



Date: 13 November 2002

No. 26

Subject: **Summary of main points from the NFLA Steering Committee Meeting, The Centre, Slough, 17 October 2002**

1. **Radioactive Waste Management Policy**

It was reported to the October NFLA Steering Committee that the Government had endorsed many NFLA recommendations in its published response to submissions arising from the consultation paper - *Managing Radioactive Waste Safely*. DEFRA now says it will:

- seek the views of interested stakeholders, the public and government departments on waste management options and appoint an independent body to oversee this work to "...be in place by the end of the year";
- set the framework for debate by establishing broad agreement on the wastes to be considered, the range of management options for each of them, and the criteria against which these options should be assessed;
- include not only materials currently classified as waste but also to consider the consequences of providing for other materials which may have to be managed as waste during the period, such as some separated plutonium, and uranium, as well as certain quantities of spent nuclear fuel;
- "Over the summer and autumn, we shall publish more detailed proposals. These will include details of the new body and its terms of reference. They will also address pressing issues such as arrangements for managing waste safely in the short-term and an announcement on waste substitution. We shall report progress on the other issues covered in the consultation, including decommissioning nuclear sites, the powers of the Environment Agencies, managing spent sealed sources of radioactivity, and waste classification..."

However, it was further reported that on 12 September the EU Energy Commissioner, Loyla de Palacio, held a press briefing to launch a 'nuclear package' containing proposed European legislation covering: EU wide nuclear safety standards; the management and disposal of radioactive waste; and financial mechanisms for securing long term disposal of radioactive waste and the decommissioning nuclear facilities.

How these proposals will interface with policy developments above, and reported below, is unclear and the NFLA Steering Committee asked the Legal Adviser to report further. Subsequent publication of a proposed European Directive states "...authorisation for development of an appropriate disposal site(s) to be granted no later than 2008."

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2. Liabilities Management

The Secretary reported on the Government's proposals for transferring BNFL liabilities to a new 'non departmental public body' – a *Liabilities Management Authority* (LMA). The Government's White Paper - *Managing the Nuclear Legacy- A Strategy for Action* - proposes a *Liabilities Management Authority* to take over responsibility for a £48 billion clean up of BNFL and UK Atomic Energy Authority sites including Sellafield, Dounreay, Harwell and the Magnox nuclear stations.

The Government maintains that:

- an LMA will bring "a much sharper and stronger strategic focus" to the management of these liabilities than BNFL and the UKAEA; and
- public confidence will be secured by strong commitments to openness, transparency, and to engagement with stakeholders.

NFLA *Radioactive Waste Briefing No 7* circulated to all NFLAs in September discussed these proposals to assist local authorities to prepare their responses and the Legal Adviser drew on this work in the NFLA Steering Committee submission *and* raised renewed concerns over how confidence can be created when transparency may be very difficult. The NFLA submission highlighted:

- subcontracting, which the LMA will encourage, is not always compatible with safety;
- LMA Board membership will need strong environmental representation;
- openness may founder on commercial-in-confidence or security obstacles without special measures to address the problem;
- as the LMA will assist BNFL by discharging it from responsibility for its liabilities, fairness requires that (a) DTI estimates of liabilities should be opened up to review (b) BNFL should transfer as much of its financial resources as possible to the LMA (c) proceeds from privatisation of BNFL should be paid to the LMA; and
- an adequately funded segregated fund is the best mechanism to create public confidence that there will be then money in place to deal with these liabilities without burdening future generations.

3. Energy Review

The Secretary reported on the submission of the NFLA Steering Committee response to the Government's current energy policy consultation. The thrust of the submission was:

- the Government should put concerted action on energy efficiency and renewables at the top of its energy policy agenda, and not succumb to those who want state support for a large, capital-intensive and inflexible programme of new nuclear power stations; and
- if the nuclear option is to be kept open as insurance against the failure of energy efficiency and renewables to deliver, proper attention needs to be paid to identifying and meeting conditions of public and stakeholder acceptability.

A mechanism for seeking to achieve the latter - a stakeholder review panel - was proposed. The Secretary also submitted similar views in response to a DTI invitation to join their 'on line' consultation.

4. British Energy State Aid

The Legal Adviser reported that he wrote to the Chancellor questioning the £650 million State Aid provided to British Energy and allied proposals to reduce the amount of business rates payable to local authorities.

5. **British nuclear industry insurance against terrorism**

The Legal Adviser reported that nuclear operators have to secure insurance or other cover for £140 million against nuclear accidents. This is arranged through British Nuclear Insurance (BNI). However, post 11 September 2001, BNI withdrew insurance for terrorist acts as from 31 March 2002. From 31 May, BNI began paying the Government £25,000 per month to indemnify it for reinstating this insurance, but in the two month period prior to that date no insurance cover appears to have been in place which is a criminal offence. Subsequently the Legal Adviser lodged a complaint with the European Commission that the difference between the UK Government's price of £25,000 per month and the price the insurance market would charge amounts to an illegal operational subsidy.

6. **Trawsfynydd Inquiry and other Decommissioning Developments**

The Legal Adviser reported on preparations to present the Steering Committee's case at the Trawsfynydd inquiry. A preliminary statement had been lodged on behalf of the Committee and Wales NFLA Forum stating that its evidence would seek to show that:

- of the three countries with Magnox reactors - the UK, Japan and Italy - only in the UK is deferral of dismantlement for 100 years being promoted rather than early site clearance;
- the assumptions of deferred dismantlement, its proposed timing and financing, is inconsistent with relevant policy commitments to intergenerational equity and sustainable development;
- the assumption that it is financially advantageous to postpone dismantlement as claimed is defective, that current provisioning is inadequate to meet Government policy and that it is appropriate and necessary for the inquiry to examine costings and arrangements for financing early site clearance; and
- the assumption that it is advantageous to postpone dismantlement on grounds of occupational radiation safety may not provide a convincing reason for deferral for 100 years.

BNFL (Magnox Generation) also issued an environmental statement relating to the proposed decommissioning of Bradwell and the Legal Adviser responded, submitting comments on behalf of the Committee.

Other matters reported to the NFLA Steering Committee in brief...

7. **Radioactive Discharges**

The Legal Adviser reported on the publication of the Government's radioactive discharge strategy for the UK. The Wales Forum Secretary reported a consultation by the Welsh Assembly Government on radioactive discharges in Wales. The Secretary reported on an approach by Norwegian local authorities for help in lobbying to further reduce, and where possible eliminate, radioactive discharges that pollute Scandinavian waters and shore lines. The Committee decided that officers should assist Norwegian local authorities to press for further reductions in radioactive discharges.

8. **Nuclear Emergency Planning**

The Steering Committee meeting was informed of: advice provided by the Secretary and Legal Adviser to the Local Government Association on nuclear site emergency planning and the implementation of the Radiation Emergency and Public Information Regulations

2001; a proposal that the Legal Adviser respond as appropriate to a Government consultation on new Nuclear Industry Security Regulations; and arguments favouring a review by the Nuclear Installations Inspectorate of the current practice of determining detailed emergency planning zones on assessments of 'reasonably foreseeable' risk rather than international experience of radiation emergencies. Officers have approached the Nuclear Installations Inspectorate for meeting to discuss the current UK approach to nuclear site emergency planning. Members also asked officers to collate views of NFLA members represented on nuclear site Local Liaison Committees about how these might be made to operate more accountably.

9. **Progress Report**

AWE Aldermaston: Significant development of the site was expected as a consequence of the Government decision to keep an option open to build new nuclear weapons. The Legal Adviser is liaising with contacts at Reading and Slough Councils to ensure that planning procedures are complied with by the MoD.

Radioactive Scrap: The Legal Adviser reported on correspondence with the Environment Agency about the implementation of a European Council Resolution on control of sources in the scrap industry.

The Chair had been interviewed for 'You and Yours' - a BBC Radio 4 consumer affairs programme - about the potential hazards of contaminated metals or radioactive sources for the public.

The Environment Council was proposing a stakeholder dialogue to mediate in the current controversy about clearance and exemption of radioactive wastes (which would permit recycled materials, like metals, with very low levels of activity, to be reused for any household or economic purpose).

Modernising Planning: Proposed planning reforms which raised concerns about transferring the decision in principle on 'major infrastructure projects' to Parliament and away from planning authorities has been dropped by Government. The proposals would have applied to new nuclear stations and radioactive waste management projects.

World Summit on Sustainable Development: Outcomes that could impact on NFLA work were reported.

Mayors for Peace Forum: The English Forum Secretary reported on arrangements for a Mayors for Peace Forum in Leeds, 16 January 2003. The NFLA Secretary had acted as an adviser in this matter. The Committee decided that all Steering Committee members be urged to register for this conference through their authorities.

10. **Dates of Meetings in 2003**

17 January 2003 11.00am Civic Hall, Leeds

21 March 2003, 2.00pm, City Hall, Cork (following 5th UK/Irish Councils Conference, Cork, Ireland)

27 June 2003, Town Hall, Manchester

October 2003, before AGM & Annual Policy Briefing (date & venue TBA)

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