

Socio-Economic Development Plan 2011-15



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Background

The restructuring of the UK Civil Nuclear Industry, detailed in the Energy Act 2004, resulted in the formation of the Nuclear Decommissioning Authority (NDA) on 1 April 2005. A secondary duty of the Act required the NDA to mitigate the socio-economic impact of its work programme in communities where it operates.

The NDA vision to “support the creation of dynamic, sustainable local economies for communities living near our sites” is underpinned by four thematic priorities:

- Employment
- Education and Skills
- Economic and Social Infrastructure
- Economic Diversification

and four geographical funding priorities, two of which fall within the Magnox Ltd estate:

- Anglesey and Meirionnydd in North Wales (Wylfa and Trawsfynydd sites)
- Gretna-Lockerbie-Annan (GLA) corridor in Dumfries and Galloway (Chapelcross site)

Support for the Energy Island initiative in North Wales and the work of the Corridor Regeneration Strategy (CoReS) Group in Dumfries and Galloway are particular highlights to date of socio-economic delivery in line with NDA policy.

Socio-economic development activity is a part of Magnox Ltd's Corporate Responsibility programme, further details of which can be found at:

www.magnoxsites.com



Executive Summary

Following a comprehensive two-year process of optioneering and strategy development Energy *Solutions* and Magnox Ltd, in conjunction with the NDA, developed the Magnox Optimised Decommissioning Programme (MODP).

This constitutes a major change to the work programme across Magnox Ltd requiring an assessment of the socio-economic implications for local communities in line with the Energy Act and the development of a plan outlining both mitigation activity and opportunity.

The assessment, on a site-by-site basis, concluded that Magnox Ltd should prioritise support across its sites.

This development plan provides both a rationale for prioritisation and describes actions in the short to medium term to support local communities as the MODP is safely delivered.

Taking account of NDA thematic and geographical priorities, the supporting processes and clear governance arrangements are detailed.

The MODP

The key elements of the MODP are:

- Extended generation at Wylfa and Oldbury
- Defuelling in line with the Magnox Operating Plan
- Two sites into an early Care and Maintenance (C&M) phase (Bradwell and Trawsfynydd)
- Two sites into a low cost, low risk interim Care and Maintenance phase (Chapelcross and Dungeness A)
- Implementation of Programmisation across the Magnox Ltd to enable optimisation of works required and minimise lifecycle cost estimates including introduction of new technologies
- Implementation of the Berkeley Active Waste Vaults Retrieval project utilising MiniStores
- Restructuring of the workforce to deliver programmes of work and effect transitions through site phases including the move to one Magnox Site Licence Company.

The impact on Care and Maintenance dates is shown below.

| | Adjusted | MODP LTP 10 | New Promise | Benefit Baseline |
|------------------------|----------|----------------|----------------|---------------------|
| Delivered | | | | |
| Bradwell | 2027 | 2015 | 2015 | (12) |
| Trawsfynydd | 2021 | 2016 | 2016 | (5) |
| Berkeley | 2026 | 2021 | 2021 | (5) |
| Hunterston A | 2020 | 2022 | 2022 | 2 |
| Hinkley Point A | 2031 | 2025 | 2025 | (6) |
| Sizewell A | 2034 | 2027 | 2027 | (7) |
| Chapelcross | 2022 | 2027 | 2027 | 5 |
| Oldbury | 2027 | 2027 | 2027 | 0 |
| Wylfa 2025 | 2025 | 2025 | 0 | |
| Dungeness A | 2034 | 2029 | 2027 | (7) |

(Source data: Delivery of Magnox Optimised Decommissioning Programme into the Baseline, Magnox Ltd September 2011).

Impact assessment

The impact assessment of the MODP indicated the relative needs across Magnox Ltd taking account of new Care and Maintenance dates, regional Gross Value Added (GVA) figures and workforce and spend profile. In the medium term there are significant changes to workforce numbers at sites but these profiles are continuously refined as the work programme progresses and Magnox Ltd seeks to maximise efficiencies.

The assessment indicated that three sites would benefit from further socio-economic development work in the short to medium term as a direct result of the impact of the MODP:

- Trawsfynydd
- Bradwell
- Dungeness A

In addition two sites, Wylfa and Chapelcross, have more mature socio-economic arrangements in place as a result of being NDA priority areas. Continued implementation of programmes of work already underway should continue and be closely monitored.

At Hunterston A a recent, independently produced impact assessment has improved understanding of the socio-economic situation across the region. From this detailed report organisations in the community are now working together to establish effective local socio-economic arrangements.

For the remaining four sites there are a number of external factors which are taken into account. These range from the intrinsic prosperity of an area to future employment opportunities already identified. These sites are:

- Berkeley
- Hinkley Point A
- Oldbury
- Sizewell A

The socio-economic impact on communities is highest at times of lifecycle transition – from generation to defueling or from decommissioning to Care and Maintenance. This is taken into account in the development plan.

In the site pages the current situation at each location is outlined, in order of priority, together with recommendations for action during the next 12 months and beyond. It should be noted that workforce profile numbers include Magnox Ltd site-based employees and contractors.





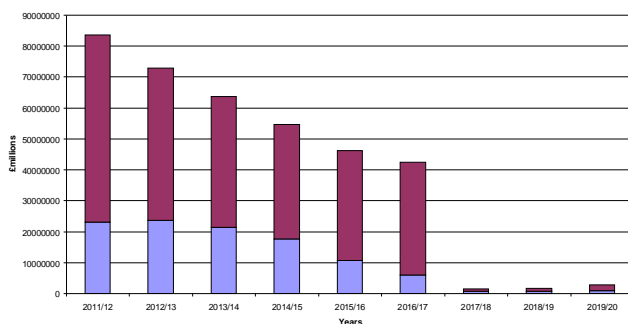
Trawsfynydd

Enter Care & Maintenance in 2016.

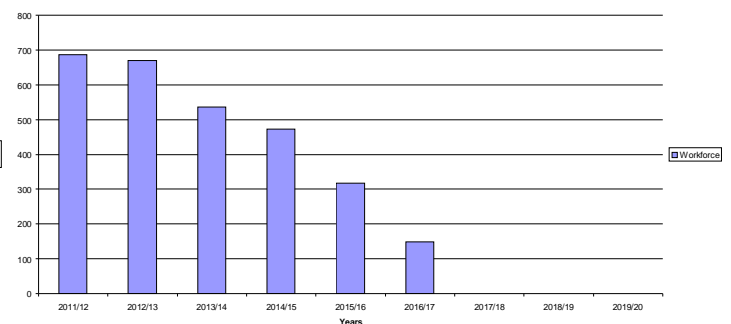
Trawsfynydd ceased generation in 1991, completed defueling in July 1995 and is now decommissioning.

The relatively deprived nature of the area, as identified in both the Welsh Index of Multiple Deprivation (2008) and the Gross Value Added data (£12,007 per head), ensured that Trawsfynydd was recognised by the NDA as part of one of its priority areas.

Trawsfynydd spend



Trawsfynydd Workforce



What do we already know?

- Trawsfynydd is the key employer in the locality and the loss of jobs once the site goes into Care and Maintenance is significant to the community
- Trawsfynydd is in a remote location with very limited alternative employment opportunities in the local area
- A proactive Welsh language policy is in place.
- Two key reports have been produced recently, providing valuable insights and recommendations for the Trawsfynydd area in the future. They are:
 - **Trawsfynydd Resource and Asset Masterplan** – produced by Hyder Consulting and published in September 2010
 - **Closing the Gap - Meirionnydd Employment Plan** - produced by Gwynedd Council and published in November 2010
- Working arrangements are in place with the North Wales Strategic Oversight Group which is made up of officers from all the key development organisations in North West Wales. This includes the Welsh Government, Isle of Anglesey Council, Gwynedd Council, the NDA and Magnox Ltd, which has successfully managed socio-economic applications for funding through to the NDA

- A Trawsfynydd-specific Strategic Oversight Group, chaired by Lord Dafydd Ellis-Thomas, was established at the beginning of 2011 and is working to ensure that the recommendations made in recent reports are converted into action.
- There are strong links between Trawsfynydd and Wylfa sites and there will be opportunities for some members of staff to transfer between the sites.
- Shaping the Future, a European-funded transition programme designed to help people employed across the North Wales sites make the right choices in terms of future employment, is already in place at Trawsfynydd.
- The Energy Island concept, driven by the Isle of Anglesey Council and including key strategic partners including EnergySolutions, the NDA, Gwynedd Council, DECC and the Welsh Government, looks at opportunities for the transition of the Trawsfynydd workforce to future employment, including the potential new nuclear build at Wylfa.

What are the opportunities?

| 2011-2012 | 2012-2015 |
|---|--|
| Work with strategic partners to establish the Trawsfynydd-specific Strategic Oversight Group as the single body facilitating socio-economic development in the light of C&M in 2016 | Support development agencies to develop and progress projects including <ul style="list-style-type: none"> • Tourism development • Development of data centre • Low carbon generation • Assessment of future use of NDA assets |
| Build relationships with the Welsh Government to provide a more coordinated approach across the Welsh sites | Implement Shaping the Future project to assist people through transition, to develop new skills and publicise opportunities for companies to set up in North West Wales and take advantage of the skills of the Trawsfynydd workforce |





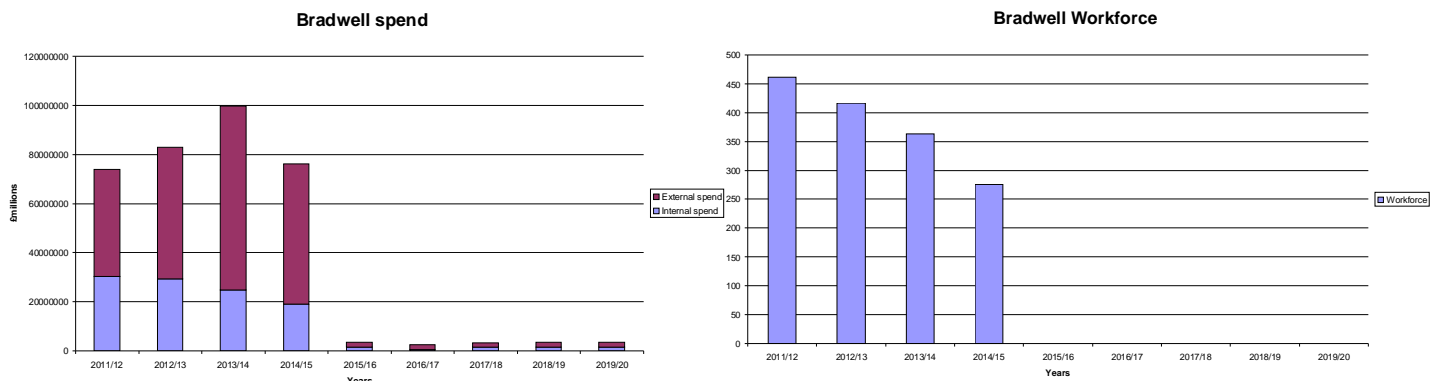
Bradwell

Enter Care & Maintenance in 2015

Bradwell ceased generation in 2002, completed defueling in 2006 and is now decommissioning.

The Index of Multiple Deprivation shows that the locality is relatively affluent when compared with other areas of England however, the rural nature of the location does provide some challenge, including access to alternative employment opportunities.

Gross Value Added = £16,163 (source data from Maldon District Council website, Local Futures Group report, dated 2010).



What do we already know?

- The impacts of the MODP at Bradwell are the most significant of any Magnox Ltd site
- Bradwell has been identified in the National Policy Statement as a potential new build site, however there are currently no plans in place for development
- In July 2011 there was an announcement made jointly by the Heads of Essex, Suffolk and Norfolk Councils regarding an Energy Coast initiative – working together to encourage power generation in this area

What are the opportunities?

| 2011-2012 | 2012-2015 |
|---|---|
| Work with local authority and other development agencies to raise awareness of Bradwell decommissioning and develop relationships | Establish and develop relationships between the site and the initiative covering Essex, Suffolk and Norfolk |
| Facilitate creation of strategic arrangements to work on addressing socio-economic impacts in local area | |



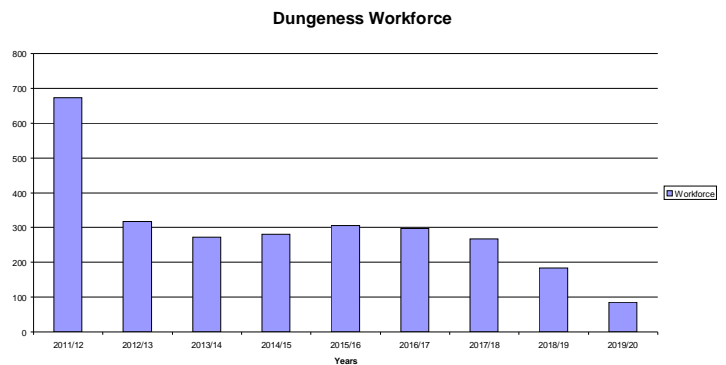
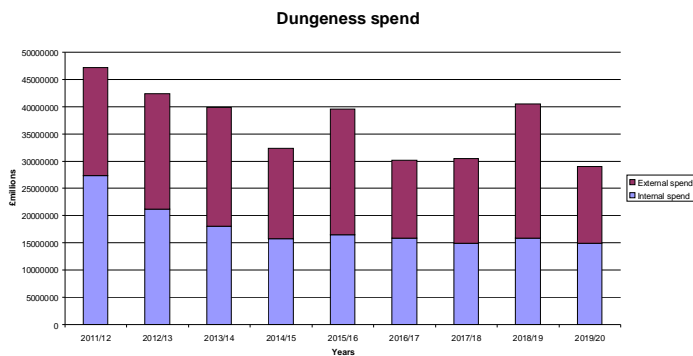
Dungeness A

Complete defueling in 2012, enter Care & Maintenance in 2018

Dungeness A is currently defueling, with a planned completion date of 2012.

The Index of Multiple Deprivation shows that the locality has some pockets of deprivation, especially around access to services and alternative local employment opportunities.

Gross Value Added = £22,200 (source data from Kent County Council website, local economy overview report, dated 2010)



What do we already know?

- The impacts of the MODP on the Dungeness site are significant
- An independent socio-economic impact assessment, funded by Magnox Ltd, the NDA and Shepway District Council was produced by Regeneris and published in 2011
- Romney Marsh is a 'Remote Rural' location made more isolated as a large minority of people (24%) do not have access to a car
- Dungeness B is scheduled to end generation in 2018 so may also be reducing its workforce at this time

What are the opportunities?

| 2011-2012 | 2012-2015 |
|--|---|
| Work with the local authority and Regeneris to finalise socio-economic impact assessment | Facilitate implementation of the Regeneris recommendations |
| Establish strategic arrangements to include the local authority and other development agencies | Maintain and develop good working relationships with local authority and other agencies |
| Explore opportunities for the managed transfer of staff via the agreement with EDF | |



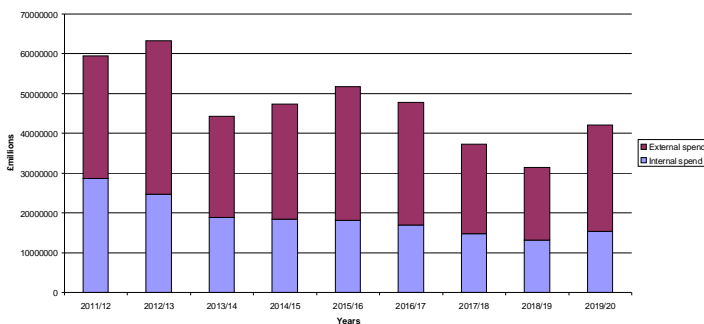
Chapelcross

Complete defueling in 2013, enter Care & Maintenance in 2017

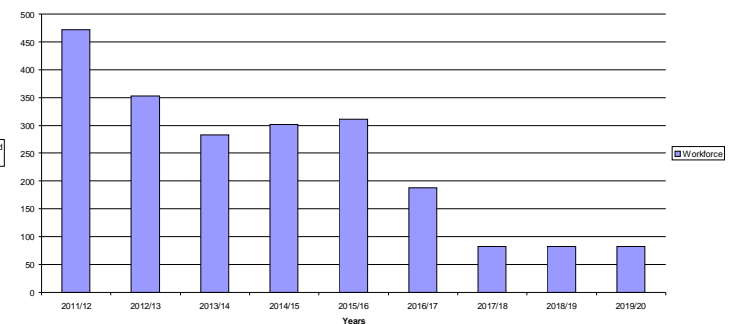
Chapelcross is currently defueling with a planned completion date of 2013.

The relatively deprived nature of the area, as identified in both the Scottish Index of Multiple Deprivation (2008) and the Gross Value Added data (£12,335 per head), ensured that Chapelcross was recognised by the NDA as one of its priority areas.

Chapelcross spend



Chapelcross Workforce



What do we already know?

- Chapelcross is the key employer in a remote location with very limited alternative employment opportunities
- The Corridor Regeneration Strategy (CoReS) Group, which is chaired by David Mundell, the MP for Dumfriesshire, Clydesdale and Tweeddale and vice-chaired by Elaine Murray, MSP for Dumfriesshire, is a successful strategic oversight body
- CoReS has successfully managed socio-economic applications for funding through to the NDA – most recently the Beyond Chapelcross project, which secured £1.2million

What are the opportunities?

| 2011-2012 | 2012-2015 |
|--|--|
| Maintenance of strong stakeholder relationships through ongoing engagement through the CoReS group | Maintenance of strong stakeholder relationships through ongoing engagement through the CoReS group |
| Effective management of the five-year Beyond Chapelcross project, which is the key focus for managing transition from the site into alternative employment. The Beyond Chapelcross project is the first example of Magnox Ltd taking a direct responsibility for managing a transition project, working with the local authority to achieve the outcomes agreed with the NDA | |



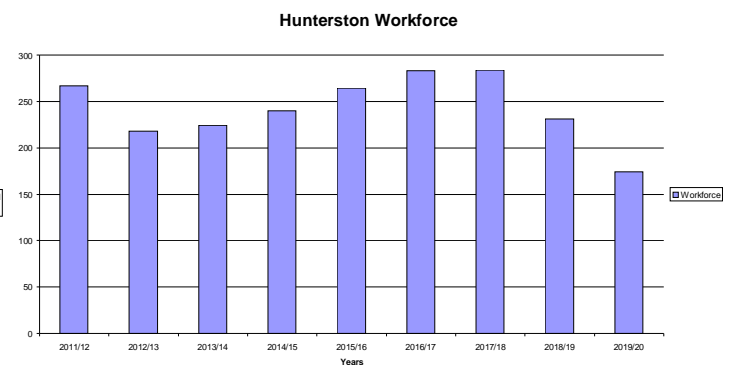
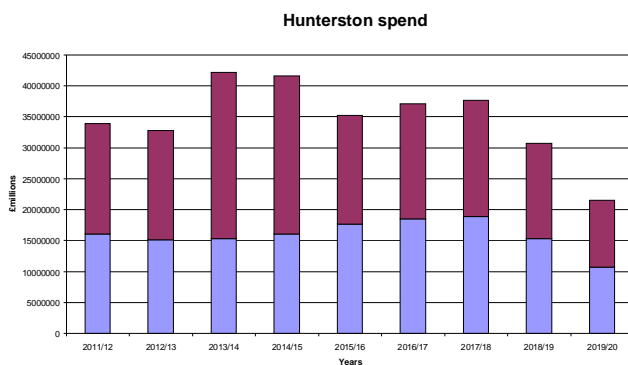
Hunterston A

Enter Care & Maintenance in 2022

Hunterston A continues to decommission through to 2022.

The Scottish Index of Multiple Deprivation shows some significant local areas of deprivation around the three towns of Ardrossan, Saltcoats and Stevenston.

Gross Value Added = £12,493 (source data from North Ayrshire Council report, dated 2007)



What do we already know?

- Hunterston A is a significant employer in a relatively remote location with limited access to alternative local employment opportunities, however it is less than an hour to Glasgow
- Hunterston B is scheduled to end generation in 2016 so may also reduce its workforce in a similar timeframe
- Irvine Bay Regeneration Company is an urban regeneration company (URC) with an objective to shape the creation of the physical conditions and local infrastructure to lead to the successful regeneration of Irvine Bay
- Strategic arrangements are at an early stage with the creation of an SSG socio-economic sub-group including representatives from the local community, local authority and Scottish Government.
- An independent socio-economic impact assessment of decommissioning was produced by Hall Aitken in 2010

What are the opportunities?

| 2011-2012 | 2012-2015 |
|---|---|
| Implement appropriate actions from the Hall Aitken report and North Ayrshire Council investment framework | Develop the strategic arrangements by working with representatives from the local authority and regeneration agencies |
| Explore opportunities for the managed transfer of staff via the agreement with EDF | |



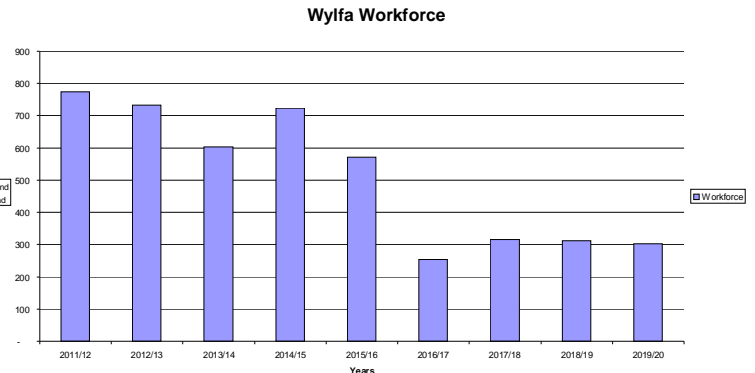
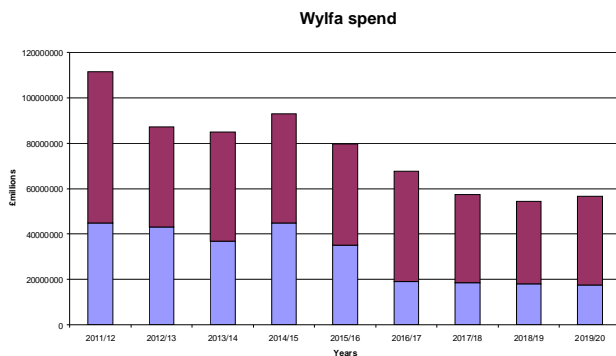
Wylfa

End generation in 2012, complete defueling in 2015, enter Care & Maintenance in 2027

The Wylfa site continues to generate electricity, with approval to do so until 2012.

The Wylfa team also oversees operations at the Maentwrog hydro-electric power station in Snowdonia where a small team have been managing the plant and generating electricity for the last 80 years.

The relatively deprived nature of the area, as identified in both the Welsh Index of Multiple Deprivation and the Gross Value Added data (£9,107 per head), ensured that Wylfa was recognised by the NDA as part of one of its priority areas.



What do we already know?

- Wylfa is the key employer in the locality and the loss of jobs here is very significant to the community with limited local alternative employment opportunities
- Wylfa was identified in the National Policy Statement as a potential new nuclear build site. Horizon, an E.ON UK and RWE npower joint venture, have begun investigative works at the site
- There has been significant investment in apprentices in the local area, including support for an apprentice scheme run by Energy Island and Coleg Menai
- The site has engaged in a proactive Science, Technology, Engineering and Mathematics (STEM) programme, building excellent relationships with local schools

- The site has invested in a Knowledge Transfer Partnership with Bangor University, working on sustainable development over the last three years
- Successful strategic arrangements are in place through the Strategic Oversight Group which is attended by all key stakeholders including Welsh Government, Isle of Anglesey Council, Gwynedd Council, the NDA and Magnox Ltd
- The Strategic Oversight Group has successfully managed socio-economic applications for funding through to the NDA
- The Energy Island concept, driven by the local authority, is key to the future prosperity of Anglesey
- Shaping the Future, a European-funded transition programme designed to help people employed across the North Wales sites to make the right choices in terms of future employment, is already being implemented at Wylfa

What are the opportunities?

| 2011-2012 | 2012-2015 |
|---|---|
| Further work with Coleg Menai on potential skills development | Continuing involvement in community to build skills base in readiness for new nuclear build |
| Build relationships with the Welsh Government to provide a more coordinated approach across North West Wales | Explore the potential for the managed transfer of staff with the new build developer |
| Maintenance of strong stakeholder relationships through ongoing engagement, supporting socio-economic activity | |
| Implement Shaping the Future project to assist people through transition, to develop new skills and publicise opportunities for companies to set up in North West Wales and take advantage of the skills of the Trawsfynydd workforce | |





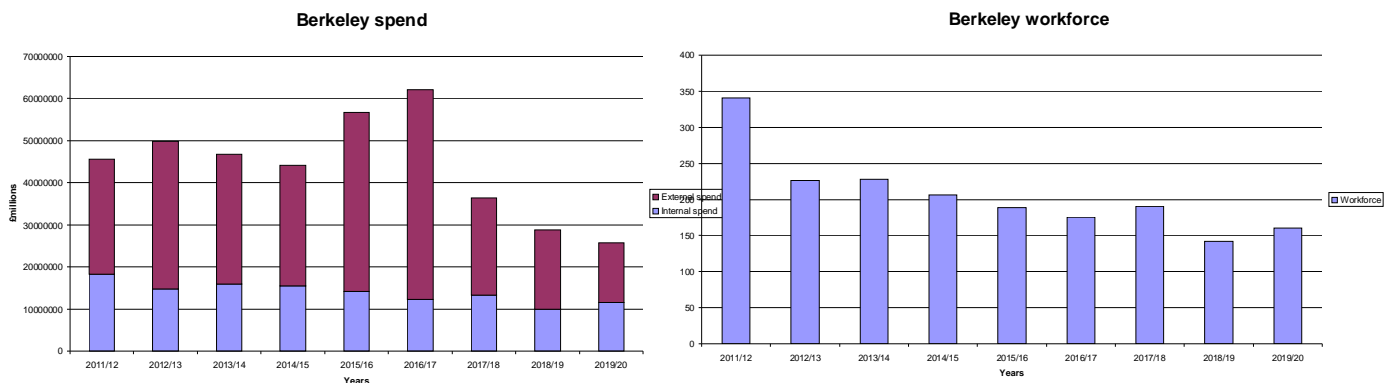
Berkeley

Enter Care & Maintenance in 2021

Berkeley is in an advanced state of decommissioning, with the reactors being placed in Safestore in December 2010. The site's active waste vaults retrieval project, which will utilise ministores, is a key part of the MODP.

The Index of Multiple Deprivation shows that the area is relatively affluent.

Gross Value Added = £19,946 (source data from Office for National Statistics, dated 2004)



What do we already know?

- Berkeley has already been through significant transitions since it closed in 1989
- There are a number of other nuclear-related organisations in the local area including EDF and Horizon, based in Gloucester
- Berkeley is located within 45 minutes of a number of large towns and cities including Gloucester, Cheltenham and Bristol

What are the opportunities?

- Led by the union Prospect, there is an initiative, called Energy Severn Vale, looking at the opportunities to bring the different parts of the nuclear industry together and develop a nuclear skills base. (Ref: The Case for Civil Nuclear Industry in Gloucestershire, produced in 2011 by Prospect the Union)



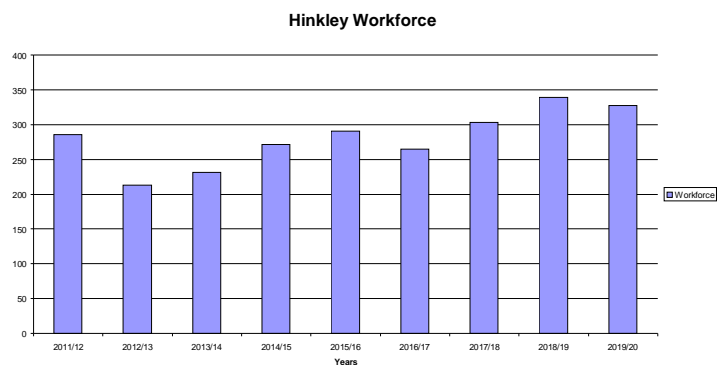
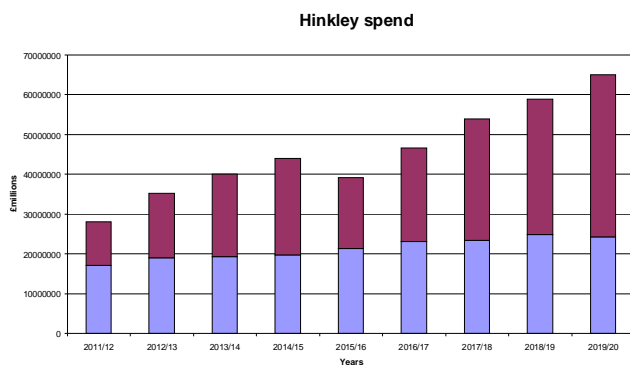
Hinkley Point A

Enter Care & Maintenance in 2025

Hinkley Point A is on a programme of decommissioning through to 2025.

The Index of Multiple Deprivation shows some significant local areas of deprivation and there is a good deal of regeneration work ongoing in Somerset.

Gross Value Added = £13,924 (source data from Office for National Statistics, dated 2004)



What do we already know?

- Hinkley Point A has already been through significant transitions at the end of generation and on completion of defueling
- There has been significant investment in local college facilities, with Bridgwater College becoming the National Skills Academy Nuclear's South West nuclear skills training hub
- There has been significant socio-economic investment in the local area in recent years, with EDF increasingly involved
- Hinkley Point B is scheduled to end generation in 2016

What are the opportunities?

- Implement the managed transfer of staff agreement with EDF
- Hinkley Point has been identified in the National Policy Statement as a new build site. It is EDF's intention to develop the site within the next decade



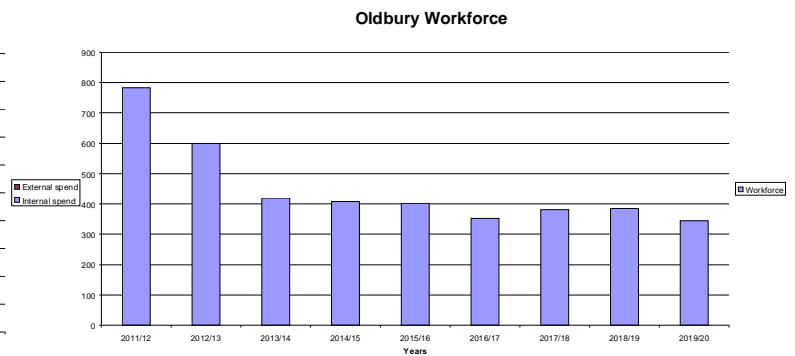
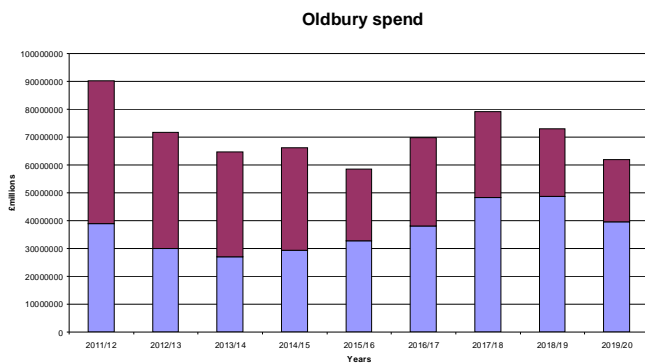
Oldbury

End generation in 2012, complete defueling in 2014, enter Care & Maintenance in 2027

Oldbury was originally planned to end generation at the end of 2008 however successful Generation Optimisation (GO) programmes have enabled generation to continue.

The Index of Multiple Deprivation shows that the area is relatively affluent.

Gross Value Added = £20,447 (source data from South Gloucestershire Council website, dated 2006)



What do we already know?

- There are a number of other nuclear-related organisations in the local area including EDF and Horizon, based in Gloucester
- Oldbury is located within 45 minutes of a number of large towns and cities including Gloucester, Cheltenham and Bristol and Swindon

What are the opportunities?

- Led by the union Prospect, there is an initiative, called Energy Severn Vale, looking at the opportunities to bring the different parts of the nuclear industry together and develop a nuclear skills base (Ref: The Case for Civil Nuclear Industry in Gloucestershire, produced in 2011 by Prospect the Union)
- Oldbury has been identified in the National Policy Statement as a new build site, with Horizon currently planning to develop the site after 2020
- Explore the potential for the managed transfer of staff with the new build developer



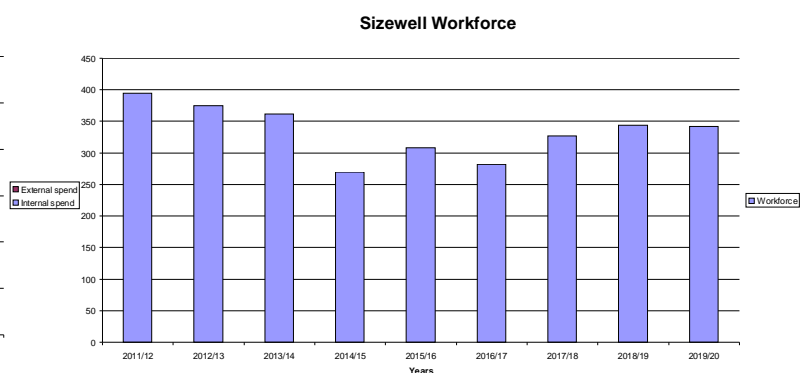
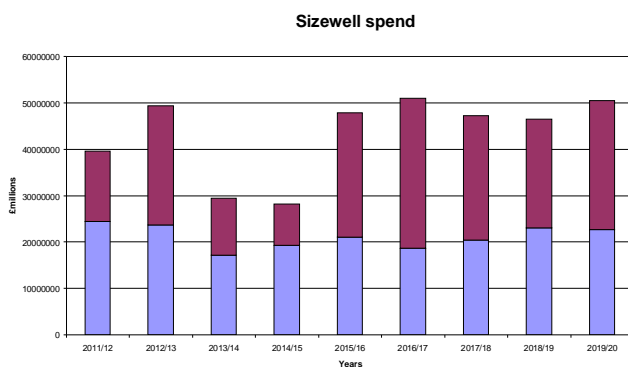
Sizewell A

Complete defueling in 2013, enter Care & Maintenance in 2027

Sizewell A is currently in its defueling phase with work continuing on site through to 2027.

The Index of Multiple Deprivation shows that the area is relatively affluent.

Gross Value Added = £14,924 (source data from Office for National Statistics, dated 2004)



What do we already know?

- Sizewell B is scheduled to end generation in 2035
- In July 2011 there was an announcement made jointly by the Heads of Essex, Suffolk and Norfolk Councils regarding an Energy Coast initiative – working together to encourage power generation in this area

What are the opportunities?

- Implement the managed transfer of staff agreement with EDF
- Establish and develop relationships between the site and the Energy Coast initiative covering Essex, Norfolk and Suffolk
- Sizewell has been identified in the National Policy Statement as a new build site, with EDF currently planning to develop the site within the next decade

Governance

Magnox Ltd will manage on a portfolio basis socio-economic support on behalf of both the NDA and EnergySolutions.

This will be achieved by implementing a one-stop-shop, web-based system for funding requests from £100 to in excess of £100,000.

There will be three thresholds for funding:

- For funding up to £10,000 – the application will be considered by a local site panel including community representation as appropriate
- For funding between £10,000 to £100,000 – the application will be considered by the local site panel and, providing it meets the relevant criteria, will be subject to Magnox Ltd and NDA review before approval is given
- Requests received by Magnox Ltd for funding in excess of £100,000 will be discussed with the NDA and facilitated through development and delivery of a business case

Full details on the revised application process will be made available on the website:

www.magnoxsites.com.

Conclusions

This socio-economic development plan for Magnox Ltd has been produced to support the mitigation of the impact of the NDA's work programme as it relates to the Magnox Optimised Decommissioning Programme.

It is built on the findings of the June 2011 impact assessment which concluded that the work underway in the NDA priority areas (North West Wales and the Gretna-Lockerbie-Annan corridor) is well established and should continue while opportunities for further development at all other sites should be pursued.

Stakeholder feedback to date has reinforced the importance of retaining support for local initiatives and this remains an integral part of ongoing activity.

The new application process will ensure both consistency of approach with an appropriate level of governance.

This plan can deliver targeted support to those most affected by the future work programme.

