Meg

NUCLEAR DECOMMISSIONING AUTHORITY: RISK REDUCTION AT SELLAFIELD

We read with great interest the most recent report from the Committee on the NDA and Sellafield and wanted to share our thoughts on some of the main issues that the Report covers.

It is important to start by making it clear that, as part of the host community for the Sellafield site, we want the NDA and Sellafield Ltd (SL) to be a success and it is therefore of great concern to us that the Committee is still not receiving the reassurances that it needs from either BEIS or the NDA. On the whole, Allerdale Borough Council has a positive relationship with both the NDA and SL. Clearly, things can always improve, but overall both organisations are striving to do their best under very trying circumstances.

The challenge that Sellafield presents for the nation is complex, long term and expensive and it needs us all to work together in order to ensure success. It is therefore all the more disappointing to us that so many people, particularly in BEIS and within the NDA itself, seem to have forgotten why the NDA was created in the first place. There is a distinct lack of familiarity with the 2002 White Paper (Managing the Nuclear Legacy, A Strategy for Action), the subsequent legislation (Energy Act 2004) and the West Cumbrian Memorandum of Agreement (MoA) 2004 (signed by both the NDA and central Government). We appreciate that things have moved on since the NDA’s inception, but the lack of any sort of corporate memory is frustrating and unhelpful in terms of the relationship between Government, the NDA and this host community.
This relationship is being further tested by the response of both SL and the NDA to the Oxford Economics (OE) Report that SL commissioned to look at the economic impact that Sellafield has on the local and national economy. The Report sets out how the economies of Copeland and Allerdale (the two closest local authority areas to the site) are currently affected by SL’s activities and, more importantly, sets out the challenges we face going forward from the projected decrease in jobs on the site. Despite this clearly being of great interest to the local community, SL decided to sit on the Report for a year while they decided what to do about the less than positive picture it paints. They then published it on 31 July 2018, alongside the so-called Sellafield Social Impact Strategy which says next to nothing about how they are going to help the local community deal with the impact from the projected job losses. The press notice that accompanied the publication of both documents did say that “To help identify opportunities to strengthen the local economy Sellafield Ltd is launching a Development Advisory Board, which Jamie (Reed) will chair. The board will bring together local leaders, trade unions and other businesses.” Despite much chasing from ourselves and others, the first meeting of the DAB only took place on 8 February 2019. We were given three days warning of the meeting and I was unable to attend. I was told that it was impossible to rearrange the meeting (even though I was not the only one unable to make it), but that I would be given a detailed readout of the discussion, which I have yet to receive.

Now, clearly the local economic challenges facing West Cumbria are not just for SL to solve, but they were the ones who sat on a key Report and then unilaterally announced the creation of the Development Advisory Board (which they will chair!), so they cannot now complain when people criticise them for not making any progress. We are not looking for a silver bullet and we fully accept we have a role to play in dealing with the massive challenges that the OE Report highlight, but given the size of the Sellafield budget, it does not seem unreasonable to look towards SL and the NDA for some leadership or at least coordination, particularly as the 2004 MoA (mentioned above) clearly commits them to working with the local community to “…manage the transition of the site from local liability to national asset.”

That leads us on to Recommendation 6 from your Report – “The NDA should, within 12 months, strengthen and publish its socio-economic strategy, outlining the opportunities for the wider economy and how it will realise those opportunities.” Given all that I have said above, you will not be surprised to know that we welcome this recommendation and we look forward to seeing the response. However, your Report came out on 24 October 2018 which means we are already more than 3 months into the 12 that you gave them and we have heard nothing. There is no mention of this commitment in the NDA’s draft business plan (covering the period from April 2019-March 2022) that has just been out for consultation and we have had no response to our offers to work with the NDA on this key piece of work. I know the NDA has very capable people, but this is not the sort of work that should be carried out in isolation.
At Allerdale, we pride ourselves on having a “can do” attitude and we want a positive working relationship with both Government and industry on all nuclear matters. To that end, we would appreciate the opportunity to start a more strategic discussion around all the nuclear related challenges the UK is facing, how those challenges might impact on Sellafield and the LLWR and how we might secure the maximum benefit for this community going forward. We have no fixed idea of what such a discussion might cover, but it could be things like the future of plutonium, SMRs, spent fuel management, new nuclear build, MoD waste and so on. Despite making this proposal to both BEIS (at Ministerial level) and NDA (Chief Executive), we have had no response and can only conclude, somewhat disappointingly, that neither organisation is willing or able to have such a conversation. This might help explain the lack of progress with the plutonium issue (the final recommendation from your Report). We agree with your analysis and welcome your push for clarity on an issue that has for far too long sat in the “too difficult” pile, but would prefer that any decisions on plutonium are taking within a wider, more strategic vision for all of the UK’s nuclear challenges.

My last comment on your Report relates to Recommendation 4 which looks at NDA governance and oversight of Sellafield. I understand and support the motivation behind the recommendation, but would just say that we would prefer better oversight to more oversight, as the latter rarely results in the improvements that we all agree are required. So, while I agree with your analysis, I would caution the NDA to avoid the obvious knee-jerk response of adding another layer of governance that may not be required and may actually make matters worse.

I would like to end by repeating my comment from the start of this letter. There is no benefit to Allerdale Borough Council from a failing NDA or SL, so we really do want to help make both organisations a success. We want a constructive, ongoing dialogue that supports the safe and secure decommissioning of the Sellafield site and secures the maximum benefit to the local community from that work programme. While I believe that SL support such an approach and are making efforts to move towards achieving it, I do not feel so confident about the NDA (at the Corporate level) or BEIS who seem to be out of touch and entirely focused on today’s headlines rather than anything more strategic or long term.

Should you or any Member of the Committee wish to discuss any of the above or indeed seek our views in advance of the next PAC hearing related to Sellafield, please do not hesitate to contact me.

Yours sincerely

Councillor Alan Smith  
Leader Allerdale Borough Council