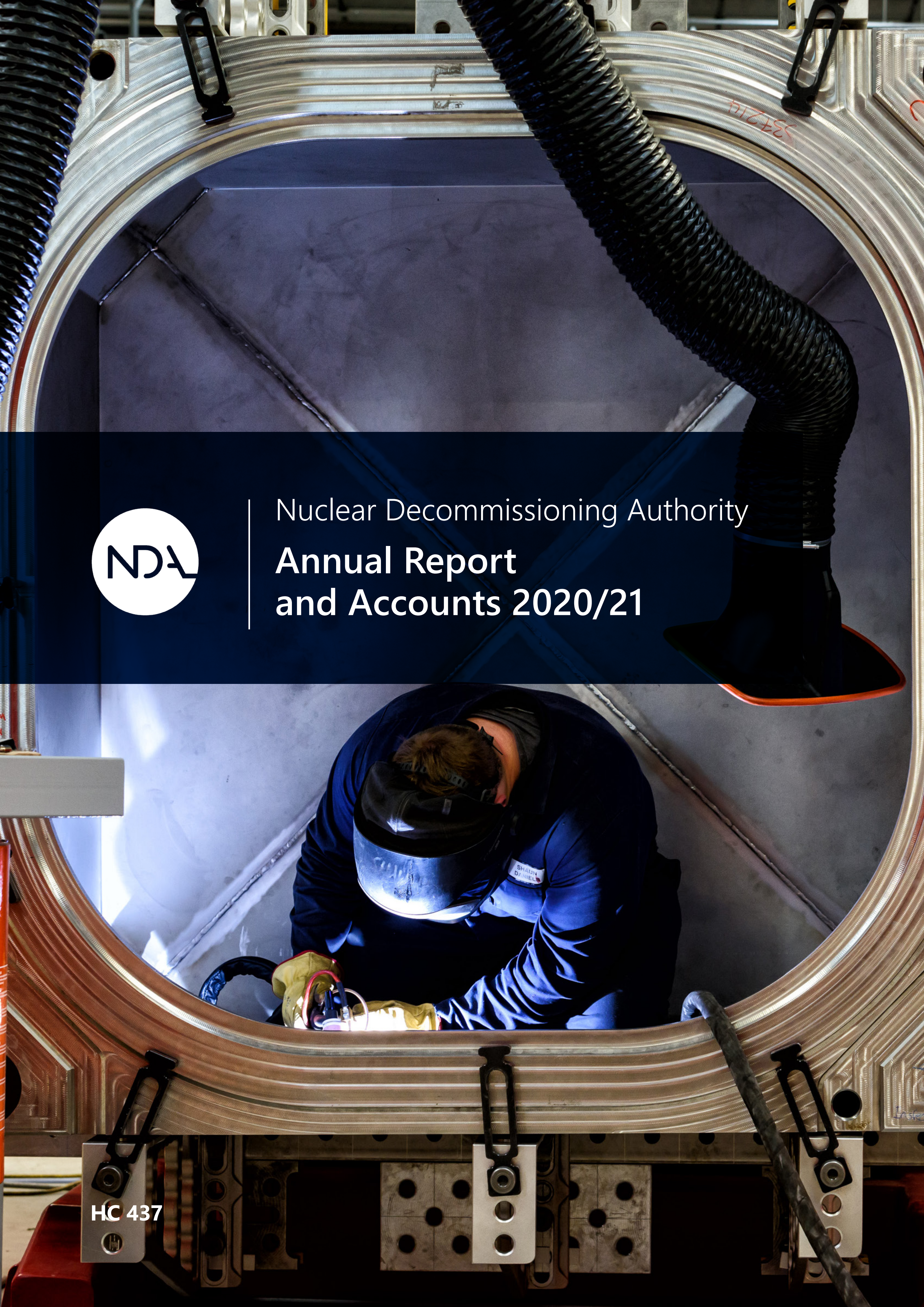

Nuclear Decommissioning Authority

Annual Report and Accounts 2020/21

HC 437

Nuclear Decommissioning Authority

Annual Report and Accounts 2020/21

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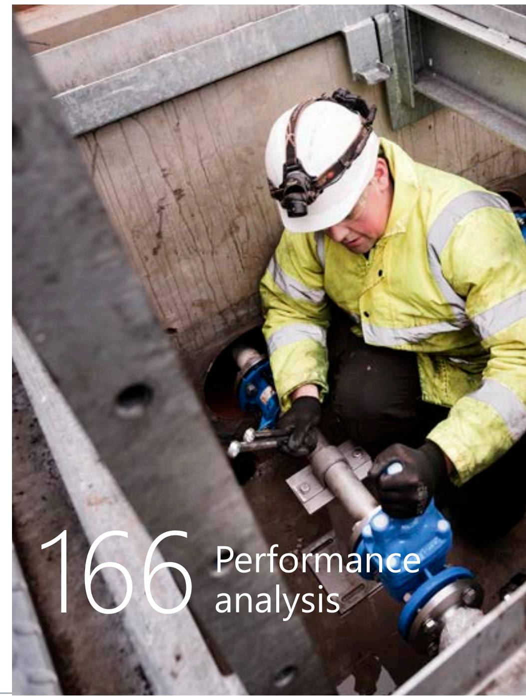


NDA Annual Report and Accounts 2020/21

Overview of performance 2020/21

Chair's statement
Dr Ros Rivaz

Since joining the Nuclear Decommissioning Authority (NDA) in September, I have had the privilege of seeing how we are successfully dealing with some of the world's most complex nuclear decommissioning.

This work is of vital national importance and, in taking on this role, I wanted to use my experience to lead the Board in ensuring the NDA delivers against its ambitious operational and cultural goals.

My predecessor, Tom Smith, served as Chair for 3 years during which time he established a solid platform and gave valuable guidance in steering the NDA on its journey of leading the UK's nuclear clean-up programme. I would like to thank Tom for his contribution and his support to me as I transitioned into this role. I am also pleased to welcome Professor Francis Livens to the Board. Francis brings a depth and breadth of nuclear expertise, which will assist us as we continue to steer our mission. I am keen to take the opportunity to thank Michelle Heath for her contribution to the Board and wish her well with her new venture.

When I joined the Board, it was clear the NDA and its group had been set on a new trajectory under David Peattie's leadership as CEO, moving towards a collaborative way of working with shared goals, instead of one dominated by commercial contracts. The NDA is an organisation with a clear vision and sound strategy, and this provides a strong base from which we can build.

Challenges of COVID-19

Reflecting on the events and activities of the last year, the COVID-19 pandemic has created unprecedented circumstances for organisations the world over. The NDA is no exception. Our businesses, stakeholders, employees and their families have all been affected. Our focus has been to provide unwavering support for our employees' wellbeing during such difficult times. This has been a constant priority, recognising the effects on mental health and the issues faced by those working from home and in isolation. Equally, we have recognised the very different challenges that those who have continued to run our sites throughout the pandemic have experienced.

Throughout this crisis, individuals, groups and communities have found ways to adapt, perform essential duties and above all stay safe. For the NDA, this applies to our many employees and stakeholders, both at work and within the communities surrounding our sites. Our employees across the group adapted very quickly to the evolving reality of our need to pause non-essential work programmes at sites, working from home where possible and ensuring we had COVID-secure workplaces at sites and offices where essential work continued.

There was significant uncertainty and unpredictability during 2020/21. In many ways, this year provided a test of our operational competence and resilience. A test that we passed. Some projects and programmes were necessarily paused or slowed, with some impact on our mission delivery.

Delivering our mission together

Our mission, to clean-up the UK's earliest nuclear sites safely, securely and cost-effectively with care for people and the environment, has remained the same, despite the challenges of COVID-19. Taking on a new direction as an all-encompassing group of nuclear decommissioning companies, we have fully embraced a 'One NDA' approach to maximise the benefits of working together in a more focused and integrated way. This approach will bring greater benefits in the pursuit of our mission and greater value to the taxpayer.

This year we have continued to make progress as we have adapted ways of working, and the lessons learned during the pandemic are being evaluated, shared and embedded in our new way of working.

The developments over the last few years leading to the new group operating model present an opportunity for the next stage of efficient delivery across the NDA estate. In the future, we will share skills, learning and best practice, to deliver more integrated approaches to the nuclear decommissioning challenge. Our Mission Delivery Progress communications, publicly available, are widely circulated and our revised Strategy, meeting the requirements of the Energy Act 2004, was extensively consulted upon and endorsed in the year before publication. Our commitment to openness and transparency sees us engage with our stakeholders regularly, with feedback encouraged and acted upon.

With safety and security being our overriding priority, it is encouraging to see that our leadership in cyber resilience, working with the National Cyber Security Centre, has further enhanced our security and cyber infrastructure, at a time when global threats are on the increase.

"The COVID-19 pandemic has created unprecedented circumstances for organisations the world over. The NDA is no exception"

NDA Annual Report and Accounts 2020/21

Creating great places to work

Our employees, supply chain and stakeholders have been exemplary in their response to the pandemic. While our business has mirrored the mental health challenges seen globally, the resilience and camaraderie throughout the group and in our communities has been a source of pride. Furthermore, we can now maximise the benefits of a re-imagined future and create truly modern ways of working. We have gained ground in better understanding our culture and enhancing support for our diversity and inclusion agenda. Our journey follows a long-term path, and as with any journey, we have experienced highlights and challenges - from which we continue to learn.

Trusted to do more in the UK and globally

We are delighted that this year has seen the Department for Business, Energy and Industrial Strategy (BEIS) develop a plan to address the impending need to decommission the country's Advanced Gas-Cooled Reactor (AGR) fleet, operated by EDF Energy. Transporting and storing spent AGR fuel has been an integral part of our business for many years. The end of life of this important low-carbon energy source offers the opportunity to support the government, as its expert arm's-length nuclear decommissioning body, to find the right way to handle this challenge in the future.

Governance and Board evolution

The NDA has been through a period of unrivalled scrutiny following the legal judgment on the Magnox contract issues back in 2016, from a contract tender which began in 2011. Publication of the Magnox Inquiry Report by Steven Holliday on 4 March 2021 provided further insight into how the NDA, including the Board, and government can make changes to improve our governance. Significant steps have already been taken to address the Inquiry's interim findings in 2017 and we will ensure we respond to additional learning from the Inquiry's final Report. However, the NDA is today a very different organisation than it was in 2016 and is stronger and more capable. Of course, we can be better still, and that is our focus.

The Board is aware of its legal and fiduciary responsibilities. Our agenda and Board Committees continue to evolve, responding to internal drivers, the expectations of our stakeholders and to address external conditions. We work, where relevant, within the UK Corporate Governance Code, and have a greater focus on the environmental, social and governance agenda. In our drive to consider broader matters in our decision making, I am pleased to introduce the new 'Section 172' approach in this report which highlights how matters such as sustainability and the views of our stakeholders have been factored into our decisions and direction of travel. This socially responsible standard helps our considerations as stewards of the environment, our relationships with people and how we lead the organisation.

The Board's desire to promote and reinforce good governance also encompasses the lessons learned from external reviews, for example, the Competition and Markets Authority and the Brydon and Kingman reviews relating to governance and audit.

The year ahead

Moving forward as a reinvigorated organisation will include acting on the recommendations from the recent publication of the BEIS Departmental Review of the NDA. Following on from the Magnox Inquiry Report, this Review and the learning from its findings will allow the NDA to leave behind the shortcomings of the past and move forward with confidence.

It is important to consider, as our mission progresses, the effect our decisions and operations have on the environment and the overall impact on climate change. We endeavour to support the Government's carbon net zero targets and we are focused on plotting a course towards more sustainable operations. Our goal is to ensure a legacy where our environmental contribution and impacts on local communities helps them be thriving places to live and work as we move through our decommissioning mission.

Within the NDA group, I see tremendous expertise, a highly skilled workforce and a capable non-departmental public body that is focused on its critical mission of cleaning up the UK's historic nuclear facilities. I extend my thanks to our dedicated employees for their hard work, our stakeholders for their challenge and our communities for their continued support.

Dr Ros Rivaz
NDA Chair
15 July 2021

Group Chief Executive's Statement
David Peattie

2020 has been one of the most unprecedented and difficult years in modern history. I have been heartened by the way our employees, supply chain and stakeholders have come together to support each other and our wider communities.

They have joined in with the national and local efforts from helping the NHS, to delivering vital supplies to supermarkets, and even the manufacture and donation of personal protective equipment to frontline health workers.

Despite the scale of the challenges brought by the global crisis, we celebrated the achievement of notable milestones last year, both in our clean-up and decommissioning work and against our programme to build and strengthen the NDA group.

The pandemic also acted as a catalyst for finding new ways to work and connect with each other. We have, as a result, been able to accelerate our move to more agile working and our digital improvement programme in the NDA and across the NDA group.

Clean-up and decommissioning progress

Keeping our workforce safe during the pandemic has had an impact on some of our operations and targets. Despite this, we have been able to progress important clean-up and decommissioning work.

At Dounreay, work on its newest radioactive waste store is progressing well with the walls nearly complete. The store is an important part of our waste storage strategy and will hold waste in safe long-term storage in line with Scottish policy. Our new transport division, Nuclear Transport Solutions (NTS), began a programme to return high-level waste shipments to Germany in 2020/21. The programme is a key component of our strategy to repatriate high-level waste from the UK, fulfil overseas contracts and deliver UK Government policy in this area.

"We've published the fourth iteration of the NDA's Strategy. This sets out our approach to dealing with the UK's nuclear legacy and direction of travel for achieving our mission."

At Sellafield, we saw significant progress in critical decommissioning work being achieved, with half of the waste being removed from the Pile Fuel Storage Pond. The site is working towards removing bulk radioactive material from the facility by 2024, which is one of the UK's biggest nuclear hazards. Meanwhile, the skyline at the site continued to change with work progressing to carefully take down chimneys and stacks in some of the oldest and most challenging parts of the site. The demolition of the second iconic Windscale Pile chimney is a very visible demonstration of the work being done to make Sellafield a safer place and is a significant step in the site's clean-up mission.

The commitment to our nationally important work was reflected in the Government's one-year spending round, with record funding levels secured. We are acutely aware, in this economic environment, how important it is to maximise the value from this taxpayer investment, and we'll continue to make this a priority.

Importantly, we've published the fourth iteration of the NDA's Strategy. This sets out our approach to dealing with the UK's nuclear legacy and direction of travel for achieving our mission, informed by stakeholder views gleaned through intensive engagement.

These successes have been achieved during incredibly difficult times and I'm immensely proud of our people and the commitment they've shown in challenging circumstances.

Building the NDA group to support mission delivery

In last year's report, I wrote about the important steps being taken to strengthen and simplify the way our group is organised, including moving to a subsidiary model. All of our operating companies have now become NDA subsidiaries. Dounreay became a wholly owned subsidiary in March this year and Low Level Waste Repository (LLWR) followed earlier this month.

Earlier this year we saw our two transport companies, Direct Rail Services (DRS) and International Nuclear Services (INS), come together to create a leading nuclear transport and logistics organisation, NTS. We also announced our intention to create a single waste division and bring together our group-wide waste management expertise from the LLWR and Radioactive Waste Management businesses.

We're already beginning to benefit from operating as a group, harnessing the opportunities that come from our scale and breadth to drive effective and efficient mission delivery. We'll continue to strengthen, embed, and capitalise on the work that's been done to build a strong NDA group to deliver decommissioning success and value for the UK taxpayer.

I was delighted with Government's recently announced decision to transfer EDF Energy's advanced gas-cooled reactor stations, post defueling, to the NDA for decommissioning. This is testament to the skills and experience within the NDA group and the progress being made on our mission.

To maximise the benefits of working together in a 'One NDA' approach, we've taken important steps to revise the NDA group's leadership structure. Pivotal to this, is the creation of a new NDA Group Leadership Team (GLT) to drive improved leadership, assurance, collaboration and transfer of learning and skills across the NDA group. The GLT has representatives from the NDA and our operating companies and by taking a cross-group view, the team will drive benefits for our mission, people, site communities and the taxpayer.

Our people

The change to the way we've been required to work, because of the pandemic, has given us an opportunity to build on our flexible and agile working arrangements. We're committed to creating great places to work for everyone and integral to that is our commitment to diversity and inclusion at every level.

We've taken significant steps over recent years to improve our workplace culture and are starting to see this vitally important agenda gathering pace across our entire group. However, we are not complacent nor blind to feedback and know there is still more to do, and we will continue our relentless focus in this area.

At the same time, we're turning our attention to giving the same heightened focus on improving the way we embed sustainability into our operations to support the UK's net-zero greenhouse gas emissions target, set out by the Government in 2019. Fighting climate change is a national priority and we've made carbon net-zero a priority across across the NDA group.

Our priorities and direction are always guided by our stakeholders, who play such an important role in our mission. Our stakeholders are vitally important to us and, with our sites spread across the UK, it's crucial that we continually engage with them and the communities in which our sites are based. Building and maintaining the trust of our stakeholders remains an enduring priority.

We continue to regularly engage with our site stakeholder groups as part of our commitment to openness and transparency, and we encourage feedback and engagement from our stakeholders at every opportunity. The pandemic posed new challenges for us in meeting with our stakeholders, and we've embraced digital platforms and seen increased levels of engagement through these new ways of connecting. Making full use of digital technology has also helped to introduce us to new, harder to reach, audiences.

Scrutiny, learning and acting on recommendations

In September, The National Audit Office (NAO) published its report on the termination of the Magnox contract. It's right and proper that public bodies such as ours are scrutinised to ensure that we're providing value for money and successful outcomes for the taxpayer. I'm grateful for its important findings and pleased that the Report recognised some important progress on the Magnox sites, particularly since Magnox became a subsidiary in September 2019.

Following on from the NAO's work, the Public Accounts Committee published a report in November on the Magnox contract after a hearing in early October. The Committee recognised the inherent uncertainties and the challenges we face in delivering our mission and acknowledged that progress is being made, including increased understanding of our sites and the nature of their waste inventory. The Committee also made important recommendations, including some around our estimates for future decommissioning costs.

In March this year we saw the publication of the Magnox Inquiry. I welcome its publication and thank Mr Steven Holliday for his recommendations, which we'll carefully consider before publishing a formal response later this year. We've already acted upon the findings that came from the Interim Report in 2017. In addition, BEIS's Departmental Review on the role of the NDA was published in June 2021, and we are examining the findings and will respond to these in due course.

The NDA is now a much stronger organisation, operating under a very different model than at the time of the issues, which we've learned from. We've made improvements to the way the NDA operates to provide greater focus, discipline, standardisation, and simplification.

With thanks

I was delighted to welcome Dr Ros Rivaz in September as the new NDA Chair, after Tom Smith stepped down having been in post for 3 years. Ros brings with her experience in working with some of the world's most respected companies to support us as we deal with some of the world's most complex challenges.

Finally, I would like to recognise and thank our workforce who are so pivotal in the execution of our important mission. I am grateful for their dedication and commitment, particularly amidst the unprecedented challenges of the last year.

D. Peattie

David Peattie
Accounting Officer and
Group Chief Executive Officer
15 July 2021

Financial Review
Mel Zuydam - Group Chief Financial Officer

A year of effective portfolio management of income and resources across the group, balancing risks and opportunities, and maximising our business plan delivery where possible.

The COVID-19 outbreak and prolonged periods of lockdown has brought about challenges across all industries. Financially, our focus has been continuing to progress our nationally-critical decommissioning mission within the country's challenging and ever-changing financial environment.

Making sure our businesses and their supply chains have had access to adequate flows of funds, and the ability to accelerate payments to ensure the safe progress of work and financial stability has been paramount.

The need to follow Government restrictions and keep our people safe meant that some of our complex construction and engineering projects needed to be slowed down or paused, particularly in the first few months of the pandemic. We were, therefore, able to return a significant amount of funding to HM Treasury, at a time when the public finances were under most pressure.

In total, our net expenditure for the year was £2,447 million compared to the original voted net expenditure of £2,606 million. Our capital investment was £1,801 million and our resource expenditure (including our own admin expenditure) was £1,258 million. We were able to maintain delivery of the commercial operations and contracts to our customers, generating £612 million of income during the year.

Our funding for the new financial year was secured in the recent 1-year Government spending review and preparations are under way for the longer-term Government spending review expected later this year.

We have continued to develop our new ways of working, developing the Integrated Financial Framework (IFF) during the year. The IFF is a programme of continuous improvements in our financial management, and this year we have added Risk and Assurance as a fourth workstream as it comes under the umbrella of the IFF, alongside the existing areas of People, Reporting & Performance and Value for Money & Internal Control.

As we look ahead to the new year, we are pleased to welcome Dounreay Site Restoration Ltd (DSRL) and Low Level Waste Repository Ltd (LLWR) into the NDA group. These additions, alongside the integration of our transport businesses into Nuclear Transport Solutions Ltd and the formation of our new waste division, complete the main restructuring activities in the group and provide a platform for more efficient working, value for money, and transparency in reporting.

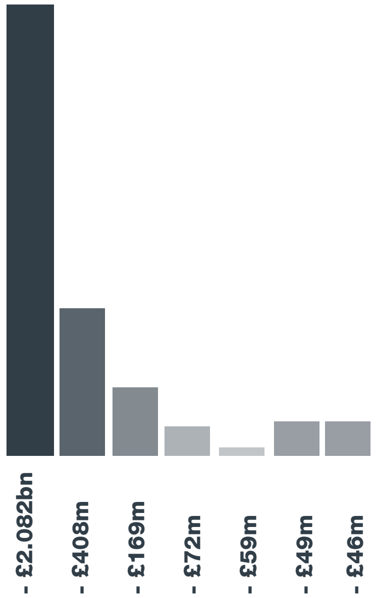
Mel Zuydam
Group Chief Financial Officer

"Our focus has been continuing to progress our nationally-critical decommissioning mission within the country's challenging and ever-changing financial environment."

Performance against financial targets

How £3.059bn funding was used on the NDA mission

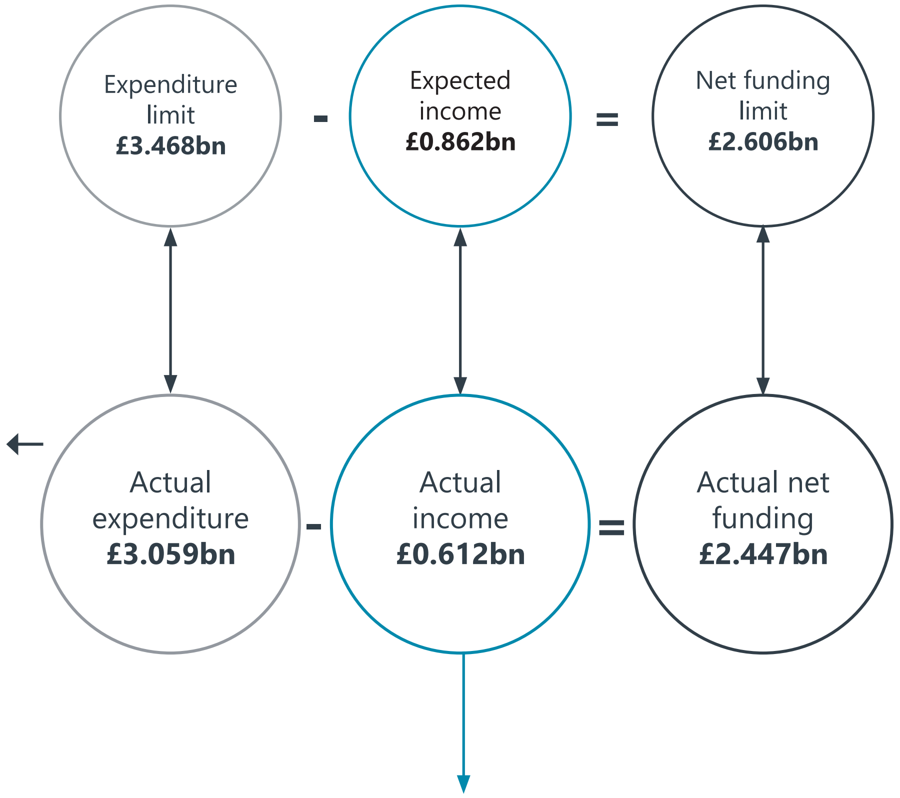
£2.082bn Sellafield
£408m Magnox
£169m Dounreay
£72m LLWR
£59m RWM
£49m INS
£46m Springfields and Capenhurst
£174m Other



Other costs

Industry costs **£100m**
Fees to SLCs **£16m**
Energy costs **£3m**
NDA running costs **£55m**

Total £174m



NDA actual income £612m

£275m Reprocessing/waste contracts
£213m Spent fuel management
£4m Energy sales
£49m Nuclear materials and transport
£71m Other

Note the figures in the above graph are prepared on the basis of Government financial reporting, (HM Treasury Consolidated Budgeting Guidance), which differs in part from the basis used to prepare the financial statements.

£3.1 billion
A total of £3.1 billion spent in the year

£2.5 billion
A net total of £2.5 billion funded by the Government

£0.6 billion
£0.6 billion of income

£55 million
NDA's own running costs are 1.8% of overall estate budget

The NDA and our mission

The NDA is charged, on behalf of Government, with the mission to clean up the UK's earliest nuclear sites safely, securely and cost effectively. Doing this with care for our people, communities and the environment is at the heart of our work. We're committed to overcoming the challenges of nuclear clean-up and decommissioning, leaving the 17 nuclear sites ready for their next use.

What we do

As owners of one of the largest nuclear decommissioning and remediation programmes in Europe, our main priority is to lead the work across the NDA group and develop the strategy for how it should be carried out. We also play an important role in supporting Government's aspiration for the UK to be a global leader in the civil nuclear sector.

Our strategy is continually evolving and is updated every 5 years. Our fourth iteration was published in March 2021.

We strive to deliver best value for the UK taxpayer by focusing on reducing the highest hazards and risks, while ensuring safe, secure, and environmentally responsible operations at our sites. By generating revenue through our commercial activities, we seek ways to reduce levels of public funding from Government.

How we're set up

We're an executive non-departmental public body created by the Energy Act 2004 to lead the clean-up and decommissioning work at our 17 sites on behalf of Government. We're sponsored and funded by the Department for Business, Energy and Industrial Strategy (BEIS). Our plans for cleaning up the sites are approved by BEIS and Scottish ministers, who provide a framework for us.

We have 6 offices across the UK, in Cumbria, Dounreay, Harwell, Warrington and London and employ 284 permanent staff.

17
nuclear sites across the UK

11
operating companies

15,000
employees across the group

1,043
hectares of designated land on nuclear licensed sites

800+
buildings to be demolished

Our sites

The UK's nuclear landscape began to take shape in the post-war period. The focus during the Cold War arms race was on producing material for Britain's nuclear deterrent. When the nation's priorities shifted, facilities were turned into nuclear power stations, and, from 1956 onwards, the UK's first nuclear power stations began generating electricity for homes and businesses. Fuel fabrication and reprocessing plants were built from the 1970s to 1990s.

Our 17 sites reflect this legacy and include the first fleet of nuclear power stations, research centres, fuel-related facilities, and Sellafield, which has the largest radioactive inventory and the most complex facilities to decommission.

Current plans indicate it will take more than 100 years to complete our core mission of nuclear clean-up and waste management. The goal is to achieve the end state at all sites by 2120.

The NDA group

We don't deliver our mission alone. Accomplishing this important work requires the best efforts of the entire NDA group.

Cleaning up and decommissioning the UK's nuclear legacy is a complex undertaking and relies on the full range of expertise and skills within the NDA group. Over the last few years, we've transformed the way in which our group is organised, transitioning our operating model from a parent body organisation (PBO) structure to a subsidiary model. The PBO model saw our sites managed by private sector consortiums and moving to a subsidiary model removes previous commercial barriers, enabling us to simplify our structures, pursue opportunities, overcome challenges together and share learning, skills, and technologies. All of the operating companies within the NDA group have transitioned to being NDA subsidiaries, enabling us to fully harness the opportunities that come from working effectively and efficiently. This will bring benefits for our mission, the taxpayer, and our people.

Site licence companies

The 4 organisations in the group charged with running our sites are called site licence companies (SLCs). Sellafield, Magnox, DSRL (from 1 April 2021) and LLWR (from 12 July 2021) are all wholly owned NDA subsidiaries.

Enabling organisations

Other important subsidiaries within the group are responsible for delivering crucial support and enabling activities, including our transport organisations. In February 2021, we brought together the extensive transport and logistics expertise of our subsidiaries International Nuclear Services (INS), Direct Rail Services (DRS) and INS's subsidiary Pacific Nuclear Transport Ltd (PNTL) into a single transport division – Nuclear Transport Solutions (NTS).

NTS specialises in the operational, commercial, engineering, legal, and regulatory expertise that underpin nuclear transport and logistics operations.

It operates DRS and PNTL, which continue to deliver rail and shipping services for customers, building on decades of experience of providing safe, secure and reliable transport solutions.

The Radioactive Waste Management (RWM) subsidiary leads the NDA's work to deliver a Geological Disposal Facility (GDF) and provides radioactive waste management solutions. A GDF is recognsied internationally to be the safest permanent solution for managing higher activity radioactive waste, isolating it deep in solid rock, via a network of vaults and tunnels.

As we continue to bring together important expertise under our new operating model, we announced this year our intention to create a single waste division. This will bring together our group-wide waste management expertise in RWM and LLWR and help us to grow capability, simplify how we operate and deliver greater value for the taxpayer.

Our other subsidiaries are Rutherford Indemnity, NDA Archives, NDA Properties and Energus.

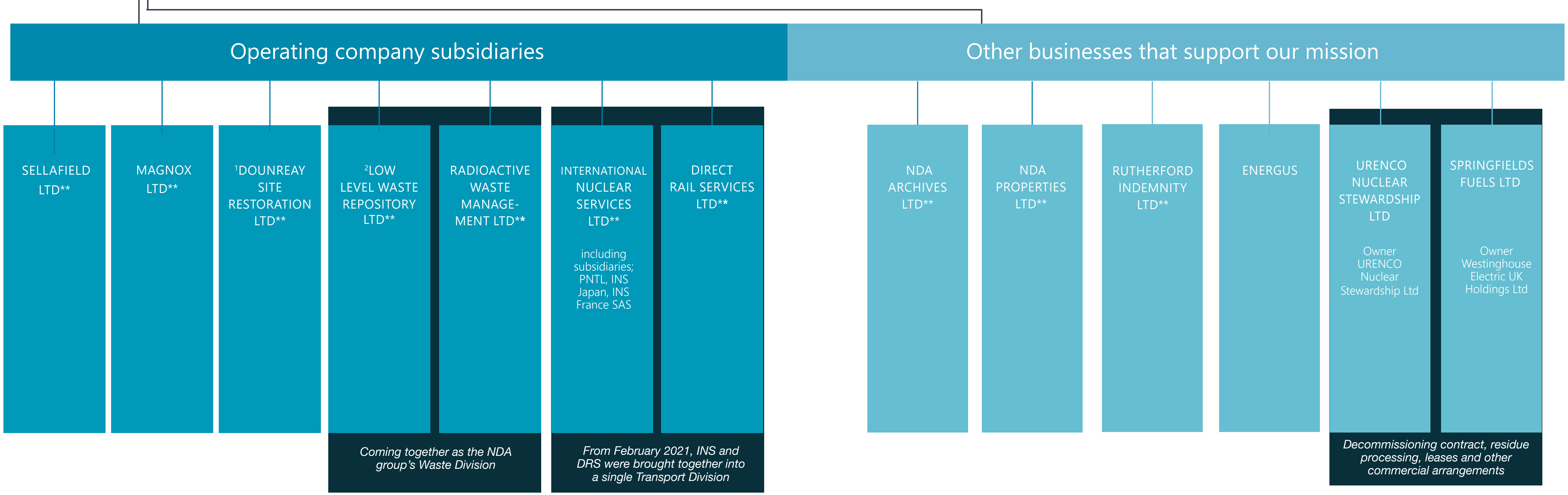
NDA Annual Report and Accounts 2020/21

The NDA organisational structure

Department for Business, Energy and Industrial Strategy (BEIS)
BEIS is the Government sponsor of the NDA and sets policy and funding

UK Goverment Investments (UKGI)
UKGI provides strategic oversight of the NDA's corporate governance and performance

The NDA is charged with the mission to clean-up the UK's earliest nuclear sites safely, securely and cost-effectively. Doing this with care for our people, communities and the environment is at the heart of our work.



[1]Dounreay Site Restoration Ltd was owned by Parent Body Organisation, Cavendish Dounreay Partnership Ltd, up to 31 March [2] Low Level Waste Repository Ltd was owned by Parent Body Organisation, UK Nuclear Waste Management Ltd, up to 11 July 2021.

**NDA Group for Statutory Accounts

Our strategic approach and themes

Our strategic themes

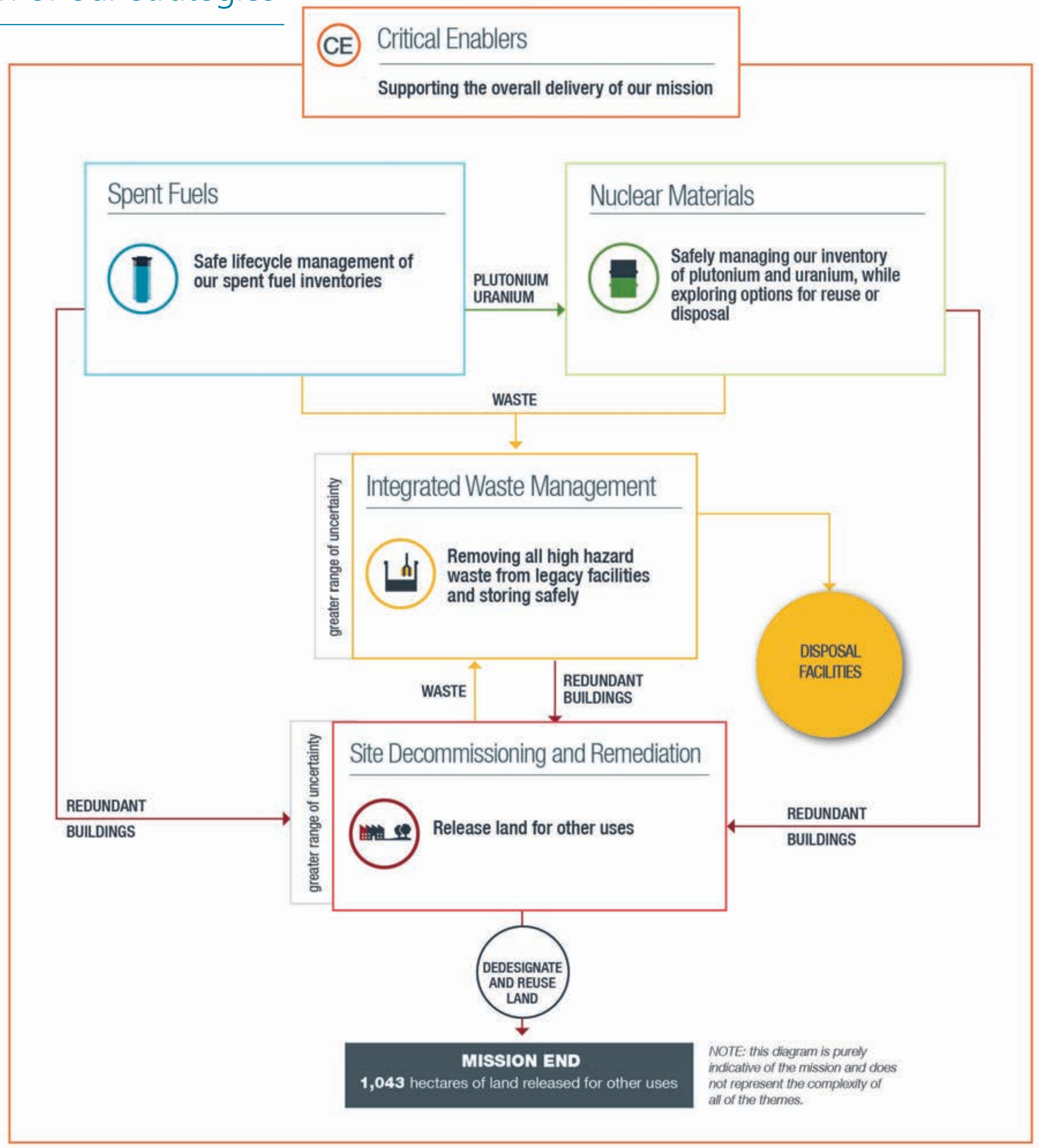
We use 5 strategic themes to describe all the activities needed to deliver the NDA's mission.

The first 4 strategic themes, Spent Fuels, Nuclear Materials, Integrated Waste Management and Site Decommissioning and Remediation relate directly to our clean-up and decommissioning work and are known as driving themes.

The fifth theme describes the important activities needed to support the delivery of our mission and is known as Critical Enablers. The diagram below demonstrates how they interplay.

Currently, the most urgent task is dealing with our sites' highest-hazard materials, spent fuel, nuclear materials and highly-radioactive wastes. Once the inventory has been made safe, the redundant nuclear facilities can be dismantled and demolished.

Integration of our strategies



Our driving themes and strategic outcomes

Across our 4 driving themes, we break our mission down into 47 strategic outcomes. These outcomes represent the significant pieces of work that have to be achieved to deliver our mission.

In March 2021 we published our new Strategy. As a consequence, we have revised some detail for a number of outcomes to ensure they continue to align with our strategic approach.

Increasingly, we're building a more accurate picture of the work that's been completed across our 47 outcomes and that which is still left to do. The percentage figures in the charts opposite show how much of the work has been achieved in each outcome so far.

Overall, good progress continues to be made across our mission as we safely manage our nuclear inventory and reduce the risks associated with it. Last year saw more spent fuel of all types placed in interim storage.

More strategic outcomes will be achieved with the closure of the reprocessing facilities and the building of new modern treatment and storage facilities to manage nuclear material and waste, ultimately working towards the final disposal of nuclear inventory and the release of land for other economic uses.

Spent Fuels
Strategic outcomes 1-15

Our strategy defines our approach to managing the diverse range of spent fuels for which we are responsible, which are divided into magnox, oxide and exotic. Once spent fuel is removed from a reactor, it is stored in a pond or dry store until it can be dispatched to Sellafield.

Reprocessing extracts materials (plutonium and uranium) that could potentially be re-used and also generates highly-radioactive wastes, or 'fission products'.

The NDA's strategy is to bring the reprocessing programme to an end. The Thermal Oxide Reprocessing Plant has already closed and the Magnox Reprocessing Plant will follow. All remaining spent fuel will be safely stored until a permanent solution for disposal is available.

Our spent fuel work is separated into 15 strategic outcomes that we must deliver, outlined below.

		2021 % complete	Sellafield	Magnox	Dounreay	LLWR	RWM	NTS	Capenhurst	Springfields
SPENT MAGNOX FUEL	1 All Magnox sites defueled	100%	✅	✅				✅		
	2 All legacy Magnox fuel retrieved	25%	✓							
	3 All Magnox fuel reprocessing completed	94%	✓							
	4 All remaining Magnox fuel in interim storage	25%	✓							
	5 All remaining Magnox fuel disposed	0%	✓				✓			
SPENT OXIDE FUEL	6 All EDFE oxide fuel received	54%	✓					✓		
	7 All legacy oxide fuel retrieved	100%	✅							
	8 All oxide fuel reprocessing completed	100%	✅							
	9 All remaining oxide fuel in interim storage	49%	✓							
	10 All remaining oxide fuel disposed	0%	✓				✓			
SPENT EXOTIC FUEL	11 All exotic fuel defueled	67%	✓		✓					
	12 All exotic fuel consolidated	55%	✓		✓			✓		
	13 All exotic fuel reprocessing completed	90%	✓							
	14 All remaining exotic fuel in interim storage	83%	✓							
	15 All remaining exotic fuel disposed	0%	✓				✓			

Table 1 - Mission Progress Reporting Strategic Outcomes ✅ Denotes outcome complete ✓ Applicable to each SLC/company

Nuclear Materials
Strategic outcomes 16-25

Our strategy defines our approach to dealing with the inventory of uranics and plutonium currently stored on some of our sites. These nuclear materials are by-products from different phases of the fuel cycle, either manufacturing or reprocessing.

All nuclear materials must be managed safely and securely, by either converting them into new fuel or immobilising and storing them until a permanent UK disposal facility is available.

All of our plutonium is stored at Sellafield. Our uranium is located at a number of our sites and we are continuing to consolidate it at sites, which we consider are best suited to its management.

Our nuclear materials work is separated into 10 strategic outcomes that we must deliver, outlined below.

Nuclear materials

			2021 % complete	Sellafield	Magnox	Dounreay	LLWR	RWM	NTS	Capenhurst	Springfields
PLUTONIUM	16	All plutonium produced	97%	✓							
PLUTONIUM	17	All plutonium consolidated	100%	✓		✓			✓		
PLUTONIUM	18	A: All plutonium repacked in long-term storage	0%	✓							
PLUTONIUM		B: All cans not suitable for extended storage repackaged	0%								
PLUTONIUM	19	All plutonium in interim storage	0%	✓							
PLUTONIUM	20	All plutonium reused or disposed	0%	✓				✓			
URANICS	21	All uranium produced	93%	✓							
URANICS	22	All uranium consolidated	80%	✓	✓	✓			✓	✓	✓
URANICS	23	All uranium treated	4%							✓	✓
URANICS	24	All uranium in interim storage	56%	✓						✓	
URANICS	25	All uranium reused or disposed	1%	✓				✓		✓	

Case Study - Nuclear materials

German Vitrified Residue Returns

A programme to return high-level radioactive waste in the form of vitrified residues to Germany, started at the end of 2020.

The first of 3 shipments saw waste sent to federal storage facilities in Germany.

These returns involve Sellafield Ltd, working in partnership with Nuclear Transport Solutions, to return the waste to its German customers. It is then transported by sea on a specialist vessel to a German port, then onwards by rail to the final destination.

The waste results from the reprocessing and recycling of spent nuclear fuel at the Sellafield site, which had previously been used by utilities to produce electricity in Germany.

The Vitrified Residue Returns programme is a key component of the NDA's strategy to repatriate high-level waste from the UK, fulfil overseas contracts and deliver UK Government policy.

Integrated Waste Management
Strategic outcomes 26-39

Our strategy considers how we manage all forms of waste arising from operating and decommissioning our sites, including waste retrieved from legacy facilities.

Managing the large quantities of radioactive waste from electricity generation, research, the early defence programme and decommissioning is one of the NDA's biggest challenges.

Some of this radioactive waste is in a raw (untreated) form, some has been treated and is being interim stored and, in the case of low level waste, some has already been permanently disposed of.

Retrieving, treating and interim storing the radioactive waste from Sellafield's 4 legacy ponds and silo facilities is the NDA's highest priority.

Our Integrated Waste Management (IWM) work is separated into 14 strategic outcomes that we must deliver, outlined below.

			2021 % complete	Sellafield	Magnox	Dounreay	LLWR	RWM	NTS	Capenhurst	Springfields
LOW LEVEL WASTE	26	All LLW produced	7%	✓	✓	✓	✓			✓	✓
LOW LEVEL WASTE	27	All LLW treated - to enable diversion or reuse	8%	✓	✓	✓	✓		✓	✓	✓
LOW LEVEL WASTE	28	All waste suitable for disposal in NDA facilities	14%	✓	✓	✓	✓		✓	✓	✓
LOW LEVEL WASTE	29	All waste suitable for permitted landfill disposed	4%	✓	✓	✓	✓		✓	✓	✓
INTERMEDIATE LEVEL WASTE	30	All ILW produced	33%	✓	✓	✓	✓			✓	✓
INTERMEDIATE LEVEL WASTE	31	All legacy waste retrieved	8%	✓			✓				
INTERMEDIATE LEVEL WASTE	32	All ILW treated	9%	✓	✓	✓				✓	✓
INTERMEDIATE LEVEL WASTE	33	All ILW in interim storage	15%	✓	✓	✓				✓	✓
INTERMEDIATE LEVEL WASTE	34	All ILW disposed	0%	✓			✓	✓	✓		
HIGH LEVEL WASTE	35	All HLW produced	68%	✓							
HIGH LEVEL WASTE	36	All HLW treated	73%	✓					✓		
HIGH LEVEL WASTE	37	All HLW waste in interim storage	83%	✓					✓		
HIGH LEVEL WASTE	38	All overseas HLW exported	11%	✓					✓		
HIGH LEVEL WASTE	39	All HLW disposed	0%								

Case Study - Integrated waste management

Geological Disposal Facility engagement and working group progress

Drawing illustrative only, is not to scale and show underground disposal tunnels and vaults

An important start was made in identifying a willing community and a suitable site in England or Wales to host a Geological Disposal Facility (GDF) with the formation of two separate local working groups. Both were from west Cumbria, with the first established in Copeland in November 2020, followed by Allerdale two months later.

The working groups have started local discussions and fact-finding about the opportunity of hosting a GDF in their area and will identify prospective search areas where future geological investigations could be carried out.

t is also anticipated that existing working groups will want to develop into longer-term community partnerships and take the process forward with their local communities. This will trigger access to community investment funding for initiatives that drive economic development, improve the local environment, or community wellbeing.

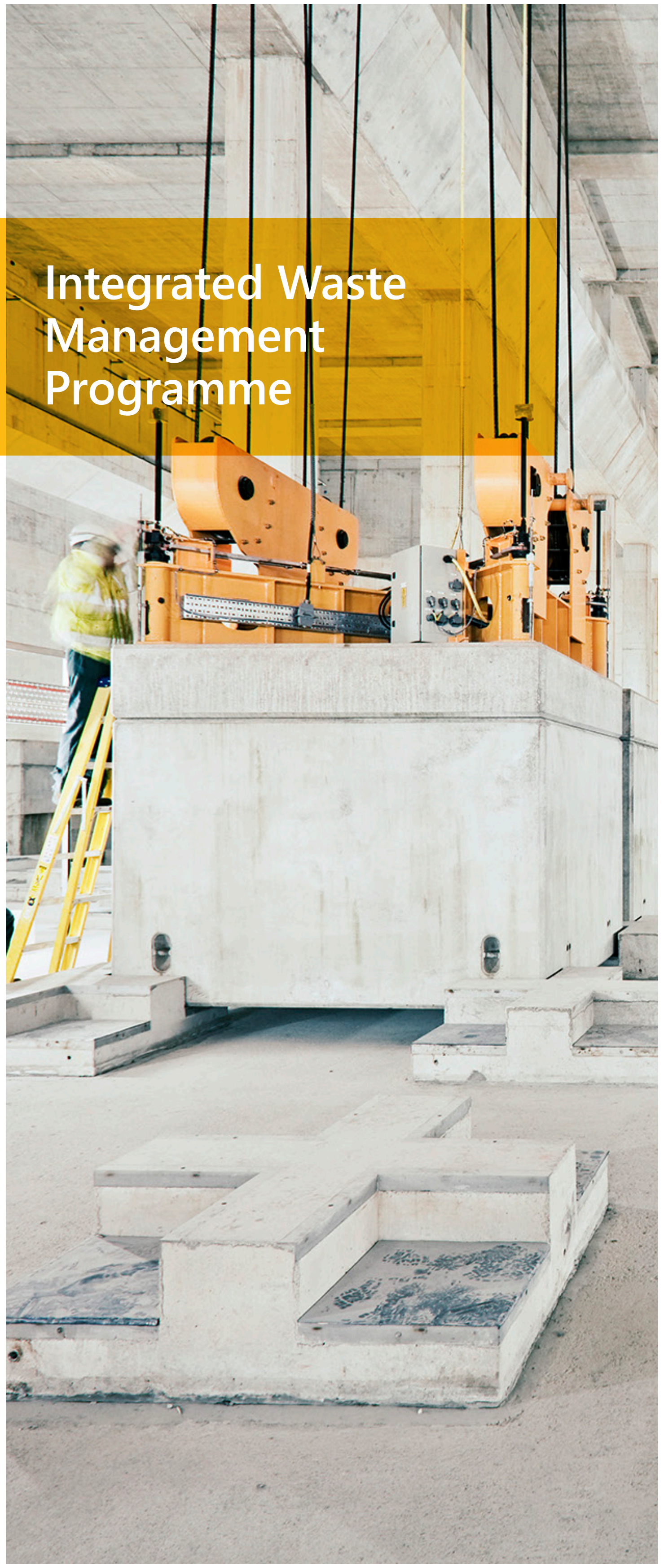
The search for a suitable site and willing community is a nationwide process in England and Wales. It will include detailed investigations to make sure a GDF can be constructed safely and securely.

Deep geological disposal is endorsed internationally as the best long-term solution for the safe and secure disposal of higher-activity radioactive waste. Building a GDF will be one of the biggest environmental protection projects in the UK and a major infrastructure project.

A GDF consists of highly-engineered vaults and tunnels located deep underground, designed to protect the environment and keep waste safe and secure while the radioactivity decays naturally.

Radioactive Waste Management Ltd is working in partnership with communities to explore how having a GDF in their area can provide long-term economic and employment benefits and play a major part in their development plans.

Case Study - Integrated waste management



Integrated Waste Management Programme

In 2020, we set out plans for an Integrated Waste Management (IWM) Programme, which has the potential to revolutionise the way the nuclear industry manages waste and save billions for the UK taxpayer.

Our radioactive waste strategy, published in 2019, committed to the creation of an IWM Programme that would aim to deliver more sustainable, efficient, and innovative ways of managing radioactive and non-radioactive waste.

The new approach moves towards a more 'risk-informed' approach based on the chemical and physical properties of the waste, rather than only the current radiological classification.

Re-considering the way waste is managed presents opportunities for greater flexibility and improved efficiency, from treatment, through to packaging and disposal.

In working more collaboratively at all points along the waste lifecycle, a greater understanding will be gained about the UK's waste inventory.

New treatment and disposal options can be opened across the NDA group offering opportunities to significantly reduce the volume of waste that is packaged and placed in interim storage. Re-evaluating the types of waste sent for disposal is an area with huge potential for improved efficiency.

Innovation from within NDA group companies and the supply chain can have a massive impact on reducing processing, packaging and disposal costs.

Waste management accounts for around £25 billion of the whole nuclear provision. But moving to an integrated, full lifecycle approach, could reduce that bill by over £2 billion.

Case Study - Integrated waste management

Low Level Waste Repository Gemini Container Programme

Three Gemini–type waste containers, used to transport drums of radioactive waste, have been refurbished and modernised in a collaborative project between NDA group operating companies, Low Level Waste Repository Ltd (LLWR), Magnox and Sellafield.

The containers will play an important part in a 5 year project to transfer around 700 concrete-lined drums of radioactive waste from Magnox sites for storage at Sellafield.

Having gone through rigorous testing at the end of 2020, following a 3 year refurbishment in France, the first of the containers is due to be fully operational by October 2021 with the others set to be in service by the end of the calendar year.

The container fleet supports the NDA group's waste transport programme and its mission to ensure the safe and cost-effective transport of waste.

Virtual reality (VR) tools have been used to train personnel at Magnox and Sellafield in handling the containers.

Delivered by LLWR's Waste Management Services team, VR headsets were used with virtual scenarios which mirrored conditions encountered at Sellafield and Magnox sites.

During training, Sellafield operators saw a replica of the container receipt facility on site, bearing the same dimensions and equipment. Similarly, Magnox operators saw an exact mock-up of a receipt facility at Harwell, as part of their training.

Site Decommissioning and Remediation
Strategic outcomes 40-47

Our strategy defines our approach to decommissioning redundant facilities and managing land quality in order that each site can be released for its next planned use.

After the buildings on our sites have been decommissioned, decontaminated, and dismantled, the land will be cleaned up to allow it to be released for other uses. At that point, its ownership would transfer to the new user of the land.

The NDA is currently assessing alternatives for the final stages of decommissioning that could lead to earlier release of land, continued employment and opportunities to re-use the land.

Our site decommissioning and remediation work is separated into 8 strategic outcomes that we must deliver, outlined below.

			2021 % complete	Sellafield	Magnox	Dounreay	LLWR	RWM	NTS	Capenhurst	Springfields
OPERATIONAL AND PLANNED	40	All planned new buildings operational	TBD	✓	✓	✓	✓	✓		✓	
OPERATIONAL AND PLANNED	41	All buildings primary function completed	35%	✓	✓	✓	✓	✓		✓	
DECOMMISSIONING AND DEMOLITION	42	All buildings decommissioned	18%	✓	✓	✓	✓	✓		✓	
DECOMMISSIONING AND DEMOLITION	43	All buildings demolished or reused	16%	✓	✓	✓	✓	✓		✓	
SITES	44	All land delicensed or relicensed	9%		✓	✓	✓				
SITES	45	All land in End State - all planned physical work complete	41%	✓	✓	✓	✓			✓	✓
SITES	46	All land demonstrated as suitable for reuse	9%	✓	✓	✓	✓			✓	✓
SITES	47	All land dedesignated or reused	9%	✓	✓	✓	✓			✓	

Case Study - Site decommissioning and remediation

Sellafield skyline changes

In just the last few years, the Sellafield skyline has changed dramatically as a result of the ongoing work to demolish 2 iconic chimneys.

The First Generation Reprocessing Plant (FGRP) stack and the Windscale Pile One stack have been gradually reducing in height as the chimneys are steadily removed as part of Sellafield's 100-year decommissioning programme.

The project to remove the chimneys was a priority for Sellafield. The aging structures were surrounded by critical nuclear facilities in a congested area of the site and taking them down will see 2 of the site's intolerable safety risks removed.

The FGRP stack, which provided ventilation to various buildings and plants on the Sellafield site, had to be demolished by hand because of the risk to the buildings containing nuclear material that surround it. Working from a platform, which clung to the chimney using friction alone, the team carefully cut away the concrete and steel stack using hand tool. Over a period of 30 months, 52 metres of the structure were removed.

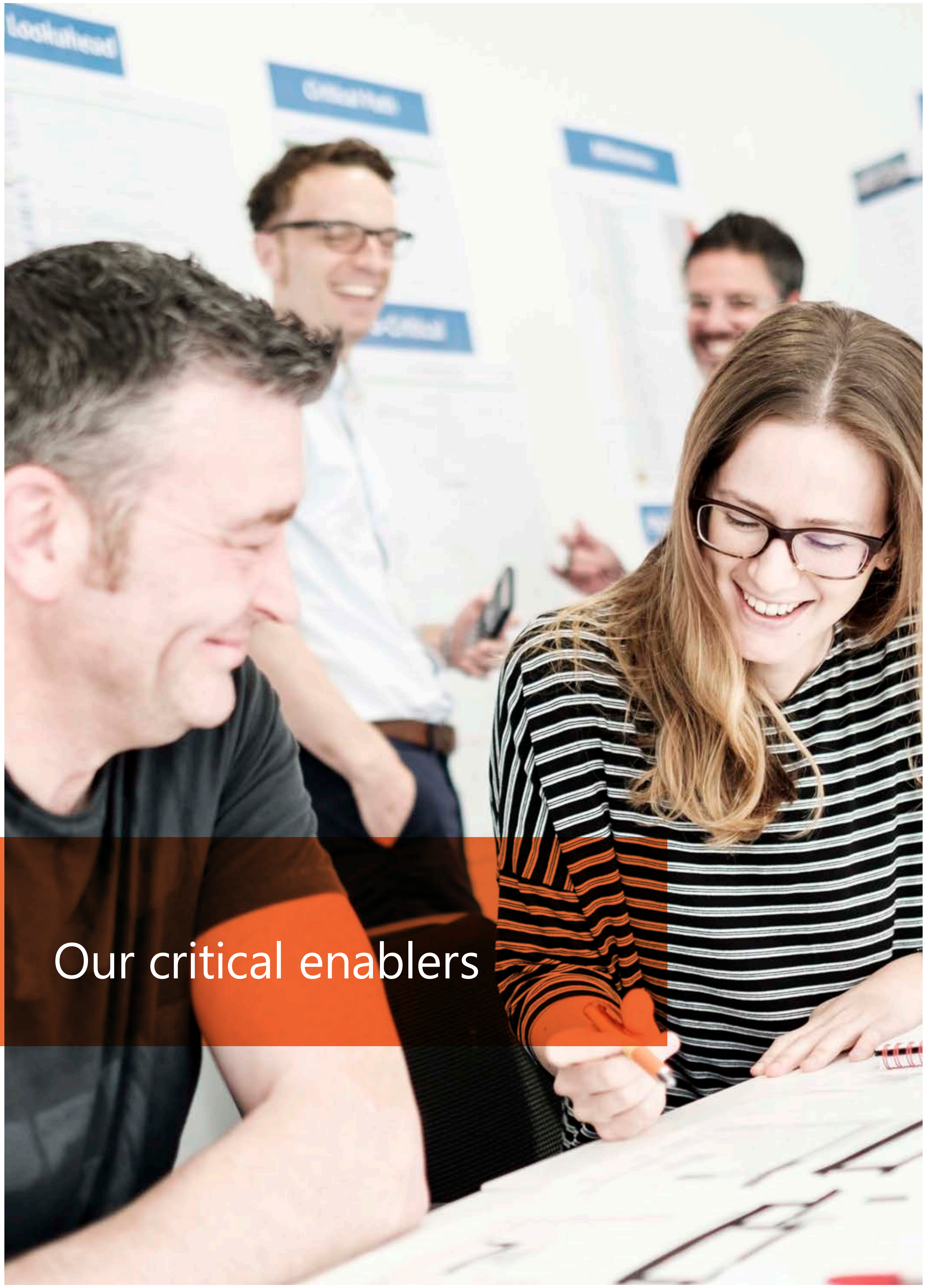
The project to demolish the stack is now nearing an end with the stack reduced to a 30cm stub.

Other techniques were used in the work to remove the Windscale Pile One chimney, which stood at 125 meters.

Diamond wire saws were used to cut out 6-tonne blocks of concrete which were then removed by a giant crane.

The first piece to be removed was the square-shaped 'diffuser' at the top of the chimney. Famously, this filtration system was a last-minute addition, placed unusually at its summit by designer Sir John Cockroft. It turned out to be a masterstroke - in 1957, fire broke out in the Windscale Pile One reactor. The sky-high filters captured an estimated 95% of the radioactive dust created.

The demolition of the 2 chimneys is a very visible demonstration of the work being done to make Sellafield a safer place and is a huge step in the clean-up mission of the site.



Our critical enablers

NDA Annual Report and Accounts 2020/21

Our fifth strategic theme, critical enablers, covers the important activities needed to support the overall delivery of our mission.

Health, safety, security, environment and wellbeing
Safety is, and always will be, our number one priority. Our focus is to reduce the highest hazards and risks, while ensuring safe, secure and environmentally responsible operations at our sites. It's our duty to carry out this highly-complex mission safely and efficiently while ensuring people and the environment are safeguarded at all times.

We will apply the principles of sustainability to ensure that our mission outcomes and the journey to achieve them are the right balance of environmental, economic and social impacts.

We have a responsibility to ensure that the group has the appropriate levels of physical, personnel, cyber and ICT capability, and competencies to minimise risks and protect all group assets.

Supply Chain
A diverse, ethical, innovative, and resilient supply chain is essential to delivering the NDA mission and provides value for money for the UK taxpayer.

Our strategies are aligned to business operations, informed by excellent market insight, and recognise that value comes in many forms, such as an improved environment, reduced hazard, social amenities, cost savings and employment opportunities.

Transport and Logistics
The effective delivery of the NDA mission relies on our ability to transport radioactive materials (e.g. spent fuel, radioactive waste, contaminated items) and bulk materials (e.g. spoil, concrete, raw materials) to, from and between our sites.

People
Our mission needs a diverse range of individuals and organisations to provide the capability and capacity to deliver effectively, so having the right skills at the right time within the NDA group and our supply chain is a priority. Our strategy on skills is threefold: attracting the right calibre of people, developing future skills, and developing our existing talent.

Socio-economics
We have a responsibility to support the sustainability of our sites' communities, up to and after their closure.

The NDA group's socio-economic strategy is built upon supporting sustainable incomes, resilient economies and thriving communities. Our approach is to work locally. This means working in partnership with local authorities and organisations to better understand local needs.

Research and Development
Delivering our mission needs many 'never-done-before' solutions, which require significant innovative and novel engineering approaches. Our strategy is to solve the challenging technical problems safely, while aiming to be more effective, efficient, and wherever possible, for less cost to the taxpayer.

Research, development and innovation is essential to decommissioning our sites and is delivered in partnership with our supply chain.

Developing innovative ways to overcome our challenges will see us focus on areas such as remote and robotic technologies in the coming years and take advantage of innovation in other sectors such as space, oil and gas.

Public and stakeholder engagement
Engaging openly and transparently with all our stakeholders is crucial to building the support, confidence and trust we need to deliver our mission.

To find out more about our other critical enablers please refer to our revised Strategy which can be found at https://www.gov.uk/government/publications/nuclear-decommissioning-authority-strategy-effective-from-march-2021

Case Study - Critical enablers - People

Equality, diversity and inclusion at the NDA

The NDA group's important work on diversity and inclusion continued to be a key focus throughout 2020/21. As part of this ongoing work, we launched 4 networks across the NDA group to provide greater focus, visibility and support to underrepresented employee groups, and create and inspire a respectful and inclusive culture.

This included the creation of the gender balance network, race equality network, disability network and LGBT+ network.

Ensuring gender equality is fundamental to the NDA group. The gender balance network will play an important role in this agenda by providing mentoring opportunities, working with other networks across the group and helping to identify and address diversity issues.

Meanwhile our commitment to supporting the advancement of diversity and inclusion will benefit from the launch of the race equality network. The group provides an additional platform to advance equality, diversity and inclusivity of ethnic minorities and provides a safe support forum to share experiences and discuss relevant issues.

Supporting and highlighting the needs of the NDA group's disabled community, the disability network acts as a collective voice for disabled colleagues, promotes positive attitudes and raises awareness of disability equality.

Our LGBT+ community has been a huge supporter of our diversity and inclusion agenda and we are delighted to now have a group-wide network. As well as their work to promote the safety, equality and wellbeing of LGBT+ colleagues, they will play an active role in growing a supportive community of allies.

Case Study - Critical enablers - People

NDA group's response to the COVID-19 pandemic

The NDA group's skilled workforce has risen quickly to the sudden and ongoing challenge of the COVID-19 pandemic.

From the manufacture and donation of vital personal protective equipment to frontline health workers across the UK, to scientists, engineers, safety teams and other personnel helping during the time of international crisis.

The NDA's rail subsidiary, Direct Rail Services Ltd, played a key role during national lockdowns in delivering vital supplies to supermarkets around the UK.

NDA group employees have also helped during the effort with many assisting and supporting elderly and vulnerable members of the community, with the likes of delivering prescriptions and food supplies.

As well as donations of time, the workforce has also been organising and contributing to fundraising schemes for the NHS and provision of essential equipment.

Just over £450,000 has so far been given to the communities around our sites for COVID-19 relief support.

This has been granted to local councils and community groups which have used the funding to go towards emergency provisions, including food supplies, local business support and other essential social support services.

Case Study - Critical enablers - Transport and Logistics

Transport division created and operational

Earlier this year, we brought our extensive transport and logistics capabilities together into a single transport division – Nuclear Transport Solutions (NTS).

Delivering our mission relies on being able to safely transport radioactive materials and other freight.

The UK has long been a global leader in this field particularly through the expertise that exists within our subsidiary organisations, International Nuclear Services Ltd (INS), Direct Rail Services Ltd (DRS), and the INS subsidiary Pacific Nuclear Transport Ltd (PNTL).

By bringing together that expertise into a single organisation, NTS has become a centre of excellence in the transport of radioactive and other critical materials.

It combines responsibility for transport and packaging, along with the operational, commercial, engineering, legal, and regulatory expertise that underpin nuclear transport and logistics.

NTS supports the NDA group's important mission by transporting spent nuclear fuel from UK power stations to Sellafield, returning reprocessing products to customers overseas, and providing packaging and licensing solutions to the NDA group.

It also generates revenue through commercial opportunities in the UK and overseas – offsetting the cost of delivering decommissioning and clean-up work at the UK's oldest nuclear sites.

NTS operates DRS and PNTL, which will continue to deliver rail and shipping services for customers, building on decades of experience of providing safe, secure and reliable transport solutions.

Case Study - Critical enablers - Public and stakeholder engagement

Stakeholder engagement for Strategy 4 consultation

The Energy Act 2004 requires us to review our Strategy every 5 years. The Strategy sets out our strategic direction and long-term objectives for the NDA group.

The drafting process for each iteration of the Strategy involves extensive stakeholder engagement. The Strategy also must be publicly consulted upon providing an opportunity for people to feedback their views on the proposed Strategy.

In August 2020, we launched a public consultation for Strategy 4 which ran for 12 weeks. A bespoke digital campaign was created to deliver the consultation virtually, taking into consideration COVID-19 restrictions.

Online meetings and live streaming, which saw NDA experts present on key topics, were used to connect with our stakeholder audience. A virtual exhibition was also developed for stakeholders to access more information.

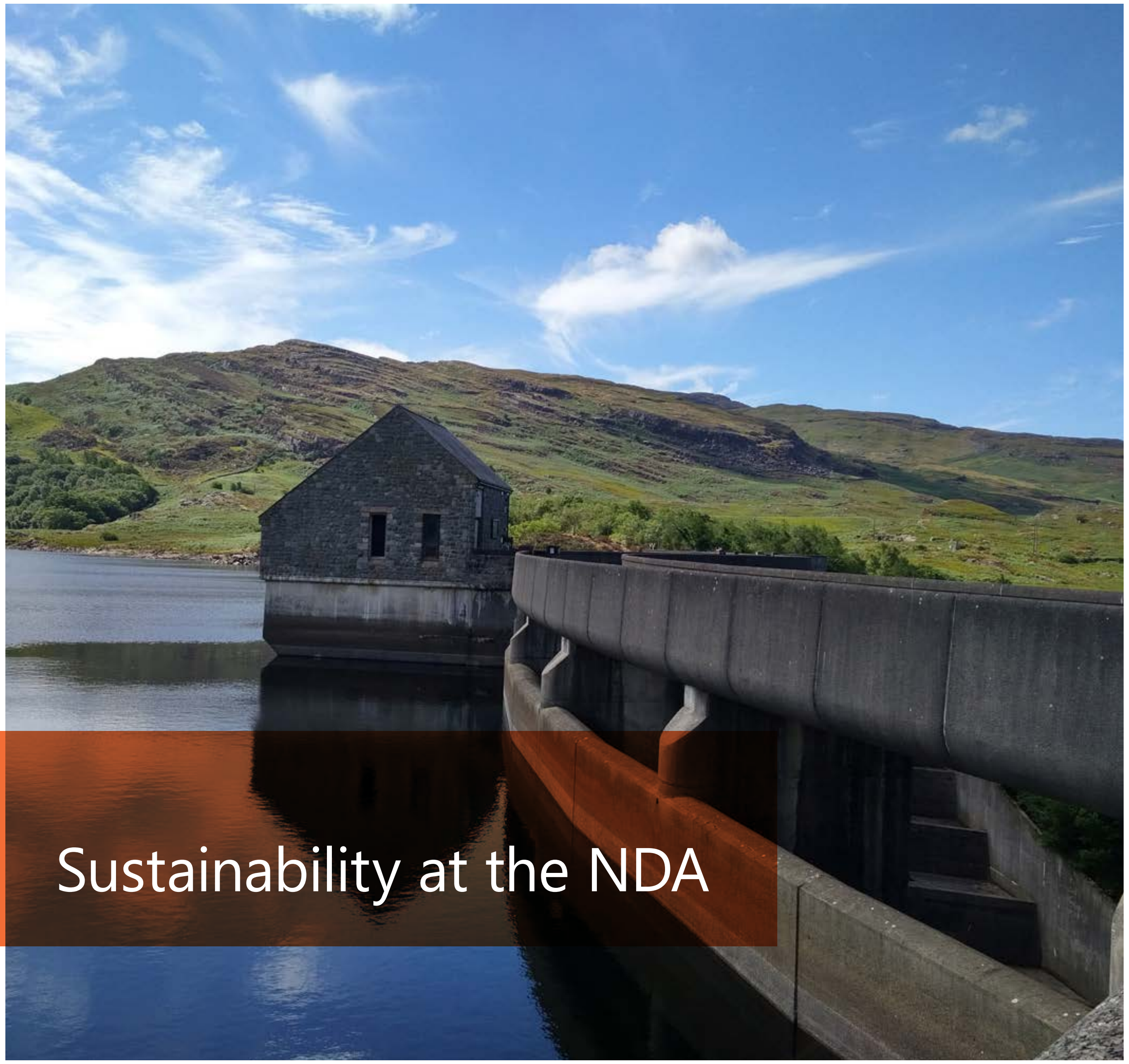
Using virtual platforms enabled us to host more regular meetings with stakeholders with many finding it easier to attend digital meetings.

Following the consultation process, we received 77 sets of feedback from a wide range of stakeholders, including individuals, public bodies and private organisations. The Strategy 4 consultation received more responses than any of our previous strategy consultations, and these responses were carefully considered in developing the final Strategy, which was subsequently published in March 2021.

We'll be taking the learning from the success of the virtual consultation onto other areas of work.

Our Strategy can be found here:

https://www.gov.uk/government/publications/nuclear-decommissioning-authority-strategy-effective-from-march-2021



Sustainability at the NDA

In our approach to sustainability, we believe our duty is to leave a positive lasting legacy.

A legacy where our environmental contribution and our impacts on the communities in which we operate, helps them be thriving places to live and work - providing future generations with an even firmer foundation from which to grow and develop.

As part of this ongoing work, we published our first 'Sustainability at the NDA' in March 2021.

The report can be found here: www.gov.uk/government/publications/nda-sustainability-report-financial-year-april-2020-to-march-2021

The report showcases the work across the group to promote and support the positive social and environmental outcomes we realise as part of our operations.

There are many ways that we can maximise the positive impacts of our work, and the value our operations bring through employment, training, education and by supporting our communities to become healthy and prosperous places.

Case Study - Critical enablers

Health, safety, security, environment and wellbeing

Carbon net-zero

The NDA's sites were at the forefront of generating low-carbon electricity for many years. Now, our mission is to clean-up the UK's earliest nuclear sites safely, securely, cost effectively and with care for our people, communities and the environment.

We're committed to making the journey towards delivering our mission a sustainable one. In 2020, we committed to support the UK Government's target to have net-zero greenhouse gas emissions by 2050, with the Scottish Government target being 2045.

We made it a key business priority to focus on our carbon footprint and take action to reduce our emissions as much as possible.

Identifying our top 3 carbon emission contributors as being the fuel we burn, the electricity we purchase, and the business travel and goods and services we procure, we've developed a net-zero roadmap. This identifies opportunities for us to reduce our energy use by changing our behaviours, using our plant and systems more efficiently and looking at the role renewables can play in our future.

A carbon management plan will be developed to support the delivery of lower carbon and sustainable initiatives within our operating companies.

Our carbon footprint will be routinely reviewed and more accurate tools will be devised for calculating the impact of the goods and services we procure, where a low-carbon culture will be embedded into our procurement process.

We will be addressing the ways we indirectly impact the environment through the goods and services we procure. For example, the electricity we buy may be produced from processes which generate greenhouse gases, the commodities, materials and equipment we use all take resources and energy to produce and transport.

There will still be some hard-to-decarbonise activities, but our goal is to offset these by removing greenhouse gases from the atmosphere by natural means such as planting trees or restoring peatland where possible.

Magnox - Hydro-electric energy

Maentwrog hydro-electric power station, in Gwynedd North Wales, is a unique asset in the NDA group's portfolio.

Owned and operated by Magnox Ltd, the site generates electricity using rainwater collected from streams and rivers that feed into Trawsfynydd lake.

The water is carried by a pipeline to drive two turbines, which generate enough electricity to power around 12,000 local homes each year.

During 2020/21, Maentwrog generated 74.2 gigawatt hours of renewable energy - enough to make 2.9 billion cups of tea.

Case Study - Critical enablers - Socio-economics

St Ola Pier

St Ola Pier, at Scrabster Harbour in Thurso, Caithness, has been at the heart of a major development project to allow the port to accommodate larger and deeper vessels.

Enabling port infrastructure for growth in the energy industry and cruise tourism, the project has been supported by £5 million of NDA group funding.

In developing the existing pier, a more versatile port infrastructure has been created to increase capacity and functionality. Specifically, work on the pier and quay walls have created a 375-metre deep-water berthing area, including a new 250-metre outer berth.

A deck area and dedicated heavy lift pad also features in the redevelopment. The project is due to be completed in September 2021.

Môn communities forward

Môn Communities Forward (Môn CF) has assisted local people and businesses by offering a professional recruitment service and employment support package specifically tailored to meet the needs of Anglesey people and enterprises.

With the help of Magnox funding over a number of years, it has grown from offering vocational training and hands on work experience, to developing a training academy and becoming an accredited training centre with additional employability and support projects.

Its recent success is the Next Steps project which, with £300,000 of Magnox funding, included supporting the roles of delivery manager and training team co-ordinator at its training centre. The funding also helped Môn CF to leverage further funds to purchase and renovate its training centre and main offices in the town centre of Holyhead.

Despite COVID-19 restrictions in the final year, during 2020/21, 600 individuals were supported, 60 work placement opportunities provided, and 450 qualifications gained. During the same period, 240 people were helped into work across the Anglesey area.

Case Study - Critical enablers - Socio-economics

Envision

Envision is a South Gloucestershire community apprentice mentoring programme, which has been supported by £90,000 of Magnox funding.

The programme is a cross-school active citizenship competition, which has been supported by Magnox since 2018. Since then, it has helped over 300 students from 5 schools in the area. The scheme aims to encourage disadvantaged young people to develop employability skills through the support and feedback of business mentors.

Working in teams, young people design, develop, and deliver a social action project to raise awareness and funds for a local charity of their choice. Employees from businesses involved in the scheme act as mentors throughout each of the 12-week programmes.

Over the last 3 years, 127 volunteers have mentored young people on the scheme, with 21 Magnox employees having directly helped students.

To date, 69% of young people have improved their self-efficacy and 82% of young people have improved their social confidence.

Unlocking East Quay

Work continued on the £7 million East Quay community project in Watchet, West Somerset, which is on track to open in summer 2021.

Supported by £250,000 of NDA group funding, it houses a gallery, restaurant, studios and accommodation. It aims to support the local economy while increasing community engagement with art and culture.

Based in an area which has the lowest social mobility in the country, the project intends to boost visitors to the area, create jobs and provide opportunities for young people. It will contain 14 studio workspaces, 2 gallery areas, a print room, an education space, a restaurant and 5 self-catering accommodation pods.

It will run a programme of events, exhibitions and indoor and outdoor activities for visitors, locals and school groups.

Case Study - Critical enablers - Socio-economics

Western excellence in learning and leadership project

The Western excellence in learning and leadership project (WELL) is an education programme, which aims to raise standards in every classroom in west Cumbria.

Backed by £1.7 million of NDA group funding, its main focuses are improving the consistency and quality of teaching, raising pupil achievement to be in line with the UK average, improving attendance levels, and enhancing students' health and wellbeing. The project has seen significant support from local schools since its launch in 2019, with 117 schools engaging with WELL.

By July 2020, at least 95% of headteachers, other teaching and support staff, and some governors in participating schools had accessed training, related to pupil premium for disadvantaged children and developed appropriate strategies for their schools.

During the year, 55 schools received training and funding for resources aimed at improving speech and language with reception-aged children.

A range of training and resources in 13 programmes designed to improve disadvantaged pupils were also secured for local schools and will be complete by July 2021.

The programme has helped 45 school staff from across the region receive Youth Mental Health First Aid training.

During the COVID-19 pandemic, the WELL project lessened the impact to disadvantaged students in the area by enabling up to 2,500 breakfast deliveries per week for vulnerable children and those of key workers.

The project also co-ordinated allocations of over 500 redundant Sellafield laptops to 73 schools to support remote learning.

Case Study - Critical enablers - Research, development and Innovation

Sort and seg competition

Research, development and innovation are essential to the mission, accounting for over £90 million of annual investment across the NDA group.

As we move from operations to full-scale decommissioning, our research, development and innovation strategy drives forward the need to seek solutions that are safer, more efficient and more cost-effective, while accelerating timescales.

One programme which was launched in July 2020, invited proposals for using innovative technology for handling mixed radioactive wastes at the UK's oldest nuclear sites.

The £3.9 million 'Sort and Seg' innovation competition challenged supply chain companies to come up with innovative approaches to remotely handle and sort radioactive waste.

The NDA, Magnox Ltd, Sellafield Ltd and innovation agency Innovate UK announced the winners of the competition in February this year.

Fourteen successful companies were awarded contracts, worth up to £60,000 each, as part of the first phase of the competition and were then required to produce feasibility studies for their proposals, including robotics, advanced sensors and artificial intelligence.

The feasibility studies were delivered in May this year with the winners competing for a number of contracts, each worth up to £900,000, for 15-month 'demonstrator projects'.

Competitions like this are an important way of engaging the supply chain, encouraging diversity of thinking and finding innovative techniques and technologies from other sectors to help deliver the NDA's decommissioning mission.

D. Peattie

David Peattie
Accounting Officer and
Group Chief Executive Officer
15 July 2021

NDA Annual Report and Accounts 2020/21

Accountability report

Directors' report

The NDA is an Executive Non-Departmental Public Body, established by the Energy Act 2004 to oversee and monitor the decommissioning and clean-up of the UK's civil nuclear legacy. Since then, the NDA's remit has been extended to include the long-term management of all the UK's radioactive waste by finding appropriate storage and disposal solutions.

Accounts direction

These accounts have been prepared in a form directed by the Secretary of State with the approval of HM Treasury and in accordance with section 26 of the Energy Act 2004.

The Board comprises of a Non-Executive Chair, Non-Executive Members, the NDA Group CEO and the NDA Group CFO whose details are set out in the Governance Statement on page 60.

Directors' interests

Members of the NDA Board must declare any personal, private or commercial interests. A register of such interests is maintained by the NDA.

Rob Holden declared a commercial interest. He is a Non-Executive Director of NNB Generation Company (SZC) Ltd, a Non-Executive Director of Electricity North West Ltd and Director of North West Electricity Networks Ltd and will therefore, be excluded from any involvement with Moorside deliberations.

The other members have no personal, private or commercial interests which present material conflicts with their role as a Member of the NDA Board. A full register of Members' interests and the associated procedure is available at: www.gov.uk/government/publications/nda-register-of-directors-interests

Auditor of the NDA

The NDA is audited by the Comptroller and Auditor General (C&AG) in accordance with the Energy Act 2004. The services provided by the C&AG relate to statutory audit work for the NDA. No fees were paid to the C&AG for services other than statutory audit work.

Pensions

NDA employees are eligible to participate in the Civil Service Pension Arrangements. A small number of employees who transferred to the NDA from INS in 2019 continue to accrue benefits in the UKAEA Combined Pension Scheme.

Employees within the group participate in various defined benefit pension schemes detailed in note 26 to the accounts.

Group employees also participate in various schemes which are accounted for on a defined contribution basis, with details given in note 26 to the accounts.

Better payment practice

The NDA supports the Better Payment Practice Code in its treatment of suppliers with the aim of paying undisputed invoices as soon as possible. The key principles are to settle the terms of payment with suppliers when agreeing the transaction, to settle disputes on invoices without delay and to ensure that suppliers are made aware of the terms of payment and to abide by those terms.

During the year, the NDA has achieved a 90.46% success rate for payment of suppliers in accordance with terms (2019/20 – 91.23%). The average number of payment days from invoice date was 31 days and for a valid invoice, (i.e. one with all details correct and entered on the accounting system), 14 days (2019/20 - 31 days and 12 days). The proportion that is the aggregate amount owed to trade creditors at the year end compared to the aggregate amount invoiced by suppliers expressed as a number of days is 8.41 days (2019/20 – 23.49 days).

As a result of the coronavirus, COVID-19 pandemic the NDA implemented Procurement Policy Notes (PPN) 01/20, 02/20 and 04/20 which relate to the provision of supplier relief. The PPNs set out information and guidance for public bodies on payment of their suppliers to ensure service continuity during and after the pandemic. The NDA acted promptly to ensure suppliers at risk were in a position to resume normal contract delivery once the lockdown restrictions were over.
For more information, see page 71 of the Governance Statement.

Personal data

There were 3 personal data breaches in the NDA during 2020/21. All 3 incidents were classed as minor and have all been investigated fully with appropriate mitigating actions taken to reduce the chance of re-occurrence. None were classed as reportable to the Information Commissioner's Office.

Other disclosures

Disclosures on equal opportunities, learning and development and how the NDA engages with all staff are in the Remuneration and People Report on pages 86-100.

Details of investment in socio-economic developments, research and development and funding, counterparty and foreign exchange risk are all included in the financial statements.

The NDA's environmental performance is detailed in the Health, Safety, Security, Environment and Wellbeing report on pages 101-106.

Events after the reporting period

The NDA acquired the share capital of Dounreay Restoration Services Ltd effective from 1 April 2021

On 23 June 2021 the NDA, HM Government and EDF Energy entered into new decommissioning arrangements for 7 Advanced Gas-cooled Reactor (AGR) stations in which HM Government has directed NDA to take on the future ownership of the stations for decommissioning. The work will be undertaken by the NDA subsidiary Magnox Ltd.

The NDA acquired the share capital of Low Level Waste Repository Ltd effective from 12 July 2021

Going concern

A full explanation of the adoption of a going concern basis appears in note 2.1 of the financial statements.

Section 172 statement

The NDA sets out the issues and factors it takes account of in its decision-making in its Value Framework, which has been revised as part of Strategy 4.

As well as the general consideration of value for money and affordability, the NDA's Value Framework provides a structured mechanism to consider:

- Health and safety
- Security
- Environment
- Risk/hazard reduction
- Socio-economic impacts
- Finance
- Enabling the nuclear decommissioning mission

Strategic decisions coming to the NDA Board build in these considerations systematically and they are also reflected and assured in subsequent business case approvals.

To determine the relevance of stakeholders to our decision-making, the NDA segments its stakeholders into 4 broad categories:

- External governance and scrutiny: decision-makers with a direct or indirect impact on the NDA's ability to make decisions and allocate resources
- Employees, workforce and their representatives
- Supply chain and commercial partners
- Other influencers and opinion formers: MPs, MSPs, Welsh assembly members, County Councils, Borough Councils, civil society, Non-Governmental Organisations, local communities (including site stakeholder groups), international organisations etc.

Stakeholder engagement is an enabler to mission delivery. It allows the NDA group to understand issues better by obtaining stakeholders' points of view, enabling better informed decisions and creating confidence in the operation of the organisation. Given the nature of its work, the NDA group has a large number and range of stakeholders and therefore stakeholder engagement is an important element of the NDA Board and Executives' responsibilities. The executives and the senior leadership groups represent the organisation and build an ever-increasing understanding of stakeholders' interests.

These leaders are supported by members of the communications team which contains specialists in stakeholder engagement with a deep understanding of stakeholder organisations and individuals. These structured engagements are supplemented by roadshows and by an annual stakeholder summit.

For employee engagement, there are well-established formal bargaining and consultation mechanisms in place to engage with trade union representatives. Board members also carry out engagement individually to hear from people first-hand. Board members attend employee breakfast sessions and the Joint Consultation Group (which brings together management and employee representatives). There have also been virtual site visits which have included discussions with the Unions or other employees (e.g. Women's Network at Dounreay).

Stakeholder engagement takes place through regular and structured contact, augmented by informal relationships. For example, formal decision-making in the NDA is supported by monthly and quarterly meetings with Government and regulators. There are a number of technical forums (Nuclear Decommissioning Policy and Strategy Group and Theme Overview Groups for example) which take input from subject matter experts, regulators, Government and other parties. Local stakeholder engagement is built around our 17 sites and their site stakeholder groups, a large number of other standing forums and 11,000 people regularly engaged through our stakeholder database. Based on direct feedback from our annual survey, the communications team is looking at whether more can be done to engage hard to reach and underrepresented groups such as younger people or people who have not worked in the nuclear industry.

Board decisions are informed by the views of relevant stakeholders through the mechanisms set out above. For example, the Board has been kept updated on stakeholder feedback through the various iterations of Strategy 4, the timing of Magnox decommissioning and plutonium disposition. The NDA group Chief Communications and Stakeholder Relations Officer is invited to the Board and provides a strong link to stakeholders and a specialist view of stakeholder perspectives and concerns, where relevant, at Board meetings.

All Board members are involved in a wide-range of stakeholder events, such as staff meetings, engagement with Government, parliamentary meetings and site stakeholder meetings.

The NDA Board considers that it has acted in good faith in a way most likely to promote the achievement of its decommissioning mission for the benefit of the country and having regard (amongst other matters) to factors (a) to (f) S172 Companies Act 2006, in the decisions taken during the year ending 31 March 2021. These decisions include:

Adoption of NDA Strategy 4

The NDA has published its revised strategy on 18 March 2021 after consultation with stakeholders. It sets out the rationale for the approach the NDA takes to decommissioning and was consulted on to ensure good quality decision-making in the long-term interests of the country. During the consultation, there were more than 1,000 items of feedback which informed thinking on supply chain, transportation of nuclear materials, the management of nuclear wastes and decommissioning of our sites more generally.

A copy of the revised Strategy can be found at https://www.gov.uk/government/publications/nuclear-decommissioning-authority-strategy-effective-from-march-2021

COVID-19

The NDA put in place its business continuity measures to support its employees, supply chain, local communities and key government stakeholders as part of its pandemic response across the group. Within a matter of days from the initial COVID-19 lockdown, the NDA implemented a plan to provide additional ICT capability and supporting home working guidance, facilitating the move from office and site operations to a safe home working environment. The NDA maintained a focus on the physical and mental wellbeing of our employees with display screen assessments at home, with equipment provided for each individual need, and the provision of mental health support from internal and external staff, including Mind.

Active consultation and monitoring took place at the most senior levels in the NDA covering issues such as: remote working safety and security; working at sites; supply chain support programmes; volunteering policy; changing grant programmes to giving immediate financial and personal protective equipment support to communities. Finally, the NDA maintained effective and timely reporting of our status to government and regulatory organisations, to ensure we provided an accurate COVID-19 view within the NDA.

Nuclear provision

The NDA maintains and publishes the long-term costs of decommissioning its estate of sites (the nuclear provision) to support long-term decision-making by society as a whole.

Magnox reactor decommissioning

The concept, continuous reactor decommissioning, was discussed with stakeholders for more than two years, in a series of workshops, briefings and roadshows, where their comments, suggestions and responses were considered and built into our plans.

Statement of Accounting Officer's Responsibilities

Under Section 26 of the Energy Act 2004, the Secretary of State (with the approval of HM Treasury) has directed the NDA to prepare for each financial year a statement of accounts in the form and on the basis set out in the Accounts Direction.

The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of the NDA and its income and expenditure, Statement of Financial Position and cash flows for the financial year.

In preparing the accounts, the Accounting Officer is required to comply with the requirements of the Government Financial Reporting Manual and in particular to:

- Observe the Accounts Direction issued by the Secretary of State with the approval of HM Treasury, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis
- Make judgements and estimates on a reasonable basis
- State whether applicable accounting standards as set out in the Government Financial Reporting Manual have been followed, and disclose and explain any material departures in the accounts
- Prepare the accounts on a going concern basis
- Confirm that the Annual Report and Accounts as a whole, is fair, balanced and understandable and takes personal responsibility for the Annual Report and Accounts and the judgements required for determining that it is fair, balanced and understandable

The Accounting Officer for the Department for Business, Energy and Industrial Strategy has appointed the Chief Executive Officer as Accounting Officer of the NDA.

The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable, for keeping proper records and for safeguarding the NDA's assets, are set out in Managing Public Money published by HM Treasury.

As the Accounting Officer, I have taken all the steps that I ought to have taken to make myself aware of any relevant audit information and to establish that the NDA's auditors are aware of that information. So far as I am aware, there is no relevant audit information of which the auditors are unaware.

D. Peattie

David Peattie
Accounting Officer and
Group Chief Executive Officer
15 July 2021

Governance statement

The NDA is sponsored by the Department for Business, Energy and Industrial Strategy (BEIS). UK Government Investments (UKGI) provides strategic oversight of the NDA's corporate governance and corporate performance, working closely with and reporting directly to BEIS senior officials and providing advice to BEIS Ministers. The formal agreement between the NDA and BEIS is set out in a framework document, supported by a memorandum of understanding between BEIS and UKGI. The Scottish Government also has a governance role, working closely with BEIS to ensure its expectations are met.

The following Governance Statement provides an insight into the corporate governance framework for the NDA and its group entities during 2020/21.

The framework is used to measure the performance and effectiveness of the NDA in the delivery of its strategic and operational objectives.

The NDA's Governance Framework

The NDA is a body corporate governed through the Energy Act 2004; the Government's NDA framework document; and Cabinet Office guidelines for Non-Departmental Public Bodies (NDPBs). The NDA also aims to draw on best practice as set out in the UK Corporate Governance Code where appropriate, reporting exceptions to UKGI. This is within the context that NDA's value is not primarily financially metric driven and that its remuneration policy is in line with public sector guidance.

NDA's governance, whilst effective for the previous operating model, is being enhanced and will be further strengthened as a result of the findings of recent external reviews, the revised framework document and the transition to the NDA group Operating Model. Work is underway in several areas as outlined within this report.

The Energy Act 2004 requires the NDA to prepare a strategy for carrying out its functions and to prepare in respect of each financial year an annual plan. The Strategy and Annual Plan must be approved by the Secretary of State and, to the extent appropriate, with the Scottish Ministers.

Certain scopes of work require approval from BEIS. Where work falls outside the NDA's delegated authority, then it must seek approval before commencing the work and demonstrate that it is affordable, aligned to the NDA mission and provides value for money.

Board and board committees

The NDA Board sets the strategic framework and direction for operations and is responsible for ensuring high standards of corporate governance at all times; sets the risk appetite; agrees plans against which the NDA performance is measured; and maintains an appropriate control framework that provides assurances on risk assessment and the application of appropriate controls.

The Board delegates the day-to-day management of the NDA group to an Executive Team, comprising of 2 Board Members: the Group Chief Executive Officer and the Group Chief Financial Officer and other senior executives.

The Chair of the Board is accountable for delivering obligations under the Energy Act 2004 and providing effective leadership and direction of the Board.

The Group Chief Executive Officer is responsible for leadership and operational management of the NDA and is accountable to the Board and as Accounting Officer to Parliament for NDA activities, public funds employed and ensuring targets are met.

Governance statement continued

The following table sets out the purpose of the Board, Board committees and Executive committees.

Board and board committee		Purpose	Meeting Chair
Non-Executive Chair	NDA Board	The NDA Board sets the strategic framework and direction for operations and is responsible for ensuring high standards of corporate governance at all times, sets the risk appetite; agrees plans against which the NDA performance is measured, and maintains an appropriate control framework that provides assurances on risk assessment and the application of appropriate controls. The Secretary of State and, to the extent appropriate, the Scottish Ministers, are responsible for approving the NDA's Strategy and annual Business Plan. The Board delegates oversight of certain risk topics and themes to sub-committees and the day-to-day management of the NDA group to the executive team, comprising the Group Chief Executive and other senior executives.	Chair
	Audit and Risk Assurance Committee (A&RAC)	The committee provides advice and assurance to the Board on risk, control and governance. The committee oversees audit and financial reporting, advises and reports on the plans, activities and performance of internal and external audit, and provides an assessment of assurance reliability and integrity. The committee oversees the effectiveness and quality of the group risk management framework and monitors risk exposure against group risk appetite.	Non-Executive Board Member
	Nominations Committee (NOMCO)	To consider the composition and skills of the Board, advise on the structure and size of the committees, and assess succession planning and talent management.	Chair
	Remuneration Committee (REMCO)	To advise the Board on remuneration, and monitor performance of senior executives.	Non-Executive Board Member
	Health, Safety, Security and Environment (HSSE) Committee	To support the Board in discharging its responsibilities in respect of issues of Health, Safety (including both nuclear and non-nuclear safety), Security and Environment in the NDA group. This was formerly known as the Safety and Security Committee (S&SC).	Non-Executive Board Member
	Programmes and Projects Committee (P&PC)	To advise the Board on sanction, performance and assurance of programmes and projects.	Non-Executive Board Member

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Governance statement continued

Executive Committees		Purpose	Meeting Chair
Group Chief Executive Officer	Executive Committee	Accountable for implementing strategy and plans approved by Board. Includes sanction and decision making.	Group Chief Executive Officer
	Executive Audit, Risk and Assurance Committee	To oversee the effectiveness and quality of the group risk management framework, processes and practices and monitor risk exposure against group risk appetite. To monitor and manage risk and assurance mechanisms. To monitor findings from audit and assurance reviews. To advise the Board A&RAC.	Group Director of Risk and Assurance
	Finance and Performance Committee	To review and approve annual reports and accounts and recommend to the Board for approval. To review sanction plan and approve sanction requests within delegation and endorse onward submission where required. To review overhead and headcount budget and review group performance in preparation for quarterly performance reviews.	Group Chief Financial Officer
	Sanction Committee	To review and sanction work activities across the NDA estate, including programmes, projects, procure-ments, IT expenditure, contracts, asset disposal, and investment opportunities. Further approval by the NDA Board and Government may also be required.	Group Chief Financial Officer
	Strategy Committee	To approve business and technical strategies. To review the portfolio of strategic decisions/initiatives under development and endorse for forward submission to the Sanction Committee.	Group Director of Nuclear Strategy and Technology

Governance statement continued

As at 31 March 2021, the NDA Board comprised of 8 Non-Executive Board Members, including the Non-Executive Chair and 2 executive members, the Group Chief Executive Officer and Group Chief Financial Officer. The table below sets out the names of the Board members during the period 1 April 2020 to 31 March 2021, their respective terms of office and membership of Board committees.

		Board Committee Chair	Term of Office Ends/ Ended
Non-Executive Board Members			
Ros Rivaz (1)	Non-Executive Chair	NOMCO	31 August 2023
Janet Ashdown	Non-Executive Board Member & Senior Independent Member	HSSE	31 January 2022
Volker Beckers	Non-Executive Board Member	A&RAC	31 October 2021 (2)
Evelyn Dickey	Non-Executive Board Member	REMCO	31 January 2022
Rob Holden	Non-Executive Board Member	P&PC	31 January 2022 (3)
Alex Reeves	Non-Executive Board Member	Not applicable	31 January 2025
Nick Elliott (6)	Non-Executive Board Member	Not applicable	30 April 2021
Francis Livens (4)	Non-Executive Board Member	Not applicable	30 November 2023
Tom Smith	Non-Executive Chair	NOMCO [to August 2020]	31 August 2020
Michelle Heath (5)	Non-Executive Board Member	Not applicable	30 June 2020
Executive Board Members			
David Peattie	Group Chief Executive Officer	Not applicable	Not applicable
Mel Zuydam	Group Chief Financial Officer	Not applicable	Not applicable

Notes:
(1) Ros Rivaz was appointed to the Board on 1 September 2020 following the end of Tom Smith's term on 31 August 2020
(2) The term of office for Volker Beckers was extended from 31 January 2021 to 31 October 2021
(3) The term of office for Rob Holden was extended from 31 January 2021 to 31 January 2022
(4) Francis Livens was appointed to the Board on 1 December 2020
(5) Michelle Heath resigned from the Board on 30 June 2020
(6) Nick Elliott was appointed to the Board on 15 March 2021 and resigned on 30 April 2021

All Non-Executive Members were independent on appointment.

Governance statement continued

The following table provides details of each Board Member's attendance at Board and committee meetings during the period 1 April 2020 to 31 March 2021.

Total number of meetings	**Board 10**	**A&RAC 7**	**REMCO 6**	**HSSE 4**	**P&PC 9**	**NOMCO 2**
Non-Executive Board Members						
Ros Rivaz	6 of 6 (and 2 of 2)(1)	4 of 4 (1)	3 of 3 (1)	2 of 3 (1)	4 of 6 (1)	2
Janet Ashdown	10	7	-	4	9	2
Volker Beckers	10	7	5 of 6	-	-	2
Evelyn Dickey	10	-	6	4	-	2
Rob Holden	10	-	6	-	9	2
Alex Reeves	10	7	6	-		2
Francis Livens (part year)	3 of 3 (and 1 of 1) (1)	-	-	1 of 1	3 of 3	1 of 2
Nick Elliott (part year)	1 of 1 (1)	-	-	-	-	-
Michelle Heath (part year)	2 of 2	-	-	1 of 1	2 of 2	-
Executive Board Members						
David Peattie	10	7 (1)	5 of 6 (1)	4	9	2 of 2 (1)
Mel Zuydam	10	7 (1)	-	-	8 of 9 (1)	-
Board Observer						
Jenny McGeough (part year)	4 of 4	-	-	-	-	-

Notes:
(1) In attendance only

Governance statement continued

Board Members

Dr Ros Rivaz

NDA Chair and Chair of the Nominations Committee (from 1 September 2020) (Chair Designate for 4 months prior to appointment)

Ros has been Chair of the Nuclear Decommissioning Authority since September 2020.

Ros has a wide range of experience in executive and non-executive roles in blue chip companies, predominantly in highly regulated and high hazard environments, both in the UK and internationally.

Ros started her career at ExxonMobil, working across all business areas, with an increasing focus in manufacturing, engineering and Environmental, Social and Corporate Governance (ESG). After some 19 years, Ros progressed to perform senior roles in international companies including Tate & Lyle, ICI, Diageo and Smith & Nephew. Ros's executive career culminated as Smith & Nephew's Global Chief Operating Officer, a position she held from 2011-2014. There, Ros led work on the group's global transformation for supply chain, manufacturing, engineering and procurement. She was also responsible for regulatory matters including health, safety, environmental performance, IT and cyber-security; she retains a strong interest in all of these areas as reflected in her subsequent board roles.

Ros's non-executive career has retained sector breadth whilst focusing principally on high hazard, manufacturing and engineering businesses. Her current portfolio includes non-executive, senior independent director and committee chair roles variously for Defence Equipment and Support (DE&S) within the Ministry of Defence, Computacenter plc, the chemicals company Victrex plc and the specialised steel company Aperam SA. She has also held a range of other board roles with private and listed companies including ConvaTec plc, Boparan Holdings, RPC Group plc, Ceva Logistics and Rexam plc.

Ros also plays important roles in the charity sector and academia. She was Non-Executive Director of the 'Your Life' initiative, which was a Government led, industry-sponsored campaign to increase take up of maths and physics amongst 14-16 year-olds; Deputy Chair of Southampton University, and was the first chair of the University's HSE & Risk Audit and Assurance; and is on the board of the community interest company Eton Community CIC. Ros was awarded an honorary doctorate in 2015 for services to industry and to the voluntary sector. Her interests include travelling, skiing, walking, music and theatre. Ros is married with 4 children.

Governance statement continued

Tom Smith

NDA Chair and Chair of the Nominations Committee (until 31 August 2020)

Tom began his career in the diplomatic service, working in London, Hong Kong and Beijing between 1979 and 1990, when he was part of the team that negotiated the 1984 treaty with China on Hong Kong.

In 1990 he joined Trafalgar House plc and held several senior positions before becoming Managing Director of Midland Expressway Ltd in 1997, where he led the development and construction of the M6 Toll, the UK's first privately financed toll motorway. He subsequently joined the Go-Ahead Group plc as Managing Director Rail Development and in over 10 years was instrumental in turning Go-Ahead into one of the country's largest passenger rail operators. He was Chairman of the Association of Train Operating Companies from 2009 to 2013. He was a Non-Executive Board Member of Highways England from 2014 to 2016.

David Peattie

Group Chief Executive Officer and Accounting Officer

David began his career at BP in 1979 as a petroleum engineer and, during 33 years at the company, held a number of technical, commercial and senior management positions.

His roles included Head of BP Group Investor Relations, Commercial Director of BP Chemicals, Deputy Head of Global Exploration and Production, Head of BP Group Planning, and finally as Head of BP Russia where he was responsible for BP's interests in the TNK-BP joint venture as well as its businesses in the Russian Arctic and Sakhalin. In addition, he was BP's lead Director on the board of TNK-BP and Chairman of its Health, Safety and Environment Committee.

David joined the NDA as Chief Executive Officer & Accounting Officer in March 2017 and in January 2020 David was invited to be Patron of Women in Nuclear, a position he was honoured to accept.

Mel Zuydam

Group Chief Financial Officer

Mel is an experienced CFO with a strong track record in financial change, business growth, mergers & acquisitions (M&A) and Treasury, and effective performance management in the UK and international infrastructure and engineering sectors.

He's worked across the private and public sector, with organisations including Balfour Beatty, CH2M, and The Highways Agency, and as a CFO in both the listed environment and with private infrastructure investors such as GIC and JP Morgan.

Mel joined the NDA as Group Chief Financial Officer in January 2020

Board Members (continued)

Janet Ashdown

Senior Non-Executive Board Member and Chair of the Safety & Security Committee

Janet worked for BP plc for over 30 years, holding a number of local and global positions in fuel supply, manufacturing, oil trading and retail marketing. She was a senior leader in BP, running their UK retail and commercial fuel business in her last role.

Janet was, until the end of 2012, Chief Executive Officer of Harvest Energy Ltd.

Volker Beckers

Non-Executive Board Member and Chair of the Audit & Risk Assurance Committee

Volker was Group Chief Executive Officer of RWE Npower plc until the end of 2012 and prior to this, its Group Chief Financial Officer from 2003 to 2009.

He has worked as senior leader in RWE's regulated and non-regulated divisions internationally, grid (transmission and distribution level), retail, generation (including nuclear, conventional and renewable energy) and midstream businesses.

Since 2013 Volker has held non-executive roles in the public and private sector as well as academia and charities.

Evelyn Dickey

Non-Executive Board Member and Chair of the Remuneration Committee

Evelyn has extensive human resources experience, leading design and delivery of major change programmes, business restructuring, employee relations, resourcing, executive remuneration, organisational capability and performance management initiatives.

Evelyn has worked in HR consultancy and as HR Director (HR Operations) for Boots the Chemist, before joining Severn Trent's HR function in November 2006, retiring as Director of HR in 2017.

Board Members (continued)

Rob Holden CBE

Non-Executive Board Member and Chair of the Programmes and Projects Committee

Rob led the London and Continental Railways team in a series of transactions that secured the future of the Channel Tunnel Rail Link later renamed High Speed 1. In 2009 he was awarded a CBE for services to the rail industry.

Rob is a chartered accountant with a career background of managing long term projects including the Trafalgar and Vanguard classes of nuclear powered submarines and Crossrail. He now combines his non-executive role with advisory assignments on transport and defence projects both in the UK and overseas.

Alex Reeves

Non-Executive Board Member and UKGI Representative

Alex is a Director in UKGI, having joined its predecessor organisation, the Shareholder Executive, in 2010. Alex has led a variety of corporate finance and corporate governance projects for Government, in sectors including aerospace, technology, steel, real estate and asset management.

He currently leads on inward M&A and other corporate finance projects and runs UKGI's Non-Executive Director Forum.

Michelle Heath

Non-Executive Board Member
(until 30 June 2020)

Michelle is an experienced business manager with a career spanning 20 years in the nuclear industry, holding senior positions within BNFL, Springfields Fuels Ltd and Toshiba Westinghouse. She has a range of operational, radiological, commercial and strategic experience and has focused her career on nuclear waste and residue processing. Michelle is well versed in the challenges of managing this material, and as Global Product Manager for Residues' Treatment for Westinghouse, has had many successes in developing processing options for a variety of waste types for a diverse range of international stakeholders.

Since April 2018, Michelle has been self-employed.
Michelle resigned from the Board on 30 June 2020.

A full register of Board members interests and associated procedures is maintained and available to view at: www.gov.uk/government/publications/nda-register-of-directors-interests

Board Members (continued)

Professor Francis Livens

Non-Executive Board Member (from 1 December 2020)

Francis is a member of the Nuclear Innovation & Research Advisory Board advising Government, as well as the Office for Nuclear Regulation Independent Advisory Panel. He has also performed numerous other important advisory roles in the UK and internationally, as a recognised expert in radiochemistry in particular plutonium and nuclear materials.
As Director of the Dalton Nuclear Institute, he is responsible for co-ordination of nuclear research and education across The University of Manchester. He is particularly focused on the linkages between science and engineering and humanities, addressing the societal, cultural and organisational aspects of implementing nuclear technologies in modern societies.
He is also Nuclear Theme Champion at the Henry Royce Institute.
Francis is a Fellow of the Royal Society for Chemistry and Member of the Institute of Strategic Studies.

Governance statement continued

Board Performance

Corporate governance compliance

The NDA supports high standards of governance and where appropriate, given the size, status and complexity of the organisation, the NDA has continued to develop its governance taking account of the principles set out in the Government Code of Corporate Governance and Government guidance for an arm's length body and Body Corporate. The NDA also aims to draw on best practice as set out in the UK Corporate Governance Code where appropriate, reporting exceptions to UKGI acting as shareholder.

Work on the Codes will take place in parallel with further developments under the One NDA framework and the BEIS Departmental Review of its governance.

Key focus areas for the Board regarding governance this year have included:
- The appointment of a new Chair
- Transitioning to a group ownership model
- Reviewing risk areas and mitigations in line with the agreed risk appetite
- The introduction of the Group Leadership Team
- Taking an active role in stakeholder relations and seeking greater engagement with the workforce

A S172 statement is set out on pages 54-55. Key engagements have included employee breakfast sessions, attendance at the Joint Consultation Group and site visits.

Improvements to the internal governance framework have included:
- A revised Framework Document to be issued
- Having greater regard to the UK Corporate Governance Code
- An external effectiveness review (more information on page 69)
- An improved induction process for new members
- Strengthening the HSSE Committee remit Further considering the roles and responsibilities of key individuals

The NDA is committed to having a diverse Board in terms of gender, experience, skill, knowledge and background. The biographical details of the Board members together with details of the senior independent member can be found on pages 62-66

All Board and Board Committee meetings held during the year have been quorate. All decisions made by the Board and its committees have been recorded appropriately. The Board reviews the effectiveness and the terms of reference of each of its committees in line with best practice.

The Non-Executive Board Members bring a wealth of experience and complement the executive representation on the Board in the provision of challenge, scrutiny and support on operational and strategic matters.

The Board has a collective responsibility for setting the strategic direction and the effective management of the NDA's affairs and ensures that it complies with the requirements of the Energy Act 2004, the Framework Document, Cabinet Office Guidelines for non-departmental public bodies and other statutory and contractual obligations.

The Board provides effective and proactive leadership within a robust governance framework of clearly defined internal controls and risk management processes. The Board sets the NDA's vision, values and standards of conduct and behaviour.

The unitary nature of the Board means that Non-Executive Members and Executive Members share the same responsibility to challenge Board decisions and development of the NDA's Strategy and operations. The Board delegates operational management and execution of the strategy to the Group Chief Executive Officer and the Executive Team and has established a governance committee structure to provide it with assurance that it is discharging its responsibilities.

Board Performance (continued)

All Board members have full and timely access to relevant information to enable them to discharge their responsibilities. The Board places particular emphasis on the quality and integrity of the data submitted for its use. Critical processes and outputs fall within the control of the NDA Assurance Framework and are subject to peer review and/or independent review by the NDA internal audit function which reports to the Audit and Risk Assurance Committee.

The Board met 10 times during the year. Due to COVID-19, these meetings (and Committee meetings) have been held using secure, online systems and technology.

At each of its meetings, the Board reviews key performance information, including reports on the NDA's group performance, operational activity, financial position, forecasts and sensitivities and delivery of its strategic direction.

Key discussions for the Board this year have included:

- Response to COVID-19
- One NDA and group development
- Advanced Gas-cooled Reactor (AGR) transaction
- Cyber risks

The proceedings at all Board and committee meetings are fully recorded through a process that allows any Members' concerns to be recorded in the minutes and assurances provided. The redacted Board meeting minutes are published on the NDA's public website. The Board ensures that a balanced assessment of performance is reported to BEIS and regularly reviews the main group strategic risks facing the NDA group.

Board performance and effectiveness review

In March 2021, the Board received the final report from the Magnox Inquiry. Work is underway to carefully review and implement the recommendations from this report.

Significant change has been introduced since the interim report in 2017 and the NDA will build on this in light of the findings and recommendations of the final report. More recently, the NDA has received the BEIS Departmental Review report and the findings and recommendations are now being analysed by the management team and relevant subject matter experts. The NDA's responses to both of these reports will be published later in the year. Recognising the importance of these external insights, the Board is fully engaged with this work.

The publication of these reports will also permit the NDA to respond to the remaining recommendations from the 2018 Public Accounts Committee reports regarding Sellafield and Magnox. These recommendations require the NDA to have received and understood the content of the reports and the development of the responses can now be undertaken. NDA is working with BEIS and others to respond to these recommendations and will submit our response within the 6 month timeline.

In addition the NDA continues to progress the recommendations from the 2020 National Audit Office and Public Accounts Committee reports on the management and termination of the Magnox contract.

Board Performance (continued)

The Board undertakes an annual evaluation of its effectiveness.

Throughout 2020/21, progress was maintained on the findings from previous reviews including actions to address:

- Changes to the composition of the Board to strengthen and further improve effectiveness
- Improvements to the business case and sanctions process and
- A revised board induction programme

Collective assessments by the Board during 2020/21 agreed that findings are being acted upon and good progress is being made in all key areas.

An interim internal effectiveness review was undertaken in July 2020 prior to the arrival of the new Chair. The following actions were identified and continue to be progressed:

- Proactive engagement with stakeholders
- Delivery of One NDA overarching governance framework
- Completion of the revised Framework Document; and
- Delivery of improved processes around reporting and transparency of group performance and financial reporting

An external effectiveness review by Boardroom Review Ltd was conducted during Q4 of 2020/21. The review included one-to-one interviews on identified priorities with individual Board Members and consideration of key governance documents. A workshop was held during the March 2021 Board meeting. The key actions and priorities were identified as:

Clarity of roles and accountabilities

- Board composition priorities and planning
- Subsidiary governance (clear line of sight) and assurance

The Board will continue to review the output and action plans over the course of 2021 by recognising the strengths and addressing any weaknesses and will undertake a further effectiveness review during 2021/22.

The Chair undertook the annual performance appraisals of the Non-Executive Board Members during March 2021.

The senior independent member led the annual appraisal of the Chair's performance during March 2021.

The Board were unable to undertake the usual number of site visits, but individuals and groups have benefited from 'virtual' site visits to Sellafield, Dounreay, Oldbury and Berkeley. The Chair has visited (in person) Sellafield, LLWR, Harwell and the PNTL terminal at Barrow-in-Furness and (virtually) the Magnox sites at Wylfa and Trawsfynnyd.

Board Committees

The Board has 5 committees: Audit and Risk Assurance Committee (A&RAC); Nominations Committee (NOMCO); Remuneration Committee (REMCO); Health, Safety, Security and Environment Committee (HSSE); and Programmes and Projects Committee (P&PC).

Each committee membership is made up of Independent Non-Executive Board Members. If Executive directors are also members of a Board Committee then the majority members on the committee are Non-Executive Board Members maintaining the majority of votes.

Each committee is chaired by a Non-Executive Board member. The Group General Counsel and Company Secretary attends all meetings. Each Committee reports directly to the Board by way of a committee Chair's report and access to minutes. Urgent matters are escalated by the committee Chair to the Board as appropriate.

Substantial additional governance has been undertaken on the AGR transaction. This has been at Board level, supported by a Steering Committee and Executive Decision Group.

Audit and Risk Assurance Committee (A&RAC)

Number of meetings in the year: 7

The A&RAC consists of 3 Independent Non-Executive Board Members:

- Volker Beckers (Chair)
- Janet Ashdown
- Alex Reeves (from March 2020)

The following persons may also attend the committee meetings:
- Standing Advisor (Bruce Martin was appointed in August 2020)
- NDA Chair
- Group Chief Executive / Accounting Officer
- Group Chief Financial Officer
- Group Director of Risk and Assurance
- Group Chief of Staff and Security Officer
- Group Head of Internal Audit
- Group Chief Compliance Officer
- Head of Financial Operations
- External Audit Representation (NAO)
- Representative from Government Internal Audit Agency (GIAA)
- Chair of BEIS A&RAC
- Chairs of the SLC A&RACs

The A&RAC is made up solely of Non-Executive Board Members with relevant sector experience and ensures continuous monitoring of the effectiveness of the financial and risk assurance control frameworks established by the NDA.

The A&RAC is accountable for and advises the NDA Board on:

- The effectiveness and quality of group risk management framework and monitors risk exposure against group risk appetite
- The strategic processes for risk management, information risk management, control and governance within the core NDA, and across the wider NDA group
- Assurances relating to the management of risk and corporate governance requirements for the NDA as an organisation; anti-fraud policies, Speak up processes and arrangements for special investigations
- Proposals for tendering for either internal or external audit services or for purchase of non-audit services from contractors who provide audit services; the accounting policies, the Annual Report and Accounts, matters arising from the external audit, and management's Letter of Representation to the external auditors
- The plans, activities and performance of internal and external audit
- The adequacy of management response to issues identified by audit activity, including the External Auditor's Management Letter

During the year, the A&RAC has:

- Established a virtual forum to facilitate the sharing of challenges and good practices throughout the pandemic, allowing a proactive and collaborative approach to emerging risks. Topics included business continuity and resilience, the emerging and heightened risks in areas such as fraud and cyber and the impact on people
- Focused on information management and security in particular cyber risk and the General Data Protection Regulation, and improvements to commercial contract management systems
- Provided oversight on the further development of the NDA's Risk and Assurance Frameworks
- Supported the ongoing development of the Group Internal Audit Target Operating Model
- Had oversight of the assurance of the supplier payment scheme including a group-wide Internal Audit review of the PPN02/20 and PPN04/20 control design and operating effectiveness arrangements and substantive testing of the support payments made to suppliers;
- Supported the development of the compliance function and Speak-Up Policy
- Received regular updates on Speak Up (whistleblowing) issues, reviewed key matters raised via speak up reports and ensured the procedures allow proportionate and independent investigation of such matters, as well as appropriate follow up action
- Approved an updated Speak-Up Policy and introduced a Compliance & Ethics Committee to support the triaging and handling of concerns. A Group Chief Compliance & Ethics Officer was also appointed, to strengthen the group wide approach
- Ensured that the NDA accounting practices are in line with BEIS and HM Treasury guidance; and
- Ensured the NDA met all financial reporting obligations

Nominations Committee (NOMCO)

Number of meetings in the year: 2

The NOMCO consists of 7 Independent Non-Executive Board Members including the NDA Chair.

The following persons may also attend committee meetings at the invitation of the Chair:
- Group Chief Executive/Accounting Officer
- Group Chief People Officer

The NOMCO considers the composition and skills of the Board and senior executives, advises on the structure and size of the committees, and assesses succession planning and talent management.

During the year, the NOMCO has:

- Been informed about and welcomed the introduction of a Leadership Academy and Standard
- Reviewed the timings of Non-Executive Board Member terms of office and the appointment of further Non-Executive Directors
- Reviewed succession plans in the NDA Corporate Centre and NDA group
- Reflected on the diversity of the Board and the NDA Corporate Centre.

Remuneration Committee (REMCO)

Number of meetings in the year: 5

The REMCO consists of 4 Independent Non-Executive Board members:

- Evelyn Dickey (Chair)
- Rob Holden
- Volker Beckers
- Alex Reeves

The following persons may also attend the committee meetings:

- Group Chief Executive / Accounting Officer except for discussion in relation to their own remuneration.
- Group Chief People Officer except for discussion in relation to their own remuneration.
- NDA Chair
- NDA Non-Executive Board Members
- NDA Head of Reward

Further details on the work of the REMCO is contained in the Remuneration Report on pages 86-100.

Board committees continued

Health, Safety, Security and Environment (HSSE) Committee

Number of meetings in the year: 4

The HSSE Committee consists of 5 members (3 of which are Independent Non-Executive Board Members):

- Janet Ashdown (Chair)
- Evelyn Dickey
- Michelle Heath (until June 2020)
- Francis Livens (from January 2021)
- David Peattie (Group Chief Executive & Accounting Officer)
- Alan Cumming (Group Chief Operations and Performance Improvements Officer)

The following persons may also attend the committee meetings:

- Per Lindell – Standing Advisor
- NDA Chair
- Group Director of Risk and Assurance
- Director of Health, Safety and Wellbeing
- Director of Environment
- Group Chief of Staff and Security Officer
- Head of Security and Resilience
- Regulators (attend once per year)
- Group Chief Financial Officer
- Site Licence Company representatives (specific items)
- Chairs of the SLC S&SCs

The HSSE Committee supports the NDA Board in discharging its responsibilities in respect of issues of health, safety including both nuclear and non-nuclear safety, security and environment in the NDA group.

The responsibility for these issues within the NDA group lies with the Site Licence Companies (SLC). In particular, the SLCs have unambiguous responsibility for health, safety, security and environment on their sites. However, the NDA Board has a duty of care over the performance of its whole group in line with its governance framework and, in particular, must be assured that the SLC's are discharging their responsibilities properly.

Security and resilience includes business associated functions such as information governance, Cyber Security and ICT.

The HSSE Committee advises the NDA Board on:

- HSSE performance in the NDA group (current and projected), including sustainability, health and wellbeing and future plans
- Detailed summaries of safety, security and other information supplied to the NDA Board
- Regular reviews of the HSSE information provided on the NDA group, including key performance indicators and periodic reviews of supplier HSSE arrangements
- Assuring the NDA Board that the HSSE culture is supportive of NDA's stated ambition
- Assurance, or reviews and reports if applicable, in relation to the findings of investigations into significant incidents and audit findings within the NDA group, including presentations and updates from SLC representatives on issues, action plans to prevent recurrence and lessons learned
- An external perspective on relevant good practices and industry trends, including recommendations as to when and where the Board should seek advice

During the year the HSSE Committee has:

- Had oversight of the group response to and lessons learned from COVID-19 and a particular focus on mental health issues
- Undertaken 'virtual' visits to NDA sites at Sellafield, Dounreay, Oldbury and Berkeley to review performance and discuss safety with site staff
- Engaged with the Office for Nuclear Regulation (ONR), inviting senior representatives to provide an assessment of NDA's current security status and point to areas of interest for the future
- Encouraged the NDA's development of performance indicators and a sustainability policy including a focus on the carbon net zero target; and
- Had oversight of improvements to Health, Safety and Wellbeing Policy Policy reviews and the recommendations from the Cross Estate Significant Event Review

The Committee's routine business this year has been to scrutinise the management of health, safety, security, environment and wellbeing risks and performance across the NDA group. Performance is benchmarked against relevant industry sectors.

Board committees continued

From time to time, and as considered necessary, the Committee will receive reports from group businesses on events and accidents. This year, the Committee received detailed reports from Sellafield Ltd regarding the electrical incident, including a presentation on the Board of Inquiry Report.

The Committee also receives and commissions independent reports from NDA's in-house HSSE and security and resilience teams, including trend analysis and reports of work undertaken by the NDA to promote high standards and encourage collaboration.

Programmes and Projects Committee (P&PC)

Number of meetings in the year: 9

The P&PC consists of 5 members, 3 of which are Independent Non-Executive Board Members:

- Rob Holden (Chair)
- Janet Ashdown
- Francis Livens (from January 2021)
- Michelle Heath (until June 2020)
- David Peattie (Group Chief Executive & Accounting Officer)
- Alan Cumming (Group Chief Operations and Performance Improvement Officer)

The following persons may also attend committee meetings:

- Group Chief Financial Officer
- Group Director of Risk and Assurance
- Head of Sanction

The Programmes and Projects Committee provides additional oversight and scrutiny of major programmes and projects within the NDA group. The Committee supplements Board oversight; it is not intended to supplant it.

The P&PC advises the NDA Board on:

- Progress of major programme and projects against approved business cases and funding
- Assurance that emerging issues concerning major programmes and projects are understood and that mitigations are being appropriately pursued
- Outcomes of assurance reviews (internal or external) and progress against actions plans to address any issues raised in these reviews
- The forward plan of programmes and projects/ business cases coming to the Board for approval

During the year, the P&PC has:

- Provided oversight to and advised the Board on several major business cases including those related to the transition to One NDA
- Reviewed the impact of COVID-19 on productivity and costs across the group
- Provided oversight of sanction and assurance improvements
- Provided oversight of completed assurance in support of impending board decisions and forward assurance in support of later board decisions

Governance statement continued

Executive leadership team

David Peattie
Group Chief Executive Officer & Accounting Officer

Board and Executive Team Member

For more information see page 63

Mel Zuydam
Group Chief Financial Officer

Board and Executive Team Member

For more information see page 63

Alan Cumming
Group Chief Operations and Performance Improvements Officer

Executive Team Member

Alan joined the NDA as Group Director of Nuclear Operations in April 2018. He has responsibility for all operations, including health and safety.

A Chartered Civil Engineer and a Chartered Structural Engineer, Alan completed his nuclear training at Massachusetts Institute of Technology in Boston and has an MBA from Strathclyde Business School in Glasgow.

Before joining the NDA, Alan was Capital Projects and Engineering Director for Viridor, part of Pennon, Deputy Project Director for EDF Energy's New Build Nuclear Programme and Director of Projects for British Energy.

Governance statement continued

Executive leadership team

Kate Ellis
Group Chief Commercial and Business Development Officer

Executive Team Member

Kate joined the NDA in November 2017 from the Ministry of Justice, where she was Commercial Director for Her Majesty's Prison and Probation Service. Kate brings a wealth of valuable commercial knowledge and experience to NDA.

Previously, Kate was with BP for 22 years. She held several senior roles with the organisation, including Commercial Director of BP Shipping.

Neil Harnby
Group General Counsel and Company Secretary

Executive Team Member

Neil is a senior executive lawyer, general counsel and company secretary with more than 25 years of international experience.

Neil joined the NDA in October 2019 and brings a wealth of experience, from advising and working with organisations including Royal Mail and General Electric.

Jeremy Harrison
Group Director of Risk and Assurance

Executive Team Member

Jeremy joined the NDA in October 2018, following 4 years at HS2 Ltd.

Jeremy worked in the rail industry for 22 years. He pioneered early thinking on safety risk and then went on to lead on project and corporate risk. This included setting the standards and policies for risk management and value management, across the infrastructure projects on the national rail network.

Jeremy chaired the UK Risk Management Committee for BSI and supported Government initiatives to improve risk management across major projects.

Governance statement (continued)

Executive leadership team

Frank Rainford
Group Chief of Staff and Security Officer

Executive Team Member

Frank joined the NDA in February 2017. He has responsibility for Security, Cyber, Digital, ICT and other corporate services, as well as co-ordinating group development and One NDA.

Prior to joining the NDA, Frank spent 3 years as the executive responsible for the GE Aviation Aerostructures business in the UK and previously spent 21 years with BAE Systems and predecessor companies in the UK and Saudi Arabia, holding several senior roles including Transformation and Project Management Director. Frank studied at Lancaster University gaining an MBA and MSc in Project Management

Dr Adrian Simper
Group Director of Nuclear Strategy and Technology

Executive Team Member

Adrian joined the nuclear industry in research and development at Sellafield. His subsequent career has included strategic roles in research and development, technology, project delivery, commercial and finance both in the UK and the US.

Adrian joined the NDA in October 2005, he is also the NDA Group Mental Health Champion.

He was appointed to the Order of the British Empire (OBE) in the 2017 New Year Honours' list, recognising his services to the UK nuclear industry in Japan.

Duncan Thompson
Director of Group Development

Executive Team Member

Duncan has a mechanical and environmental engineering background with management experience gained over 27 years in the UK and overseas. He has worked for The London Stock Exchange, Ford, British Overseas Aid and Unicef and as a management consultant he worked with companies including National Grid Transco, Railtrack and BP.

From 2014 he led the work to bring Sellafield in as a subsidiary of the NDA and then, as Sellafield Programme Director, embedded and ran those subsidiary arrangements.

In April 2019 Duncan took on the new role of Director of Group Development, responsible for development and implementation of a group structure that best delivers our mission.

Governance statement (continued)

Executive leadership team

Paul Vallance
Group Chief Communications & Stakeholder Relations Officer

Executive Team Member

Paul began his career at BNFL, becoming Group Communications Director. He joined the NDA in June 2016 from Rolls-Royce, where he held a number of senior positions.

Paul was part of the executive team that established Rolls- Royce's nuclear sector, which included both the Civil Nuclear and Submarines businesses. Paul was also the customer lead for a number of Rolls-Royce's key commercial relationships.

David Vineall
Group Chief People Officer

Executive Team Member

David has a wealth of experience within the industrial sector having held a series of senior HR leadership roles in TATA Steel in Europe, BAE Systems and GEC Alsthom. Roles have included HR Director for the TATA Steelmaking Operations in South Wales and HR Director for Shipbuilding and Support business across Glasgow and Portsmouth within BAE systems.

David joined the NDA in April 2014 and plays a leading role in skills as a Board member for the ECITB (Engineering Construction Industry Training Board), deputy chair for the Nuclear National Skills Strategy Group and vice chair for the National College for Nuclear.

Governance statement (continued)

Executive committees

The Group Chief Executive and Accounting Officer is responsible for leadership and operational management of the NDA and is accountable to the Board and Parliament for implementing the strategy and plans approved by the Board and BEIS.

The Group Chief Executive and Accounting Officer is supported by an Executive team (the 'Executive') comprising of: Group Chief Financial Officer; Group Strategy and Technology Director; Group Chief Operations and Performance Improvements Officer; Group Chief People Officer; Group Development Director; Group Risk and Assurance Director; Group Commercial and Business Development Officer; Group Chief Communications and Stakeholder Relations Officer; Group Chief of Staff and Security Officer; and Group General Counsel and Company Secretary. Biographies of each can be found on pages 63 to 66.

The Executive has in place a meeting governance structure that aligns with that of the Board and the roles of each are set on pages 58-59. The Executive Committees meet monthly over a two-day period.

Financial control

The NDA has strong financial controls to ensure it remains within its budgetary spend for 2020/21 of £3.5 billion. It has well-defined delegated authority and a clear budgetary framework. The system remains effective with no significant issues identified by internal or external audit during the year.

We have a policy and procedures designed to ensure compliance with the UK Bribery Act, which we continue to review and enhance to ensure that the risks we face are appropriately addressed and mitigated. Copies of these policies and procedures are available on our website.

Programmes and projects across the group are controlled through Operating Companies (OpCo's) own governance and assurance processes, overseen by their Boards. Where a programme or project is above the delegation given to the OpCo Managing Director by the NDA Accounting Officer, the NDA Sanction Committee will scrutinise proposals and advise the NDA Accounting Officer, and where appropriate the NDA Board and BEIS Projects Investment Committee if above the NDA Accounting Officer's delegation from the BEIS Principal Accounting Officer.

Risk management

Effective management of risk enables us to achieve our mission of decommissioning the UK's nuclear legacy safely, securely and cost-effectively.
Risk management is a key decision-making tool for the NDA group. This allows us to proactively identify the opportunities and threats that are relevant to our business. To achieve our business objectives, requires minimising and managing the impact of risks and ensuring that the risks are considered proportionately when taking business decisions. Embedding risk management at the heart of our decision making will be achieved by establishing a positive risk culture, where open and transparent discussion of risk forms part of everyday business. We will lead this by:

- Providing a supportive environment where people can have open collaborative conversations about our risks and feel comfortable escalating risks and concerns
- Regularly discussing our risk appetite by understanding the effort required to manage the risk, so that our people are empowered to seek business opportunities and be innovative and creative
- Ensuring that our people have the skills and knowledge to manage risks effectively; and
- Ensuring that key risks are visible, owned, actively managed and prioritises support where it's most needed

The effective management of risk (threats and opportunities) is critical to the successful delivery of the NDA mission and to support this, NDA aligns its own principles to that of the BEIS Risk Management Principles.

The Board is ultimately accountable for NDA risks. All staff across the NDA group businesses have a duty to make sure risks in their areas of

Governance statement (continued)

responsibility are identified, managed and reported. The responsibilities of our site licence companies are defined clearly through the regulatory framework. The NDA requires all parts of the group to align risk processes, appetite, procedures and documents to enable a consistent picture of the group's risk landscape and profile.

The identification and management of strategic and delivery risks, demonstrates that the NDA has robust planning, forecasting and control of risks. The effectiveness of control and response to these risks is supported by our assurance function and internal audit function. These risks are used in prioritisation for our internal assurance plan (IAP) and the group internal audit activities.

Risk hierarchy

The NDA has been developing and enhancing the Group Strategic Risks (GSRs), these risks are the principal risks to the NDA group. The criteria for consideration are as follows:

- Short, medium & long term risk
- Risks to the existence of NDA group
- Risks to fundamental mission delivery
- Cumulative / aggregated / portfolio effects
- Proximity of risk occurrence – (considering last actionable date)

Risks which impact more than one area of the group may require ownership or coordination from the group. These could include:

- OpCos risks which also have a direct impact on other OpCos within the NDA group or the NDA Corporate Centre (e.g. DRS disruption impacting transport of nuclear waste)
- Similar OpCos risks held in multiple OpCos where a central collective risk can be more effectively managed (e.g. Brexit).
- Risks which have a cumulative impact across the group – multiple correlated impacts (e.g. delays to Geological Disposal Facility (GDF)
- The GSRs and associated controls are recorded in the table below

NDA businesses present their top risks and explain their management of them through the Quarterly Performance Review process. In addition, the NDA Corporate Centre risk team is engaging in additional challenge and assurance in relation to risks across the businesses.

These may be subject to Board Committee deep dive, an example being a particular safety risk from our Sellafield business.

Horizon scanning and emerging risk

Our overarching risk management framework provides for the recognition and escalation of emerging risks. Our collaborative work across the NDA group businesses, with the Heads of Risk, has developed significantly this year as well as corporate centre focus with Risk Champions. This has included collective identification of joint risks and sharing on emerging / evolving risks. Workshops have been held with the executive team using OpCo input, industry literature, and various other pertinent sources of data to further embed horizon scanning into the business, ensure we are resilient to future impacts of threats, and in a good position to embrace opportunities. This will continue as the group-wide risk management framework matures.

Risk Deep Dives

We undertake a rolling schedule of deep dive reviews of GSRs, that examine all aspects of the risk. Over the past year our Board subcommittees have reviewed six GSRs. During this year we have utilised expertise from across the group including NEDs from subsidiaries.

The involvement of Non-Executive Directors (NEDs) and other independent experts brings external industry and technical best practice to the in-depth reviews of these risks. Recommendations are made as to how to enhance the understanding of the risk including controls and responses.

Group strategic risks

Ref	Why they matter to us	How we are responding
1	**NDA business performance** It is important to stakeholder confidence that the NDA group delivers on its commitments and achieves successful performance. These commitments are about delivering the agreed strategies, to target and as planned, projects within timescales and budgets, procurements successfully and to regulatory requirements. A significant shortfall in achieving these expectations and commitments may undermine this confidence and damage reputation.	The NDA is currently transitioning to a simpler operating model. The NDA group, is made up of a Corporate Centre with subsidiary companies (OpCos) Each subsidiary is accountable for operating and managing the Sites and or businesses through their Boards. The One NDA approach seeks to simplify and standardise arrangements to provide opportunity for enhanced business performance. The strategic outcomes are defined and publicly reported. The NDA mission is now more visible and measurable to stakeholders. The clear communication of these commitments, with a good explanation of what the mission is about and its complexity, helps stakeholders understand what the NDA group is delivering and how successfully.
2	**Integrated Waste Management** NDA may be unable to satisfactorily deliver its mission to decommission the UK's nuclear legacy safely, securely and cost-effectively, due to the management and disposal requirements for the radiological waste. Disposal of such waste is highly sensitive and subject to UK Government policy direction and funding.	The implementation of our Integrated Waste Management Programme is an enabler to the creation of new routes of effective and efficient disposal of waste. We continue to drive technology development and are leading industry groups to coordinate waste treatment opportunities for thermal treatment technologies, encapsulation techniques and the effective management of problematic radioactive wastes. To enable further efficient delivery, we are establishing a new Waste Division, bring together RWM and LLWR.
3	**Resource capability & capacity** The NDA mission is long term and requires the strategic enabler of having the right people with the skills at the right time and place. The NDA needs to attract, retain and develop a high performing, highly skilled, talented and motivated workforce and create a culture in which people can thrive.	Our dedicated centre of excellent 'One NDA Leadership Academy' has been initiated to future proof our leadership capability to deliver the mission. To grow our pipeline of internal talent we focus on school engagement strategies and continue our commitment to apprentices and graduates to excite the next generation and those who influence their career opportunities. A clear purpose, strong development culture and excellent learning opportunities, support the retention, engagement and career development, of the high-quality teams required.
4	**Supply Chain capability & capacity** The NDA relies significantly on its supply chain to deliver projects and programmes. The supply chain needs to have the capacity and capability to support the NDA's targets, programmes and ultimately the mission. A shortfall may mean being unable to deliver HMG policy/ targets, increased government interest and reduced value for money for the UK taxpayer. The resilience of government agencies to supplier problems has recently been tested e.g. the failure of Carillion and COVID-19.	We continue to build a robust commercial capability which maintains a resilient, sustainable, diverse, ethical and innovative supply chain, that optimises value for money for the UK taxpayer when sourcing goods and services. Our group collaboration has enabled us to identify cross-Group synergies, sustainable procurement, while supporting the move to net zero greenhouse gas emissions. COVID-19 and Brexit have been the key threat to supplier vulnerability over the past year. Dynamic risk management has allowed targeted and swift actions. A residual risk still remains, and close monitoring of suppliers' financial vulnerability continues.
5	**Funding prioritisation** The importance of the NDA mission in dealing with the UK's nuclear legacy, is reflected in continued investment and support for safe and secure nuclear operations and decommissioning activities across the group. NDA's annual spending is set by UK Parliament, combining government grant with income from our commercial activities. This year has seen government priories change due to the external context of COVID-19 and Brexit.	We have maintained focus on improving mission delivery as we seek to reduce decommissioning costs in line with the ambition for the Nuclear Sector Deal. This value for money demonstration helped to maintain stakeholder support in prioritising NDA expenditure and is reflected in NDA Spending Review 2021. The NDA continues to explore all available options to optimise revenue from existing assets. This includes working with BEIS to explore opportunities that could emerge from changes in policy. Working as a group, One NDA, has enabled the NDA to operate portfolio management to maintain budget flexibilities.
	One NDA, Structure, Interfaces and Behaviours The NDA historical model for delivery of its mission, has been through a variety of contractual arrangements. Managing the NDA mission, with the scale, complexity and uncertainty, through these various arrangements is resource intensive and difficult to ensure value for money. It has also had the potential to limit the options for accelerating mission progress and may lead to stakeholder loss of confidence in NDA mission delivery.	Our transition from the Parent Body Organisation Model to the Operating Companies being wholly owned subsidiaries of the NDA is now complete. The Group Operating Model, Group Leadership Team and One NDA, has been launched and is a new way of working across the NDA group. It seeks to simplify and standardise arrangements to provide opportunity for greater effectiveness, efficiency and progress.

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Ref	Why they matter to us	How we are responding
7	**Major incident at an NDA site leading to large scale release of nuclear or chemical material to the environment** The aim of our mission is to complete the clean-up of our legacy sites and release them for beneficial reuse. Due to its nature and scale, the delivery of our mission remains subject to significant uncertainties and complexities. The risks and hazards the NDA manages are amongst the most challenging anywhere in the world. Internationally there are few programmes of the same scale and complexity. There is relentless focus is on avoiding a major incident which causes a large-scale release to the environment either due to a failure in an asset, a fire, explosion, or other initiating cause.	Our comprehensive controls across the Group align with legal requirements and international recommendations. REPPIR 2001 and COMAH regulations establish a framework for the protection of the public through emergency preparedness for radiation emergency premises and specified transport operations. We are continuously improving our understanding of the environmental impact of the mission, with plans in place to protect and enhance, reducing our impact as far as is reasonably practicable.
8	**Safety / security system failure - insider and external threat** The Energy Act 2004 requires the NDA to put in place measures for the safety of people, secure the adoption of what we consider to be good practice and give encouragement and support to activities that benefit the social or economic life of communities living near our sites. Security is a fundamental element of all civil nuclear operations. The NDA is committed to protecting nuclear facilities, information, materials in use, storage, and transit, to meet all legal and treaty requirements. Examples requirements are, Nuclear Industries Security Regulations 2003 and the International Atomic Energy Agency Convention on the Physical Protection of Nuclear Material.	The NDA maintain a health, safety and wellbeing integrated improvement programme. This aligns with UK Regulations whilst continuously improving performance through development of NDA integrated management system processes and activities. A significant focus, particularly during COVID-19, is our championing of mental health and wellbeing. We continue to deliver our mental health and wellbeing improvement programmes. The 5-year Security and Resilience (SAR) plan seeks to establish and deliver innovative SAR solutions providing enhanced pragmatic and flexible approaches to maintaining and supporting secure sites and working environment.
9	**External Environment Impacts on Nuclear Reputation** The NDA's mission to decommission the UK's nuclear legacy safely, securely and cost-effectively relies significantly on the continued support of stakeholders, particularly the UK government and public. An external nuclear event, over which the NDA has no control, may challenge stakeholder support and force the NDA to respond. If this is perceived as being in an inappropriate manner, it may amplify any impact from the external event. This may also delay or change our mission with significant cost increases.	NDA Group response depends on the proximity and impact of the event on the NDA estate. Group controls align with legal requirements and international recommendations. Post the response phase, emergency preparedness moves to the recovery phase, and strategies are adjusted to account for the consequences of any external nuclear event. The NDA has improved their response plans following a review of the NDA's response to COVID-19.
10	**NDA Response to Cyber Threats** The government assesses cyber-attacks on the UK as a major threat to national security. Nation states and organised cyber criminals continue to target UK citizens and industry. The UK government's National Cyber Security Centre has publicly highlighted the unique threat to the UK energy sector, with more specific advisories concerning civil nuclear. Cyber security and resilience are a UK, BEIS and ONR security priority and fundamental to the NDA's mission and objectives. NDA's operating companies are legally accountable to their regulators to manage this risk. Inability to respond and recover effectively from a cyber-attack may lead to a wide range of impacts depending on the nature and severity of the compromise.	The Civil Nuclear Cyber Security Strategy, published by BEIS in 2017, set out a path over 5 years to keep the sector ahead of the rapidly evolving threats. To ensure alignment, the NDA's group-wide Cyber Security Resilience Programme's strategy is to ensure a more secure and resilient estate with a collective defence through the sharing of knowledge, skills and costs. Continued growth of NDA Group's capabilities, to positively shape the defence of critical national infrastructure across the UK nuclear industry and the wider energy sector. This is being achieved through providing a modern, cost-effective, and secure technical infrastructure.
11	**COVID-19** Maintaining nuclear safety has been the fundamental priority during the global pandemic. This has been ensured by maintaining minimum manning levels, whilst managing the impact to the wider group and business continuity.	The NDA group response to the pandemic has been dynamic aligned to government guidance. Lessons have been learned, captured, communicated and embedded throughout the group. Weekly stakeholder and regulator communication, business continuity, resilience forums and key risk indicators were established early in the pandemic. These are continuously monitored to enable risk-based decision making. Numerous staff and supply chain personnel were identified as 'key worker' status. Focus was to maintain minimal manning levels. Remote working has enabled continued mission delivery, with a focus on personnel wellbeing through a series of ongoing mental health awareness campaigns. Improve ways of working have been identified out of the response to the pandemic. These have included simplifying processes and driving a digital agenda, to deliver our strategic objectives.
12	**Brexit** Managing the impact to the NDA group of the change in UK to EU relationships	The NDA group coordinated its response to BREXIT. This included maintaining parallel risk response plans for 'deal' and 'no deal' exit scenarios. Assurance and internal audit activities were undertaken to test the robust arrangements and the planning in place for Brexit Readiness. Stakeholder and regulator communications were established with the key parties involved in focus forums, risk planning and reporting.

Governance statement (continued)

Information governance

The NDA Group Chief of Staff and Security Officer has responsibility for information governance, information and communications technology, security & resilience and cyber. This covers all aspects of:

- Cyber security
- Physical and personnel security and resilience
- Knowledge and information management
- Digital and data management
- Information security and assurance
- Information risk management
- Information and communications technology

The Security and Corporate Services team have continued to provide effective leadership and management of information risks and issues arising across the nuclear estate. This includes governance, assurance and oversight of a number of group-wide risk reduction programmes, all of which have delivered key benefits.

During the last year, we have:

- Provided effective coordination across the NDA group in response to the COVID-19 pandemic.
- Delivered a continued increase in cyber maturity across our protect, detection, response and recovery capabilities
- Delivered an NDA Warning, Advisory and Reporting Point that has been established to share timely cyber threat intelligence across the NDA group
- Provided NDA group supply chain security audit and assurance services
- Delivered the first phase of our ICT modernisation programme, transitioning NDA Corporate Centre, INS and RWM to Microsoft Office 365
- Continued delivery of the Cyber Security & Resilience Programme including transition to remote delivery of services (training, exercising and technical testing)
- Continued to evolve the group-wide digital collaboration platform (The Hub) within our secure infrastructure service (Ecosystem) promoting the effective sharing of sensitive data, knowledge and expertise, and enabling the provision of cross-group secure services
- Initiated a 'Group Unified Communications' initiative, with the aspiration to seamlessly connect the NDA group and central Government bodies by end of 2021
- Continued to develop the group's Cyber Apprentice and Graduate scheme that supports the whole civil nuclear sector
- Supported more than 100 Cumbrian school children in completing the National Cyber Security Centre's (NCSC's) Cyber First scheme, provided by the NDA and Energus
- Led industry working groups in unmanned aerial vehicles, supply chain and personnel security
- Worked to agree cloud principles with a view to better collaboration & efficiency through developing standardised architecture in the cloud
- Completed a sector-wide cyber exercise 'Purple Lumi 2021', delivered virtually and including a chain-of-command element for the first time
- Supported DEFRA, PHE, EA and BEIS in the development of nuclear and radiological response and recovery
- Continued to make good progress across the group with respect to compliance with the General Data Protection Regulations

The NDA group Senior Information Risk Owner (SIRO) forum, comprising senior NDA staff and Directors from all of our businesses, who are responsible for managing information risk, meet regularly to provide governance of assurance programmes, and audit performance reviews in the areas covered above. These assessments and reviews, in turn, provide assurance to key stakeholders including the regulatory community, the NDA Board, BEIS and other Government departments and agencies.

Modern Slavery Act 2015

The Modern Slavery Act 2015 (s54) requires organisations with a global turnover in excess of £36 million to publish an annual slavery and human trafficking statement. In the NDA this is supplemented by a Modern Slavery and Human Trafficking Policy which details the steps taken and future developments to support our supply chains in eradicating these practices.

Governance statement (continued)

We are assessing the risk of modern slavery within our supply chains, by targeting high risk categories of spend, and segmenting using the guidance provided by Government in its Modern Slavery Assessment Tool. As an organisation, we set ourselves high standards and expect the same approach from our supply chain. Our Supply Chain Charter sets out the NDA's position and its expectations. We have embedded processes on the management of any suspected or reported breach of the Modern Slavery Act, these have support of the victims as the focus.

Our commercial policies and processes are built to ensure that modern slavery checks are built in and considered as business as usual good practice. Adoption of standard Government approaches, including the standard selection questionnaire, contractual clauses etc. ensure that we support the Government aims for commercial as set out in the Government Commercial Function Modern Slavery Statement.

Effectiveness of the control environment

As Accounting Officer, I have responsibility for ensuring the System of Internal Control and its effectiveness are both sound. I am also personally accountable for safeguarding the public funds allocated to the NDA, as well as departmental assets, in line with the HM Treasury publication 'Managing Public Money'. Support for these activities is provided by the NDA internal audit function, the external auditors (the National Audit Office) and other assurance functions, both within the NDA and across the group.

In accordance with HM Treasury guidance, the NDA System of Internal Control has been in place for the period commencing 1 April 2020 up to the approval date for the Annual Report and Accounts. The system is designed to manage risk to a reasonable level while complying with relevant rules and regulations.

It is impossible to eliminate all risk of failure in implementing policies, aims and objectives; therefore, the system provides assurance of effectiveness to a level that is reasonable rather than absolute. My Executive team members are responsible for developing and maintaining the Internal Control Framework in their own functional areas. Oversight and challenge to the system is provided by the Board and also by the Audit and Risk Assurance Committee, who ensure plans are in place to address any weaknesses.
Significant reliance is placed on those controls operated by businesses across the group, including in the management of various compliance risks, including tax risks. Significant focus and cross-group support has been given in-year to the extended requirements of the off-payroll worker rules (IR35). The NDA is compliant with the IR35 requirements.

In line with Government requirements, the NDA Modelling and Analysis Team tests the robustness of the end-to-end process used in developing all the group's business-critical models and spreadsheets that influence the NDA's key business decisions. The NDA is compliant with the implementation of the MacPherson Review of Quality Assurance (QA) of Government Analytical Models and has AQuA Book compliant processes in place.

Our focus on aligning and improving audit and advisory services across the group in support of strengthened Audit and Risk Assurance (A&RAC) oversight has continued. This year, the further embedding of our 'virtual' group internal audit function and target operating model has improved the quality and consistency of group-wide arrangements and has supported our overall visibility, understanding and ongoing improvement of matters of corporate governance, risk management and internal control. Compliance arrangements continue to develop; during the year we approved a new Compliance Strategy and reviewed the arrangements by which we support the raising of concerns and the business in making compliant and ethical decisions.

Our A&RAC has continued to strengthen relationships and arrangements with the group's supporting Audit and Oversight Committees at the subsidiaries and site licence companies. From April 2020 we held regular group-wide sessions for NDA and business A&RAC Chairs and members; to provide an opportunity to share challenges and good practices arising as a result of the pandemic,

Governance statement (continued)

and to focus in on emerging risks with facilitation from external subject matter experts. The group-wide representation and input at our NDA Group A&RACs and Internal Audit Conference this year was the best yet and the outcomes from the event, including agreed audit and improvement areas for 2021/22, evidence the benefits we are now realising from our One NDA approach to internal audit.

Our group internal audit function developed and delivered a group internal audit plan for 2020/21; including group audit themes, aligning our approach to the review of significant group-wide risks and controls. A significant focus of the group-wide work this year was to provide assurance over the development and implementation of supplier relief schemes in response to COVID-19; an efficient and effective response to a significant emerging risk. In addition, planned group-wide audit work on our asset management strategy, controls and asset performance which underpin mission delivery was completed. The internal audit work for 2020/21 was further designed to provide assurance over key business processes, along with specific corporate and business risks.

The findings from the internal audit reports across the group receive close attention from both the Executive team and the Board via the A&RAC.

In line with the standard ratings of the Government Internal Audit Agency, The NDA's Group Head of Internal Audit has provided an overall rating of 'moderate' to the level of assurance that there is generally a sound framework of governance, risk management and control, both within the NDA and the wider group. This view is based on the work of internal audit, including oversight of the various assurance activities undertaken by the NDA, its subsidiaries and site licence companies and through engagement with the Internal Audit functions of the businesses.

In the NDA Corporate Centre the assigned ratings were as follows: 'no assurance' 5%, 'moderate assurance' 11%, 'high level of assurance' 47% and 'substantial assurance' 5%, with 32% advisory. Our audit into senior pay controls received the 'no assurance' rating. This audit was undertaken at my request in response to concern over the design and operation of processes and controls applied to senior pay across the group. Findings from this audit were quickly communicated to all stakeholders in order that improvement actions could be implemented and lessons learnt shared.

2020/21 internal audit reviews completed across the group by the year end were assigned ratings as follows: 'no assurance' 4%, 'limited assurance' 1%, 'moderate assurance' 29%, 'high level of assurance' 35% and 'substantial assurance' 7%, with 22% advisory and 2% not rated. The overall 'moderate' assessment is reflective of the group position.

Group-wide themes identified by internal audit reviews as requiring further strengthening included our response to evolving risks around information, communications and technology; particularly in response to information governance and the General Data Protection Regulation. Reviews also highlighted the need for further improvement in our contract, risk and change management arrangements. Addressing these topics with a group-wide approach to risk and control is not only strengthening oversight but also enabling a collaborative and consistent approach to the development and implementation of improvement activities.

Business operating processes, including financial, internal procurement and broad HR controls were generally found to be robust.

I have also been mindful of the work by several important bodies examining the Magnox procurement and the Magnox transition; namely the NAO, the Parliamentary Public Accounts Committee and the Magnox Inquiry. We are currently reviewing the recommendations from these reviews, and the recently published BEIS Departmental Review, and will formally respond later in the year. This will ensure a timely and effective update to the system of internal control.

Looking forward, and in light of the COVID-19 crisis, internal audit has had and will continue to have an important role to play as an advisor and assurer

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Governance statement (continued)

to the business and to guide decision-making at the highest level. We have been responsive with our assurance activity and switched focus to be supportive and advisory where required. Many of these techniques will be carried forwards into next year as we introduce a more agile and business partnering approach.

On balance, as Accounting Officer, I am therefore confident that the system of internal control operating throughout the past year is effective, and appropriate to meet the NDA's objectives. In reaching this conclusion, I have taken advice from the Group Head of Internal Audit and the Group Chief Compliance Officer.

David Peattie
Accounting Officer and
Group Chief Executive Officer
15 July 2021

Remuneration report

The primary role of the Remuneration Committee is to ensure that an effective remuneration policy is in place to enable the NDA to attract, reward and incentivise executives with the right skills and expertise to successfully deliver our important goals.

I am pleased to present the 2020/21 Remuneration Report for the NDA Corporate Centre, outlining the areas of activity for the Committee during this financial year.

Our response to COVID-19 was a major focus throughout the year and the impact on incentive arrangements was considered carefully.

Shortly into the year, as the virus started to disrupt our lives and business, the Committee reviewed the performance against the 2019/20 incentive plan. Eleven months of the performance period were unaffected by COVID-19 and performance against targets was strong. The Committee decided to declare a corporate out-turn in line with the formulaic target achievement at 87.5% of the maximum. Mindful of the wider impact unfolding in society, the payments were deferred until September and the CEO and CFO voluntarily took a 20% reduction in their own payments.

Similarly, the performance of the 2017-2020 long-term incentive plan was carefully considered and a payment of 150% of the award value declared in line with the target achievement. Payments for these was also deferred until September.

Early in the financial year, the Committee finalised the targets for the 2020/21 incentive plan and confirmed that the original targets, drafted pre-COVID-19, should not be adjusted. Whilst not appropriate to amend the targets, the Committee signalled to the executives that it would use discretion in arriving at any final payment decision to take the impact and our response to the virus into account.

In early 2021, the Committee commenced the process of setting incentive targets for the annual 2021/22 plan and the long-term 2021-2024 plan. In doing this the Committee has taken account of our Strategy 4 document and the opportunities of One NDA and is mindful that targets should not be inappropriately influenced by COVID-impacted performance in 2020/21.

The targets will be finalised in early 2021/22 and the Committee will ensure that targets are fully relevant and suitably stretching for the period ahead.

Shortly after the year end the committee met to consider the outcome of the 2015-2018 Long-term Incentive Plan (LTIP). The LTIP had 7 participants, some of whom are no longer employed by NDA.

The assessment, and any payment related to this LTIP, had been previously deferred pending the outcome of the Magnox Inquiry led by Steve Holliday. The output of this inquiry was the Magnox Inquiry Report which was published in March 2021 and highlighted a number of corporate failings within the NDA during the relevant 2015-18 period which resulted in substantial costs for the taxpayer. After careful consideration of the Magnox Inquiry Report and relevant issues the Committee decided to exercise its full discretion and recommended to the Board that no payment should be made to any participant in relation to this deferred LTIP. This was agreed by the Board.

During the year, the Committee continued to support the Group CEO by looking at reward not just for the two Executive Directors but for all Executive Team members. This focus beyond Executive Directors is intended to be formalised in 2021/22 with an updated Reward and Governance Policy and Committee Terms of Reference. The Committee also takes an oversight of reward in the NDA Corporate Centre in general and does this by attending meetings of the organisation's Joint Consultation Group and by a variety of other means as reported elsewhere in this report in line with our commitment to section 172 of the Companies Act.

Evelyn Dickey
Chair of the Remuneration Committee

Remuneration Committee (RemCo)

The Remuneration Committee formally determines the remuneration and terms of service of the Chief Executive and executive directors including individual salaries, setting and assessing performance targets, the outturn of performance related pay and arrangements for joiners and leavers. For avoidance of doubt, the remit of the NDA Remuneration Committee does not include the NDA subsidiaries.

Remuneration Committee Membership
- Evelyn Dickey (Independent Chair)
- Rob Holden (Non-Executive Board Member)
- Volker Beckers (Non-Executive Board Member)
- Alex Reeves (UKGI Representative Board Member)

The following persons may also attend the committee meetings from time to time: -
- NDA Chair
- Chief Executive / Accounting Officer except for discussion in relation to their own remuneration
- Group Chief People Officer and Group Chief Financial Officer except for discussion in relation to their own remuneration
- Other NDA Non-Executive Board Members
- Group Head of Reward

During the year April 2020 to March 2021, the Remuneration Committee:

- Reviewed performance at the NDA and individual executive level to determine the Short-term Incentive Plan (STIP) awards for the year April 2019 to March 2020
- Finalised the performance targets for the 2020/21 STIP, confirming that targets would remain at pre-COVID levels
- Agreed the outcome and payments for the LTIP plan April 2017 to March 2020 vesting in 2020.
- Agreed the targets of the LTIP plan for years April 2020 to March 2023, payable when vesting in 2023
- Commenced work to set the targets for the short-term incentive plan 2021/22 and the LTIP 2021-2024 which will be finalised early in financial year 2021/22
- Decided the outcome of the 2015-2018 LTIP plan as described in the opening section
- To guide the committee's thinking, market insight information from Korn Ferry Hay and from Price Waterhouse Coopers (PWC) was received and discussed in depth, particularly on the topic of the market's response to COVID-19
- Supported the executive to develop the Reward section of the new Framework Agreement between BEIS and the NDA, particularly providing advice on appropriate governance
- Reviewed the salaries of the NDA Executive team and made changes effective 1 April 2020 in line with the wider workforce
- Appointed PwC as independent Remuneration Committee advisers

Remuneration Policy

Attracting and retaining the right calibre of executives is critical if we are to deliver the NDA's mission safely, securely, quickly and to provide value for the taxpayer. It is therefore essential that we offer reward packages that are competitive with the markets in which we compete for talent, whilst still being mindful of taxpayer value for money.

The remuneration of the Executive Directors consists of a base salary, performance related short and long-term incentive plans, a market benefit allowance and pension entitlements. The following table sets out the NDAs Executive Remuneration Policy and gives highlights of how this is being operated.

Remuneration report (continued)

Basic Salary	
Policy & Purpose	Salaries are set at a level required to attract and retain the right calibre of executives, reflecting the skills and experience of the individuals, market reward data, scope/size of role & responsibility and mindful of taxpayer value.
Operation of policy	Salaries are reviewed each year, effective 1 April, taking the above matters into account and the salary awards being made in the wider organisation.
Outcome 2020/21	Salaries for Executive Directors increased by 2% effective April 2020, in line with the levels agreed with BEIS for the rest of the NDA Corporate Centre. However, this did not apply to the Group CFO who had joined 3 months before the salary review date.
Application for 2021/22	The NDA Corporate Centre is subject to the public sector pay pause and the Committee intends that this will apply to the Executive Directors.
Short-term Incentive Plan	
Policy & Purpose	The aim of the short-term incentive plan (STIP) is to encourage improved operational and organisational performance and motivate and engage employees by having part of their reward package as variable pay, linked to achievement of the business operating plan and their personal objectives.
Operation of policy	The NDA CEO has an STIP up to a maximum of 50% of salary and the Group CFO 40%, based on achievement of corporate and personal objectives linked to the group operating plan.
Outcome 2019/20	During the year, the Committee approved the corporate elements of the STIP payment at 87.5% of maximum and personal elements for the CEO, CFO and other executives. The outcome for the 2020/21 STIP was decided early in 2021/22 and a narrative on this will be proved in the next annual report.
Application for 2021/22	No change to the STIP is planned for year 2021/22. In setting incentive targets for this plan the Committee is mindful that that targets are fully relevant and suitably stretching for the period ahead and not inappropriately influenced by the COVID-19 impacted performance of 2020/21.
Long-term Incentive Plan	
Policy & Purpose	The aim of long-term incentive plan (LTIP) is to encourage strong and sustained improvement in line with the strategy and mission, aligning executives on longer-term strategic goals and providing a motivating stake in the delivery of long-term, sustainable business success.
Operation of policy	Eligibility for LTIP is a year on year decision by the Remuneration Committee. An LTIP Award may be made at the start of each 3-year performance period and a multiplier may increase or decrease the outcome between 0% and 200%. The multiplier is based on performance against long-term targets and improvements to the Operating Plan as determined by the Remuneration committee who also regularly monitor the performance. The CEO typically has an award of 25% of salary and the Group CFO 20%.
Outcome of LTIPs commencing 2017 and 2018	During the year, the Committee approved the outcome of the LTIP 2017-2020 at 150% of award value. The LTIP 2018-2021 was assessed early in 2021/22 and a narrative on this will be provided in the next annual report.
Application for LTIP 2021-24	No change to the LTIP is planned for year 2021-2024. The Committee will set targets for this plan in late Spring 2021 and will ensure these are relevant and suitably stretching for the period ahead.
Benefits	
Policy & Purpose	Benefits are offered to be competitive with the markets in which we compete for talent.
Operation of policy	Executive Directors receive a car allowance of £12,000. Note that private medical insurance is not provided, in line with our public sector status. There are no changes planned to this policy for 2021/22
Pensions	
Policy & Purpose	A pension is provided to build up a retirement income, in line with other major employers.
Operation of policy	Executive Directors are eligible for membership of the Civil Service Pension arrangements in the same way as other employees, either on a 'career average' or a defined contribution basis. More details of our pension arrangements are on page 99. The Group CFO is a member of these arrangements and the CEO is provided with a cash payment in lieu of membership. There are no changes planned to this policy for 2021/22.

The Committee routinely seeks independent advice on remuneration matters to support the setting of reward levels at an appropriately competitive level. In 2020, PwC were selected as the Advisers to the committee and they will also provide support where required to other parts of the NDA group to obtain synergies and support consistency.

Director's Contracts

Executive Board Members, presently the CEO and CFO, are appointed by the Non-Executive Board Members and, in the case of the CEO, with the approval of the Secretary of State for BEIS in conjunction with Scottish Ministers and in line with the Commission of Public Appointments Codes of Practice. Their service contracts have a 6 months notice period. Remuneration for the Executive Directors is the responsibility of the NDA Board and operationally managed by the Remuneration Committee.

Non-Executive Board Members are appointed by the Secretary of State for BEIS in consultation with Scottish Ministers, the NDA Chair and in line with the Commission of Public Appointments Codes of Practice. The remuneration of the Chairman and Non-Executive Board Members is also determined by BEIS. Fees for the Chair and other Non-Executive Board Members are determined by BEIS and the non-executives are not involved in decisions relating to their own remuneration and for year 2020/21 were entitled to fees of £25,000 per annum.

Those who chaired board committees also received a fee supplement of £5,000. Details of members who chaired committees are shown in the table below however the NDA Chair does not receive a supplement for chairing the Nominations Committee.

From 15 March 2021, in recognition of the increased time, scope and workload of the Board following the transition to a subsidiary model, the fee structure has been increased to £40,000 per annum with no additional fee for chairing board committees. Some Members have decided to remain on the previous fee structure for this financial year.

Non-Executive Board Members and the Chair do not receive performance-related bonuses or pension entitlements but are reimbursed for reasonable expenses incurred in the performance of their duties.

Details of directors' remuneration and pension are shown in the single figure table below. More details on pensions and cash equivalent transfer values are shown at the end of the section on page 99. Details on the gender pay gap can be found on page 95.

Executive Directors Remuneration

This information is subject to audit.

Director	Year	Fixed Pay			Variable Pay		Total Remuneration £
		Salary £	Benefits £	Pension*** £	Short Term Incentive £	Long Term Incentive £	
David Peattie (*)	19/20	330,000	61,118	-	114,510	125,938	631,566
	20/21	336,600	61,118	-	126,225	115,634	639,577
Mel Zuydam (**)	19/20	61,505	2,839	23,587	15,884	-	103,815
	20/21	260,000	16,981	99,710	63,960	-	440,651

(*) Additional benefits received was a market benefit of £12,000, and a cash payment of £49,118 (2019/20: £49,118) in lieu of membership of the Civil Service Pension Plan.
(**) Joined as an Executive Board Director from 06/01/20 and remuneration and benefits for 2019/20 reflects this 3-month period. Additional benefits received were a market benefit of £12,000, and holiday pay allowance of £4,981 (2019/20: £0).
(***) Details on Pension arrangements are shown on page 99.

Remuneration report (continued)

Non-Executive Board Members Remuneration

This information is subject to audit.

Non-Executive Board Members	Additional role (Effective date of becoming a Member)	Year	Total Fees £
Tom Smith (Chair until 31.08.2020)	Chair of the Nomination Committee (01.03.17 – 31.08.2020)	19/20	150,000
		20/21	62,500
Dr Ros Rivaz (Chair from 01.09.2020)	Chair of the Nomination Committee (01.09.20 - date)	19/20	-
		20/21	109,375
Volker Beckers	Chair of the Audit & Risk Assurance Committee (01.03.15 - date)	19/20	30,000
		20/21	30,457
Evelyn Dickey (1)	Chair of the Remuneration Committee (01.03.15 – date)	19/20	30,000
		20/21	30,000
Janet Ashdown (1)	Chair of the Safety and Security Committee (01.06.15 - date)	19/20	30,000
		20/21	30,000
Rob Holden	Chair of the Programmes and Projects Committee (01.06.15 - date)	19/20	30,000
		20/21	30,457
Nick Elliott	Non-Executive Board Member (15.03.21 – 30.04.21)	19/20	-
		20/21	-
Francis Livens	Non-Executive Board Member (01.12.20 – date)	19/20	-
		20/21	9,019
Alex Reeves (2)	UKGI Representative Board Member (01.02.20 – date)	19/20	-
		20/21	-
Michelle Heath	Non-Executive Board Member (01.10.19 – 30.06.20	19/20	12,500
		20/21	6,250

(1) Members who decided to remain on the previous fee structure for this financial year, see page 89
(2) Did not receive any remuneration for services to the Board

Remuneration report (continued)

Wider workforce considerations

In setting the remuneration for the Executive Directors and the wider executive team, the Remuneration Committee is mindful of wider workforce considerations and appropriate alignment is sought. This oversight is assisted by attending employee meetings such as the Joint Consultative Group as an observer. Examples of this alignment are:

- Incentive targets alignment, ensuring those used for Executives are the same as those used for the corporate element of the NDA employees' incentives.
- The executive pay review in April 2020 was fully aligned with the wider workforce
- Executives and all employees are eligible for the Civil Service Pension arrangements

Ratio between median earnings of organisation's workforce and highest paid Director ('Hutton' Disclosure)

Reporting bodies are required to disclose the relationship between the remuneration of the highest-paid director in their organisation and the median remuneration of the organisation's workforce.
The banded remuneration of the highest-paid director in the NDA Corporate Centre, in the financial year 2020/21 was £635,000 - £640,000, (2019/20, £630,000 – 635,000). This was 8.4 times (8.5 times 2019-20) the median remuneration of the workforce, which was £75,515 (2019/20, £74,544).

In 2020/21, zero (2019/20, zero) employees received remuneration in excess of the highest-paid director.

Remuneration ranged from the lowest band of £20,000 - £25,000 to the highest band of £635,000 - £640,000. (2019/20 band £25,000 - £30,000 to £630,000- £635,000.

Total remuneration includes salary, non-consolidated performance-related pay and benefits-in-kind. It does not include severance payments, employer pension contributions and the cash equivalent transfer value of pensions.

This information is subject to audit.

	2020/21 Total £	2019/20 Total £
Band of highest paid Director's total remuneration	635,000 - 640,000	630,000 - 635,000
Median total remuneration	75,515	74,544
Ratio	8.4:1	8.5:1
Band of lowest paid employee's total remuneration	20,000 - 25,000	25,000 - 30,000

The small increase in the median remuneration level of 1.3% is due to the annual salary increase, circa 2%, offset by a small change in the mix of the workforce due to relatively more recruitment at lower grade levels. The highest paid director received a salary increase in 2020/21

People report

Our people are the greatest asset to our mission. Our objective is to enable and drive the delivery of our mission through our highly skilled people by attracting, retaining and developing a high performing, talented and motivated workforce.

We want to create a culture in which our people can thrive and provide a great place to work where our people feel respected, included and able to perform at their best. The following section provides an update on the important progress we've made on our 'people' critical enabler in 2020/21.

This year our Strategy 4 document was published which contains significant updates to our People Strategy. This outlines and underpins the objectives for the NDA group. It is built around 3 key themes:

1. Ensure we have the right people, in the right roles at the right time to deliver the mission
2. Create a culture in which our people can thrive
3. Work in partnership with our recognised trade unions and the broader stakeholder community

The strategy was developed in collaboration with a number of stakeholders, both internal and external to the NDA group. This One NDA approach has enabled us to collaborate meaningfully and effectively on developing a strategy to create a thriving workforce for the future.

We are also continuing our commitment to the targets and objectives of the UK government's policy position, including the Nuclear Sector Deal. We take a leading role in skills strategy and policy for the UK nuclear sector by chairing the Nuclear Skills Strategy (Group) and continuing to support government initiatives on a national, regional and local level.

Ensure we have the right people, in the right roles at the right time

This year we co-created the NDA Group Leadership Standard, which describes how we expect our leaders to behave and lead. The Standard has been adopted by all the operating companies within the NDA group, creating a single language of leadership. We have established an NDA group Leadership Academy, which welcomed its first cohort on the programme in March 2021. The Academy will enable us to future proof our leadership capability, strengthen our executive succession and drive collaboration across the group at all levels. For more information please see case study on page 94.

We are committed to developing our people through our approach to skills development and talent. We are looking at functional succession and talent, understanding the capabilities we need not only now but in the future and ensuring that our functional career pathways enable us to provide meaningful long-term opportunities.

It's important that we continue to attract diverse, talented and committed people to be part of our mission. Despite COVID-19, we have continued to increase the number of apprentices and graduates to address key skills gaps and our future pipeline.

Working collaboratively across the NDA group has enabled us to establish a set of principles to underpin the Agile Working Policy, with a sensible and flexible approach to the working environment, while ensuring business needs remain a priority.

The One NDA way of working has also enabled the group to maximise the benefits of collaboration. An example of this is the launch of the group wide mobility policy working in partnership with our Trade Unions. This has provided us with the opportunity to enable and capitalise on the wealth of experience and talent within the NDA businesses, by providing more freedom to work in other parts of the group, which has increased development and career opportunities.

Creating a culture in which our people can thrive

A One NDA approach is enabling us to work together as a group to build great places to work, which are diverse and inclusive. Organisations that put diversity and inclusion at their core, attract and retain the best people who perform better and are more successful.
Creating an environment where differences of thought and perspective are encouraged isn't just the right thing to do - it's also good for our business.

The Equality, Diversity and Inclusion (ED&I) Group Strategy, launched in May 2018, set out the NDA group approach to creating a culture of respect, inclusion and diversity. We have ensured high visibility of our leadership commitment to the ED&I agenda during an unprecedented year.

Since 2018 we have established a dedicated Head of ED&I to lead a working group within the NDA Corporate Centre representing all levels across the organisation focusing on the delivery of D&I and the provision of access to various Networks. The focus group is responsible for the commitment and delivery of the ED&I Plan within the NDA Corporate Centre and is key to the participation across the organisation within the various focus areas including; International Women's Day, International Day Against Homophobia, Biphobia, Interphobia and Transphobia (IDAHoBiT), Black History Month and International Day of People with Disabilities Day - leveraging the power and reach of our group-wide networks throughout the year.

Recent D&I survey results from 2020 show an increase in the following areas of the NDA D&I Strategy:

- Manager support on altering working arrangements
- Openness and discussions around mental health issues
- Leaders actively championing diversity and inclusion
- Employees understanding of raising complaints around discrimination, harassment or bullying and where to go for help

Areas for improvement were within the transparency of our recruitment and promotion process and how we challenge the status quo.

To support our employees through the COVID-19 pandemic, we ramped up our engagement on mental health and wellbeing. More information on employee health and wellbeing can be found on page 95 For more information on respect and inclusion see case study on page 40.

Over the last year we've focused on delivery of group key targets as a diverse and inclusive employer with the objectives of:

- Bringing to life our fairness and meritocracy (resourcing) principles to drive accountability and transparency in how we attract, select and develop talent
- Creating flexible working principles ('We Trust') to support employees home working where operational needs allow
- Embedding ED&I into our Leadership Academy, Leadership Standard and developed an online leadership module
- We also maintained a focus on respect at work including online Respect workshops to support training for employees and leaders across the organisation and reviewed a number of our policies. These additional activities have been welcomed by the organisation and have further demonstrated our continued commitment to driving respect at work.

In line with our policies, and the establishment of our group wide Disability network, we work hard to support all individuals who are disabled. This includes those seeking employment with the NDA, as well as those employees who have become recently disabled. In doing this:

- We are a 'disability confident' employer, with a view to move to level 2 status within 2021/22
- We give full and fair consideration to applications for employment, where all screening and assessment is carried out in line with our recruitment standards and with reference to the candidate's aptitudes and abilities
- We make reasonable adjustments through a work place adjustment passport and arrange appropriate training for employees who are disabled, or have become recently disabled, in order to support their continuing employment, training, career development and promotion.

The recent OHI Survey had a response rate of 83% and provided us with further clarification on how our employees are feeling within the workplace with an increase from the last survey as follows:.

Significantly Stronger:

- Direction
- Coordination
- Innovation and Learning
- Motivation
- External Orientation
- Comparable
- Accountability
- Capability

Work done since 2018 includes:

- Strengthening and increasing capability and capacity within the NDA Corporate Centre, including new appointments within our Executive Team, the appointment of a Corporate Centre Director and the formation of a Senior Leadership Team
- The publication of the One NDA Handbook
- Establishing important programmes to support our vision of creating great places to work for everyone: equality, diversity and inclusion; mental health and wellbeing
- Responding to the COVID-19 situation, progressing our agile working agenda overnight
- Creating a Code of Conduct, setting out expected behaviours and standards
- Progressing work to establish a NDA group Leadership Academy and Standard
- Our survey results have shown our employees feel motivated with clear communication around the NDA's Vision and a positive working environment to collaborate and develop.

CASE STUDY: Leadership Academy – Beacon Project 2020/21

Attracting, retaining, and growing exemplary leaders is instrumental to the delivery of our mission. Great leadership is key to creating the right environment to engage and empower our people. Our leadership goal is to help our people perform at their best to delivering our mission safely and efficiently on behalf of the taxpayer.

Our new NDA group operating model enables us to collaborate more meaningfully across the entire people landscape. Last year, leaders from across the NDA group came together for our first NDA Talent Forum discussing the importance of talent and succession. Focused on the importance of growing the next generation of our most senior leaders, a decision was taken to develop a NDA group Leadership Academy. Launched in March this year, our first cohort of 16 senior leaders have now started their Leadership Academy journey. At the heart of our Academy, is our recently developed Leadership Standard. Acting as our 'North Star for leadership', the group-wide framework sets out what we expect of our leaders wherever they may sit within our group. As well as being pivotal in shaping the Academy work, it will also guide wider leadership development and people processes across the NDA group.

Flexible & Agile Working

During 2020, we have shown that the NDA Corporate Centre and group can adapt many of its roles to work flexibly.

During the pandemic we reviewed our flexible working policies to support home working, caring responsibilities, and home schooling. We recognise the benefits of allowing employees to have influence over their work location, which can result in a better work life balance. This also provides an opportunity to attract more diverse talent.

Employee Voice

During 2020/21, employee networks played a vital role in the effort to keep our employees connected and included. We strengthened employee voice in the creation of 4 group-wide networks (Gender Balance, Disability, LGBT+ and Race Equality). In conjunction with their executive sponsors, these employee-led networks are focused on making our workplaces more diverse, encouraging employees to get involved in activities and events to grow and develop and support the organisation on its ED&I journey.

We continue to amplify our respect and inclusion messaging through a number of awareness and celebration events including but not limited to, International Women's Day, International Day Against Homophobia, Biphobia, Interphobia and Transphobia (IDAHoBiT), Black History Month and International Day of People with Disabilities - leveraging the power and reach of our group-wide networks.
As with other public sector organisations, in 2020/21 we published our annual gender pay gap data. Within the NDA group, the figures published as at March 2021 showed the overall average gender pay gap (when weighted by employee numbers), when comparing mean pay, to be 13.1 % and the average median pay gap 12.4%.

As a part of the NDA's Equality, Diversity and Inclusion Strategy, we have seen a decreasing trend in our gender pay gaps in the NDA Corporate Centre and across the wider NDA group.

This is a long-term programme and our focus remains on driving improvements in our gender pay gaps.

We have undertaken diverse recruitment campaigns and promotions across the NDA group and have made a number of key female senior appointments and promotions which have had a positive impact.

Looking to the future of our industry, we continue to work towards breaking down barriers in science, technology, engineering and mathematics (STEM), and we have seen increased female graduates and apprenticeship intakes – in 2019, 46% of the Nuclear Graduates intake were female and 40% of apprentices were female.

Looking forward into 2021/22 we are developing a 5-year group ED&I strategy with the aim of achieving a diverse workforce in many demographic groups including the Nuclear Sector Deal commitment of 40% women by 2030.

Work in partnership with our recognised trade union and broader stakeholder community

The NDA Corporate Centre remains committed to a partnership working approach with our recognised Trade Union, Prospect. Regular and constructive Joint Consultation Group (JCG) meetings have taken place throughout the year. During the first national lockdown period the meetings were set up weekly to ensure all employees' needs under the unique circumstances were understood and managed as well as maintaining a focus on business deliverables. Our partnership approach has ensured positive relations have endured during some challenging times, constructive challenge and joint working has continued throughout. Every 6 months, a Non-Executive Board Member has attended the JCG on behalf of the Board.

The One NDA group Trade Union event has continued this last year. Through this we continue to further build upon already strong relationships. This is a key enabler for supporting and engaging with our people.

Employee health and wellbeing

The NDA recognises that health and wellbeing at work is vital, none more so than this last year. We closely monitor both short-term and long-term sickness absence and have policies and support mechanisms in place. These policies have been enhanced to support the additional pressures the Pandemic and lockdown has introduced.

We have updated our Employee Assistance Provider (EAP) to support and reflect the commitment NDA have to providing a fast and efficient service that meets the needs of our employees. This service provides more options for our employees including immediate counselling support if required.

We have engaged and worked closely with MIND, who now form an integral part of our additional support provision for our employees requiring help as an alternative option to the EAP. This is further supported by our Mental Health First Aiders across the NDA group who are supported individually by a dedicated counsellor from MIND.

Furthermore, MIND has supported numerous Mental Health & Wellbeing sessions delivered via Line Managers briefings, departmental tea & talk sessions and Wellbeing Intranet updates. These group discussions covered the various anxieties around the needs and impact on workplace, home working/ schooling requirements. These also covered the social/domestic impacts of the pandemic on individuals & their families at the NDA, additionally Individual wellbeing coaching sessions were also provided on request.

During the year, the NDA, through the CEO and Executive team, have proactively discussed the importance of mental health and wellbeing during staff briefings, with support from MIND. The CEO has promoted a clear message of support for ‘family first’ throughout the pandemic.

The NDA has further demonstrated its commitment to mental health and wellbeing by appointment of a New Head of Mental Health & Wellbeing. This year we plan to carry out a full review of the management of absence and in particular the service provision from our occupational health provider and how we can ensure the best use of this service to our employees. A full roll out of the new process and requirements will be provided to all staff.

For 2020/21 an average of 4.6 days per employee was lost to sickness absence. This equates to an absence rate of 1.84 and is more than the national average of 3.6 days. An analysis of 2020/21 total absence identifies that mental health contributed to the majority of long-term absences. The national average loss of days due to mental health conditions is at 13.4 days according to the Office for National Statistic, therefore we will continue to work with managers on the importance of dealing with sickness absence and in particular ,mental health issues, by providing educational sessions on managing sickness absence to all our managers and employees and continuing to provide advice and tools on Mental Heath issues and how we manage these within the workplace.

Employee Turnover

The last organisational redesign covered the entire NDA Corporate Centre and resulted in a change to around 20% of roles with an increase in recruitment of approximately 90 roles within the NDA Corporate Centre to enhance the provision of capability completed during 2019/20.

The average length of service is 5.2 years and for the year 2020/21 turnover of permanent people was 9.2% This compares to an average external turnover rate of 15% (as per latest CIPD survey).

During 2020/21, 43 employees were part of the voluntary exit package as a result of the organisational design with 11 of those leaving in this reporting period.

This information is subject to audit

2020/21 Exit package cost band	Number of compulsory redundancies	Number of other agreed departures	Total no. of exit packages by cost band
£0-£25,000	-	-	-
£25,001-£50,000	-	7	7
£50,001 - £100,000	-	4	4
£100,001+	-	-	-
Total no of exit packages	-	11	11

Headcount and employee costs

NDA group staff costs

This information is subject to audit

NDA Group 2021	NDA Authority (a)		NDA Programme		Subsidiaries (b)		Total
	Permanently employed staff	Others	Permanently employed staff	Others	Permanently employed staff	Others	
	£m	£m			£m	£m	£m
Wages and salaries	28	3	2	1	795	61	890
Social security costs	3	-	-	-	88	-	91
Pension costs	6	-	1	-	145	-	152
Total staff costs	37	3	3	1	1,028	61	1,133

NDA Group 2020	NDA Authority (a)		Subsidiaries (b)		Total
	Permanently employed staff	Others	Permanently employed staff	Others	
	£m	£m	£m	£m	£m
Wages and salaries	24	7	736	51	818
Social security costs	3	-	84	-	87
Pension costs	5	-	131	-	136
Total staff costs	32	7	951	51	1,041

a) NDA Authority people costs are included within administration expenditure (see note 5 to the accounts) The increase in total spend compared to the previous year was due to further improvements driven by One NDA with the action of increasing our capability and capacity in critical skills areas.

b) Subsidiary people costs are reported through the ‘contractor and subsidiary costs’ line in the Financial Statements (see note 6 to the accounts)

The Group participates in various pension schemes, both defined contribution and defined benefit. Further details can be found in note 26 to the Accounts.

The average number of full-time equivalent persons employed during the year as follows:

NDA Group	Permanently employed people no.	Others no.	Total 2020/21 no.	Total 2019/20 no.
Directly employed - authority (Admin)	284	39	323	315
Directly employed - authority (Estate)	30	7	37	-
Directly employed - subsidiaries	13,663	920	14,583	14,660
Total	13,977	966	14,943	14,975

Of the total NDA permanent and fixed term employees at the end of March 2021, the breakdown by gender is as follows:

	NDA Authority		NDA Programme		
	Male	Female	Male	Female	Total
Chief Executive	1	-	-	-	1
Exec Directors excl. CEO	1	-	-	-	1
Other Directors (non-Board)	6	2	-	-	8
Other employees	164	130	17	15	326
Total	172	132	17	15	336

Notes to the Remuneration and People Reports

Tax arrangements of public sector appointees

As a public body, the NDA adheres to the IR35 regulations in deeming if any temporary roles will be captured within the legislation or deemed out of scope of the legislation. In determining this information, we use the IR35 checker provided by HMRC on www.gov.uk. We are required to provide information about off-payroll appointments of consultants, contractors or people employed for longer than 6 months for the NDA Corporate Centre. We only use these arrangements where we can't avoid them, for example to bring in unique skills, capability and experience that we do not have in-house.

We look to minimise the use of these arrangements and include contractual clauses in appointment documentation to enable us to receive assurance that the individual or their employer is managing their tax affairs appropriately. Our right to request assurance over tax obligations is made explicit to all off-payroll workers.

Our off-payroll appointments at 31 March 2021 for those individuals on more than £220 per day and lasting more than 6 months (up until the expected end date – not 31 March 2021) are detailed below. There were 17 new off-payroll workers in the year whose assignments lasted more than 6 months (between start (after 1 April 2020) up to 31 March 2021 (not end of contract). No senior management were paid through off payroll arrangement during this reporting period.

Length of appointment at 31 March 2021	No. of off payroll contractors
Less than 1 year	17
1-2 years	3
2-3 years	0
3-4 years	4
More than 4 years	1

Consultancy spend in the year was £65,000 (2019/20: £0)

Civil Service Pensions

Pension benefits are provided through the Civil Service Pension Arrangements and executives are also eligible for these arrangements.

Since 2015, 'The Public/ Civil Servants and Others Pension Scheme' or alpha, provides benefits on a career average basis with a normal pension age equal to the member's State Pension Age or 65 if higher. From that date all newly appointed public/ civil servants and the majority of those already in service, joined alpha. Prior to that date, public/ civil servants participated in the Principal Civil Service Pension Scheme (PCSPS). The PCSPS has 4 sections: 3 providing benefits on a final salary basis (classic, premium or classic plus) with a normal pension age of 60; and one providing benefits on a whole career basis (nuvos) with a normal pension age of 65.

These statutory arrangements are unfunded with the cost of benefits met by monies voted by Parliament each year. Pensions payable under existing schemes - Classic, Premium, Classic Plus and Nuvos are currently increased annually in line with the Pensions Increase Legislation.

Employees are automatically enrolled into alpha on appointment to employment at the NDA. This is in line with the auto enrolment rules of the Pensions Act 2008. They do, however, have the ability to opt out of the scheme at any time or elect to join the defined contribution, 'Partnership Pension' offered under the Civil Service Pension Arrangements.

Employers no longer have a duty to automatically enrol a new employee where they have reason to believe the employee has registered for fixed protection in relation to lifetime allowance which requires them not to participate in future pension provision. In these cases, such as the NDA CEO, a pension allowance in lieu may be considered.

A small number of employees who transferred to the NDA from INS in 2019 continue to accrue benefits in the UKAEA Combined Pension Scheme (CPS). The UKAEA CPS provides benefits on a final salary basis with a normal retirement age of 60. This is an unfunded statutory arrangement with the cost of benefits met by monies voted by Parliament each year. Pensions payable are currently increased annually in line with the Pensions Increase Legislation.

Pension Detail

Employee and employer contributions are set at the rates shown in the tables below:

Note that there are no mandatory contributions required for the 'Partnership' defined contribution scheme. The Employer contributions are listed below the tables.

Annual Pensionable Earnings (full-time equivalent basis)	alpha & all PCSPS Schemes 2020/21 employee contribution rates
Up to £26,000	4.60%
£26,001-£54,900	5.45%
£54,901-£150,000	7.35%
Over £150,000	8.05%

Employee membership of the schemes in the NDA is noted in the table below:

Scheme	% of employees
alpha	82.9
Nuvos/Premium/Classic	8.2
Partnership	1.7
UKAEA (INS TUPE)	5.8
Opt Out	1.4

Annual Pensionable Earnings (full-time equivalent basis)	alpha & all PCSPS Schemes 2020/21 employer contribution rates
Up to £23,000	26.6%
£23,001-£45,500	27.1%
£45,501-£77,000	27.9%
Over 77,001	30.3%

Existing members of the PCSPS who were within 10 years of their normal pension age on 1 April 2012 remained in the PCSPS after 1 April 2015. Those who were between 10 years and 13 years and 5 months from their normal pension age on 1 April 2012 will switch into alpha sometime between 1 June 2015 and 1 February 2022. All members who switch to alpha have their PCSPS benefits 'banked', with those with earlier benefits in one of the final salary sections of the PCSPS having those benefits based on their final salary when they leave alpha. (The pension figures quoted for officials show pension earned in PCSPS or alpha – as appropriate. Where the official has benefits in both the PCSPS and alpha the figure quoted is the combined value of their benefits in the 2 schemes.) Members joining from October 2002 may opt for either the appropriate defined benefit arrangement or a 'money purchase' stakeholder pension with an employer contribution (partnership pension account).

Pension benefits are as follows:

- Benefits in Classic accrue at the rate of 1/80th of final pensionable earnings for each year of service. In addition, a lump sum equivalent to 3 years initial pension is payable on retirement.
- Benefits in premium accrue at the rate of 1/60th of final pensionable earnings for each year of service. There is no automatic lump sum.
- classic plus is essentially a hybrid with benefits for service before 1 October 2002 calculated broadly as per classic and benefits for service from October 2002 worked out as in premium.
- In nuvos a member builds up a pension based on his pensionable earnings during their period of scheme membership. At the end of the scheme year (31 March) the member's earned pension account is credited with 2.3% of their pensionable earnings in that scheme year and the accrued pension is uprated in line with Pensions Increase legislation.
- Benefits in alpha build up in a similar way to nuvos, except that the accrual rate is 2.32%. In all cases members may opt to give up (commute) pension for a lump sum up to the limits set by the Finance Act 2004.

The partnership pension account is a stakeholder pension arrangement. The employer makes a basic contribution of between 8% and 14.75% (depending on the age of the member) into a stakeholder pension product chosen by the employee from a panel of providers. The employee does not have to contribute, but where they do make contributions, the employer will match these up to a limit of 3% of pensionable salary (in addition to the employer's basic contribution). Employers also contribute a further 0.5% of pensionable salary to cover the cost of centrally-provided risk benefit cover (death in service and ill health retirement).

The accrued pension quoted is the pension the member is entitled to receive when they reach pension age, or immediately on ceasing to be an active member of the scheme if they are already at or over pension age. Pension age is 60 for members of classic, premium and classic plus, 65 for members of nuvos and State Pension Age for members of alpha.

Executive pensions
This information is subject to audit

	Real increase in pension during the year 2020/21 £000's	Accrued pension at 31 March 2021 £000's	CETV at 31 March 2020 £000's	CETV at 31 March 2021 £000's	Real increase in CETV funded by employer £000's
Mel Zuydam	5-7.5	5-10	39	128	67
David Peattie*	0	0	0	0	0

Notes:* Does not participate in the Civil Service Pension arrangements – see note Directors' Remuneration

Cash Equivalent Transfer Values

A cash equivalent transfer value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme.

The pension figures shown relate to the benefits accrued by the individual as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies. The figures include the value of any pension benefits in another scheme or arrangement which the individual has transferred to the Civil Service Pension Arrangements and for which the Civil Superannuation Vote (CS Vote) has received a transfer payment commensurate with the additional pension liabilities being assumed.

They also include any additional pension benefit accrued to the member as a result of their purchasing additional years of pension service in the scheme at their own cost. CETVs are calculated within the guidelines and framework prescribed by the Institute and Faculty of Actuaries.

Real Increase in CETV

This reflects the increase in CETV effectively funded by the employer. It does not include the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangements) and uses common market valuation factors for the start and end of the period.

Disclosures required under the Trade Union (Facility Time Publication Requirements) Regulations 2017

Relevant union officials

Relevant union officials	Full-time equivalent employee number
5	314

Percentage of pay bill spent on facility time

Total cost of facility time	£66,247
Total pay bill	£32,847,401
Percentage of the total pay bill spent on facility time, calculated as: (total cost of facility time ÷ total pay bill) x 100	0.2%

Percentage of time	Number of employees
0%	-
1-50%	5
51-99%	-
100%	-

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours calculated as (total hours spent on paid trade union activities by relevant union officials during the relevant period ÷ total paid facility time hours) x 100	0.2%

Health, Safety, Security, Environment and Wellbeing Report

Like most industries, the impact of COVID-19 has been felt across all parts of the NDA group. Responding to government guidance and the need to protect our people caused us to pause some non-essential operations and restrict others.

In March 2020, emergency plans were stood up across the entire NDA group, with the priority being the safety of our people and sites, and ensuring critical operating plants remained staffed and safely operated. Testing our already rigorous emergency plans, responding to the unparalleled challenges of COVID-19 has brought about valuable learning across the NDA group, with the lessons being reflected in updated practices and processes.

Increased monitoring of activities across sites and reduced site-based operations have in part contributed to the NDA group's lowest ever total recordable injury rate (TRIR) of 0.22. This compares to a rate of 0.28 in 2019/20.

Following government's advice, the NDA enacted home working from March 2020. By accelerating our IT improvement plans, almost all of our employees have been able to work effectively from home throughout the entire period. A similar picture can be seen across the group for non-site-based roles. As we move out of restrictions we will, like organisations all over the world, take the opportunity to adopt a more flexible hybrid approach of home and office-based working, prioritising productivity alongside the health, safety and wellbeing of our people.

Over the last year, the wellbeing of our employees has been paramount. We have endeavoured to put them at the forefront of our major incident planning and our focus has been on ensuring the right support has been in place, and made available and accessible to everyone. This has seen us accelerating our agile working approach and providing appropriate equipment to make sure people can work safely from home. In such difficult times, the mental health of our employees has been a particular priority and we have put into place bespoke line manager training, all-staff sessions with our mental health partner MIND, and widely promoted the services of our professional employee support adviceline.

During the year, the NDA developed and launched its new Health, Safety, Environment and Wellbeing Policy to reflect the transition to a group operating model and the introduction of a risk-based approach to safety topics.

In the same period, the NDA group has been looking at important safety areas, such as significant incident escalation and investigation policy. This has resulted in the establishment of a new Code, setting out expectations and process to follow in the event of a significant event.
In addition, an NDA group framework for Health Safety and Wellbeing based on key performance indicators (KPIs) is now being established, looking initially at 4 priority topics for the group: demolition, asbestos, control of contractors, and construction design and management.

This year has also seen significant investment and improvements in the NDA group's security capabilities, these improvements extend to our supply chain where a new audit capability has been implemented to greatly improve security assurance activities.

In line with the publication of Strategy 4 we are collaborating with other Government leads in national nuclear and radiological emergency response providing subject matter expertise to enhance national capabilities.

Regular reviews of our protective security arrangements continue with the NDA leading sector working groups that address emerging threats in areas such as drones, cyber security, personnel and supply chain security.

Strategy

In March 2021 the NDA published its updated strategy, Strategy 4. The NDA environment function has taken this as its lead to develop its strategy, focusing effort on specific areas in environmental protection and improvement over a 5-year period. The Environment Strategy will seek to ensure that the NDA mission outcomes and the journey to deliver them are sustainable, and that we improve and protect the environment.

Carbon Net-Zero

The UK Government has set a commitment for the UK to have 'net-zero' greenhouse gas emissions by 2050, with the Scottish Government's target being 2045. In support of these important commitments, last year we mapped the NDA group's carbon footprint for 2019/20, modelled how this may change as our mission progresses to 2050 and developed a roadmap of opportunities to reduce greenhouse gas emissions. Translating this important data into action is now an important priority for the NDA and the other parts of the NDA group.

The NDA group's carbon footprint for 2019/20 is around 1 million tonnes of CO2 equivalent, which is broadly comparable with other industries. This includes the direct emissions from the fuel we burn for power and heat and the electricity we purchase, as well as indirect emissions, such as those from the goods and services we procure, particularly in construction. As can be expected, the NDA makes up only a small component of the footprint, with the greatest contribution being from Sellafield, our largest and most complex site. Detail on the NDA's carbon footprint for 2020/21 can be found in the NDA's Sustainability Report, which was published in March 2021. NDA Sustainability Report: Financial Year April 2020 to March 2021 - GOV.UK (www.gov.uk).

Greening Government Commitments (GGC)

As part of its Greening Government initiative, the Government set environment and waste targets for 2019/20 based on a 2009/10 baseline. The roll-out of updated targets has been postponed by Government due to the COVID-19 pandemic and in the interim, we have continued to report against existing targets. The GGC targets apply to the NDA and RWM only. This is because in the baseline year, RWM was part of the NDA.

Our performance against those environmental targets is set out in the table below.

GGC Target	2019/20 performance	2020/21 performance
Reduce greenhouse gas emissions by 66%	61% reduction	82% reduction
Reduce domestic flights by 30%	58% reduction	99% reduction
Reduce waste generation by 25%	63% reduction	86% reduction
Reduce landfill disposal to less than 10%	Reduced to 0%	Reduced to 0%[1]
Reduce paper use by 50%	72% reduction	98% reduction
Reduce water use by 10%	27% reduction	71% reduction

The data has been positively influenced by most of our employees being based at home in 2020/21. While the picture represents reduced travel and minimal people in our offices, it does not consider the use of energy or other resources by employees working from home.

[1]all non-recyclable waste from the NDA Corporate Centre is used in an Energy from Waste plant rather than sending to landfill.

Operating Company **Safety performance**

Sellafield Ltd

Up until the latter part of 2020/21, Sellafield's accident rate was on track to achieve an all-time low. Unfortunately, some late occurring incidents, predominantly related to slips, trips and falls, saw the organisation's year-end performance being comparable to previous years. The TRIR at the end of 2020/21 was 0.22, compared to 0.3 in 2019/20 and was below the corporate target of <0.29. The RIDDOR rate equalled the year-end target at 0.04. Sellafield improved on its target rates for both nuclear and radiological site incident reports and personal contamination cases.

Due to a safety incident in 2020, Sellafield was fined £320,000 following the Office for Nuclear Regulation's (ONR) prosecution for safety breaches. Failings identified because of this incident, plus several lower consequence electrical safety events, also led the ONR to serve Sellafield with an Improvement Notice.

Following the close out of investigations, Sellafield launched an Electrical Safety Integration Programme, bringing together the learning from all electrical safety events to ensure an enterprise-wide approach to its improvement activities. Progress against Sellafield's overarching Electrical Safety Integration Plan has continued through the year, with performance improvements being seen.

Sellafield recorded 1 international nuclear and radiological event scale (INES) event in 2020/21, compared to the 5 recorded in 2019/20. The event, confirmed as an INES level 1 event, occurred in September 2020 when a quantity of uranyl nitrate liquor breached pipework through a small perforation in the line. The leak occurred within a controlled area of the site and was stopped within 20 minutes of being discovered. Sellafield has since replaced around 18 metres of pipework and renewed the lagging and trace heating along approximately 120 metres of the pipeline.

Responding to the changing COVID-19 situation throughout the year has required extended efforts and oversight by the Sellafield leadership team and supporting personnel. Their proactive and positive approach to managing the pandemic response while maintaining effective nuclear safety control has been noted and is commended by ONR.

Magnox Ltd

Managing the COVID-19 pandemic saw Magnox enact a successful pause to site operations and subsequent restart. By the second half of the financial year, successful hazard reduction at the Magnox sites was being achieved leading to reduction in the nuclear risk profile. Attention remains focussed on conventional, environmental and security risks for the business. Environment, Health, Safety, Security and Quality (EHSS&Q) performance remains broadly comparable with other companies in the sector.

Magnox continued to deliver significant nuclear and radiological hazard reduction across many fronts including nuclear materials transfer from Harwell and intermediate level waste retrievals across a number of sites. This will remain a key focus for the next 3 to 5 years.

Magnox has not experienced any significant nuclear safety incidents. The dose to workers from radiation remains at a low level and the nuclear safety metrics have shown good performance throughout the year. ONR's regulation of Magnox sites has identified good safety management and continued compliance. This is demonstrated through consistently adequate (green) ratings from site specific licence condition inspections.

The TRIR at the end of 2020/21 was 0.18, compared to 0.26 in 2019/20 and was below the corporate target of <0.39. Oversight of this rolling 12-month metric showed a steady decline during the site pause and initial restart. The organisation has maintained its Continuous Safety Improvement

Operating Company
Safety performance (continued)

Plan to deliver its aim of continual improvement of safety performance. 2020/21 focus areas included decommissioning mindset and a Target Zero campaign which covers a 'watch list' of good practices and behaviours which foster the safest culture for a decommissioning environment. Safety specific improvements in electrical safety, asbestos and lifting were also progressed. Reducing our asbestos hazard at sites continued to be a priority for in 2020/21 and will continue to be so for 2021/22.

The level of sickness absence showed a downward trend during 2020/21. Implementation of wellbeing initiatives to enhance staff resilience and wellbeing was a focus for the Executive and delivered through the Continuous Safety Improvement Plan.

Radioactive Waste Management (RWM) Ltd

Overall, the RWM safety performance for 2020/21 was good, safely maintaining essential operations and successfully managing the implications of the COVID-19 pandemic. Unfortunately, there was one Reporting of Injuries, Diseases and Dangerous Occurrences Regulations (RIDDOR) reportable injury during the year involving a tier 2 contractor who sustained a finger fracture.

Low Level Waste Repository (LLWR) Ltd

Overall, the LLWR Safety performance was excellent for the year, safely maintaining all essential operations and keeping the site open throughout the COVID-19 lockdowns. Construction and demolition work have progressed across the site, with the completion of demolition of the Plutonium Contaminated Material recovery facilities and large-scale mobilisation of the Repository Development Programme preliminary works for the construction of the cap with no recordable injuries. The TRIR at the end of 2020/21 was 0.29, compared to 0.00 in 2019/20 and was above the corporate target of <0.25. The change in TRIR reflects one relatively minor injury to an individual.

Dounreay Site Restoration Ltd (DSRL)

Like other organisations, COVID-19 was the dominant issue for DSRL in 2020/21 and the site was safety demobilised to a quiescent state.

Decommissioning work recommenced in a controlled manner in line with COVID-19 regulations and guidance, with a significant proportion of the workforce working from home. The need to balance the COVID-19 risk with other hazards has been an ongoing focus. Through this period, safety performance was good but significant effort went into supervision and the proper application of controls to ensure standards were maintained through the normalisation of COVID-19 arrangements and transition to NDA ownership. The TRIR at the end of 2020/21 was 0.04, compared to 0.2 in 2019/20 and was below the corporate target of <0.1.

Nuclear Transport Solutions (NTS)

The newly formed transport operational company, NTS, comprising Direct Rail Services Ltd. (DRS) and International Nuclear Services Ltd. (INS), maintained a good safety performance throughout the year. DRS achieved a 30% improvement in the All Accident Frequency Rate, meaning fewer accidents occurred. Both DRS and INS achieved full accreditation to the health and safety management ISO standard 45001. DRS significantly improved their action close out rate achieving a score of 98%, compared with less than 60% achieved in the previous year. INS successfully rolled out DriveTec from the AA, recognised as a world leader in managing fleet risk from driving at work. DRS undertook a full operational review against Rail Industry Risk Maturity Model with a positive outcome and INS' Risk Assessment Governance Review was ahead of the programme plan.

Operating Company
Environmental performance

Sellafield Ltd

Against the significant challenges of COVID-19 there has been positive progress across environmental management at Sellafield. The launch of a new Manifesto and Enterprise Strategy clearly defines the purpose being to create a clean and safe environment for future generations and the profile of Environment has never been higher. This is further underpinned by the establishment of a Sustainability Steering Group and introduction of a set of Sustainability Principles and Carbon Reduction Principles.

Work has continued to build around carbon management, taking the baseline carbon footprint and 12% reductions achieved in the previous year as a basis to identify potential reduction opportunities over the coming decades. Alongside the priority delivery of high hazard risk reduction, Sellafield is seeking to deliver improved environmental outcomes for the site.

Following the successful major review of the site radioactive substances activities permit, the introduction of the varied permit was delayed due to the impacts of COVID-19 and came into effect in October 2020. The management of permit arrangements and compliance throughout the year has been a significant challenge. From the very earliest notification of COVID-19 restrictions, Sellafield worked with the Environment Agency (EA) to ensure that risks and priorities continued to be appropriately managed, including use of provisions under two newly introduced Regulatory Position Statements. The actions taken together with temporary working arrangements introduced by Sellafield (including Examination, Maintenance, Inspection and Testing (EMIT) of environmental equipment) have been reviewed by the EA, with positive assessment findings.

The site continued to have environmental events. These are subject to investigation by Sellafield and the EA and have been assessed as having minor or no environmental effect. An area that has been under closer scrutiny by the EA is the site sewage treatment works. The EA are now satisfied that the existing programme of improvement work comprising engineering developments at the facility and opportunities to improve the drainage network, together with improvements to resources, training and operating techniques remains appropriate to return the facility to a reliably compliant position. There is an ongoing leak at one of the facilities on site which has been reported as a level 2 Incident on the International Nuclear Event Scale (INES) and is the focus of intense effort to retrieve radioactive waste from the facility and to address the leak. Both the ONR and the EA are closely involved in the regulation of this event with the EA issuing a variation to the site permit to include some improvement conditions relating to the leak.

The work reported in 2019 by Sellafield's Nuclear Intelligence and Independent Oversight (NIIO) on environmental leadership has been revisited, with positive indicators pointing towards a much stronger environmental culture developing across the business.

Dounreay Site Restoration Ltd (DSRL)

At DSRL, improvements attained in previous years were largely sustained with low number of events. Substantial work was carried out, validated, and submitted to the Scottish Environment Protection Agency (SEPA) in response to regulatory notices received in previous years. There was an event, for which SEPA issued a warning letter, over very low levels of radioactivity in surface water discharges. DSRL is now working to a plan with SEPA to include appropriate, low, limits for radioactivity in these discharges to regularise this situation.
For much of the period DSRL was working under a Contingency Plan in support of SEPA's Temporary Regulatory Position relating to COVID-19.

COVID-19 precautions impacted upon the ability to comply in full with the conditions of the permits held by DSRL. This has been proactively managed and as the various phases of COVID-19 occurred,

Operating Company
Environmental performance (continued)

compliance was maximised in line with COVID-19 secure controls. The remaining issues relate primarily to throughput of laboratory analysis. This has been the subject of regular discussion with SEPA.

Magnox Ltd

The COVID-19 pandemic had a substantial impact on Magnox culminating in an operational pause from late March to June 2020. During this period environmental compliance was successfully managed, utilising the appropriate Regulatory Position Statements where available. Despite the disruption of COVID-19, good progress continued to be made on hazard reduction. For example, the Liquid Effluent Treatment Plant land remediation project at Harwell was able to resume operations in August 2020 returning to pre-pandemic capacity in October. During January 2021 the project shipped the thousandth consignment of Very Low Level Waste, a result of remediation works.

Magnox completed an Environmental Culture Survey in response to apparent trends identified from event learning. The survey identified the 3 key areas for improvement as the effective integration of environmental considerations into key company processes, the integration of environmental professionals with delivery teams and opportunities to improve training provision in specific areas. An improvement plan has been developed to address these issues. The company also launched their sustainability strategy, which is based around the 5 key goals of, Governance, Supply Chain, Employees, Community and Environment.

Low Level Waste Repository (LLWR) Ltd

LLWR Ltd made progress in 2020/21 with its Repository Development Programme which will see an important milestone for environment protection in the future involving capping Vault 8. Environmental Performance continues to be good at LLWR.

Other companies and subsidiaries

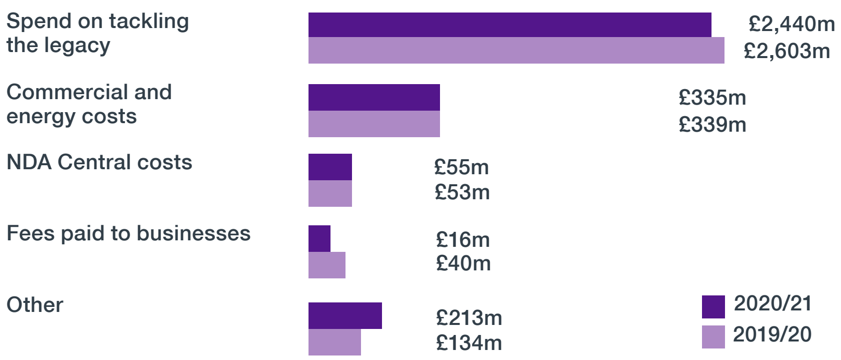
Elsewhere, there has been good environmental performance in our businesses NDA Properties Ltd, INS/PNTL, RWM and DRS.

Financial summary

Financial summary 2020/21

The NDA spend on tackling the legacy

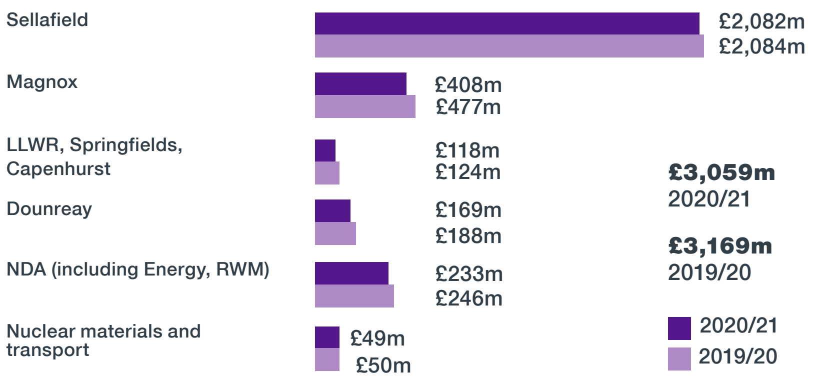
The bulk of the NDA's budget is directed towards tackling the nuclear legacy, by funding the decommissioning carried out by Site Licence Companies. The remainder funds commercial operations, industry-wide costs, fees to Site Licence Companies and the NDA's own running costs



The NDA spend by business.

Spend in 2020/21 was £3.059 billion. More than 68% of this was spent at Sellafield, reflecting the priority given to the site.

Expenditure at Sellafield has increased during the NDA's existence and now stands at £2.1 billion per year.

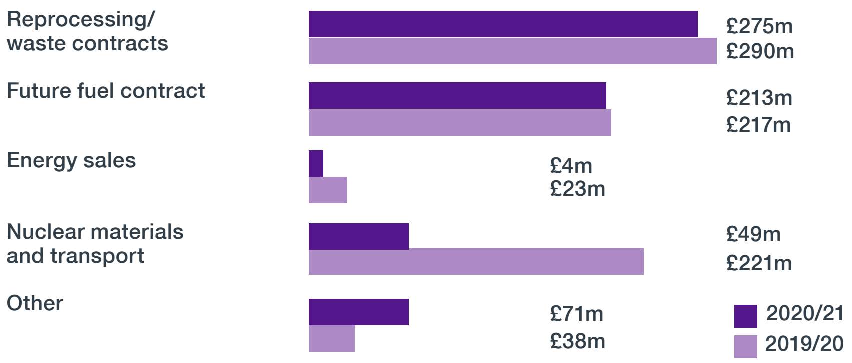


The NDA Corporate Centre net spend

The NDA's own running costs increased to £55 million per year, or approximately 1.8% of overall expenditure, reflecting the NDA's investment in enhanced capability and capacity.

The NDA's income

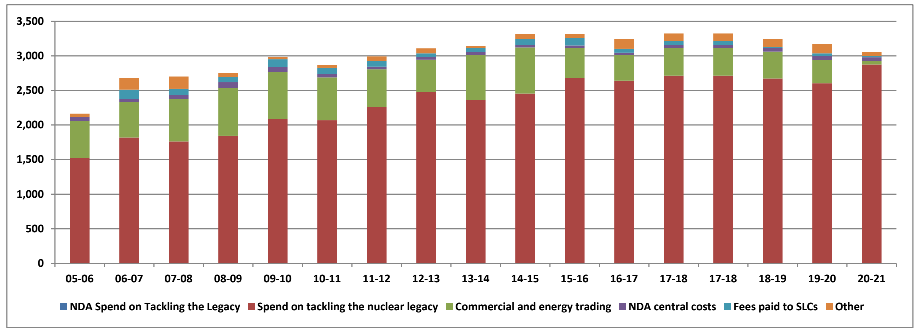
The NDA recognised income of over £0.6 billion in the year, with almost £0.5 billion arising from reprocessing and management of spent fuels and waste.



Note the figures in the above, and following, graphs are prepared on the basis of Government financial reporting, which differs in part from the basis used to prepare the financial statements

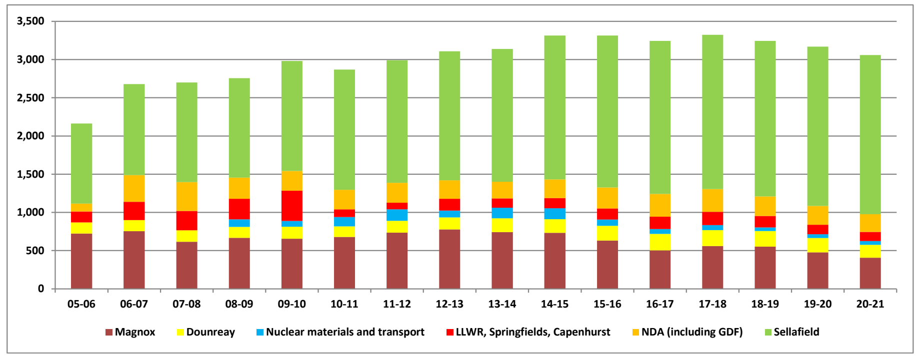
The NDA spend on tackling the legacy

The proportion of the NDA expenditure tackling the nuclear legacy has increased since 2005, with a corresponding reduction in commercial costs as commercial operations wind down



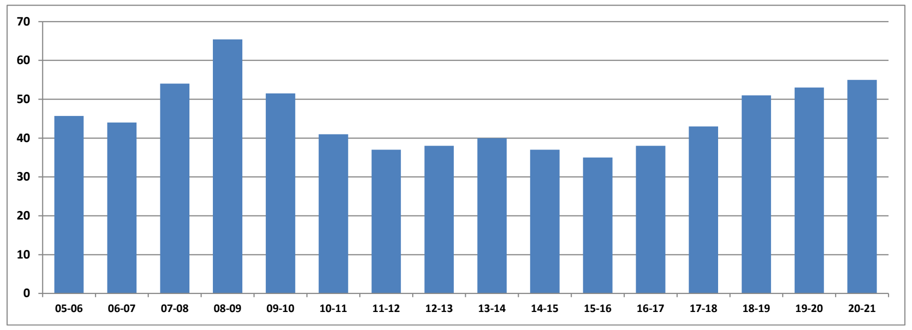
The NDA spend by business

Sellafield has always been the NDA's largest area of spend and has been increasingly prioritised in recent years as funding has been directed towards the estate's highest hazards.



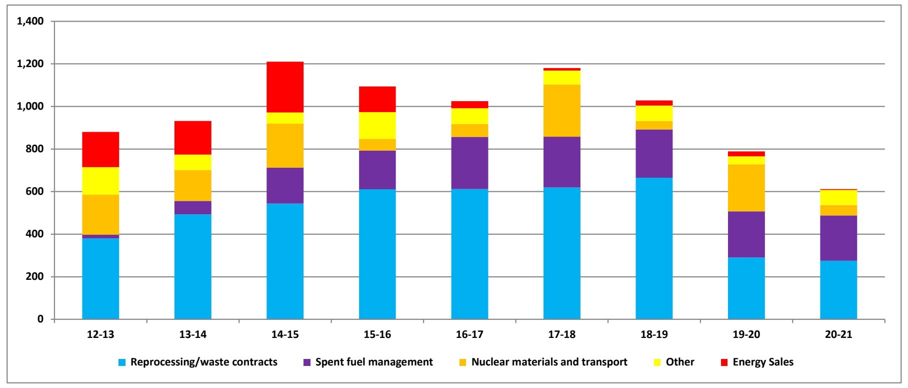
The NDA Corporate Centre net spend

After the early years in establishing the NDA's structure and programme, annual running costs stabilized at below £40 million per year.
In 2019/20 the NDA invested in enhanced capability and capacity in order to ensure the successful delivery of its mission



The NDA's income

In recent years electricity generation income has reduced, leaving reprocessing and management of spent fuels and waste as the dominant source of income.



Nuclear provision

The Nuclear Provision is a single point number in the Statement of Financial Position which represents the discounted estimated cost of the decommissioning mission.

The NDA management's best estimate of the future costs of the estate is based on an assumed inventory of materials, using strategies for retrieval and disposal over several decades. Each of these elements (quantity, method and time to treat) is uncertain in their own right, as is the cost of developing the necessary technology and plans to deal with these activities. The quality of the forecast becomes less certain further into the future, and acceptable standards of clean-up and end states may change.

It is important to understand the basis of this estimate and the inherent uncertainty around it, and therefore that it is simply a single point in a credible range of potential outcomes.

Changes in 2020/21 estimate Authority

The discounted nuclear provision at the end of 2019/20 was £134.9 billion. Since then the movements have been:

- The value provided for 2020/21 released from the provision -£2.9 billion
- Increases from inflation +£1.4 billion
- Unwinding of the existing discount applied to the provision every year negligible in 2021
- The impact of the changes in discount rates £0.7 billion
- Cost estimate changes which increase the liability estimate by £1.7 billion.

These movements bring the 2020/21 Authority estimate to £135.8 billion discounted.

The nuclear provision is the best estimate of how much our mission will cost over approximately 120 years

Movement in Nuclear Provision 2020-21 (£ billion)

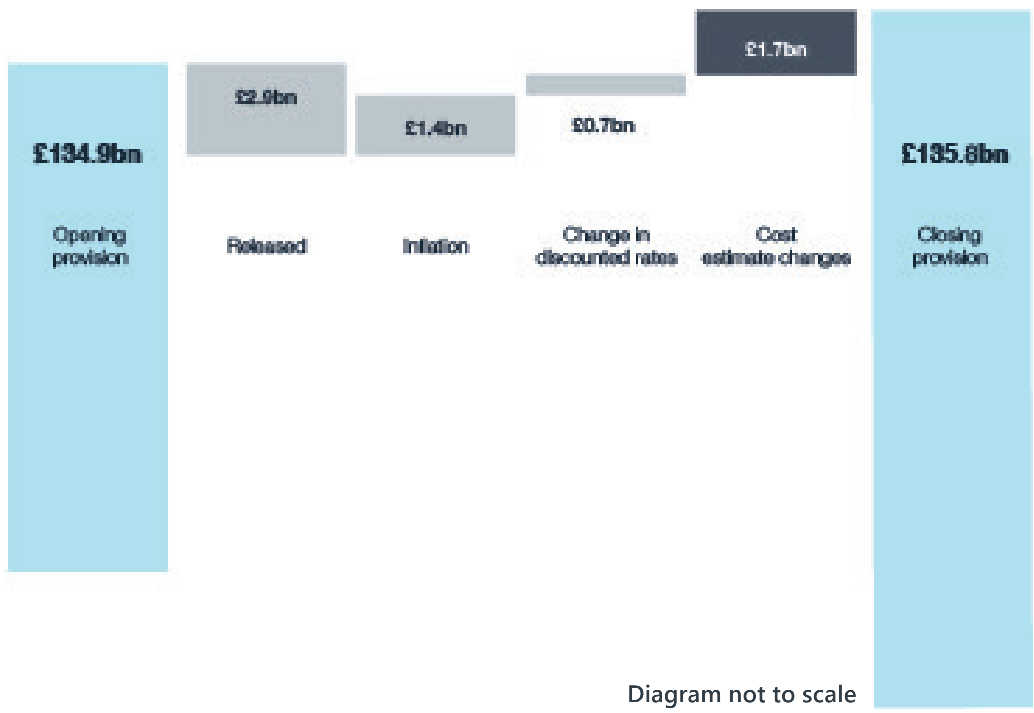
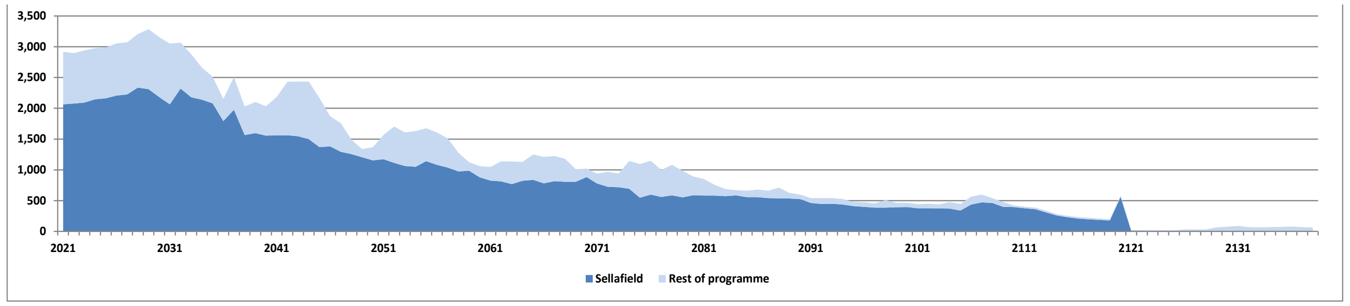


Diagram not to scale

The graph below shows the undiscounted expenditure profile for future years (excluding NDA administrative and other non-programme costs, and some commercial costs) from lifetime cost projections from each of the site licence companies.

The expenditure profile illustrates a downward trend in expenditure over the next 50 years, following a short-term peak over the next 10 years, as sites enter into Care and Maintenance with subsequent increases in expenditure in the period from 2070 when final site clearance work on Magnox sites is undertaken.

Total expenditure profile (£m, undiscounted)



			Movements							
	2019/20 un discounted £m	2019/20 dis-counted £m	Unwind of dis-count £m	Discount rate change £m	Released in year £m	Inflation	Other cost change £m	Movement dis-counted £m	2020/21 un discounted £m	2020/21 discounted £m
Sellafield	(96,515)	(98,529)	28	(492)	2,074	(865)	(1,490)	(745)	(96,605)	(99,274)
Magnox	(19,718)	(20,142)	(10)	(111)	475	(279)	(180)	(105)	(19,698)	(20,247)
Dounreay	(2,564)	(2,705)	-	(41)	182	(39)	(14)	88	(2,432)	(2,617)
LLW Repository	(606)	(632)	3	(5)	26	(9)	(16)	(1)	(604)	(633)
INS Contracts	(46)	(47)	-	-	1	(1)	-	-	(45)	(47)
Capenhurst	(1,479)	(1,521)	4	(10)	89	(22)	(67)	(6)	(1,477)	(1,527)
Springfields	(628)	(634)	1	(1)	25	(9)	-	16	(613)	(618)
GDF	(10,499)	(10,657)	(11)	(37)	64	(159)	-	(143)	(10,592)	(10,800)
Authority	**(132,055)**	**(134,867)**	**15**	**(697)**	**2,936**	**(1,383)**	**(1,767)**	**(896)**	**(132,066)**	**(135,763)**
NDA group companies	(20)	(21)	-	(1)	-	-	(4)	(5)	(23)	(26)
Group Provision Adjustment	142	142	-	-	-	-	427	427	569	569
NDA Group	**(131,933)**	**(134,746)**	**15**	**(698)**	**2,936**	**(1,383)**	**(1,344)**	**(474)**	**(131,520)**	**(135,220)**

Parliamentary accountability disclosures

The notes and disclosures in this section are subject to audit.

Losses and special payments

The disclosures in this note are in accordance with 'Managing Public Money', and the purpose of this note is to report on losses and special payments of particular interest to Parliament. Total losses during the year were £2,575,559 (2020: £4,623,843).

Type of loss	2021 Total £	2021 Number of cases	2020 Total £	2020 Number of cases
Cash losses	-	-	-	-
Store losses	2,111,024	40	4,429,784	100+
Losses of pay, allowances and superannuation	-	-	-	-
Fruitless payments	83,883	127	70,057	333
Constructive losses	-	-	-	-
Claims waived or abandoned	-	-	-	-
Book-keeping losses	-	-	11,984	1
Failure to make adequate charges	-	-	-	-
Exchange rate fluctuation losses	48,573	1	112,018	1
Special payments	332,079	1	-	-
Total	2,575,559		4,623,843	

Store losses relate to the write-off of stores item on licence sites. In 2020 the store losses included the write-off of chemicals purchased for use in the Thorp reprocessing plant at Sellafield, and no longer required following the conclusion of reprocessing activity at the plant in 2019 (value £916,418).

Book-keeping losses in 2020 relate to the writing off of a historic debt associated with a Magnox site.

Special payments relate to a fine (£320,000) and associated costs (£12,079) paid by Sellafield Ltd following a prosecution at Carlisle Magistrates Court in December 2020 in relation to an incident on 24 April 2020, in which an employee was injured while working on electrical equipment. The prosecution was brought by the Office for Nuclear Regulation (ONR) under Section 2 (1) of the Health and Safety at Work Act.

A contract loss provision in respect of potentially onerous commercial contracts to manage spent fuel and waste is included within other provisions (note 25 to accounts) and is not included in the losses disclosed above.

Parliamentary accountability disclosures

Remote contingent liabilities

Remote contingent liabilities not required to be disclosed under IAS 37 but included for parliamentary reporting and accountability purposes:

(a) The NDA has non-quantifiable contingent liabilities arising from indemnities given as part of the contracts for the management of the site licence companies. These indemnities are in respect of the uninsurable residual risk that courts in a country which is not party to the Paris and Brussels Conventions on third party liabilities in the field of nuclear energy may accept jurisdiction to determine liability in the event of a nuclear incident.

Indemnities are provided to the previous PBOs Sellafield, Magnox, Dounreay and LLWR and covering the periods in their ownership. These are not treated as contingent liabilities within the meaning of IAS 37 since the possibility of a transfer of economic benefit in settlement is considered too remote.

(b) In November 2019 a novel strain of coronavirus was detected and spread rapidly, leading the World Health Organisation to declare a pandemic on 11 March 2020. The ongoing disruption caused by the pandemic has created significant economic uncertainty, and this uncertainty is expected to continue throughout 2021. As a result, an unquantifiable contingent liability is disclosed, relating to potential additional costs resulting from the suspension of projects and operations at the Authority's sites. In accordance with accounting standards, no contingent assets can be recognised.

(c) The UK left the EU in accordance with Article 50 on 31 January 2020 and the Withdrawal Agreement between the UK and the EU became legally binding at the same time.

Subsequent changes in legislation, regulation and funding arrangements are subject to the outcome of the negotiations. As a result, an unquantifiable contingent liability is disclosed. In accordance with accounting standards, no contingent assets can be recognised.

D. Peattie

David Peattie
Accounting Officer and
Group Chief Executive Officer

15 July 2021

The report of the Comptroller and Auditor General to the Houses of Parliament

Opinion on financial statements

I have audited the financial statements of the Nuclear Decommissioning Authority for the year ended 31 March 2021 under the Energy Act 2004. The financial statements comprise: the Group and Authority Statements of Comprehensive Net Expenditure, Financial Position, Cash Flows, Changes in Taxpayers' Equity; and the related notes, including the significant accounting policies. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Accountability Report that is described in that report as having been audited. The financial reporting framework that has been applied in their preparation is applicable law and International Accounting Standards as interpreted by HM Treasury's Government Financial Reporting Manual.

I have also audited the information in the Accountability Report that is described in that report as having been audited.

In my opinion, the financial statements:

- the financial statements give a true and fair view of the state of the group's and of the Nuclear Decommissioning Authority's affairs as at 31 March 2021 and of the group's and the Authority's net expenditure after taxation for the year then ended; and;
- the financial statements have been properly prepared in accordance with the Energy Act 2004 and Secretary of State directions issued thereunder.

Emphasis of matter – nuclear provisions

Without qualifying my opinion, I draw attention to the disclosures made in notes 3 and 24 to the financial statements concerning the uncertainties inherent in the nuclear decommissioning provisions. As set out in these notes, given the very long timescales involved and the complexity of the plants and materials being handled, a considerable degree of uncertainty remains over the value of the liability for decommissioning nuclear sites designated by the Secretary of State. Significant changes to the liability could occur as a result of subsequent information and events which are different from the current assumptions adopted by the Authority.

Opinion on regularity

In my opinion, in all material respects, the income and expenditure recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

Basis for opinions

I conducted my audit in accordance with International Standards on Auditing (ISAs) (UK), applicable law and Practice Note 10 'Audit of Financial Statements of Public Sector Entities in the United Kingdom'. My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of my report
Those standards require me and my staff to comply with the Financial Reporting Council's Revised Ethical Standard 2019. I have also elected to apply the ethical standards relevant to listed entities. I am independent of the Nuclear Decommissioning Authority in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK. My staff and I have fulfilled our other ethical responsibilities in accordance with these requirements.
I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions relating to going concern

The Nuclear Decommissioning Authority's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Nuclear Decommissioning Authority's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

My responsibilities and the responsibilities of the Authority and the Accounting Officer with respect to going concern are described in the relevant sections of this report.
The going concern basis of accounting for Nuclear Decommissioning Authority is adopted in consideration of the requirements set out in International Accounting Standards as interpreted by HM Treasury's Government Financial Reporting Manual, which require entities to adopt the going concern basis of accounting in the preparation of the financial statements where it anticipated that the services which they provide will continue into the future.

Other Information

The other information comprises information included in the annual report, but does not include the parts of the Accountability Report described in that report as having been audited, the financial statements and my auditor's report thereon. The Authority and the Accounting Officer is responsible for the other information. My opinion on the financial statements does not cover the other information and except to the extent otherwise explicitly stated in my report, I do not express any form of assurance conclusion thereon. In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

Opinion on other matters

In my opinion, based on the work undertaken in the course of the audit:

- the parts of the Accountability Report to be audited have been properly prepared in accordance with Secretary of State directions made under the Energy Act 2004; and
- the information given in the Performance and Accountability Reports for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which I report by exception

In the light of the knowledge and understanding of the Nuclear Decommissioning Authority and its environment obtained in the course of the audit, I have not identified material misstatements in the Performance and Accountability report / the Directors' report. I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- adequate accounting records have not been kept or returns adequate for my audit have not been received from branches not visited by my staff; or
- the financial statements and the parts of the Accountability Report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of remuneration specified by HM Treasury's Government Financial Reporting Manual are not made; or
- I have not received all of the information and explanations I require for my audit; or
- the Governance Statement does not reflect compliance with HM Treasury's guidance.

Responsibilities of the Authority and Accounting Officer for the financial statements

As explained more fully in the Statement of Accounting Officer's Responsibilities, the Authority and the Accounting Officer, is responsible for:

- the preparation of the financial statements in accordance with the applicable financial reporting framework and for being satisfied that they give a true and fair view;
- internal controls as the Authority and the Accounting Officer determines is necessary to enable the preparation of financial statement to be free from material misstatement, whether due to fraud or error.
- assessing the Nuclear Decommissioning Authority's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Authority and the Accounting Officer anticipates that the services provided by the Nuclear Decommissioning Authority will not continue to be provided in the future.

Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit and report on the financial statements in accordance with the Energy Act 2004.
My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a report that includes my opinion.
Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users

taken on the basis of these financial statements. I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of non-compliance with laws and regulation[1], including fraud.

My procedures included the following:

- Inquiring of management, the Nuclear Decommissioning Authority's head of internal audit and those charged with governance, including obtaining and reviewing supporting documentation relating to the Nuclear Decommissioning Authority's policies and procedures relating to:

  - o identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - o detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
  - o the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations including the Group's controls relating the to Energy Act 2004, and Managing Public Money

- discussing among the engagement team including significant component audit teams regarding how and where fraud might occur in the financial statements and any potential indicators of fraud. As part of this discussion, I identified potential for fraud in the following areas: revenue recognition and posting of unusual journals; and
- obtaining an understanding of the Nuclear Decommissioning Authority and Group's framework of authority as well as other legal and regulatory frameworks that the Nuclear Decommissioning Authority and Group operates in, focusing on those laws and regulations that had a direct effect on the financial statements or that had a fundamental effect on the operations of the Nuclear Decommissioning Authority and Group. The key laws and regulations I considered in this context included the Energy Act 2004, Managing Public Money, Employment Law, and Tax Legislation

In addition to the above, my procedures to respond to identified risks included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations discussed above;
- enquiring of management, the Audit Committee and in-house legal counsel concerning actual and potential litigation and claims;
- reading minutes of meetings of those charged with governance and the Board;
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud; and
- reviewing internal audit reports

I also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members including internal specialists and significant component audit teams and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

A further description of my responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of my report.

In addition, I am required to obtain evidence sufficient to give reasonable assurance that the income and expenditure reported in the financial statements have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I have no observations to make on these financial statements.

Gareth Davies
16 July 2021
Comptroller and Auditor General
National Audit Office
157-197 Buckingham Palace Road
Victoria
London
SW1W 9SP

Annual accounts

Annual accounts

Statement of Comprehensive Net Expenditure

for the year ended 31 March 2021

		NDA Group		Authority	
		2021	2020	**2021**	2020
	note	**£m**	£m	**£m**	£m
Expenditure					
Authority administration expenditure	5	**61**	53	**61**	53
Programme expenditure	6	**3,230**	3,351	**3,194**	3,306
Adjustments to provisions	7	**374**	4,833	**786**	4,092
Depreciation and impairment	8	**77**	87	**26**	49
		3,742	8,324	**4,067**	7,500
Income	9	**(627)**	(740)	**(564)**	(720)
Net expenditure/(income) before interest and taxation		**3,115**	7,584	**3,503**	6,780
Interest receivable	4	**(60)**	(2)	**(1)**	-
Interest payable		**10**	14	**-**	-
Net interest payable on defined benefit pension schemes	26	**3**	22	**-**	-
Net expenditure/(income) before taxation		**3,068**	7,618	**3,502**	6,780
Taxation	10	**2**	-	**2**	-
Net expenditure/(income) after taxation for the year		**3,070**	7,618	**3,504**	6,780
Other comprehensive expenditure/(income):					
Deficit/(surplus) arising on revaluation of property, plant and equipment	11	**(6)**	(1)	**-**	-
Net recognised (gain)/loss on defined benefit pension schemes	26	**372**	(877)	**(3)**	(22)
Total comprehensive net expenditure/(income) for the year		**3,436**	6,740	**3,501**	6,758

The related notes numbered 1 to 30 form part of these financial statements.
Authority refers to the balances within the NDA itself, with NDA Group balances incorporating the Authority and its subsidiaries. Details of the subsidiaries are given in note 12.

Statement of Financial Position

as at 31 March 2021

		NDA Group		Authority	
		2021	2020	**2021**	2020
	note	**£m**	£m	**£m**	£m
Property, plant and equipment	11	**636**	641	**315**	341
Investments in subsidiaries	12	**-**	-	**259**	259
Recoverable contract costs	13	**1,447**	1,425	**1,447**	1,425
Finance lease receivables	19	**43**	44	**71**	72
Trade and other receivables	20	**37**	36	**40**	37
Defined benefit pension scheme asset	26	**-**	-	**9**	5
Total non-current assets		**2,163**	2,146	**2,141**	2,139
Inventories	15	**69**	103	**15**	48
Other investments	18	**547**	428	**-**	-
Finance lease receivables	19	**1**	1	**4**	4
Trade and other receivables	20	**211**	343	**381**	515
Cash and cash equivalents	21	**199**	215	**125**	95
Total current assets		**1,027**	1,090	**525**	662
Total assets		**3,190**	3,236	**2,666**	2,801
Trade and other payables	22	**(1,114)**	(1,197)	**(1,040)**	(1,120)
Lease liabilities	23	**(25)**	(25)	**(1)**	(3)
Nuclear provisions	24	**(3,142)**	(2,941)	**(3,142)**	(2,941)
Other provisions	25	**(14)**	(18)	**(7)**	(7)
Total current liabilities		**(4,295)**	(4,181)	**(4,190)**	(4,071)
Total assets less current liabilities		**(1,105)**	(945)	**(1,524)**	(1,270)
Trade and other payables	22	**(1,503)**	(1,481)	**(1,503)**	(1,477)
Lease liabilities	23	**(54)**	(44)	**(29)**	(29)
Nuclear provisions	24	**(132,078)**	(131,805)	**(132,621)**	(131,926)
Other provisions	25	**(105)**	(130)	**(60)**	(103)
Defined benefit pension scheme deficit	26	**(576)**	(149)	**-**	-
Total non-current liabilities		**(134,316)**	(133,609)	**(134,213)**	(133,535)
Net liabilities		**(135,421)**	(134,554)	**(135,737)**	(134,805)
Taxpayers' equity					
Revaluation reserve		**36**	30	**5**	5
General reserve		**(135,459)**	(134,586)	**(135,742)**	(134,810)
Total taxpayers' equity		**(135,423)**	(134,556)	**(135,737)**	(134,805)
Non-controlling interests	27	**2**	2	**-**	-
Total equity		**(135,421)**	(134,554)	**(135,737)**	(134,805)

The financial statements on page 118 to 165 were approved by the Board and authorised for issue by the Accounting Officer on 15 July 2021

D. Peattie

David Peattie, Accounting Officer and Group Chief Executive Officer. 15 July 2021

The related notes numbered 1 to 30 form part of these financial statements. Authority refers to the balances within the NDA itself, with NDA Group balances incorporating the Authority and its subsidiaries. Details of the subsidiaries are given in note 12.

Statement of Cash Flows

for the year ended 31 March 2021

	Notes	NDA Group 2021 £m	NDA Group 2020 £m	Authority 2021 £m	Authority 2020 £m
Cash flows from operating activities					
Net expenditure after taxation for the year	SoCNE	**(3,070)**	(7,618)	**(3,504)**	(6,780)
Adjustments for:					
Interest receivable	4	**(60)**	(2)	**(1)**	-
Interest payable		**10**	14	**-**	-
Net interest payable on defined benefit pension schemes	26	**3**	22	**-**	-
Net of pension service costs over cash contributions paid		**51**	94	**(1)**	-
Depreciation of property, plant and equipment	11	**82**	73	**31**	35
Impairment of property, plant and equipment	11	**-**	9	**-**	9
Revalorisation of advance payments	22	**61**	126	**61**	126
Amortisation of recoverable contract costs	13	**102**	101	**102**	101
Decrease/(increase) in inventories	15	**34**	(21)	**33**	(14)
Decrease/(increase) in receivables		**132**	(169)	**131**	(175)
Increase/(decrease) in payables		**(124)**	(102)	**(128)**	(86)
Increase/(decrease) in nuclear provisions impacting net expenditure		**559**	4,798	**985**	4,067
Increase/(decrease) in other provisions impacting net expenditure		**(182)**	35	**(196)**	25
Net cash outflow from operating activities		**(2,402)**	(2,640)	**(2,487)**	(2,692)
Cash flows from investing activities					
Interest received	4	**60**	2	**1**	-
Interest paid		**(10)**	(14)	**-**	-
Purchases of property, plant and equipment		**(70)**	(32)	**(5)**	(4)
Disposals of property, plant and equipment	11	**4**	3	**-**	2
Purchase of investments		**(119)**	22	**-**	-
Net cash outflow from investing activities		**(135)**	(19)	**(4)**	(2)
Cash flow from financing activities					
Grants from parent department	SoCTE	**3,257**	3,317	**3,257**	3,317
Surrender of receipts to Consolidated Fund	SoCTE	**(736)**	(556)	**(736)**	(556)
Net cash inflow from financing activities		**2,521**	2,761	**2,521**	2,761
Net increase/(decrease) in cash and cash equivalents		**(16)**	102	**30**	67
Cash and cash equivalents at beginning of period	21	**215**	113	**95**	28
Cash and cash equivalents at end of period	21	**199**	215	**125**	95

Statement of Changes in Taxpayers' Equity

for the year ended 31 March 2021

NDA Group	General £m	Revaluation £m	Total £m
Balance at 31 March 2019	(130,541)	29	(130,512)
Deficit arising on revaluation of PPE	-	1	1
Gross grants from parent department	3,317	-	3,317
Amounts surrenderable to Consolidated Fund (a)	(621)	-	(621)
Actuarial gain/(loss) on defined benefit pension schemes	877	-	877
Net expenditure	(7,618)	-	(7,618)
Balance at 31 March 2020	(134,586)	30	(134,556)
Surplus arising on revaluation of PPE	**-**	**6**	**6**
Gross grants from parent department	**3,257**	**-**	**3,257**
Amounts surrenderable to Consolidated Fund (a)	**(688)**	**-**	**(688)**
Actuarial gain/(loss) on defined benefit pension schemes	**(372)**	**-**	**(372)**
Net expenditure	**(3,070)**	**-**	**(3,070)**
Balance at 31 March 2021	**(135,459)**	**36**	**(135,423)**

Authority	General £m	Revaluation £m	Total £m
Balance at 31 March 2019	(130,748)	4	(130,744)
Deficit arising on revaluation of PPE	-	1	1
Gross grants from parent department	3,317	-	3,317
Amounts surrenderable to Consolidated Fund (a)	(621)	-	(621)
Actuarial gain/(loss) on defined benefit pension schemes	22	-	22
Net expenditure	(6,780)	-	(6,780)
Balance at 31 March 2020	(134,810)	5	(134,805)
Surplus arising on revaluation of PPE	**-**	**-**	**-**
Gross grants from parent department	**3,257**	**-**	**3,257**
Amounts surrenderable to Consolidated Fund (a)	**(688)**	**-**	**(688)**
Actuarial gain/(loss) on defined benefit pension schemes	**3**	**-**	**3**
Net expenditure	**(3,504)**	**-**	**(3,504)**
Balance at 31 March 2021	**(135,742)**	**5**	**(135,737)**

The revaluation reserve is used to record the increases in the fair value of property, plant and equipment carried at valuation and decreases to the extent that such decrease relates to an increase on the same asset previously recognised in taxpayers' equity.

The general reserve is used to record the deficit or surplus arising from the Statement of Comprehensive Net Expenditure, and the deficit or surplus arising on the transfer of assets and liabilities to the NDA from other parts of the public sector.

(a) Surrender of receipts to Consolidated Fund of £688 million (2020: £621 million) included £20 million payable as at 31 March 2021 (2020: £68 million at 31 March 2020). The amount paid in cash in the year was £736 million (2020: £556 million).

Notes to the financial statements
for the year ended 31 March 2021

1. General information

The NDA is an executive NDPB that was established on 22 July 2004 under the Energy Act 2004 and is currently sponsored by BEIS. The NDA was created with the primary objective of overseeing and monitoring the decommissioning and clean-up of the UK's civil nuclear legacy. The Financial Review on pages 18 to 19 provides further information on the NDA's operations.

These financial statements are presented in pounds sterling and all values are rounded to the nearest million (£m) except when otherwise indicated.

2. Statement of significant accounting policies

2.1 Basis of preparation
These financial statements have been prepared under the accounts direction issued by the Secretary of State for Energy and Climate Change in accordance with section 26 of the Energy Act 2004. The accounts direction requires compliance with the Government Financial Reporting Manual (FReM) and any other guidance issued by HM Treasury. The NDA has a specific direction in respect of the accounting for waste management assets on an historical cost basis. The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector context. Where the FReM permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the particular circumstances of the NDA for the purpose of giving a true and fair view has been selected. The significant accounting policies adopted by the NDA are described below. They have been applied consistently in dealing with items that are considered material to the financial statements, unless otherwise stated.

These financial statements have been prepared on the historical cost basis, except for the revaluation of property, plant and equipment (other than waste management assets). Investments, financial assets and financial liabilities (including derivative financial instruments) are measured at amortised cost.

The consolidated statement of financial position at 31 March 2021 shows net liabilities of £135 billion (2020: £135 billion). This reflects the inclusion of liabilities falling due in future years which, to the extent that they are not to be met from the NDA's other sources of income, may only be met by future grants in aid from the NDA's sponsoring department, BEIS. Under the normal conventions applying to parliamentary control over income and expenditure, such grants in aid may not be issued in advance of need. Grants in aid for 2021/22, taking into account the amounts required to meet the NDA's liabilities falling due in this year, have already been included in BEIS's estimates, and these have been approved by Parliament. There is no reason to believe that future BEIS sponsorship and future parliamentary approval will not be forthcoming. It has accordingly been considered appropriate to adopt a going concern basis for the preparation of these financial statements.

2.2 Adoption of new and revised Standards
The following new or revised standards were adopted during the previous year: IFRS 16 Leases (see notes 11, 19 and 23)

The following standards have been issued but are not yet effective: IFRS 17 Insurance Contracts

Notes to the financial statements - continued

2.3 Basis of consolidation
The consolidated financial statements incorporate the financial statements of the NDA and entities controlled by the NDA (its subsidiary undertakings) made up to 31 March each year. Control is achieved where the NDA has the power to govern the financial and operating policies of an investee entity so as to obtain benefits from its activities.

All intra-group transactions, balances, income and expenses are eliminated on consolidation.

2.4 Foreign currencies
The individual financial statements of each Group entity are presented in the currency of the primary economic environment in which it operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each Group entity are expressed in pounds sterling, which is the functional currency of the NDA, and the presentation currency for the consolidated financial statements.

In preparing the financial statements of the individual reporting entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded at the rates of exchange prevailing on the dates of the transactions or at the contracted rate if the transaction is covered by a forward foreign exchange contract. At each reporting date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences are recognised in the statement of net expenditure in the period in which they arise.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated at exchange rates prevailing on the reporting date. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the date of transactions are used. Exchange differences arising, if any, are classified as equity and recognised in the Group's general reserve. Such translation differences are recognised as income or as expenses in the period in which the operation is disposed of.

The turnover, assets and liabilities of the foreign operations included within these consolidated financial statements are minor in the context of the Group as a whole and therefore the potential impact of any foreign currency movements are deemed to be negligible.

2.5 Research and development expenditure
Expenditure on research activities is recognised as an expense in the period in which it is incurred.

2.6 Taxation
Please see note 10 and 14 for the tax charge and deferred taxation respectively.

VAT is accounted for in that amounts are shown net of VAT except:
(i) Irrecoverable VAT is charged to profit or loss, and included under the heading relevant to the type of expenditure
(ii) Irrecoverable VAT on the purchase of an asset is included in the capitalised purchase cost of the asset

The net amount due to, or from, HM Revenue & Customs in respect of VAT is included within payables or receivables respectively within the statement of financial position.

2.7 Impairment of non-financial assets
At each reporting date, the Group reviews the carrying amounts of its non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.
Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised as income immediately, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Notes to the financial statements - continued

2.8 Financial instruments
Financial assets and financial liabilities are recognised in the Statement of Financial Position when the Group becomes a party to the contractual provisions of the instrument.

2.8 (a) Financial assets
All financial assets are recognised and derecognised on a trade date where the purchase or sale of a financial asset is under a contract whose terms require delivery of the investment within the time frame established by the market concerned, and are initially measured at fair value.

Loans and receivables
Finance lease receivables, trade and other receivables, and cash and cash equivalents, that have fixed or determinable payments that are not quoted in an active market, are classified as loans and receivables. Loans and receivables are measured at amortised cost using the effective interest rate method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial. Other investments are measured at fair value through profit or loss.

The effective interest rate method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset or, where appropriate, a shorter period, to the net carrying value of the financial asset.

Impairment of financial assets
Financial assets are assessed for indicators of impairment at each reporting date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the asset have been impacted.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an expected credit loss provision. When a trade receivable is considered uncollectible, it is written off against the expected credit loss provision.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through the Statement of Comprehensive Net Expenditure to the extent that the carrying amount of the financial asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

De-recognition of financial assets
Financial assets are derecognised only when the rights to receive cash flows from the assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

2.8 (b) Financial liabilities
Financial liabilities are classified as financial liabilities at amortised cost.

De-recognition of financial liabilities
Financial liabilities are derecognised when, and only when, the Group's obligations are discharged, cancelled or they expire.

2.8 (c) Derivative financial instruments
The NDA enters into derivative financial instruments to manage its exposure to commodity price risk and foreign exchange rate risk, including commodity contracts and forward foreign exchange contracts.

Derivatives are initially recognised at fair value on the date on which the derivative contract is entered into and are subsequently re-measured to their fair value at each reporting date. The resulting gain or loss is recognised in the Statement of Comprehenisve Net Expenditure immediately.

A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not expected to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

Embedded derivatives
Derivatives embedded in other financial instruments or other host contracts are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contracts and the host contracts are not measured at fair value through profit or loss.

2.9 Provisions
Provisions are recognised when the Group has a present obligation as a result of a past event, and it is probable that the Group will be required to settle that obligation. Provisions are the Authority's best estimate of the expenditure required to settle the obligation at the reporting date, and are discounted to present value where the effect is material.

2.10 Grants from parent department
In accordance with the FReM the NDA prepares its financial statements showing grants received from BEIS as credited to the general reserve, and as financing in the statement of cash flows. Grants are received gross from BEIS and receipts are surrendered separately.

Notes to the financial statements - continued

3. Critical accounting judgements and key sources of estimation uncertainty

In the application of the NDA's accounting policies, which are described in note 2, as well as in the relevant note to the financial statements, the Authority is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying the NDA's accounting policies
The following are the critical judgements, apart from those involving estimations (which are dealt with separately below), that management has made in the process of applying the NDA's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

3.1 Income recognition
The Authority applied IFRS 15 on 1 April 2018, and in doing so was required to perform a number of significant accounting judgements. These judgements, the methods employed in determining them, and the associated uncertainties are described below. The judgements have been made on a prospective basis from the application date onwards, in accordance with the Authority's derogation from HM Treasury to set aside the retrospective restatement requirements of the standard.

3.1 (a) The expected value of each of the contracts with customers (the transaction price)
The Authority has determined the transaction price of each contract on a prospective basis at 1 April 2018 (being the total expected price of the contract less the revenue recognised in prior periods). The transaction price of each contract comprises the total payments made on account and the total of future cash flows from the customer. In determining the latter, the Authority has determined that future cash flows will not be subject to significant variation from existing contractual terms. This is on the basis that the Authority does not currently anticipate significant discounts, returns, refunds or other types of variable consideration to apply to the contracts other than the indexation of cash flows as set out in contracts as applicable. Where such indexation arises in future reporting periods, an adjustment to the contract price will be applied in that period.

3.1 (b) The amounts of the transaction price of each contract to be allocated to each of the performance obligations in the contract
In recognition of the complexity of the Authority's major long term contracts, which typically do not feature standalone services with discreet prices, the Authority has allocated the transaction price of each contract to the performance obligations in that contract through the estimation of the expected future cost of fulfilling each performance obligation, and subsequently allocating the transaction price in proportion to the future cost of each. In doing so, the Authority determines that any difference between the price and cost of each contract (notional profit or loss) will be applied to each performance obligation in proportion to the cost of fulfilment.

The basis of determining the cost of each performance obligation requires significant judgement on future cost forecasts. These are derived from and consistent with the cost estimates used to determine the Authority's nuclear provision and subject to the same estimation uncertainties described below. Specifically in respect of the costs of fulfilling the performance obligations in the applicable contracts, the estimates rely on:

- Judgements of the continued operation of certain plants and services, the conclusion of certain works programmes, and other assumed milestones
- Judgements of the appropriate allocation of costs to individual performance obligations based on estimates of the extent of capacity, utilisation of other measure of service provision as they apply to each contract and the performance obligations therein

In accordance with the requirements of IFRS 15 the above determinations were made for existing contracts at the point of application of the standard and will not be revised for future reporting periods. Determinations will be made for new contracts at the point of inception

3.1 (c) The timing of satisfaction of performance obligations
The Authority has determined that performance obligations will be satisfied in accordance with contractually defined timescales, and in accordance with strategic assumptions implicit in the site lifetime plans. Examples of the assumed timing of satisfaction of performance obligations include that the Authority:

- Satisfied its performance obligations in respect of the receipt of spent fuel intended for reprocessing, and the reprocessing thereof, upon cessation of reprocessing operations at the THORP plant at Sellafield and effective closure of the plant in the reporting period of 2018-19, and therefore that the transaction price allocated to these performance obligations was recognised in full in 2018-19

Notes to the financial statements - continued

- Will continue to store spent fuels, waste, products and other materials in line with the respective storage periods contained in each contract, that the associated performance obligation will be satisfied over time, and therefore that the transaction price allocated to these performance obligations will be recognised as revenue evenly over the respective time periods
- Will continue to provide services for the interim storage of wastes produced by spent fuel reprocessing and the subsequent treatment of said wastes, concluding in 2025, that these performance obligations will be satisfied evenly over time, and therefore that the transaction price allocated to these performance obligations will be recognised as revenue evenly over the period to 2025. This judgement assumes and relies upon the continued availability and performance of waste treatment plants at Sellafield and a significant disruption in plant operations and/or change in duration of the remaining waste treatment programme would require the Authority to review and potentially amend its assumptions on the timing of the satisfaction of this performance obligation. For example a significant unplanned temporary halt to operations in a future reporting period may reduce the revenue recognised in that period
- Will continue to receive spent fuel which is not intended for reprocessing, and in doing so will assume title of ownership for said fuel at the point in time when it is received by the Authority, therefore that the transaction price of the contract will be allocated to a single performance obligation, and therefore that the transaction price will be recognised as revenue in proportion to the volume of spent fuel received and taken into ownership in each reporting period, relative to the total volume of spent fuel expected to be received and taken into ownership for the remainder of the duration of the contract

3.1 (d) The costs to fulfil contracts with customers
The Authority has determined the remaining costs of fulfilling each contract, prospectively at the point of application, comprising the following and has applied judgements as described:

- Costs incurred prior to contract inception have been estimated in previous reporting periods, and amortised in proportion to the revenue recognised in each reporting period, relative to the total revenue still to be recognised. The respective balances for each contract are defined as ‘contract assets’ under IFRS15 and are disclosed at note 13.
- Costs expected to be incurred in fulfilling the remaining performance obligations for each contract are estimated as described above, are stated at note 13 and will be expensed in each reporting period as they arise.

The balances are deemed financial assets under IAS37 and offset against costs provided in the nuclear provision in note 24.

In addition to the above, costs incurred in the acquisition of property, plant and equipment required to fulfil the contracts are capitalised, depreciated and otherwise valued, in accordance with the Authority’s accounting policies and stated in total in note 11.

Further information on the application of IFRS15 is contained in Note 9.

3.2 Leases
The Authority applied IFRS 16 Leases for the first time in the previous year which has had a material impact on the assets and liabilities held on the balance sheet. The following accounting judgements have been made.

Determining whether a lease exists
Management have exercised judgement when reviewing agreements to determine whether or not a lease exists. Management have considered whether an agreement, in substance, grants the Authority the right to direct the use of the asset and allows the Authority to receive substantially all of the economic benefit of the asset.

Determining the lease term of contracts with renewal and termination options
The Authority determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease, or any periods covered by an option to terminate the lease. When the Authority has the option to extend or terminate a lease, management uses its judgement to determine whether or not an option would be reasonably certain to be exercised. Management considers all facts and circumstances including their past practice.

3.3 Key Sources of Estimation Uncertainty
The key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

3.3 (a) Impairment of property, plant and equipment
Impairment is measured by comparing the carrying value of the asset or cash-generating unit with its recoverable amount. The NDA has therefore reviewed the asset base and all assets are reviewed for evidence of impairment. Given the ageing asset base this calculation has a degree of uncertainty within it. The carrying amount of property, plant and equipment at the reporting date was £636 million.

Notes to the financial statements - continued

3.3 (b) Nuclear Provisions
The nuclear provision represents the best estimate of the costs of delivering the NDA objective of decommissioning the plant and equipment on each of the designated nuclear licensed sites and returning the sites to pre-agreed end states in accordance with the published strategy. This programme of work will take until 2137. The estimates are necessarily based on assumptions of the processes and methods likely to be used to discharge the obligations, reflecting a combination of the latest technical knowledge available, the requirements of the existing regulatory regime, Government policy and commercial agreements. Given the very long timescale involved, and the complexity of the plants and material being handled, considerable uncertainty remains in the cost estimate particularly in the later years.

In preparing the estimate of the cost of decommissioning the designated sites, the NDA has focused in particular on the first 20 years, which represents £60 billion out of the total £135 billion provision (2020: £56 billion out of £135 billion). In undiscounted terms it represents £57 billion out of a total of £132 billion (2020: £56 billion out of £132 billion).

As part of the preparation of the financial statements, the principal assumptions and sensitivities for the cost estimates have again been updated and reviewed by the NDA executive and, where appropriate, updates to the estimates have been made to reflect changed circumstances and more recent knowledge.

In preparing the best estimate of the provision required to settle the NDA obligations, it is recognised that there remains a significant degree of inherent uncertainty in the future cost estimates. Should outcomes differ from assumptions in any of the following areas, this may require a material adjustment to the carrying amount of the nuclear provision and related assets and liabilities:

- Potential changes in the NDA funding profile, requiring the tailoring of expenditure across the estate to ensure the right balance between addressing high risk, hazard and affordability; for example emanating from either economic conditions or changes in funding resulting from the next Government Spending Review
- The length of time over which the necessary programme of work will be delivered – stretching out to 2137
- Interdependencies between programmes of work both within SLCs and across SLC boundaries.
- Uncertainty over the future location of the planned Geological Disposal Facility (GDF) and the timing of its availability
- A lack of detailed information on the design of the Legacy Ponds and Silos at Sellafield and the exact quantities and chemical composition of the historical wastes held in them, resulting in potential significant uncertainty in both the process and costs of dealing with these materials
- Uncertainty over future Government policy positions and potential regulatory changes
- Possible technological advances which may occur which could impact the work to be undertaken to decommission and clean up the sites

Government has indicated that the preferred policy for management of plutonium is for reuse. Any final decision is conditional on business case approval for reuse of the material. Following review of the likely costs of the preferred policy, and the credible alternative of storage and disposal in the long-term, a prudent estimate of £7 billion (discounted) has been included within the Provision.

Notes to the financial statements - continued

4. Operating segments

For management purposes, the NDA is currently organised into various operating units, which are grouped according to activity type. The segmental analysis in the following tables presents the net expenditure for each of the continuing operations.

NDA Group 2021	Sellafield reprocessing and transport £m	Magnox electricity generation and research sites £m	Dounreay site restoration £m	Waste management £m	Springfields and Capenhurst £m	NDA admin and other non-programme £m	Subsidiaries and Group adjustments £m	**Total 2021 £m**
Authority administration expenditure	-	-	-	-	-	61	-	**61**
Programme expenditure	2,310	400	168	129	46	141	36	**3,230**
Decommissioning costs charged to nuclear provision	(1,876)	(475)	(183)	(90)	(114)	-	1	**(2,737)**
Decommissioning costs charged to other provisions	(79)	-	-	-	-	-	(1)	**(80)**
Nuclear provision increase/(decrease)	2,709	580	94	236	104	-	(427)	**3,296**
Other provisions increase/(decrease)	(120)	-	-	-	-	-	15	**(105)**
Adjustments to provisions	634	105	(89)	146	(10)	-	(412)	**374**
Depreciation and impairment	31	-	-	-	-	(5)	51	**77**
Income (a)	(547)	(4)	(2)	(2)	-	(9)	(63)	**(627)**
Interest payable	-	-	-	-	-	-	13	**13**
Interest receivable (b)	-	-	-	-	-	(1)	(59)	**(60)**
Net expenditure/(income) from continuing operations for the year before taxation	**2,428**	**501**	**77**	**273**	**36**	**187**	**(434)**	**3,068**

(a) See note 9 for commentary on revenue from contracts. Income in 'subsidiaries and group adjustments' includes revenue from rail and marine transport services and property rental.

(b) Includes net gain on investments of £58 million held by Rutherford Indemnity Ltd.

The basis for accounting for transactions between reportable segments is given in Note 29.

There have been no changes from the prior period to the measurement methods used to determine reported segment net expenditure.

Notes to the financial statements - continued

4. Operating segments (continued)

NDA Group 2020	Sellafield reprocessing and transport £m	Magnox electricity generation and research sites £m	Dounreay site restoration £m	Waste management £m	Springfields and Capenhurst £m	NDA admin and other non-programme £m	Subsidiaries and Group adjustments £m	Total 2020 £m
Authority administration expenditure	-	-	-	-	-	53	-	53
Programme expenditure	2,352	465	189	122	46	132	45	3,351
Decommissioning costs charged to nuclear provision	(1,761)	(474)	(180)	(77)	(103)	-	-	(2,595)
Decommissioning costs charged to other provisions	(132)	-	-	-	-	-	-	(132)
Nuclear provision increase/(decrease)	1,620	5,032	92	(88)	6	-	731	7,393
Other provisions increase/(decrease)	157	-	-	-	-	-	10	167
Adjustments to provisions	(116)	4,558	(88)	(165)	(97)	-	741	4,833
Depreciation and impairment	44	-	-	-	-	5	38	87
Income (a)	(691)	(3)	(2)	(3)	-	(21)	(20)	(740)
Interest payable	-	-	-	-	-	-	36	36
Interest receivable	-	-	-	-	-	-	(2)	(2)
Net expenditure/(income) from continuing operations for the year before taxation	**1,589**	**5,020**	**99**	**(46)**	**(51)**	**169**	**838**	**7,618**

Geographical information

The NDA Group's income is attributed to countries on the basis of the customer's location, as follows:

NDA Group	**2021 £m**	2020 £m
United Kingdom	**476**	508
Germany	**39**	9
Japan	**99**	213
Italy	**8**	7
Other countries	**5**	3
Total income	**627**	740

The Group's non-current assets are primarily located or based in the United Kingdom.

Notes to the financial statements - continued

5. Authority administration expenditure

Authority	2021 £m	2020 £m
Staff costs (see Remuneration Report)	**44**	39
Administration costs	**17**	14
Auditors' remuneration	**-**	-
Total Authority administration expenditure	**61**	53

Directors' emoluments are included in the above figures and can be seen in the Remuneration Report on pages 86 to 91.

Auditors' remuneration represents fees payable to the NAO for the audit of the Authority and the NDA Group and amounted to £380,000 (2020: £330,000). No other remuneration has been paid to the NAO.

6. Programme expenditure

Contractor costs are defined as payments to contractors relating to the core NDA programme (work performed on behalf of the NDA by contractors) adjusted to eliminate payments made between those contractors. Contractor costs are recognised as an expense under programme expenditure within the Statement of Comprehensive Net Expenditure, in the period to which they relate.

	NDA Group		Authority	
NDA Group & Authority	**2021 £m**	2020 £m	**2021 £m**	2020 £m
Contractor and subsidiary costs (a), (b)	**2,933**	2,999	**2,889**	2,945
Amortisation of recoverable contract costs (see note 13)	**102**	101	**102**	101
Revalorisation of advance payments (see note 22)	**61**	126	**61**	126
Fees payable to SLCs	**17**	40	**17**	40
Trading costs	**3**	19	**3**	19
Research and development costs	**10**	12	**-**	6
Insurance	**5**	-	**13**	8
Skills and socio-economic	**5**	-	**5**	-
Dividend payable to minority interest	**1**	1	**-**	-
Information governance	**17**	13	**17**	13
Cyber security	**9**	9	**10**	9
Plutonium management strategy	**7**	14	**7**	14
Movements in inventory provisions (c)	**57**	8	**57**	8
Group development projects	**7**	4	**7**	4
Property management	**6**	5	**6**	6
NTS contract management	**5**	-	**5**	-
R&D tax credit relief	**(15)**	-	**(15)**	-
Other costs	**-**	-	**10**	7
Total Programme expenditure	**3,230**	3,351	**3,194**	3,306

(a) Contractor and subsidiary costs shown are after deduction for capitalisation of £5 million (2020: £5 million)
(b) Contractor and subsidiary costs include auditors' remuneration payable for the audit of the NDA subsidiary companies amounting to £336,000 (2020: £298,000)
(c) As a result of a review of the application of the accounting policies for the valuation of inventories within the Authority accounts a one off provisioning charge of £45 million was made in the period (see note 15)

Notes to the financial statements - continued

7. Adjustments to provisions

	NDA Group		Authority	
NDA Group & Authority	**2021 £m**	2020 £m	**2021 £m**	2020 £m
Movement in nuclear provisions:				
Provided for in the year (see note 24)	**3,729**	6,792	**3,729**	6,791
In-year group provision adjustment (see note 24)	**(426)**	730	**-**	-
Unwind of discount (see note 24)	**(7)**	(129)	**(7)**	(129)
Release of provision (see note 24)	**(2,737)**	(2,595)	**(2,737)**	(2,595)
Total movement in nuclear provisions	**559**	4,798	**985**	4,067
Movement in other provisions:				
Provided for in the year (see note 25)	**(100)**	170	**(114)**	160
Release from provision (see note 25)	**(80)**	(132)	**(79)**	(132)
Unwind of discount (see note 25)	**(5)**	(3)	**(6)**	(3)
Total movement in other provisions	**(185)**	35	**(199)**	25
Total provisions movement	**374**	4,833	**786**	4,092

8. Depreciation and impairments

	NDA Group		Authority	
NDA Group & Authority	**2021 £m**	2020 £m	**2021 £m**	2020 £m
Depreciation of property, plant and equipment (see note 11)	**82**	73	**31**	35
Impairment of property, plant and equipment (see note 11)	**-**	9	**-**	9
Impairment of financial instruments for expected credit loss (see notes 19 and 20)	**(5)**	5	**(5)**	5
Total depreciation and impairments	**77**	87	**26**	49

Notes to the financial statements - continued

9. Income

Contracts

Income recognition
Contract income is recognised by reference to the stage of completion of the contract activity at the reporting date. Prior to the implementation of IFRS 15 the Authority's accounting policy for most spent fuel reprocessing and/or waste management contracts was to measure the stage of completion according to the proportion that contract costs incurred for work performed to date bear to the estimated total contract costs.

In accordance with IFRS 15 the Authority has:
- Identified contracts with customers and the contract price still to be recognised at the reporting date (in accordance with the derogation that allows the Authority to set aside the requirement to retrospectively restate revenues) under each contract
- Determined the performance obligations under each contract
- Determined the relative value of each performance obligation
- Identified the appropriate basis for measuring the fulfilment of each performance obligation and therefore the recognition of revenue arising from each

Note 3 to the financial statements provides information on significant judgements performed by the Authority in applying IFRS 15, as required in order to determine:
- The expected value of each of the contracts with customers (the transaction price)
- The amounts of the transaction price of each contract to be allocated to each of the performance obligations in the contract
- The timing of satisfaction of performance obligations

The table on page 135 provides the following information:
- The extent of revenue recognised from contracts with customers
- Disaggregation of said revenue into categories that depict how the nature, timing and uncertainty of cash flows are affected by economic factors
- The aggregate amount of the transaction price allocated to the performance obligations that are wholly or partially unsatisfied
- Explanation of when the Authority expects to recognise the above transaction price as revenue

Note 13 to the financial statements provides information on recoverable contract costs, which comprise two elements:

- Historic costs incurred prior to the recognition of revenue on each relevant contract, which constitute financial assets for the purposes of IFRS15 and are charged to the accounts (amortised) in proportion to revenue recognised in each reporting period
- An estimate of the future costs which will be incurred in fulfilling the performance obligations under each contract which are accounted for under IAS37 and constitute a subset of the costs included in the nuclear provision (and are presented as equal and opposite asset balances)

Note 22 to the financial statements provides information on payments on account, which are payments made by customers under long term contracts, in advance of the fulfilment of performance obligations. These balances are contract liabilities under IFRS15.

The Authority will allocate any changes in the transaction price of each contract (including but not limited to the future revalorisation of payments on account balances) to the performance obligations as defined in the initial allocation of the transaction price to performance obligations at 1 April 2018, and in proportion to the allocations made at that time. Where this results in allocation of changes in transaction price to performance obligations already satisfied at the respective reporting date, the resulting allocation to satisfied performance obligations will be recognised as revenue in that reporting period.

Variations in contract work are included to the extent that they have been agreed with the customer.

Treatment of costs
Contract costs are recognised as expenses in the period in which they are incurred.
When it is probable that total contract costs will exceed total contract income, the expected loss is recognised as an expense immediately, being an adjustment to the contract loss provision in notes 7 and 24.

For contracts in progress at the reporting date, where costs still to be incurred exceed amounts received to date, the balance is shown under non-current assets as recoverable contract costs. Where amounts received to date exceed costs still to be incurred the balance is shown under trade and other payables as payments received on account.

Notes to the financial statements - continued

9. Income (continued)

	NDA Group		Authority	
	2021	2020	**2021**	2020
NDA Group & Authority	**£m**	£m	**£m**	£m
Spent fuel reprocessing and associated waste management	**(187)**	(183)	**(187)**	(183)
Spent fuel receipt	**(211)**	(215)	**(211)**	(215)
Other contracts for waste and product storage	**(15)**	(67)	**(15)**	(67)
Storage and destorage of residues	**(8)**	(5)	**(8)**	(5)
Waste substitution (destorage and return of substituted waste)	**(22)**	-	**(22)**	-
Revenue from major contracts (continuing)	**(443)**	(470)	**(443)**	(470)
Legacy waste management	**(6)**	(6)	**(6)**	(6)
Transfer of ownership of nuclear materials	**(43)**	(166)	**(43)**	(166)
Revenue from major contracts (non-recurring)	**(49)**	(172)	**(49)**	(172)
Transportation of nuclear fuel, waste and materials	**(109)**	(61)	**(48)**	(42)
Energy trading	**(5)**	(6)	**(5)**	(6)
Sundry	**(14)**	(15)	**(12)**	(18)
Admin/non-programme	**(5)**	(10)	**(5)**	(10)
Revenue from other contracts	**(133)**	(92)	**(70)**	(76)
Revenue from contracts with customers	**(625)**	(734)	**(562)**	(718)
Other revenues (rental income)	**(2)**	(6)	**(2)**	(2)
Total revenues	**(627)**	(740)	**(564)**	(720)

The total revenue from contracts with customers totalled £625 million (2020: £734 million) of which:

- £443 million (2020: £470 million) was recognised on major contracts which will continue beyond the reporting date
- £49 million (2020: £172 million) was recognised on non-recurring major contracts which concluded during the reporting period
- £133 million (2020: £92 million) was recognised on other contracts

Notes to the financial statements - continued

9. Income (continued)

The Authority's major contracts with customers, the main performance obligations remaining on each contract and the factors affecting future cash flows and timing of revenue recognition can be summarised as follows:

Contract type and customer(s)	**Main categories of performance obligation**	**Factors potentially affecting future cash flows and revenue recognition**
Spent fuel reprocessing and associated waste management Customer(s): Nuclear energy producers in the UK and overseas	Storage of spent fuel not reprocessed (to 2086)	Overall contract value is materially certain, and timing of recognition is certain (corresponds directly to contracted storage period)
	Interim storage of wastes (expected to continue to 2025)	Overall contract value is materially certain. Revenue is recognised over time, and period of recognition is dependent on future performance of waste management plants
	Storage of treated wastes (to 2038 or 2086 depending on type of material)	Overall contract value is materially certain. Revenue is recognised over time, and period of recognition is dependent on future performance of waste management plants
	Storage of products (to 2086)	Overall contract value is materially certain, and timing of recognition is certain (corresponds directly to contracted storage period)
Spent fuel receipt and management Customer(s): Nuclear energy producers in the UK	Receipt of spent fuel, currently expected to continue until 2034	Overall contract value dependent on volume of spent fuel produced by customer Timing of revenue recognition dependent on ability of customer to consign spent fuel and on ability of Authority to receive spent fuel
Other contracts for waste and product storage Customer(s): Nuclear operators in the UK, nuclear energy producers overseas	Storage of materials, last contract continuing to 2042	Overall contract value dependent on future price negotiations with customers, occurring at intervals (of 1 to 5 years) determined in individual contracts
Storage and destorage of residues Customer(s): Nuclear energy producers overseas	Storage of residues, currently expected to continue until 2025	Contract values may vary according to storage periods required by customers
	Subsequent destorage of residues, currently expected to continue until 2023	Contract values may vary according to storage periods required by customer Timing of revenue recognition dependent on ability of Authority to destore residues and on ability of customer to receive residues
Waste substitution Customer(s): Nuclear energy producers overseas	Destorage and transportation of waste	Contract value is materially certain. Timing of revenue recognition dependent on ability of Authority to destore wastes and on ability of customer to receive wastes
Transportation of nuclear fuel, waste and materials	Transportation of nuclear fuel, waste and materials	Availability of transportation capacity and customer ability and readiness to receive nuclear fuel, waste and materials; customer demand for transportation services
Energy trading	Production of electricity and sales of gas	Performance of electricity producing plants
Sundry	Various including provision of rechargeable services to third parties	Continued demand for services
Admin/non programme	Various	Continued demand for services

Notes to the financial statements - continued

9. Income (continued)

The key uncertainty in the Authority's revenue forecasts is the volume and timing of spent fuel which is received and not intended for reprocessing. There is uncertainty in the overall value of the contract because it is directly related to the volume of spent fuel produced by the customer. There is uncertainty in the timing of revenue recognition in each reporting period because revenue is recognised at the point of receipt of spent fuel, therefore the revenue recognised in each reporting period is directly related to the volume of fuel received in that reporting period. The volume of fuel received is subject to a number of uncertain external factors which are not entirely within the control of the Authority.

The table shows the main types of contract, the main areas of performance obligations therein, and for each category:

- The revenue recognised in the reporting period [A]
- The revenue expected to be recognised in future reporting periods (being the aggregate amount allocated to performance obligations that are wholly or partially unsatisfied at the reporting date) [B]
- An indication of when the Authority expects to recognise the remaining contract price

Contract type	Categories of performance obligation	[A] £m	[B] £m	Of which £m:		
				2021-2026	2027- 2039	2040-2087
Spent fuel reprocessing and associated waste management	Spent fuel storage	13	708	54	139	515
	Interim storage of wastes	86	340	340	-	-
	Treatment of wastes	64	254	254	-	-
	Storage of treated wastes	5	170	19	51	100
	Storage of products	19	834	85	222	527
Spent fuel receipts	Receipt of spent fuel	211	3,729	1,937	1,792	-
Other storage contracts	Storage of materials	15	1,051	281	605	165
Storage and destorage of residues	Storage	6	12	12	-	-
	Destorage	2	18	18	-	-
Waste substitution	Destorage	22	51	51	-	-
Legacy waste	Waste management	6	156	156	-	-
Transfer of ownership of materials and flasks	Transfer of ownership	43	-	-	-	-
TOTAL		**492**	**7,323**	**3,207**	**2,809**	**1,307**

Notes to the financial statements - continued

10. Tax

NDA Group & Authority	2021 £m	2020 £m
NDA Group net expenditure before tax	**3,068**	7,618
Deficit on ordinary activities before tax at the UK standard rate of corporation tax of 19% (2020: 19%)	**583**	1,447
Effects of:		
Income and expenditure which is not taxable or tax deductible	**(323)**	(1,295)
Capital allowances for the year in excess of depreciation	**117**	122
Unutilised losses	**(377)**	(274)
Current tax charge for the year	**-**	-
Controlled foreign company tax	**2**	-
Deferred tax release	**-**	-
Total tax charge/(credit)	**2**	-

The NDA does not pay tax on any profits arising from its activities in relation to decommissioning, and similarly losses are not deductible in relation to decommissioning. Subsidiaries do not pay tax on profits arising as these are offset against the taxable losses of the NDA.

A deferred tax asset has not been recognised in respect of any non-decommissioning losses incurred by the NDA as the NDA does not anticipate taxable surpluses arising in the foreseeable future (note 14).

The NDA is liable for Controlled Foreign Company Tax on the activities of Rutherford Indemnity Ltd, the NDA's wholly-owned captive insurance company based in Guernsey.

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Notes to the financial statements - continued

11. Property, plant and equipment

Property, plant and equipment includes assets purchased directly by the Group and assets for which the legal title transferred to the Group under Transfer Scheme arrangements pursuant to the Energy Act 2004. Assets on designated nuclear sites are only recognised where two criteria are met. Firstly the economic element of the asset's value at the reporting date must exceed £100,000, and secondly the proportion of the asset relating to commercial activity should exceed 10%.

In line with the accounts direction issued by the Secretary of State for Energy and Climate Change, waste management assets are excluded from the FReM requirement to carry PPE at fair value due to lack of reliable and cost effective revaluation methodology. Such waste management assets are therefore carried at cost less accumulated depreciation and any impairment charges.

For property, plant and equipment carried at valuation, revaluations are currently performed on an annual basis to ensure that the carrying amount does not differ materially from that which would be determined using fair values at the reporting date. This includes assets used to support commercial activities, property located outside nuclear licensed site boundaries, and property located inside nuclear licensed site boundaries where a reliable and cost effective revaluation methodology exists. The categories of property, plant and equipment subject to revaluation are land and buildings.

Any accumulated depreciation at the date of revaluation is eliminated and the resulting net amount restated to equal the revalued amount. Any revaluation increase arising is credited to the revaluation reserve, except to the extent that it reverses a revaluation decrease for the same asset previously recognised as an expense, in which case the increase is credited to profit or loss to the extent of the decrease previously charged. A decrease in carrying amount arising on revaluation is charged as an expense to the extent that it exceeds the balance, if any, held in the revaluation reserve relating to a previous revaluation of that asset.

On the subsequent de-recognition of a revalued asset, the attributable revaluation surplus remaining in the revaluation reserve is transferred directly to the general reserve.

Where economic facilities have been commissioned, the estimated cost of decommissioning the facilities is recognised, to the extent that it is recognised as a provision under IAS 37 'Provisions, Contingent Liabilities and Contingent Assets', as part of the carrying value of the asset and depreciated over the useful life of the asset. All other decommissioning costs are expensed as incurred.

Depreciation is charged so as to write off the cost or valuation of assets, other than assets under construction, to their residual values over their useful lives, using the straight-line method, on the following bases:

Land	Not depreciated
Buildings	10 to 60 years
IT equipment	3 years
Fixtures and fittings	3 to 10 years
Plant and equipment	10 to 30 years
Transport equipment	4 to 14 years

The exceptions to the above are:

- In the depreciation of certain shipping assets which is calculated on a usage, rather than straight-line, basis; and
- In the depreciation of plant and equipment for which the remaining useful commercial life of the assets is less than 10 years (such assets are depreciated over the remaining useful commercial life)

Assets under construction are not depreciated until brought in to use.

Residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

Notes to the financial statements - continued

11. Property, plant and equipment (continued)

NDA Group 2021	Land £m	Buildings £m	Fixtures & fittings £m	Plant & equipment £m	Transport equipment £m	Assets under construction £m	Right of Use assets (a) £m	**Total £m**
Cost or valuation								
At 1 April 2020	15	346	5	4,451	71	26	93	5,007
Revaluations (c)	-	6	-	-	-	-	-	6
Eliminations	-	-	-	(18)	-	-	-	(18)
Additions (e)	-	-	-	8	-	9	58	75
Other reclassifications	-	2	-	1	3	(6)	-	-
Disposals	-	(1)	-	-	(4)	-	(4)	(9)
Impairments (f)	-	-	-	-	-	-	-	-
At 31 March 2021	**15**	**353**	**5**	**4,442**	**70**	**29**	**147**	**5,061**
Depreciation								
At 1 April 2020	-	(229)	(4)	(4,074)	(38)	4	(25)	(4,366)
Eliminations	-	-	-	18	-	-	-	18
Charged in year	-	(1)	-	(44)	(4)	-	(33)	(82)
Disposals	-	–	-	-	3	-	2	5
At 31 March 2021	**-**	**(230)**	**(4)**	**(4,100)**	**(39)**	**4**	**(56)**	**(4,425)**
Net book value at 1 April 2020	15	117	1	377	33	30	68	641
Net book value at 31 March 2021	**15**	**123**	**1**	**342**	**31**	**33**	**91**	**636**

The net book value of plant and equipment at 31 March 2021 (£342 million) includes £124 million relating to future decommissioning costs. Plant and Equipment additions includes: £5 million of capitalised decommissioning costs which are off-set via release from the Nuclear Provision

NDA Group 2020	Land £m	Buildings £m	Fixtures & fittings £m	Plant & equipment £m	Transport equipment £m	Assets under construction £m	Right of Use assets (a) £m	**Total £m**
Cost or valuation								
At 1 April 2019	15	297	5	4,520	71	76	80	5,064
Revaluations (c)	-	1	-	-	-	-	-	1
Eliminations	-	(2)	-	(15)	-	-	-	(17)
Additions	-	8	-	-	-	9	15	32
Other reclassifications	-	43	-	(37)	1	(46)	-	(39)
Disposals	-	(1)	-	(17)	(1)	(4)	(2)	(25)
Impairments (f)	-	-	-	-	-	(9)	-	(9)
At 31 March 2020	15	346	5	4,451	71	26	93	5,007
Depreciation								
At 1 April 2019	-	(230)	(4)	(4,065)	(33)	-	-	(4,332)
Eliminations	-	2	-	15	-	-	-	17
Charged in year	-	(1)	-	(42)	(5)	-	(25)	(73)
Disposals	-	-	-	18	-	4	-	22
At 31 March 2020	-	(229)	(4)	(4,074)	(38)	4	(25)	(4,366)
Net book value at 31 March 2019	15	67	1	455	38	76	-	652
Recognition of right of use asset under IFRS 16	-	-	-	-	-	-	80	80
Net book value at 1 April 2019	15	67	1	455	38	76	80	732
Net book value at 31 March 2020	15	117	1	377	33	30	68	641

The net book value of plant and equipment at 31 March 2020 (£377 million) includes £127 million relating to future decommissioning costs.

Right of use assets were recognised for the first time under IFRS16 during 2019/20.
Opening balances are stated in line with IFRS16 and therefore differ from the previous year's closing balances.

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Notes to the financial statements - continued

11. Property, plant and equipment (continued)

Authority 2021	Land £m	Buildings £m	Fixtures & fittings £m	Plant & equipment £m	Transport equipment £m	Assets under construction £m	Right of Use assets (a) £m	**Total £m**
Cost or valuation								
At 1 April 2020	11	293	3	4,162	4	26	1	4,500
Revaluations (c)	-	-	-	-	-	-	-	-
Eliminations	-	-	-	(18)	-	-	-	(18)
Additions	-	-	-	-	-	5	-	5
Other reclassifications	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	(1)	(1)
Impairments (f)	-	-	-	-	-	-	-	-
At 31 March 2021	**11**	**293**	**3**	**4,144**	**4**	**31**	**-**	**4,486**
Depreciation								
At 1 April 2020	-	(228)	(3)	(3,926)	(2)	-	-	(4,159)
Eliminations	-	-	-	18	-	-	-	18
Charged in year	-	(1)	-	(30)	-	-	-	(31)
Disposals	-	-	-	-	-	-	1	1
At 31 March 2021	**-**	**(229)**	**(3)**	**(3,938)**	**(2)**	**-**	**1**	**(4,171)**
Net book value at 1 April 2020	11	65	-	236	2	26	1	341
Net book value at 31 March 2021	**11**	**64**	**-**	**206**	**2**	**31**	**1**	**315**

The net book value of plant and equipment at 31 March 2021 (£206 million) includes £99 million relating to future decommissioning costs

Authority 2020	Land £m	Buildings £m	Fixtures & fittings £m	Plant & equipment £m	Transport equipment £m	Assets under construction £m	Right of Use assets (a) £m	**Total £m**
Cost or valuation								
At 1 April 2019	11	253	3	4,176	4	74	3	4,524
Revaluations (c)	-	-	-	-	-	-	-	-
Eliminations	-	(2)	-	(15)	-	-	-	(17)
Additions	-	-	-	-	-	4	-	4
Other reclassifications	-	42	-	1	-	(43)	-	-
Disposals	-	-	-	-	-	-	(2)	(2)
Impairments (f)	-	-	-	-	-	(9)	-	(9)
At 31 March 2020	11	293	3	4,162	4	26	1	4,500
Depreciation								
At 1 April 2019	-	(229)	(3)	(3,907)	(2)	-	-	(4,141)
Eliminations	-	2	-	15	-	-	-	17
Charged in year	-	(1)	-	(34)	-	-	-	(35)
Disposals	-	-	-	-	-	-	-	-
At 31 March 2020	-	(228)	(3)	(3,926)	(2)	-	-	(4,159)
Net book value at 31 March 2019	11	24	-	269	2	74	-	380
Recognition of right of use asset under IFRS 16	-	-	-	-	-	-	3	3
Net book value at 1 April 2019	11	24	-	269	2	74	3	383
Net book value at 31 March 2020	11	65	-	236	2	26	1	341

The net book value of plant and equipment at 31 March 2020 (£236 million) includes £106 million relating to future decommissioning costs.

Right of use assets were recognised for the first time under IFRS16 during 2019/20.
Opening balances are stated in line with IFRS16 and therefore differ from the previous year's closing balances.

Notes to the financial statements - continued

11. Property, plant and equipment (continued)

(a) Right of use assets included in property, plant and equipment comprise the following:

NDA Group 2021	Land £m	Buildings £m	Fixtures & fittings £m	Plant & equipment £m	Transport £m	Total £m
Cost or valuation						
Balance at 1 April 2020	-	12	-	11	70	93
Additions	-	4	-	5	49	58
Disposals	-	(4)	-	-	-	(4)
At 31 March 2021	**-**	**12**	**-**	**16**	**119**	**147**
Depreciation						
At 1 April 2020	-	(2)	-	(3)	(20)	(25)
Depreciation expense	-	(3)	-	(3)	(27)	(33)
Disposals	-	2	-	-	-	2
At 31 March 2021	**-**	**(3)**	**-**	**(6)**	**(47)**	**(56)**
Net book value at 31 March 2020	-	10	-	8	50	68
Net book value at 31 March 2021	**-**	**9**	**-**	**10**	**72**	**91**

NDA Group 2020	Land £m	Buildings £m	Fixtures & fittings £m	Plant & equipment £m	Transport £m	Total £m
Cost or valuation						
Balance at 1 April 2019	-	13	-	11	56	80
Additions	-	2	-	-	14	16
Disposals	-	(3)	-	-	-	(3)
At 31 March 2020	-	12	-	11	70	93
Depreciation						
At 1 April 2019	-	-	-	-	-	-
Depreciation expense	-	(2)	-	(3)	(20)	(25)
Disposals	-	-	-	-	-	-
At 31 March 2020	-	(2)	-	(3)	(20)	(25)
Net book value at 31 March 2019	-	-	-	-	-	-
Net book value at 31 March 2020	-	10	-	8	50	68

Notes to the financial statements - continued

11. Property, plant and equipment (continued)

(a) Right of use assets included in property, plant and equipment comprise the following:

Authority 2021	Land £m	Buildings £m	Fixtures & fittings £m	Plant & equipment £m	Transport £m	Total £m
Cost or valuation						
Balance at 1 April 2020	-	1	-	-	-	1
Disposals	-	(1)	-	-	-	(1)
At 31 March 2021	**-**	**-**	**-**	**-**	**-**	**-**
Depreciation						
At 1 April 2020	-	-	-	-	-	-
Depreciation expense	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
At 31 March 2021	**-**	**-**	**-**	**-**	**-**	**-**
Net book value at 31 March 2020	-	-	-	-	-	-
Net book value at 31 March 2021	**-**	**-**	**-**	**-**	**-**	**-**

Authority 2020	Land £m	Buildings £m	Fixtures & fittings £m	Plant & equipment £m	Transport £m	Total £m
Cost or valuation						
Balance at 1 April 2019	-	3	-	-	-	3
Disposals	-	(2)	-	-	-	(2)
At 31 March 2020	**-**	**1**	**-**	**-**	**-**	**1**
Depreciation						
At 1 April 2019	-	-	-	-	-	-
Depreciation expense	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
At 31 March 2020	**-**	**-**	**-**	**-**	**-**	**-**
Net book value at 31 March 2019	-	3	-	-	-	3
Net book value at 31 March 2020	-	1	-	-	-	1

(b) The NDA accounts for non-waste management assets on nuclear licensed sites, which have an ongoing value in use or realisable value, in accordance with IAS 16 and the requirements of FReM. Assets outside the nuclear licensed site boundaries are revalued in accordance with FReM. The NDA continues to require SLCs to maintain inventories of all property, plant and equipment held on nuclear licensed sites and which are subject to validation and audit as part of the contractual terms in place between the NDA and licence holders

(c) Land and buildings located outside the nuclear licensed site boundaries, were revalued at 31 March 2021 on the basis of existing use value or market value, as appropriate, by external qualified valuers. The valuations were undertaken in accordance with the Royal Institution of Chartered Surveyors Valuation Standards (6th Edition) by Avison Young Ltd Chartered Surveyors

(d) Contracted capital commitments relating to those economic assets expected to be subsequently capitalised, were £5 million (2020: £4 million)

(e) Changes in the estimated future cost of decommissioning related to commercial property, plant and equipment, are offset by matching changes in the value of the IAS 37 property, plant and equipment asset. An increase of £5 million was recognised in the year (2020: £39 million decrease), see note 24

(f) No impairment charges were made in the year on assets at the end of their commercial usage (2020: £9 million)

Notes to the financial statements - continued

12. Investments in subsidiaries

Investments in subsidiaries are stated at cost less, where appropriate, provision for impairment.

Authority	2021 £m	2020 £m
Cost		
At 1 April	**259**	259
Additions	**-**	-
At 31 March	**259**	259
Impairment		
At 1 April	**–**	–
Reversal	**–**	–
At 31 March	**–**	–
Net book value at 1 April	**259**	259
Net book value at 31 March	**259**	259

Details of the Authority's subsidiaries at 31 March 2021 are as follows:

Name	Country of incorporation	Nature of business	Proportion of ordinary shares held by NDA %
Direct Rail Services Ltd	UK	Rail transport services within the UK	100
International Nuclear Services France SAS (i)	France	Transportation of spent fuel	100
International Nuclear Services Japan KK (i)	Japan	Transportation of spent fuel	100
International Nuclear Services Ltd (INS Ltd)	UK	Contract management and the transportation of spent fuel, reprocessing products and waste	100
NDA Properties Ltd	UK	Property management	100
Pacific Nuclear Transport Ltd (i)	UK	Transportation of spent fuel, reprocessing products and waste	72
Rutherford Indemnity Ltd	Guernsey	Nuclear insurance	100
Radioactive Waste Management Ltd	UK	Development of Geological Disposal Facility	100
NDA Archives Ltd	UK	Operation of Nucleus – The Nuclear and Caithness Archive	100
Sellafield Ltd	UK	Operation of nuclear licensed sites	100
Magnox Ltd	UK	Operation of nuclear licensed sites	100

(i) Ownership through INS Ltd.

The results of all of the above subsidiaries are included within these consolidated financial statements.

The NDA is a member of Energus, a company limited by guarantee registered in the UK, providing training facilities in support of the nuclear estate. The NDA's liability is limited to £10.

The NDA is a member of North Highland Regeneration Fund Ltd, a company limited by guarantee registered in Scotland and contributing to socio-economic development in the North Highland region. The NDA's liability is limited to £100.

The NDA is a member of Energy Coast West Cumbria Ltd, a company limited by guarantee registered in the UK and contributing to the economic regeneration of West Cumbria. NDA's liability is limited to £1.

Notes to the financial statements - continued

13. Recoverable contract costs

The NDA Authority and Group have commercial agreements in place under which some or all of the expenditure required to settle nuclear provisions will be recovered from third parties.

Recoverable contract costs comprise costs which were incurred before the revenue recognition period of each contract and which are amortised each year in line with revenue ('Historic costs' below) and costs which form part of the nuclear provision, which are restated each year for unwinding of discount and other changes in estimate, and released as they occur in each year ('Future costs' below).

NDA Group and Authority	2021 £m	2020 £m
Recoverable contract costs relating to nuclear provisions:		
Gross recoverable contract costs	**4,895**	5,087
Less applicable payments received on account	**(3,246)**	(3,304)
Less associated contract loss provisions	**(202)**	(358)
Total recoverable contract costs	**1,447**	1,425

The movements in the gross recoverable contract costs during the year are detailed in the table below:

		2021			2020	
NDA Group and Authority	Historic costs £m	Future costs £m	Total costs £m	Historic costs £m	Future costs £m	Total costs £m
Balance as at 1 April	**1,516**	**3,571**	**5,087**	1,617	3,429	5,046
Increase in year (see note 24)	**–**	**117**	**117**	–	334	334
Unwind of discount (see note 24)	**–**	**(8)**	**(8)**	–	(7)	(7)
Amortisation (see note 6)	**(102)**	**-**	**(102)**	(101)	–	(101)
Release in year (see note 24)	**–**	**(199)**	**(199)**	–	(185)	(185)
Balance as at 31 March	**1,414**	**3,481**	**4,895**	1,516	3,571	5,087

The historic costs within the above are deemed contract assets under IFRS 15.

The opening balances, amortisation in period and closing balances for each main contract type are:

NDA Group and Authority	Spent fuel reprocessing and associated waste management £m	Spent fuel receipt and management £m	2021 Total £m	Spent fuel reprocessing and associated waste management £m	Spent fuel receipt and management £m	2020 Total £m
Balance as at 1 April	**955**	**561**	**1,516**	1,026	591	1,617
Amortisation	**(72)**	**(30)**	**(102)**	(71)	(30)	(101)
Balance as at 31 March	**883**	**531**	**1,414**	955	561	1,516

Contract assets under IFRS15 are deemed financial instruments for the purposes of IFRS9 and therefore are ordinarily required to be reviewed for expected credit loss impairment. The above contract asset balances comprise costs which have been previously incurred and are now being amortised in each reporting period. They are not related to or dependent on the future payments still to be made under each contract and therefore a credit loss impairment is not required.

Notes to the financial statements - continued

14. Deferred taxation

Deferred tax liability not recognised
There were no unrecognised deferred tax liabilities at 31 March 2021 or 31 March 2020.

Deferred tax assets not recognised
The following deferred tax assets have not been recognised as the NDA does not anticipate a taxable surplus arising in the foreseeable future:

NDA Group	2021 £m	2020 £m
Tax losses	**1,668**	1,418
Accelerated capital allowances	**629**	644
Intangibles	**6**	6
Short term timing differences	**-**	-
Deferred tax asset at UK standard rate of Corporation Tax for 2021 of 19% (2020: 19%)	**2,303**	2,068

15. Inventories

Inventories are stated at the lower of cost and net realisable value. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the weighted average method. Net realisable value represents the estimated selling price less all estimated costs of completion and all costs to be incurred in marketing, selling and distribution.

Reprocessed uranic material is held at nil value, pending development of long term options and cost estimates for disposition of this material, and is disclosed as a contingent liability in note 28.

	NDA Group		Authority	
	2021 £m	2020 £m	**2021 £m**	2020 £m
Raw materials and consumables	**24**	57	**15**	48
Work-in-progress	**45**	46	**-**	–
Total inventories	**69**	103	**15**	48

The cost of raw materials and consumables recognised as an expense in the year was £42 million in Authority (2020: £55 million) and £48 million in NDA Group (2020: £61 million).

Work-in–progress recognised as an expense in the year in both Authority and NDA Group was £1 million (2020: nil).

As a result of a review of the application of the accounting policies for the valuation of inventories within the Authority accounts a one off provisioning charge of £45 million was made in the period (see note 6).

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Notes to the financial statements - continued

16. Financial instruments by category

The accounting classification of each category of financial instruments, and their carrying values, is set out in the following table:

		NDA Group		Authority	
	note	**2021 £m**	2020 £m	**2021 £m**	2020 £m
Financial assets at fair value through profit or loss (FVTPL):					
Other investments	18	**546**	428	**-**	-
Financial assets (FVTPL)		**546**	428	**-**	-
Financial assets at amortised cost:					
Non-current finance lease receivable	19	**43**	44	**71**	72
Non-current trade receivables	20	**5**	-	**7**	-
Non-current other receivables	20	**1**	5	**3**	6
Current trade and other receivables (a)	20	**86**	248	**268**	429
Current finance lease receivables	19	**1**	1	**4**	4
Cash and cash equivalents	21	**199**	215	**125**	95
Total financial assets at amortised cost		**335**	513	**471**	606

		NDA Group		Authority	
	note	**2021 £m**	2020 £m	**2021 £m**	2020 £m
Financial liabilities at amortised cost:					
Current trade and other payables (b)	22	**(592)**	(617)	**(589)**	(619)
Total financial liabilities at amortised cost		**(592)**	(617)	**(589)**	(619)

a) Prepayments and VAT are excluded.
b) Deferred income and amounts owed to HMRC (in Note 22, other taxes and social security) are excluded

Generally, financial assets and financial liabilities are generated by day-to-day operational activities and are not held to manage the risks facing the NDA in undertaking its activities. Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset and financial liability are disclosed in note 2.8.

The Group has a small number of Euro-denominated contracts which are not significant to the financial statements of the Group. This small currency risk is nonetheless still mitigated through the use of forward currency contracts placed with the Government Banking Service. The currency risk arising from overseas operations within the Group is negligible.

The Group is not exposed to any significant level of interest rate risk due to the absence of any commercial borrowings in its Statement of Financial Position.

The Group is exposed to a low level of price risk in respect of its energy trading operations. This risk is mitigated by the trading strategy employed which stipulates how far ahead of time energy products are purchased and sold. Due to the pricing structure and historical nature of reprocessing contracts, there is no significant exposure to price risk.

There is no significant exposure of the Group to liquidity risk due to the nature of its funding arrangement with BEIS.

The NDA is required to place deposit deeds as collateral in respect of certain energy trading costs incurred. The collateral is included within current trade and other receivables in both the Authority and Group Statement of Financial Position. The value at 31 March 2021 is less than £1 million (2020: £2 million). The risk of loss associated with these deposits is considered to be minimal.

In addition to this, a letter of credit is issued by a commercial bank on the NDA's behalf in favour of a certain supplier, with respect to energy trading costs. This does not give rise to a financial asset in the accounts of the NDA Authority or Group.

Notes to the financial statements - continued

17. Financial risk management

The NDA is financed by a combination of Government funding and commercial activities, and as such is not exposed to the degree of financial risk faced by other business entities. Consequently, financial instruments play a more limited role in creating and managing risk than would apply to a non-public sector body. It does however experience some degree of risk due to the variability of commercial income.

The NDA applies for funding as part of the Government Spending Review. This sets the annual expenditure limit net of the NDA's commercial income, derived largely from reprocessing and spent fuel and waste management contracts. The NDA is required to prioritise and allocate funding to deliver the required programme of work within this net limit, whilst mindful of the potential vulnerability of commercial income to plant breakdown. This is achieved through the use of an extensive reporting and control mechanism, which supports a portfolio based approach to managing the opportunities and risks within both the expenditure and commercial income. The approach has enabled the NDA to consistently control net expenditure within the prescribed limits set by the funding regime.

Commodity price risk
Commodity price risk is the risk or uncertainty arising from possible price movements and their impact on the commercial income and therefore ultimately on the funding requirements of the NDA.

The risk to the NDA in relation to electricity prices is not considered to be significant.

Credit risk
Credit risk is the risk that a counterparty will default on its contractual obligations resulting in financial loss to the NDA. This risk is managed through ongoing monitoring of the aging of receivables (for which expected credit loss impairments have been made under IFRS9). The Authority's contracts are almost entirely reprocessing and spent fuel and waste management contracts, for which the NDA is not taking on any new customers.

18. Other investments

	NDA Group			Authority
	2021	2020	**2021**	2020
NDA Group and Authority	**£m**	£m	**£m**	£m
Bank deposits	**86**	67	**–**	–
Managed investments	**460**	361	**–**	–
Total Other Investments	**546**	428	**–**	–

Managed investments comprises of funds held within Rutherford Indemnity Ltd in order to allow it to provide insurance for assets across the NDA estate.

19. Finance lease receivables

The NDA Group as lessor
Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Where a sub-lease exists an assessment of the 'right of use asset' is undertaken rather than the underlying asset.

Amounts due from lessees under finance leases are recognised as receivables at the amount of the discounted rent receivable. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Authority's net investment outstanding in respect of the leases.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

Notes to the financial statements - continued

19. Finance lease receivables (continued)

	NDA Group			Authority
	2021	2020	**2021**	2020
NDA Group and Authority	**£m**	£m	**£m**	£m
Amounts receivable under finance leases:				
Not later than one year	**2**	2	**4**	4
Later than one year and not later than five years	**6**	6	**13**	17
Later than five years	**171**	172	**199**	190
	179	180	**216**	211
Less: unearned finance income	**(133)**	(133)	**(139)**	(133)
Present value of minimum lease payments receivable	**46**	47	**77**	78
Less: expected credit loss	**(2)**	(2)	**(2)**	(2)
Present value of minimum lease payments receivable after expected credit loss	**44**	45	**75**	76
Of which:				
Current	**1**	1	**4**	4
Non-current	**43**	44	**71**	72
	44	45	**75**	76
Amounts receivable under finance leases:				
Not later than 1 year	**1**	1	**4**	4
Later than 1 year and not later than 5 years	**6**	6	**11**	14
Later than 5 years	**37**	38	**60**	58
Present value of minimum lease payments receivable	**44**	45	**75**	76

The finance lease receivable relates to:

(a) Land and buildings of the Springfields Fuels operation which was disposed of to Westinghouse Electric UK Holdings Ltd by way of a 150 year lease on 1 April 2010. The interest rate inherent in the lease was fixed at the contract date for all of the lease term. The average effective interest rate contracted approximates to 3.50% per annum.
(b) Certain land and buildings of the Capenhurst site which were disposed of to Urenco UK Ltd on 29 November 2012 by way of a combination of freehold and leasehold sales. The interest rate inherent in the lease was fixed at the contract date for all of the lease term. The average effective interest rate contracted approximates to 3.50% per annum.
(c) The office building at Harwell is leased by the Authority and subsequently leased out to Radioactive Waste Management on a back to back arrangement. This is treated as an inter-group sub-lease and is eliminated in the Group figures. The sub-lease was entered into in July 2019 on an 8 year term.
(d) Three office buildings leased by the Authority and subsequently leased to Sellafield Ltd on a back to back arrangement with a total receivable value of £28 million. These leases are for a period of between 1 and 25 years at the transition date.

The finance lease receivable balance is secured over the assets leased. The NDA is not permitted to sell or re-pledge the collateral in the absence of default by the lessee.

The maximum exposure to credit risk of the finance lease receivable is the carrying amount. The Authority has assessed its expected credit loss on finance lease receivables as at the reporting date and determined that all amounts owed by parties outside of the NDA Group are assessed to have an expected credit loss of 5%.

Notes to the financial statements - continued

20. Trade and other receivables

	NDA Group		Authority	
NDA Group and Authority	**2021 £m**	2020 £m	**2021 £m**	2020 £m
Non-current:				
Prepayments	**31**	31	**30**	31
Trade receivables	**5**	-	**7**	-
Other receivables	**1**	5	**3**	6
Total non-current trade and other receivables	**37**	36	**40**	37
Current:				
Trade receivables	**44**	152	**246**	362
Accrued income	**31**	82	**18**	64
Other receivables	**11**	15	**4**	4
Prepayments	**15**	11	**5**	3
VAT	**111**	91	**109**	90
	212	351	**382**	523
Less: provision for expected credit loss	**(1)**	(8)	**(1)**	(8)
Current trade and other receivables	**211**	343	**381**	515

Non-current other receivables relate to lump sum payments made under early retirement arrangements to individuals working for SLCs who have retired early, or who have accepted early retirement, before 31 March 2021. These payments are refundable to the NDA from the appropriate pension scheme at or after the date on which the individual concerned would have reached normal retirement age.

Provision for expected credit loss
The Authority has assessed its expected credit loss on trade and other receivables as at the reporting date as follows:

- Amounts owed by UK Government departments are considered to have no expected credit loss, in accordance with FReM
- Amounts owed by entities in the NDA estate (subsidiaries and site licence companies) are considered to have no expected credit loss, based on the Authority's knowledge of the financial position and future operations of each company
- Amounts owed by all other entities have been subject to a probability weighted assessment based in the outcomes of default and no default

Amounts past due (following table) include amounts owed by Government departments, other NDA estate entities and other entities considered relatively low risk by the NDA, therefore the overall expected credit loss risk for these sums is assessed as being relatively low.

The assessment of expected credit loss on trade and other receivables in the reporting period resulted in an impairment gain of £5 million, see note 8 (2020: Impairment loss of £5 million).

Ageing of current trade receivables:

	NDA Group		Authority	
	2021	2020	**2021**	2020
NDA Group and Authority	**£m**	£m	**£m**	£m
Neither impaired or past due	**36**	131	**243**	348
Not past due:				
Within 30 days	**4**	12	**-**	5
31 to 60 days	**-**	-	**-**	-
61 to 90 days	**1**	-	**-**	-
91 to 120 days	**3**	-	**3**	-
Over 120 days	**-**	9	**-**	9
Total	**44**	152	**246**	362

Notes to the financial statements - continued

21. Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits with an orginal maturity of 3 months or less, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

			2021			2020
	Cash	**Cash equivalents**	**Total**	Cash	Cash equivalents	Total
NDA Group	**£m**	**£m**	**£m**	£m	£m	£m
Balance as at 1 April	**170**	**45**	**215**	99	14	113
Net change	**19**	**(35)**	**(16)**	71	31	102
Balance as at 31 March	**189**	**10**	**199**	170	45	215
Balances at 31 March were held at:						
Commercial banks	**45**	**10**	**55**	61	45	106
Government banking service	**144**	**-**	**144**	109	-	109
Balance as at 31 March	**189**	**10**	**199**	170	45	215

			2021			2020
	Cash	**Cash equivalents**	**Total**	Cash	Cash equivalents	Total
Authority	**£m**	**£m**	**£m**	£m	£m	£m
Balance as at 1 April	**95**	**-**	**95**	28	-	28
Net change	**30**	**-**	**30**	67	-	67
Balance as at 31 March	**125**	**-**	**125**	95	-	95
Balances at 31 March were held at:						
Commercial banks	**-**	**-**	**-**	-	-	-
Government banking service	**125**	**-**	**125**	95	-	95
Balance as at 31 March	**125**	**-**	**125**	95	-	95

Notes to the financial statements - continued

22. Trade and other payables

	NDA Group		Authority	
	2021 £m	2020 £m	**2021 £m**	2020 £m
Current:				
Trade payables	**34**	100	**109**	205
Receipts to surrender to the Consolidated Fund	**20**	68	**20**	68
Other payables	**9**	29	**-**	1
Accruals	**529**	420	**460**	344
	592	617	**589**	618
Other taxes and social security	**63**	67	**2**	-
Payments received on account	**454**	506	**447**	500
Deferred income	**5**	7	**2**	2
Current trade and other payables	**1,114**	1,197	**1,040**	1,120
Non-current:				
Payments received on account	**1,503**	1,477	**1,503**	1,477
Other payables	**-**	4	**-**	-
Non-current trade and other payables	**1,503**	1,481	**1,503**	1,477

	NDA Group		Authority	
	2021 £m	2020 £m	**2021 £m**	2020 £m
Movements on gross payments received on account:				
Balance at 1 April per accounts	**5,287**	5,256	**5,281**	5,249
Revalorisation	**61**	126	**61**	126
Cash received	**300**	341	**300**	341
Released to income	**(445)**	(436)	**(446)**	(435)
Balance at 31 March	**5,203**	5,287	**5,196**	5,281
Gross payments on account at 31 March	**5,203**	5,287	**5,196**	5,281
Deduction of recoverable contract costs (see note 13)	**(3,246)**	(3,304)	**(3,246)**	(3,304)
Net payments received on account at 31 March	**1,957**	1,983	**1,950**	1,977
Of which:				
Current	**454**	506	**447**	500
Non-current	**1,503**	1,477	**1,503**	1,477
	1,957	1,983	**1,950**	1,977

Trade and other payables and accruals principally comprise amounts outstanding for trade purchases and ongoing costs. The NDA has procedures in place to ensure that all payables are paid within the pre-agreed credit terms.

Payments received on account relate to amounts which customers have paid for the provision of services under long-term contracts. These payments will be recognised as income when the services are provided. Payments received on account are shown net after deduction of any applicable recoverable contract costs (see note 13). Payments on account not yet recognised as revenue are adjusted for inflation each year (known as revalorisation).

Payments on account balances are deemed as contract liabilities under IFRS15.

Notes to the financial statements - continued

23. Lease liabilities

The NDA Group as lessee
Rentals payable under operating leases are charged to the statement of net expenditure on a straight-line basis over the term of the relevant lease. Benefits received and receivable as an incentive to enter into an operating lease are also spread on a straight-line basis over the lease term.

For any new contracts entered into on or after 1 April 2019, the Authority considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'. To apply this definition the Authority assesses whether the contract meets three key evaluations which are whether:

- The contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Authority
- The Authority has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract
- The Authority has the right to direct the use of the identified asset throughout the period of use

Measurement and recognition of leases as a lessee
At lease commencement date, the Authority recognises a right-of-use asset and a lease liability on the balance sheet.

The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Authority, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

The Authority depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Authority also assesses the right-of-use asset for impairment when such indicators exist.

At the commencement date, the Authority measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Group's incremental borrowing rate as dictated by HM Treasury.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in fixed payments. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset or profit and loss if the right-of-use asset is already reduced to zero.

The Authority has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight-line basis over the lease term.

Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

The lease term determined by the Authority comprises a non-cancellable period of a lease contract, periods covered by an option to extend the lease if the Authority is reasonably certain not to exercise that option. The Authority has benefitted from the use of hindight for determining the lease term when considering options to extend and terminate leases.

Notes to the financial statements - continued

23. Lease liabilities (continued)

The Authority has entered into commercial leases for land and buildings; motor vehicles; locomotives/rolling stock; and plant and equipment. With the exception of short term leases and leases of low-value underlying assets, each lease is reflected on the balance sheet as a right-of-use asset and a lease liability. Right-of-use assets and the underlying asset class to which they relate are shown at note 11. Variable lease payments which do not depend on an index or a rate are excluded from the initial measurement of the lease liability and asset.

The leases for land and buildings have remaining durations of between 1 and 25 years.
The leases for motor vehicles have durations up to a period of 4 years.
The leases for locomotives and rolling stock have remaining durations of between 1 and 5 years.
The leases for Plant and equipment have durations up to a period of 4 years.

Each lease generally imposes a restriction that, unless there is a contractual right for the Authority to sublet the asset to another party, the right of use asset can only be used by the Authority. Leases are either non-cancellable or may only be cancelled by incurring a termination fee. The Authority is prohibited from selling or pledging the underlying leased assets as security. In general, leases dictate that the Authority must keep those assets in a good state of repair and return the assets in their original condition at the end of the lease allowing for normal wear and tear. Further, the Authority must insure items of property, plant and equipment and incur maintenance fees on such items in accordance with the lease contracts.

The Authority has leases of land and buildings, vehicles and plant and equipment with lease terms of 12 months or less and leases of office equipment of low value. The Authority applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases as permitted by IFRS16.

The undiscounted maturity analysis of lease liabilities as at 31 March 2021 is as follows:

	NDA Group		Authority	
	2021 £m	2020 £m	**2021 £m**	2020 £m
Lease liabilites				
Not later than one year	**26**	25	**2**	3
Later than one year and not later than five years	**45**	41	**7**	8
Later than five years	**16**	9	**28**	29
Total cash payments	**87**	75	**37**	40
Less amount representing interest	**(8)**	(6)	**(7)**	(8)
Present Value of lease liability	**79**	69	**30**	32
Of which:				
Current	**25**	25	**1**	3
Non-current	**54**	44	**29**	29
	79	69	**30**	32
Depreciation charged on right-of-use assets during the year (also shown at note 11)	33	25	-	-
Expenses relating to short-term leases	(1)	2	(1)	1
Expenses relating to leases of low-value assets	-	-	-	1
Interest expense on leases liabilities	(2)	2	(1)	1
Total cash outflow for leases	(28)	28	(4)	3
of which low value or short term	(1)	2	(1)	-
Variable lease costs expensed (where not included in the ROUA and lease liability)	-	-	-	-
Income from sub-leasing	9	9	3	3
Gains/losses from sale and leaseback transactions	n/a	n/a	n/a	n/a

Notes to the financial statements - continued

24. Nuclear provisions

The financial statements include provisions for the NDA's obligations in respect of nuclear liabilities, being the costs associated with the nuclear decommissioning of designated sites. These are the licensed nuclear sites designated to the NDA by the Secretary of State under powers provided by the Energy Act 2004 and operated under contract to the NDA by the SLCs. These provisions are based on the latest assessments of the processes and methods likely to be used in the future, and represent best estimates of the amount required to discharge the relevant obligations. The NDA's obligations are reviewed on a continual basis and provisions are updated accordingly.

Where some or all of the expenditure required to settle a provision is expected to be recovered from a third party, in accordance with IAS 37 'Provisions, Contingent Liabilities and Contingent Assets', the recoverable amount is treated as a non-current asset. Provision charges in the Statement of Comprehensive Net Expenditure are shown net of changes in the amount recoverable from customers. Provision changes are accounted for in the year in which they arise.

The nuclear provision and recoverable balances are expressed at current price levels and discounted in accordance with guidance issued by HM Treasury. In reporting periods up to and including 2017/18 HM Treasury determined a real terms discount rate to be applied in calculating provisions. A real terms rate combines a nominal discount rate and an implied inflation rate.

From 2018/19 onwards guidance issued by HM Treasury determines a nominal discount rate, and recommends (in what is termed a rebuttable presumption) an implied inflation rate based on forecasts of Consumer Price Index (CPI) inflation made by the Office of Budget Responsibility (OBR). Reporting entities are able to select and apply an implied inflation rate which differs from the recommended rate where this can be demonstrated to be clearly more applicable to the underlying nature of the entity's cash flows.

The Authority has determined that, based on inflation experienced in its cash flows in recent years and future expectations, the implied inflation rate recommended by HM Treasury is appropriate for use in calculating its provisions.

The rates applied in the 2020/21 accounts are shown in the table below (rates per annum).

Provision movement expenditure in the Statement of Comprehensive Net Expenditure includes the adjustments necessary to unwind one year's discount and restate the liabilities to current price levels. The movement also includes the adjustments arising from the change in discount rates described above.

	Time Period	Nominal discount rate	Implied inflation rate	Real terms discount rate	Equivalent rate in 2019/20
Short term	Year 1	-0.02%	1.20%	-1.22%	-1.49%
Short term	Year 2	-0.02%	1.60%	-1.62%	-1.49%
Short term	Years 3-5	-0.02%	2.00%	-2.02%	-1.49%
Medium term	After 5 and up to and including 10 years	0.18%	2.00%	-1.82%	-1.45%
Long term	After 10 and up to and including 40 years	1.99%	2.00%	-0.01%	-0.01%
Very Long term	Exceeding 40 years	1.99%	2.00%	-0.01%	-0.01%

Notes to the financial statements - continued

24. Nuclear provisions (continued)

	NDA Group		Authority	
	2021	2020	**2021**	2020
NDA Group and Authority	**£m**	£m	**£m**	£m
Balance at 1 April	**134,746**	129,958	**134,868**	130,658
Provided for in the year (a), charged to:				
Statement of Comprehensive Net Expenditure (note 7)	**3,729**	6,792	**3,729**	6,791
Recoverable contract costs (b) (note 13)	**117**	334	**117**	334
Unwind of discount (c), charged to:				
Statement of Comprehensive Net Expenditure (note 7)	**(7)**	(129)	**(7)**	(129)
Recoverable contract costs (b) (note 13)	**(8)**	(7)	**(8)**	(7)
Decommissioning costs utilised in year (d) (note 7)	**(2,737)**	(2,595)	**(2,737)**	(2,595)
Recoverable contract costs released in year (b) (note 13)	**(199)**	(185)	**(199)**	(185)
In-year Group provision adjustment - Sellafield Ltd (e) (note 7)	**(203)**	239	**-**	-
Opening Group provision adjustment - Magnox Ltd (e)	**-**	(113)	**-**	-
In-year Group provision adjustment - Magnox Ltd (e) (note 7)	**(223)**	491	**-**	-
Provision changes impacting PPE (f) (note 11)	**5**	(39)	**-**	-
Total change in provision	**474**	4,788	**895**	4,209
Balance at 31 March	**135,220**	134,746	**135,763**	134,867
Of which:				
Current (Nuclear Provision)	**3,142**	2,941	**3,142**	2,941
Non-current (Nuclear Provision)	**132,078**	131,805	**132,621**	131,926
	135,220	134,746	**135,763**	134,867

(a) Changes in the cost estimates of discharging the nuclear provision (representing increase or decrease in future decommissioning costs) are charged to the adjustments to provisions in the Statement of Comprehensive Net Expenditure. This charge includes the impact of restating liabilities from March 2019 values to current price levels. The overall increase in the provision was £474 million (2020: £4,788 million increase) of which the Authority estimates that £1,384 million related to changes in price levels (2020: £4,035 million).

The change in discount rates (see table on previous page) in the current financial year produced an increase of £697 million (2020: £3,818 million decrease).

(b) The NDA has commercial agreements in place under which a portion of the expenditure required to settle certain elements of the nuclear provision are recoverable from third parties. Changes in the future cost estimates of discharging those elements of the nuclear provision are therefore matched by a change in future recoverable contract costs. In accordance with IAS 37, these recoverable amounts are not offset against the nuclear provision but are treated as a separate asset. The amount recoverable at 31 March 2021 (NDA Group and Authority) is £3,481 million (2020: £3,571 million) – the 'future costs' balance in note 13.

(c) The discount implicit in recognising nuclear provisions is unwound over the life of the provisions, with the impact of the unwind of one years' discount shown in adjustments to provisions in the Statement of Comprehensive Net Expenditure. An increase of 0.5% in the discount rate (producing a less negative, or more positive, discount rate) would reduce the provision to £117 billion, (2019/20 £116 billion) whilst a decrease in discount rate of 0.5% (producing a more negative, or less positive, discount rate) would increase the provision to £159 billion (2019/20 £159 billion).

(d) A total of £2,936 million (2020: £2,780 million) has been released from the nuclear provision in the year to 31 March, being the amount provided for that year as at 31 March 2020, adjusted for price changes.

(e) In-year Group provision adjustments are made for the movements in the respective net pension deficit/surplus at Sellafield Ltd and Magnox Ltd, which are already implicitly included in the nuclear provision and so are deducted here. The opening balance of the net pension deficit/surplus is included in the Group opening nuclear provision, and the in-year movement included in the note.

The 2020/21 movement at Sellafield Ltd is an increase in the deficit of £203 million (2019/20: increase of £239 million).

The 2020/21 movement at Magnox Ltd is a reduction in the surplus of £223 million (2019/20: increase of £491 million).

(f) Changes in the estimated future cost of decommissioning, related to commercial property, plant and equipment, are offset by matching changes in the value of the IAS 37 property, plant and equipment asset. An increase of £5 million was recognised in the year (2020: £39 million decrease).

Notes to the financial statements - continued

24. Nuclear provisions (continued)

Analysis of expected timing of discounted cash flows for the NDA Group nuclear provision is as follows:

NDA Group	**Sellafield £m**	**Waste £m**	**Fuel manufacturing & generation £m**	**Research £m**	**Others £m**	**2021 Total £m**	2020 Total £m
Within 1 year	2,291	108	479	185	79	**3,142**	2,941
2–5 years	10,452	583	2,001	796	423	**14,255**	12,349
6–20 years	32,093	3,022	5,599	1,465	781	**42,960**	42,661
21–50 years	31,966	3,488	8,781	119	565	**44,919**	45,736
After 50 years	22,474	4,233	3,387	52	367	**30,513**	31,201
	99,276	**11,434**	**20,247**	**2,617**	**2,215**	**135,789**	134,888
Deduction in respect of pension deficits (e)						**(569)**	(142)
Total NDA Group						**135,220**	134,746
Sensitivity:							
Increase	81,659	25,360	2,025	175	109		
Reduction	(13,610)	(3,768)	(2,025)	(351)	(219)		

The NDA calculates its provision based on management's best estimate of the future costs of the decommissioning programme, which is expected to take until 2137 to complete. The NDA also considers credible risks and opportunities which may increase or decrease the cost estimate, but which are deemed less probable than the best estimate. These are the basis of the sensitivities identified above, and the key sensitivities are as follows:

- Waste activities cover the Low Level Waste Repository and the GDF, with the key sensitivities being in the timing and costs of constructing and operating the GDF. The above range from a reduction of £3,768 million to an increase of £25,360 million reflects three separate sensitivities:

1. The potentially higher costs of constructing and operating the GDF itself, which is dependent on the location and construction requirements of the facility, could be up to £22,229 million higher (or £3,705 million lower) than the base case assumption
2. The impact of the timing of the facility's construction and operations. The current planned date for the facility to receive waste is 2045. NDA has identified a risk that the construction and opening of the facility may be delayed beyond 2045 (see Governance Statement page 57) A delay to this date may increase the cost of the facility itself, along with the cost of interim storage of waste at sites across the NDA estate. A delay of a small number of years is considered to be within the overall tolerance of the estimate for GDF construction and waste transfer, and is not considered to have a material impact on the provision estimate.
3. A longer delay of say 20 years could materially impact the provision, by approximately £2,100 million. A delay of 20 years would not necessarily increase the underlying costs of the facility, but would increase the discounted value of the estimate by approximately £1,000 million due to the effect of long term negative discount rates

- Activities on the sites primarily used for research (Dounreay, Harwell, and Winfrith) are concerned with final decommissioning of assets and site clearance. Sites will be cleared by 2080. Options are being explored to accelerate site clearance, which in the case of Dounreay would reduce the provision by £351 million; an increase in the cost and/or a delay of 1 year past the latest anticipated Interim State date (2033) would increase the provision by up to £175 million

- Sellafield represents activities associated with operation of the site, reprocessing and eventual decommissioning, and includes all site overheads. Principal sensitivities are around the cost of delivering the plan, particularly the costs of new construction, decommissioning and post operational clean out (POCO) work in the long-term (beyond the next 20 years). The potential costs range from a £13,610 million reduction against the current estimate, to a £81,659 million increase

- Fuel manufacturing and generation (which for this purpose includes Magnox and Springfields) programme of work includes defueling the generating stations and preparing for interim care and maintenance (complete by 2030) followed by final site clearance

Notes to the financial statements - continued

25. Other provisions

NDA Group	Restructuring (a) 2021 £m	Contract loss (b) 2021 £m	Other (c) 2021 £m	Total 2021 £m	Restructuring 2020 £m	Contract loss 2020 £m	Other 2020 £m	Total 2020 £m
Balance at 1 April	68	401	37	506	61	373	37	471
Provided in year	6	(120)	14	(100)	14	156	-	170
Released in year	(7)	(73)	-	(80)	(7)	(125)	-	(132)
Unwind of discount	-	(6)	1	(5)	-	(3)	-	(3)
Balance at 31 March	67	202	52	321	68	401	37	506
Amount deducted from recoverable contract costs	-	(202)	-	(202)	-	(358)	-	(358)
Net balance at 31 March	67	-	52	119	68	43	37	148
of which:								
Current				14				18
Non-current				105				130
				119				148

Authority	Restructuring (a) 2021 £m	Contract loss (b) 2021 £m	Other (c) 2021 £m	Total 2021 £m	Restructuring 2020 £m	Contract loss 2020 £m	Other 2020 £m	Total 2020 £m
Balance at 1 April	68	400	-	468	61	372	10	443
Provided in year	6	(120)	-	(114)	14	156	(10)	160
Released in year	(7)	(72)	-	(79)	(7)	(125)	-	(132)
Unwind of discount	-	(6)	-	(6)	-	(3)	-	(3)
Balance at 31 March	67	202	-	269	68	400	-	468
Amount deducted from recoverable contract costs	-	(202)	-	(202)	-	(358)	-	(358)
Net balance at 31 March	67	-	-	67	68	42	-	110
of which:								
Current				7				7
Non-current				60				103
				67				110

(a) Restructuring provisions have been recognised to cover continuing annual payments to be made under early retirement arrangements to individuals working for SLCs who retired early, or had accepted early retirement, before 31 March 2021. These payments continue at least until the date at which the individual would have reached normal retirement age. Lump sums paid to individuals on retirement are held as receivables (included in note 20), since they are refundable to the NDA from the appropriate pension scheme at or after the date on which the individual concerned would have reached normal retirement age.

(b) Contract loss provisions have been recognised to cover the anticipated shortfall between total income and total expenditure on relevant long-term contracts. The above balances are shown net after deduction from any applicable recoverable contract costs (see note 13). The amount provided in the year for the contract loss provision relates to changes in estimates of the costs of existing contracts.

(c) Includes provisions for potential insurance claims and maintenance requirements

Notes to the financial statements - continued

26. Retirement benefit schemes

The NDA Group has a range of pension schemes including both defined contribution and defined benefit plans.

Defined contribution schemes

For defined contribution schemes the amount charged to operating costs is the contributions payable in the year. NDA and RWM employees have pension benefits provided through the Civil Service pension arrangements. From 1 April 2015 a new pension scheme for civil servants was introduced – the Civil Servants and Others Pension Scheme or alpha, which provides benefits on a career average basis with a normal pension age equal to the member's State Pension Age (or 65 if higher, details are described on page 99). Prior to that date, NDA and RWM employees participated in the Principal Civil Service Pension Scheme (PCSPS). Further information on the PCSPS and alpha pension schemes can be found within the Notes to the Remuneration and People reports on pages 98 to 100.

Both alpha and the PCSPS are unfunded multi-employer defined benefit schemes in which the NDA and RWM are unable to identify their share of the underlying assets and liabilities. The scheme actuary valued the scheme as at 31 March 2016 and details can be found in the resource accounts of the Cabinet Office: Civil Superannuation at: www.civilservicepensionscheme.org.uk/about-us/resource-accounts/.
The next actuarial valuation has not yet been completed. In accordance with guidance issued by HM Treasury, the Civil Service pension arrangements are accounted for as a defined contribution scheme in these financial statements.

Direct Rail Services Ltd (DRS), International Nuclear Services Ltd (INS), Sellafield Ltd and Magnox Ltd employees joining after the closure date of their retrospective defined benefit schemes (see below) participate on a defined contribution basis in the Combined Nuclear Pension Plan (CNPP).

A small number of employees transferred to the NDA from INS in 2019 and continue to accrue benefits in the United Kingdom Atomic Energy Authority (UKAEA) Combined Pension Scheme. The NDA is unable to identify their share of the underlying assets and liabilities and NDA's participation in the UKAEA Combined Pension Scheme is accounted for as if they were defined contribution schemes, as permitted under IAS 19

INS employees participate in the UKAEA Combined Pension Scheme, the CNPP and the Magnox Electric Group section of the Electricity Supply Pension Scheme. Participation in these schemes is in sections with other employers and INS is unable to identify its share of the underlying assets and liabilities. Consequently INS's participation in these schemes is accounted for as if they were defined contribution schemes, as permitted under IAS 19. INS's contributions to these schemes are assessed as part of regular actuarial valuations of those schemes and will vary in line with the funding position of the relevant scheme.

Pacific Nuclear Transport Ltd (PNTL) participates in the following industry wide defined contribution schemes:

- The ENSIGN Retirement Plan; and
- The Merchant Navy Ratings' Group Personal Pension Plan (MNRGPPP)

The National Employment Savings Trust (NEST) is an auto enrolment scheme set up by the Government. There is a small number of NDA Group employees who have exhausted their participation in their respective pension schemes and have been auto enrolled into NEST.

The total cost charged to expenditure of £36,205,000 (2020: £39,795,000) represents contributions payable to these schemes by the Group at rates specified in the rules of the schemes. No contributions were outstanding at this or the previous year end.

Defined benefit schemes

The Group participates in various pension schemes which are accounted for as defined benefit schemes. The liability recognised in the Statement of Financial Position is the present value of the defined benefit obligation at the reporting date less the fair value of scheme assets, together with any adjustments for unrecognised past service costs. Any amounts recoverable from third parties are recognised as separate assets.

The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high quality corporate bonds that have terms to maturity approximating to the terms of the related pension liability.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited in other comprehensive income in the period in which they arise. Past service costs are recognised immediately in operating costs to the extent that the benefits are already vested, and otherwise are amortised on a straight-line basis over the average period until the benefits become vested. The interest cost and the expected return on assets are shown as a net amount of interest costs.

Pension scheme assets are recognised to the extent that they are recoverable and pension scheme liabilities are recognised to the extent that they reflect a constructive or legal obligation.

GPS DRS section of the CNPP

DRS participates in the GPS DRS section of the CNPP, a defined benefit (final salary) funded pension scheme. The defined benefit structure was available to all DRS employees until 31 March 2008 when it was closed to new entrants.

Nirex section of the CNPP

The Nirex section of the CNPP is a defined benefit (final salary) funded pension scheme. The Nirex section was closed to new entrants on 1 April 2007 and has no active members.

Notes to the financial statements - continued

26. Retirement benefit schemes (continued)

Closed section of the CNPP
On the disposal of the Springfields Fuels operation the NDA took over direct responsibility of the pension liability within the Springfields Fuels section of the CNPP on 1 April 2010. The Closed section (formerly the Springfields Fuels Section) of the CNPP is a defined benefit (final salary) funded pension scheme. The Closed section was closed to new entrants and further accrual on 31 March 2010.

Sellafield and GPS SLC sections of the CNPP
Sellafield Ltd participates in the Sellafield and GPS SLC sections of the CNPP, a defined benefit (final salary) funded pension scheme. The defined benefit structure was available to all Sellafield Ltd employees up to 24 November 2008 when it was closed to new entrants.

Magnox section of the CNPP and Magnox Electric Group section of the Electricity Supply Pension Scheme
Magnox Ltd participates in the Magnox and GPS SLC sections of the CNPP and the SLC Section of the Magnox Electric Group section of the Electricity Supply Pension Scheme which is defined benefit (final salary) funded pension scheme. The defined benefit structure was available to all Magnox Ltd employees up to 26 June 2007 (or 1 November 2009 for former employees of Research Sites Restoration Ltd) when it was closed to new entrants.

Merchant Navy Officers Pension Fund (MNOPF)
PNTL employees participate in the Merchant Navy Officers Pension Fund (MNOPF). The MNOPF is an industry wide defined benefit (final salary) funded pension scheme. The scheme was closed on 1 November 1996. All costs relating to 'Pacific' vessels are recoverable under contract from customers and hence a recoverable amount is recognised to offset the related pension scheme deficit.

Merchant Navy Ratings Pension Fund (MNRPF)
PNTL employees participate in the Merchant Navy Ratings Pension Fund (MNRPF). The MNRPF is an industry wide defined benefit (final salary) funded pension scheme. The scheme was closed on 31 May 2001. The liabilities of the scheme have been capped at the level of benefits accrued to employees at the closure date, subject to adjustment for future actuarial valuations. All costs relating to 'Pacific' vessels are recoverable under contract from customers and hence a recoverable amount is recognised to offset the related pension scheme deficit.

In relation to the CNPP and Magnox Electric Group section of the Electricity Supply Pension Scheme it is noted that:

- the scheme is sectionalised and individual sections cannot be liable for any other sections' obligations under the rules of the scheme
- there is no agreed allocation of any surplus or deficit should a participating employer withdraw from the scheme or on wind up. In such an event the participating employer's obligations would be subject to negotiation with the scheme trustees in light of the funding position of the scheme at that time
- The aggregate average duration of the CNPP obligation is 25 years (2020: 22 years), although this differs slightly by section. For those sections within NDA Authority, the aggregate average duration is 20 years (2020: 19 years)
- The aggregate average duration of the Magnox Electric Group section of the electricity supply pension scheme obligation is 16 years

In relation to the Merchant Navy schemes, whilst the schemes are sectionalised, they operate on a 'last man standing' basis such that a participating employer can become liable for part of the obligations of another participating employer should that employer withdraw from the scheme with underfunded obligations. The average duration of the Merchant Navy schemes obligations is 14 years (2020: 12 years).

Actuarial valuations for the various defined benefit schemes referred to above are performed on a triennial basis with 'roll forward' valuations performed in intervening years. Accordingly the relevant valuations have been updated at 31 March 2021 by independent actuaries using assumptions that are consistent with the requirements of IAS 19 and the results of those calculations have been incorporated in the figures below. Investments have been valued for this purpose at fair value.

Risks associated with the Group's defined benefit schemes
The defined benefit schemes expose the Group to a number of risks such as:

Changes in bond yields
Pension liabilities are calculated using discount rates linked to bond yields which are subject to volatility. In order to mitigate this risk the schemes hold a proportion of their assets in bonds, which provide a hedge against falling bond yields.

Investment risk
Some asset classes such as equities, which are expected to provide higher returns over the long term, are subject to short term volatility and may lead to deficits if assets underperform the discount rate used to calculate future liabilities. The allocation to such assets is monitored to ensure it remains appropriate given the schemes' long-term objectives.

Inflation risk
Since most of the scheme liabilities are indexed in line with price inflation, higher than assumed levels of inflation will increase the liabilities. In order to mitigate this risk the schemes hold a proportion of their assets in index-linked bonds.

Longevity risk
Increases in life expectancy will result in an increase in liabilities. The scheme actuaries regularly review actual experience of the scheme membership against the actuarial assumptions underlying the valuation of the liabilities and carry out detailed analysis when setting appropriate scheme specific mortality assumptions.

Notes to the financial statements - continued

26. Retirement benefit schemes (continued)

Other risks
There are a number of other risks involved in sponsoring defined benefit schemes including operational risks and legislative risks. The scheme trustees regularly assess these risks as part of their ongoing governance process.

The Merchant Navy Ratings Pension Fund Trustee became aware in 2018 of legal uncertainties relating to the ill-health early retirement benefits payable from the fund since the early 1990s. It is possible that the issue could result in significant additional benefit liabilities for the fund. The Trustee is seeking directions from the Court. No allowance has been made for the potential liabilities that could possibly arise.

NDA Group
Employee benefit obligations
The amounts recognised in the Statement of Financial Position are as follows:

	2021 £m	2020 £m
Benefit obligations	**6,745**	5,785
Fair value of scheme assets	**(6,177)**	(5,637)
Deficit in schemes	**568**	148
Unrecognised asset under IAS 19 para 64b	**8**	2
Receivable from third parties	**-**	(1)
Net deficit recognised in schemes	**576**	149

Statement of Comprehensive Net Expenditure
The amounts recognised in the Statement of Comprehensive Net Expenditure are as follows:

	2021 £m	2020 £m
Current service cost	**160**	195
Past service cost	**6**	6
Net interest on net defined benefit (DB) assets/liabilities	**3**	22
Net cost in SoCNE	**169**	223
Actuarial (gain)/loss	**366**	(873)
Movement in unrecognised asset under IAS 19 para 64b	**6**	(3)
Receivable from third parties	**-**	(1)
Actuarial (gain)/loss recognised in OCE	**372**	(877)

Changes in the present value of the defined benefit obligations
The amounts recognised in the Statement of Financial Position are as follows:

	2021 £m	2020 £m
Opening defined benefit obligation	**5,785**	3,147
Aquisition of Magnox Ltd	**-**	3,788
Current service cost	**160**	196
Past service cost	**6**	6
Net interest on scheme liabilities	**129**	118
Employee contributions	**17**	18
Actuarial (gain)/loss	**876**	(1,328)
Benefits paid	**(228)**	(160)
Closing defined benefit obligation	**6,745**	5,785

Notes to the financial statements - continued

26. Retirement benefit schemes (continued)

Changes in the fair value of the scheme assets are as follows:

	2021 £m	2020 £m
Opening fair value of scheme assets	**5,637**	2,354
Aquisition of Magnox Ltd	**-**	3,675
Interest income on scheme assets	**126**	96
Actuarial gain/(loss)	**510**	(455)
Employer contributions	**115**	109
Employee contributions	**17**	18
Benefits paid	**(228)**	(160)
Closing fair value of scheme assets	**6,177**	5,637

Changes in the value of unrecognised assets under IAS 19 para 64b are as follows:

	2021 £m	2020 £m
Opening value of unrecognised assets	**2**	5
Movement in unrecognised assets	**6**	(3)
Closing value of unrecognised assets	**8**	2

Estimated expected employer contributions over the next financial year are as follows:

	2021 £m	2020 £m
Contributions including deficit repair payments	**150**	122

The major categories of plan assets as a percentage of total scheme assets are as follows:

	2021 %	2020 %
Equities	**21**	15
Property	**9**	8
Fixed Interest Gilts	**-**	1
Index Linked Gilts	**7**	8
Corporate Bonds	**11**	8
Hedge funds	**-**	-
Credit investment	**9**	8
LDI Fund	**22**	26
Other growth assets	**20**	23
Cash/other	**1**	3
Total	**100**	100

Principal actuarial assumptions at the date of the SOFP (expressed in weighted averages):

	2021 %	2020 %
Discount rate	**2.00**	2.25
Future salary increases*	**0.00-3.15**	2.00–3.00
Rate of increase of pensions in payment	**2.70**	2.40
Rate of increase of pensions in deferment	**2.40-2.70**	2.00–2.40
Retail Price Inflation	**3.00**	2.40
Life expectancy for a male pensioner aged 65 (in years)	**21.80**	22.20
Life expectancy for a male non-pensioner currently aged 45 from age 65 (in years)	**22.80**	23.10

*For those schemes with members accruing benefits future salary increases for 2021 are assumed to be between 0.0% and 2.0% in the first year, and then between 2.0% and 3.15% thereafter.

Notes to the financial statements - continued

26. Retirement benefit schemes (continued)

Mortality assumption

2021

MNOPF: S2PA, CMI19 projections, 1.0% trend (weightings as adopted at the last valuation of the fund), SK=7.0 A=0.0% initial addition
MNRPF: S2IA, CMI19 projections, 1.0% trend (weightings as adopted at the last valuation of the fund), SK=7.0 A=0.0% initial addition
Magnox Electric: 95%(pensioner)/100% (non-pensioner) of the S2PXA tables with CMI2020 projections (SK=7.0 A=0.5%), 1.0% trend
All others: 110% S3P SAPS CMI19 projections, 1.25% trend

2020

MNOPF & MNRPF: 100% S2PA CMI18 projections, 1.0% trend (males and females)
Magnox Electric: 85%(pensioner)/90% (non-pensioner) of the S2PXA tables with CMI2018 projections (SK=7.0 A=0.5%), 1.0% trend
All others: 100% S2P SAPS CMI18 projections, 1.00% trend (males and females)

	2021 £m	2020 £m
Experience adjustments on plan liabilities	**176**	(11)
Experience adjustments on plan assets	**510**	(455)

Sensitivity analysis

Change to	Change in assumption	Impact on DB obligation as at 31.03.21	Change in assumption	Impact on DB obligation as at 31.03.21
Discount rate	Increase by 0.5%	-9.5%	Decrease by 0.5%	11.2%
Rate of salary increase	Increase by 0.5%	2.0%	Decrease by 0.5%	-1.8%
Rate of price inflation	Increase by 0.5%	10.9%	Decrease by 0.5%	-9.3%
Rate of mortality	Increase by 1 year	4.1%		

Authority
Employee benefit obligations
The amounts recognised in the Statement of Financial Position are as follows:

	2021 £m	2020 £m
Benefit obligations	**143**	130
Fair value of scheme assets	**(152)**	(135)
Deficit/(surplus) in schemes	**(9)**	(5)
Receivable from third parties	**-**	-
Net deficit/(surplus) recognised in schemes	**(9)**	(5)

Statement of Comprehensive Net Expenditure
The amounts recognised in the Statement of Comprehensive Net Expenditure are as follows:

	2021 £m	2020 £m
Current service cost	**-**	-
Net interest on net defined benefit assets / liabilities	**-**	-
Net cost in SoCNE	**-**	-
Actuarial (gain)/loss	**(3)**	(22)
Receivable from third parties	-	-
Actuarial (gain)/loss recognised in OCE	**(3)**	(22)

Notes to the financial statements - continued

26. Retirement benefit schemes (continued)

Changes in the present value of the defined benefit obligations
The amounts recognised in the Statement of Financial Position are as follows:

	2021 £m	2020 £m
Opening defined benefit obligation	130	158
Net interest on scheme liabilities	3	4
Actuarial (gain)/loss	15	(28)
Benefits paid	(5)	(4)
Closing defined benefit obligation	143	130

Changes in the fair value of the scheme assets are as follows:

	2021 £m	2020 £m
Opening fair value of scheme assets	135	140
Interest income on scheme assets	3	4
Employer contributions	1	1
Actuarial gain/(loss)	18	(6)
Benefits paid	(5)	(4)
Closing fair value of scheme assets	152	135

Estimated expected employer contributions over the next financial year are as follows:

	2021 £m	2020 £m
Contributions including deficit repair payments	1	1

The major categories of plan assets as a percentage of total scheme assets are as follows:

	2021 %	2020 %
Equities	32	25
Property	8	11
Fixed Interest Gilts	-	-
Index Linked Gilts	25	28
Corporate Bonds	21	23
Credit investments	14	13
Cash	-	-
Total	100	100

Principal actuarial assumptions at the date of the SOFP (expressed in weighted averages):

	2021 £m	2020 £m
Discount rate	2.00	2.25
Future salary increases	0.00	–
Rate of increase of pensions in payment	2.70	2.40
Rate of increase of pensions in deferment	2.00-2.70	2.00–2.40
Retail Price Inflation	3.00	2.40
Life expectancy for a male pensioner aged 65 (in years)	21.20	21.30
Life expectancy for a male non pensioner currently aged 45 from age 65 (in years)	22.60	22.40

Notes to the financial statements - continued

26. Retirement benefit schemes (continued)

Mortality assumption

2021
Nirex and Closed: 110% S2P SAPS CMI19 projections, 1.25% trend (males and females)

2020
Nirex and Closed: 100% S2PA CMI18 projections, 1.0% trend (males and females)

	2021 £m	2020 £m
Experience adjustments on plan liabilities	10	-
Experience adjustments on plan assets	18	(6)

Sensitivity analysis

Change to	Change in assumption	Impact on DB obligation as at 31.03.21	Change in assumption	Impact on DB obligation as at 31.03.21
Discount rate	Increase by 0.5%	-9.3%	Decrease by 0.5%	10.7%
Rate of salary increase	Increase by 0.5%	0.0%	Decrease by 0.5%	0.0%
Rate of price inflation	Increase by 0.5%	10.7%	Decrease by 0.5%	-9.3%
Rate of mortality	Increase by 1 year	3.7%		

27. Non-controlling interests

NDA Group	2021 £m	2020 £m
At 1 April	2	2
Change in equity of non-controlling interests during year	-	-
At 31 March	2	2

28. Contingent liabilities

Indemnities
Under the transfer scheme of 1 April 2005, the NDA has assumed responsibility for all occurrences relating to the designated nuclear sites that took place up to that date.

a) At 31 March 2021 the NDA held inventories of reprocessed uranic material. These materials are currently held at nil value, due to uncertainty over their future use, which may result in as-yet-unquantified liabilities for the NDA.

b) Whilst not the lead employer, the NDA is the lead organisation and has ultimate responsibility for certain nuclear industry pension schemes, including the Combined Nuclear Pension Plan, the Magnox section of the ESPS, and the GPS Pension Scheme. Provisions for known deficits are included within Nuclear Provisions. However, movements in financial markets may adversely impact the actuarial valuations of the schemes, resulting in an increase in scheme deficits and consequent increase in the nuclear provisions.

c) In previous reporting periods the Authority maintained a provision for the settlement of health claims payable to former employees in the civil nuclear industry. Claims have reduced to a non-material level in recent years and the future level of remaining claims is expected to be non-material and not able to be accurately forecast. The Authority has therefore discontinued accounting for the provision but recognises the resulting contingent liability

International Carrier Bond
During 2014/2015 the NDA procured a US Bond on behalf of their subsidiary, INS Ltd, in order to meet US law in respect of vessels calling at US ports for commercial purposes. This Bond is required to ensure that all duties, taxes and fees owed to the Federal Government are paid. The Bond would therefore only be called on in the case of non-payment of any of the above, and the total cost would not be expected to exceed $100,000.

Notes to the financial statements - continued

29. Related parties

Government bodies
The NDA is an Executive NDPB sponsored by BEIS, which is regarded as a related party. During the year, the NDA has had various material transactions with BEIS and with other entities for which BEIS is regarded as the responsible department. The NDA receives grant financing from BEIS.

In the course of its normal business the NDA enters into transactions with Government owned banks. In addition, the NDA has a small number of material transactions with other Government departments and other central Government bodies.

Directors' transactions
During the year, no Board member, key manager or other related party has undertaken any material transactions with the NDA.

Related party transactions
During the year, Group companies entered into the following transactions with related parties:

	Sales of goods to parent		Purchase of goods from parent		Amounts owed by related parties		Amounts owed to related parties	
	2021 £m	2020 £m	**2021 £m**	2020 £m	**2021 £m**	2020 £m	**2021 £m**	2020 £m
Sellafield Ltd	**(2,076)**	(2,076)	**30**	17	**-**	-	**368**	352
Magnox Ltd	**(409)**	(285)	**1**	-	**-**	-	**77**	84
Direct Rail Services Ltd	**(33)**	(34)	**1**	-	**7**	7	**-**	-
International Nuclear Services Ltd	**(56)**	(63)	**-**	2	**180**	180	**5**	-
NDA Properties Ltd	**(6)**	(8)	**-**	1	**39**	40	**-**	-
Pacific Nuclear Transport Ltd	**-**	(3)	**1**	2	**-**	-	**-**	3
Rutherford Indemnity Ltd	**-**	-	**-**	-	**-**	-	**-**	-
Radioactive Waste Management Ltd	**(59)**	(44)	**3**	3	**-**	-	**-**	-
NDA Archives Ltd	**(5)**	(5)	**2**	2	**-**	-	**1**	-
	(2,644)	(2,518)	**38**	27	**226**	227	**451**	439

Sales of goods to related parties were made at arm's length prices. The amounts outstanding are unsecured and will be settled in cash. No guarantees have been given or received. No provisions have been made for doubtful debts in respect of the amounts owed by related parties.

Notes to the financial statements - continued

29. Related parties (continued)

Loans to related parties
Amounts owed by DRS includes a loan of £7 million which is interest bearing at a fixed percentage above Bank of England base rate. The loan is not repayable until at least 2022.

Amounts owed by NDA Properties Ltd includes a loan of £20 million which is interest bearing at a fixed rate, repayable in instalments over 25 years to 2038. At 31 March 2021 the balance owing was £15 million (2020: £16 million).

Key management compensation
Key management includes Executive and Non-executive directors together with those members of senior management who form part of the Executive Team. The compensation paid or payable to key management for employee services is set out below in aggregate for each of the categories specified in IAS 24 'Related Party Disclosures'. Further information about the remuneration of individual directors is provided in the audited part of the Remuneration Report on pages 86 to 91.

Authority	**2021 £'000**	2020 £'000
Short-term employee benefits	**4,287**	3,973
Post-employment benefits	**382**	335
Other long-term benefits	**1,479**	1,308
Total key management compensations	**6,148**	5,616

30. Events after the reporting period

- IAS 10 requires the NDA to disclose the date on which the accounts are authorised for issue. The Accounting Officer authorised these financial statements on 15 July 2021. The Report of the Comptroller and Auditor General was issued on 16 July 2021 (page 114-116)
- NDA acquired the share capital of Dounreay Site Restoration Ltd effective from 1 April 2021
- On 23 June 2021 the NDA, HM Government and EDF Energy entered into new decommissioning arrangements for 7 Advanced Gas-cooled Reactor (AGR) stations in which HM Government has directed NDA to take on the future ownership of the stations for decommissioning. The work will be undertaken by the NDA subsidiary Magnox Ltd
- NDA acquired the share capital of Low Level Waste Repository Ltd effective from 12 July 2021

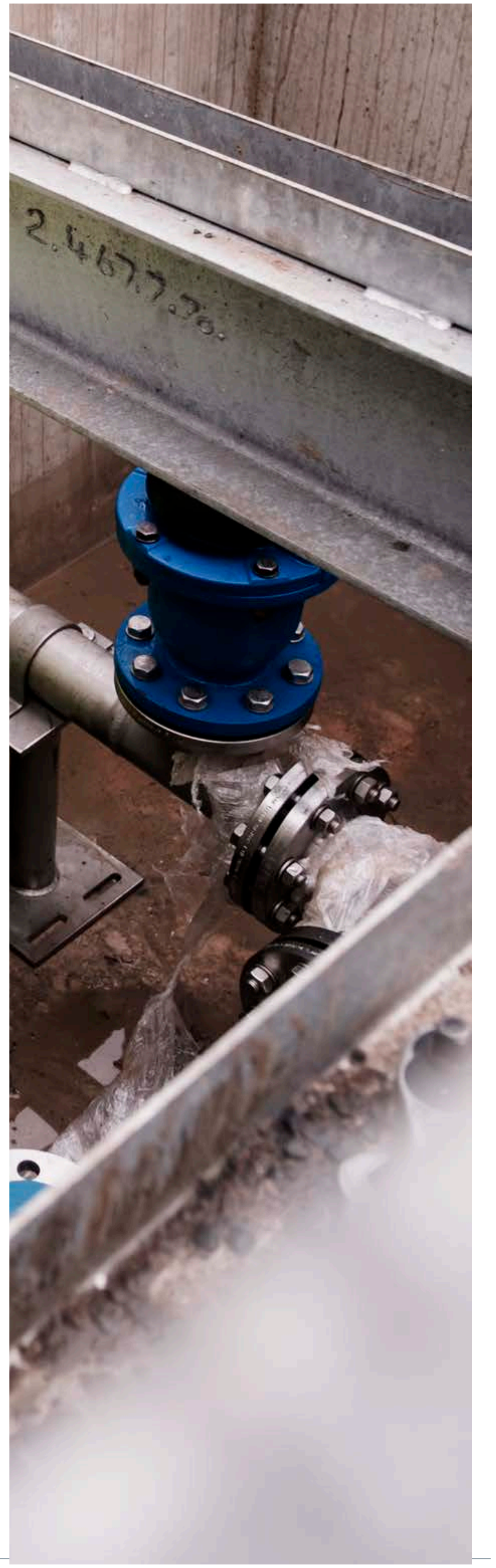
Performance analysis

NDA Annual Report and Accounts 2020/21

The following section provides a summary as to how each of the organisations in the NDA group has performed in 2020/21. The performance of Urenco Nuclear Stewardship Ltd and Springfield Fuels Ltd is also included due to their role in decommissioning our sites at Capenhurst and Springfields.

The following section provides a summary as to how each organisation has performed against the key activities and milestones set out in our 2020-23 Business Plan. The 'golden thread' from the NDA's 47 Strategic Outcomes to each of these key activities and milestones is also shown.

As in previous years, a summary of the performance of the NDA group's major projects (defined as being those very large and complex new construction projects that have received business case approval by Government) is included in Appendix B of this report.



NDA Corporate Centre

The NDA is a non-departmental public body created by the Energy Act 2004 to lead the clean-up and decommissioning work at the NDA's 17 sites on behalf of government. NDA is sponsored and funded by the Department for Business, Energy and Industrial Strategy (BEIS).

Key Activities	Strategic outcome	Timescale	2020/21 Target	2020/23 Target	Comments
Nuclear Materials					
Work with government to develop a long-term management solution for separated plutonium in the UK	20	2020-2023		ON TARGET	
Integrated Waste Management					
Work with group businesses to explore alternative disposal options for Higher Activity Waste	39	2020-2023		ON TARGET	
Develop a group-wide integrated waste programme to secure significant change to radioactive waste management programmes across the NDA group	39	2020-2023		ON TARGET	
Spent Fuels					
Manage special nuclear materials consolidation in agreed locations	12	2020-2023		ON TARGET	
Critical Enablers					
Publish a revised NDA Strategy		2020-2021	ACHIEVED		
Progress spending review through to settlement		2020-2021	ACHIEVED		
Implement accepted recommendations from the Magnox Inquiry and Tailored Review		2020-2021	DEFERRED		Deferred as the Magnox Inquiry Report was not published until March 21 and the Departmental Review (formerly the Tailored Review) is yet to be published. NDA will respond in a timely manner when both reports are published and in line with our structured approach to overseeing and coordinating the responses to all such inquiries, reviews etc
Work with group businesses to map the carbon footprint and develop a road map for how we will support government's commitment to net-zero greenhouse gas emissions for the UK by 2050		2020-2021		ACHIEVED	
Provide support to government on nuclear new build decommissioning plans		2020-2023		ON TARGET	

Provide support to government on nuclear new build decommissioning plans.		2020-2023		ON TARGET	
Lead the strategic agenda across the NDA group on equality, diversity and inclusion (ED&I), ensuring effective governance and provide oversight on the creation of implementation plans to achieve ED&I targets		2020-2023		ON TARGET	
Embed the key tenets of the Industrial Strategy, including active participation in the Nuclear Sector Deal to help achieve HMG deliverables.		2020-2023		ON TARGET	
Support implementation of forthcoming new nuclear emergency preparedness standards across the NDA group, as part of the UK's implementation of the Basic Safety Standards Directive 2013		2020-2023		ON TARGET	
International support, sharing knowledge and expertise in decommissioning and clean-up activities		2020-2023		ON TARGET	
Develop strategic opportunities that optimise delivery of the mission		2020-2023		ON TARGET	
Enable the group to proactively deter, detect, defend against, recover from and be resilient to both current and evolving cyber threats		2020-2023		ON TARGET	
Support small and medium enterprise organisations by increasing overall spend with them in line with the government growth agenda		2020-2023		ON TARGET	
Implement our strategic people delivery plan to enable resource planning, skills development and flexibility and mobility across the group		2020-2023		ON TARGET	
Lead in the area of Mental Health and Wellbeing across the NDA group and further enhance the wellbeing community across the group		2020-2023		ON TARGET	
Implement new ICT infrastructure, software and working practices to allow smarter, flexible working across the NDA		2020-2023		ON TARGET	
Implement government led reforms of public sector pensions and exit caps across the NDA group		2020-2023		ON TARGET	
Continue collaboration with the NDA group and BEIS to further develop targeted opportunities for the delivery and effective re-use of our land and infrastructure in support of the NDA mission and wider UK Industrial Strategy		2020-2023		ON TARGET	
Regulatory controls					
Contribute to sustainability performance and meet government objectives and targets		2020-2023		ON TARGET	Status subject to new target setting from HMG under the Greening Government Commitments initiative
Continue working with regulators and government to determine institutional controls appropriate to restoration of nuclear sites		2020-2023		ON TARGET	

Performance Analysis - Site Licence Companies

Sellafield Ltd

Sellafield Ltd is an NDA subsidiary, responsible for operating and decommissioning Europe's largest and most complex nuclear site. This includes cleaning up nuclear facilities and safeguarding nuclear fuel, materials and waste.

Key Activities	Strategic outcome	Timescale	2020/21 Target	2020/23 Target	Comments
Spent Fuels					
All spent fuels discharged from the operating Advanced Gas-Cooled Reactor (AGR) power stations and defueling of all Magnox power stations reactors are sent to Sellafield for management. The receipt of AGR fuels will continue until the end of the AGR electricity programme, whilst all the Magnox fuel has now been received at Sellafield. The management of AGR fuel under contracts with EDF Energy provides a significant income stream to NDA.					
Spent Magnox Fuel					
Complete Magnox reprocessing and continued interim storage in FHP for any remnant fuel	3, 4	2020-2021	MISSED		Magnox reprocessing delayed due to COVID-19. Plan now approved to extend Magnox reprocessing from Dec-20 to Dec-21
Spent Oxide Fuel					
Enhance capacity to receive/manage and interim store AGR spent fuel from EDF Energy, to support bulk defueling	6, 9	2020-2023		ON TARGET	
Spent Exotic Fuel					
Continue to receive Dounreay spent exotic fuel to be reprocessed or stored, and develop alternative capability for receipt and management of remaining spent exotic fuels from Dounreay	12, 14	2020-2023		BEHIND TARGET	DFR shipments continue in line with ongoing Magnox Reprocessing. For remaining spent exotic fuels, work continues on developing dry storage arrangements and associated transport and infrastructure support
Nuclear Materials					
Sellafield is the custodian of the majority of the UK's inventory of separated plutonium which is held in safe and secure storage.					
Plutonium					
Continue the safe and secure storage of plutonium by developing the capability to repack/retreat plutonium in line with UK policy	18, 19	2020-2023		BEHIND TARGET	SRP Full Business Case will be submitted for ministerial approval mid-2021. Active commissioning now forecast for September 2028. Prior to SRP coming online current projects such as Finishing Line 4 and Can Surveillance activities remain on schedule to deal with most acute plutonium can inventory
Uranics					
Support future decommissioning by implementing plans for consolidated storage of Sellafield uranics	22, 24	2020-2023		ON TARGET	

Performance Analysis - Site Licence Companies

Key Activities	Strategic outcome	Timescale	2020/21 Target	2020/23 Target	Comments
Integrated Waste Management					
The various activities across the site produce wastes in many forms. These require varying degrees of treatment and onward processing. The site continues to focus on safe, efficient management of these wastes, including: the conversion of Highly Active Liquor (HAL) into passively safe vitrified waste; the return of vitrified material overseas; and the management of on-site intermediate and low level wastes. The areas of principal focus are the redundant Legacy Ponds and Silos facilities, made up of the Pile Fuel Storage Pond, Pile Fuel Cladding Silo, First Generation Magnox Storage Pond and Magnox Swarf Storage Silo. These facilities supported the development of the nuclear programme in the UK from the early 1950s. Subsequently, they supported electricity generation from the fleet of Magnox power stations. The programmes include the removal of nuclear fuel, sludge and solid material which require the provision of equipment to retrieve the various wastes and then treat and store them in passive condition. This process needs to take into account the role of integrated waste management in achieving hazard reduction and long-term safety, security and environmental protection requirements.					
Low level waste					
Continue to generate savings and preserve capacity at the Low Level Waste Repository by enhancing capability to divert waste to LLWR and the supply chain	27	2020-2023		ON TARGET	
Intermediate level waste					
Support the NDA's strategy by continuing the programmes to receive and treat waste materials from Harwell and AWE Aldermaston	32	2020-2023		ON TARGET	
Support future waste treatment through implementing the capability to actively demonstrate characterisation, size reduction and decommissioning	32	2020-2023		ON TARGET	
Support risk reduction by developing additional capability for treatment of intermediate level liquid wastes and storage of by-products	32	2020-2023		ON TARGET	
Support future decommissioning through optimisation of future storage and treatment arrangements	32, 33	2020-2021	ACHIEVED		
Pile Fuel Storage Pond					
Progress waste retrieval by having waste skips either exported or ready to export	31	2020-2023		ON TARGET	
Demonstrate pond dewatering capability through completion of the bay dewatering trials	31	2020-2022		ON TARGET	
First Generation Magnox Storage Pond (FGMSP)					
Support risk reduction from FGMSP through continued removal of fuel and waste from the facility	31	2020-2023		ON TARGET	
Magnox Swarf Storage Silo (MSSS)					
Progress the capability required for bulk retrievals	31	2020-2023		ON TARGET	

Performance Analysis - Site Licence Companies

Key Activities	Strategic Outcome	Timescale	2020/21 Target	2020/23 Target	Comments
High level waste					
Continue the programme to repatriate overseas-owned vitrified waste to its country of origin	38	2020-2023		BEHIND TARGET	Delays to Japanese customers' returns are being mitigated by accelerating other overseas returns e.g. Australia customer returns
Support reprocessing plant decommissioning by establishing the capability and commencing processing of High Active Post Operational Clean Out of solids through the vitrification plant	36	2020-2023		BEHIND TARGET	High level wastes plants continue to support revised Magnox reprocessing and POCO dates with proposed revised baseline change to ensure alignment with POCO timescales
Site Decommissioning and Remediation					
Decommissioning and demolition					
Complete decommissioning and demolition of the upper diffuser section of the Windscale Pile Chimney Number 1	42 43	2020-2022		ON TARGET	
Establish decommissioning capability by implementing the alpha and beta gamma decommissioning programmes	43	2020-2021	ACHIEVED		
Commence post operational clean-out (POCO) of Magnox Reprocessing Plant	42	2020-2021	MISSED		Due to the COVID-19 impact on Magnox Reprocessing and the agreement to extend Magnox operations until Dec-21, commencement of POCO is assumed for Jun-22
Critical Enablers					
A number of key enabling activities require specific focus, ranging from infrastructure refurbishment or replacement projects, through to key change programmes which aim to improve operational delivery and efficiency on site.					
Continue the Sellafield transformation to support future business requirements		2020-2023		ON TARGET	
Develop and embed the long-term partnership with the supply chain		2020-2023		ON TARGET	
Progress the transformation of project delivery on site and continue to embed the Programme and Project Partnership		2020-2023		ON TARGET	
Support small and medium enterprise organisations by targeting overall spend with them in line with the government growth agenda		2020-2023		BEHIND TARGET	The impact of Covid-19 during 20/21 has impacted upon both the level and nature of supply chain spend. With a focus on core operations in Q1 of the year, SME expenditure dropped to 29%. A SME action plan is in place to recover

Performance Analysis - Site Licence Companies

Key Activities	Strategic outcome	Timescale	2020/21 Target	2020/23 Target	Comments
Critical Enablers					
Continue the Sellafield security enhancement programme		2020-2023		BEHIND TARGET	Overall programme will not achieve its strategic objective of realising Initial Operating Capability for 31 July 2021 or the Office for Nuclear Regulation Security Improvement Schedule milestone of 30 Sept 2021. Revised dates now proposed to regulator. COVID-19 has impacted the programme. Work to determine the extent of the impact and reflect this in the schedule is ongoing
Continue with improvements to the site utilities infrastructure and new Steam Generating Plant		2020-2023		ON TARGET	
Continue the programme to ensure the analytical services capability is available to support the mission		2020-2023		BEHIND TARGET	Impacts of COVID-19 have delayed the design development of the Replacement Analytical Project (RAP). The RAP team is currently considering options for recovery
Embed the key tenets of the Industrial Strategy, including the Nuclear Sector Deal		2020-2023		ON TARGET	
Working to embed the capability to proactively protect, detect, respond and recover against current and evolving cyber threats		2020-2023		ON TARGET	
Maintain an asset management regime that takes into account the impact of asset condition on meeting regulation		2020-2023		ON TARGET	
Regulatory Control					
Ensure discharges are in line with UK discharge strategy		2020-2023		ON TARGET	
Reduce environmental risk (including retrieval and treatment of legacy wastes, reduction of HAL stocks)		2020-2023		ON TARGET	

Performance Analysis - Site Licence Companies

Magnox Ltd

Magnox is an NDA subsidiary, responsible for 12 nuclear sites across the UK: Berkeley, Bradwell, Chapelcross, Dungeness A, Harwell, Hinkley Point A, Hunterson A, Oldbury, Sizewell A, Trawsfynydd, Winfrith and Wylfa. Magnox also generates electricity at the Maentwrog hydroelectric plant.

Key Activities	Strategic outcome	Timescale	2020/21 Target	2020/23 Target	Comments
Integrated Waste Management					
Low level waste					
Delivery of the Magnox elements of the estate-wide low level waste management plan, including diversion to alternative treatment	26 27 28 29	2020-2023		ON TARGET	
Intermediate level waste					
Progress activities to retrieve, treat and store ILW	31 32 33	2020-2023		ON TARGET	
Continue to pursue opportunities to consolidate ILW to interim stores		2020-2023		ON TARGET	
Nuclear Materials					
Uranics					
Continue the programme for the transfer of nuclear materials	22	2020-2023		ON TARGET	
Regulatory permissioning in support of the transfer of nuclear materials between sites	22	2020-2023		ON TARGET	
Site Decommissioning and Remediation					
Decommissioning and demolition					
Continue estate decommissioning and demolition activities working towards interim states	42 43	2020-2023		ON TARGET	Magnox strategy is moving away from interim states. This target will need to be revisited once new Lifetime Plan is developed
Continue focus on the major risk of asbestos including production of an optimised, underpinned strategy for asbestos, without detriment to Care and Maintenance	42	2020-2023		ON TARGET	
Develop continuous reactor decommissioning strategy	42	2020-2023		ON TARGET	

Performance Analysis - Site Licence Companies

Key Activities	Strategic outcome	Timescale	2020/21 Target	2020/23 Target	Comments
De–designate or reuse					
Continue working with regulators to ensure appropriately scaled management arrangements and permissioning for interim states and interim end states are determined and agreed	44	2020-2023		ON TARGET	
Develop Interim State approaches, utilising revised management arrangements	44	2020-2023		ON TARGET	
Monitor management and maintenance arrangements for sites in Care and Maintenance	44	2020-2023		ON TARGET	
Progress land de-designation and release to support re-use	47	2020-2023		ON TARGET	
Provide support to nuclear new build	47	2020-2023		ON TARGET	
Critical Enablers					
Support the Government in activities to deliver the new build agenda and preparations for decommissioning the AGR fleet		2020-2023		ON TARGET	
Continue information governance activities and supporting processes		2020-2023		ON TARGET	
Continue delivery of the sift & lift programme to rationalise all Magnox records and transfer as appropriate to NDA Archive in Wick		2020-2023		BEHIND TARGET	Impacted by COVID-19. NDA programme has been delayed and Magnox's programme reflects this
Support small and medium enterprise organisations by targeting overall spend with them in line with Government growth agenda		2020-2023		ON TARGET	
ISupport NDA in property activities to reduce NDA decommissioning liability and achieve best value on asset disposal		2020-2023		ON TARGET	
Continue the enhancement of cyber capability		2020-2023		ON TARGET	
Continue delivery of the asset care programme		2020-2023		ON TARGET	

Performance Analysis - Site Licence Companies

Berkeley

Key Activities	Strategic Outcome	Timescale	2020/21 Target	2020/23 Target	Comments
Integrated Waste Management					
Intermediate leve waste					
Complete Design and Build of ILW retrieval plant	31	2020-2023		ON TARGET	
Progress activities to retrieve, treat and store ILW	31 32 33	2020-2023		ON TARGET	
Continue retrieval and packaging activities in the active waste vaults	32	2020-2023		ON TARGET	
Retrieve waste from shielded area (caves)	32 33	2020-2023		ON TARGET	
Complete Design and Build of ILW encapsulation facility	32	2020-2023	MISSED		Impacted by COVID-19. Will be completed in 2021/22
Site Decommissioning and Remediation					
Decommissioning and demolition					
Decommissioning (including asbestos removal) and demolition activities ongoing in preparation for entry into Care and Maintenance	42 43	2020-2021		ON TARGET	

Bradwell in Care and Maintenance

Key Activities	Strategic Outcome	Timescale	2020/21 Target	2020/23 Target	Comments
Site Decommissioning and Remediation					
De–designate and reuse					
Ongoing management of site during Care and Maintenance period	44	2020-2023		ON TARGET	

Performance Analysis - Site Licence Companies

Chapelcross

Key Activities	Strategic Outcome	Timescale	2020/21 Target	2020/23 Target	Comments
Integrated Waste Management					
Intermediate level waste					
Progress activities to retrieve, treat and store ILW	32	2020-2023		ON TARGET	
Complete design and build of ILW Encapsulation facility	31 32 33	2020-2023		ON TARGET	
Complete active commissioning of the Modular Active Effluent Treatment Plant	33	2020-2021	MISSED		Impacted by COVID-19. Will be completed in 2021/22
Operate ILW store	33	2020-2022		ON TARGET	
Site Decommissioning and Remediation					
Decommissioning and demolition					
Prepare for pond draining and stabilisation	42	2020-2023		ON TARGET	
Decommissioning (including asbestos removal) and demolition activities in preparation for entry into Care and Maintenance	42 43	2020-2023		ON TARGET	

Performance Analysis - Site Licence Companies

Dungeness A

Key Activities	Strategic Outcome	Timescale	2020/21 Target	2020/23 Target	Comments
Integrated Waste Management					
Low level waste					
Complete active commissioning of the Modular Active Effluent Treatment Plant	32	2020-2021	MISSED		Impacted by COVID-19. Will be completed in 2021-22
Intermediate level waste					
Progress activities to retrieve, treat and store ILW	31 32 33	2020-2023		ON TARGET	
Site Decommissioning and Remediation					
Decommissioning and demolition					
Decommissioning (including asbestos removal) and demolition activities in preparation for entry into Care and Maintenance	42 43	2020-2023		ON TARGET	
Preparatory works for Safe Store Project	42	2020-2023		ON TARGET	
Complete the current asbestos removal programme within the reactor buildings	42 43	2020-2021	ACHIEVED		

Performance Analysis - Site Licence Companies

Harwell

Key Activities	Strategic Outcome	Timescale	2020/21 Target	2020/23 Target	Comments
Nuclear Materials					
Uranics					
Continue the programme for the transfer of nuclear materials	22	2020-2023		ON TARGET	
Integrated Waste Management					
Intermediate level waste					
Progress activities to retrieve, treat and store ILW	31 32 33	2020-2023		BEHIND TARGET	Equipment failures have impacted progress through the financial year
Site Decommissioning and Remediation					
Decommissioning and demolition					
Decommissioning (including asbestos removal) and demolition activities	42 43	2020-2023		ON TARGET	
Continue preparations for decommissioning of radium chemistry facilities	42	2020-2023		ON TARGET	
Continue decommissioning, demolition and land remediation of the Liquid Effluent Treatment Plant (LETP)	42 43 46	2020-2023		ON TARGET	
De–designate or re–use					
Continue incremental release of land to the Harwell campus through targeted demolitions, remediation and clearance of land tracts	47	2020-2023		ON TARGET	

Performance Analysis - Site Licence Companies

Hinkley Point A

Key Activities	Strategic Outcome	Timescale	2020/21 Target	2020/23 Target	Comments
Integrated Waste Management					
Low level waste					
Complete active commissioning of the Modular Active Effluent Treatment Plant	28	2020-2021	MISSED		Impacted by COVID-19
Intermediate level waste					
Progress activities to retrieve, treat and store ILW	31 32 33	2020-2023		ON TARGET	
Complete commissioning of ILW store	32	2020-2023		ON TARGET	
Site Decommissioning and Remediation					
Decommissioning and demolition					
Decommissioning (including asbestos removal) and demolition activities in preparation for entry into Care and Maintenance	42 43	2020-2023		ON TARGET	

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Performance Analysis - Site Licence Companies

Hunterston A

Key Activities	Strategic Outcome	Timescale	2020/21 Target	2020/23 Target	Comments
Integrated Waste Management					
Intermediate level waste					
Progress activities to retrieve, treat and store ILW	31 32 33	2020-2023		ON TARGET	
Continue complete solid active waste bunker retrieval operations excluding post operational clean out	31	2020-2023		ON TARGET	
Construct and commission the solid ILW encapsulation plant	32	2020-2023		ON TARGET	
Site Decommissioning and Remediation					
Decommissioning and demolition					
Decommissioning (including asbestos removal) and demolition activities in preparation for entry into Care and Maintenance	42 43	2020-2023		ON TARGET	
Continue preparations for demolition of the cooling pond overbuilding	43	2020-2023		ON TARGET	

Oldbury

Key Activities	Strategic Outcome	Timescale	2020/21 Target	2020/23 Target	Comments
Integrated Waste Management					
Intermediate level waste					
Continue ILW retrieval enabling works	31	2020-2023		ON TARGET	
Progress activities supporting consolidated ILW storage	33	2020-2023		ON TARGET	
Progress activities to retrieve, treat and store ILW	31 32 33	2020-2023		ON TARGET	
Site Decommissioning and Remediation					
Decommissioning and demolition					
Decommissioning (including asbestos removal) and demolition activities in preparation for entry into Care and Maintenance	42 43	2020-2023		ON TARGET	

Performance Analysis - Site Licence Companies

Sizewell A

Key Activities	Strategic Outcome	Timescale	2020/21 Target	2020/23 Target	Comments
Integrated Waste Management					
Intermediate level waste					
Continue preparation for ILW retrievals	31	2020-2023		ON TARGET	
Progress activities to support consolidation of ILW storage	33	2020-2023		ON TARGET	
Manage receipt of waste packages at Bradwell Site	33	2020-2023		ON TARGET	
Continue ILW retrieval enabling works	31	2020-2023		ON TARGET	
Site Decommissioning and Remediation					
Decommissioning and demolition					
Decommissioning (including asbestos removal) and demolition activities in preparation for entry into Care and Maintenance	42 43	2020-2023		ON TARGET	
Complete ponds stabilisation	42	2020-2021	MISSED		Impacted by COVID-19; now likely to completed in 2021-22

Trawsfynydd

Key Activities	Strategic Outcome	Timescale	2020/21 Target	2020/23 Target	Comments
Integrated Waste Management					
Intermediate level waste					
Continue and complete ILW retrievals and encapsulation	31 33	2020-2023		ON TARGET	
Progress activities to retrieve, treat and store ILW	31 32 33	2020-2023		ON TARGET	
Site Decommissioning and Remediation					
Decommissioning and demolition					
Continue development of strategy for ponds end state conditions	42	2020-2023		ON TARGET	
Decommissioning (including asbestos removal) and demolition activities in preparation for entry into Care and Maintenance	42 43	2020-2023		ON TARGET	
Continue height reduction preparations	43	2020-2023		ON TARGET	

Performance Analysis - Site Licence Companies

Winfrith

Key Activities	Strategic Outcome	Timescale	2019/20 Target	2020/23 Target	Comments
Integrated Waste Management					
Low level waste					
Continue and complete shipments of LLW drums to LLWR	32	2020-2022		ON TARGET	
Site Decommissioning and Remediation					
Decommissioning and demolition					
DRAGON – continue reactor decommissioning	42	2020-2023		ON TARGET	
Steam Generating Heavy Water Reactor (SGHWR) – continue decommissioning of the primary and secondary containment areas	42	2020-2023		ON TARGET	
Decommissioning (including asbestos removal) and demolition activities	42 43	2020-2023		ON TARGET	

Wylfa

Key Activities	Strategic Outcome	Timescale	2020/21 Target	2020/23 Target	Comments
Integrated Waste Management					
Intermediate level waste					
Prepare for ILW retrievals and packaging	31	2020-2023		ON TARGET	
Progress activities to retrieve, treat and store ILW	31 32 33	2020-2023		ON TARGET	
Site Decommissioning and Remediation					
Decommissioning and demolition					
Prepare for decommissioning (including asbestos removal) and demolition for entry into Care and Maintenance	42 43	2020-2023		ON TARGET	
Continue asbestos removal from turbine hall	42 43	2020-2023		ON TARGET	

Performance Analysis - Site Licence Companies

Dounreay Site Restoration Ltd

Dounreay Site Restoration Ltd (DSRL) is responsible for cleaning up and decommissioning the Dounreay site in the north of Scotland. It also operates a Low Level Waste (LLW) disposal facility to deal with waste from the site. DSRL was owned by Parent Body Organisation, Cavendish Dounreay Partnership Ltd, up to 31 March 2021 and became a wholly owned subsidiary of the NDA from 1 April 2021.

Key Activities	Strategic Outcome	Timescale	2020/21 Target	2020/23 Target	Comments
Spent Fuels					
Spent exotic fuel					
Continue removal of Breeder Fuel elements from DFR	11	2020-2021	MISSED		Removal of breeder fuel delayed early in QTR due to COVID-19 impacts, which impacted both DSRL and Sellafield operations
Nuclear Materials					
Continue consolidation of remaining unirradiated exotics material (remnants)	-	2020-2023		ON TARGET	
Integrated Waste Management					
Low level waste					
Continued transfer of LLW to LLW vault.	27	2020-2023		ON TARGET	
Site Decommissioning and Remediation					
Decommissioning and demolition					
PFR – Complete removal of Alkali Metal Lab	43	2020-2021	MISSED		Impacted by COVID-19 and waste route availability. Access for demolition prevented by iso containers holding stored sodium
De–designate or re–use					
NDA and Regulatory permissioning in support of the Interim End State definition and arrangements for Dounreay	42	2020-2023		ON TARGET	
Critical Enablers					
Support small and medium enterprise (SME) organisations by measuring and reporting overall spend with them in-line with government growth agenda		2020-2023		ON TARGET	

Performance Analysis - Site Licence Companies

Low Level Waste Repository Ltd

Low Level Waste Repository (LLWR) Ltd manages and operates the UK's low level waste repository in west Cumbria, providing safe, permanent disposal for a range of radioactive wastes. It's also responsible for delivering the UK's national low level waste programme and associated waste management services. LLWR was owned by Parent Body Organisation, Nuclear Waste Management Ltd, up to 11 July 2021 and became a wholly owned subsidiary of the NDA from 12 July 2021.

Key Activities	Strategic Outcome	Timescale	2020/21 Target	2020/23 Target	Comments
Integrated Waste Management					
Low level waste					
Deliver the national LLW Programme to optimise LLW Strategy implementation. Work with consigning SLCs to improve waste forecast and inventory and continue segregated waste, treatment and disposal services	26 27 28 29	2020-2023		ON TARGET	
Intermediate level waste					
Work with NDA to support innovation in approaches to waste management of IWM	32 33 34	2020-2023		ON TARGET	
Type B Packaging capability to support NDA and MOD customers	33	2020-2023		ON TARGET	
Site Decommissioning and Remediation					
New build and operations					
Enabling works for phased construction of the final cap for trenches 1 to 7 and Vault 8	41	2020-2023		BEHIND TARGET	Following the identification of increased voidage in the disposed waste containers in Vault 8, the options for closing Vault 8 have been revisited through the Best Available Technique (BAT) process. Options have been identified to resolve the issues and allow capping to move forward. The project team is investigating opportunities to recover the schedule. The Environment Agency observed that process and remain content with the progress being made towards final capping

Performance Analysis - Site Licence Companies

Key Activities	Strategic Outcome	Timescale	2020/21 Target	2020/23 Target	Comments
Critical Enablers					
Support hazard reduction across the NDA group		2020-2023		ON TARGET	
Manage and operate LLWR safely to provide an effective UK disposal service		2020-2023		ON TARGET	
Consider options to further optimise operations at the LLWR		2020-2023		ON TARGET	
Continue to pursue overall cost savings in delivery of the Lifetime Plan		2020-2023		ON TARGET	
Support small and medium enterprise organisations by targeting overall spend with them in line with the government growth agenda		2020-2023		ON TARGET	
Active participation in the Nuclear Sector Deal and the North West Nuclear Arc to help achieve HMG key deliverables		2020-2023		ON TARGET	
Manage the existing LLWR Management and Operations contract through to completion and transition to new ownership arrangements		2020-2023		ON TARGET	
Deliver the LLWR Transformation Programme and actively support the development of One NDA		2020-2023		ON TARGET	
Regulatory control					
Contribute to sustainability performance under the Greening Government Commitments (GGC)		2020-2023		ON TARGET	

Performance Analysis - Site Licence Companies

Radioactive Waste Management

Radioactive Waste Management

Radioactive Waste Management (RWM) Ltd is an NDA subsidiary, responsible for delivering a geological disposal facility in the UK, on behalf of the NDA. This includes finding a suitable site with a willing community to host this permanent and safe solution for managing radioactive waste.

Key Activities	Strategic Outcome	Timescale	2020/21 Target	2020/23 Target	Comments
Integrated Waste Management					
Intermediate and high level waste					
Implement government policy on geological disposal of higher activity waste	34 39	2020-2023		ON TARGET	
Work proactively with waste producers, planning for and delivering waste management solutions	34 39	2020-2023		ON TARGET	
Deliver a robust technical programme, support the GDF programme and waste management	34 39	2020-2023		ON TARGET	
Critical Enablers					
Develop RWM into a high performing delivery organisation		2020-2023		ON TARGET	
Continue to work with each community to provide information and help develop a detailed community vision		2020-2023		ON TARGET	
Work in partnership with communities to evaluate potential sites for a GDF		2020-2023		ON TARGET	
Design studies for specific sites, initial safety analyses, and environmental and economic assessments to help establish whether sites could be suitable		2020-2023		ON TARGET	

Performance Analysis - Site Licence Companies

International Nuclear Services Ltd

International Nuclear Services (INS) is an NDA subsidiary, with locations in the UK, France and Japan. It provides specialist nuclear transport, design and licensing services to the NDA group, as well as to a range of domestic and international customers. It also operates the nuclear shipping company, Pacific Nuclear Transport Ltd, the world's most experienced marine transporter of specialist nuclear materials.

In February 2021, we brought together the extensive transport and logistics expertise of International Nuclear Services (INS), Direct Rail Services (DRS) and INS's subsidiary Pacific Nuclear Transport Ltd (PNTL) into a single transport division – Nuclear Transport Solutions (NTS).

Key Activities	Strategic Outcome	Timescale	2020/21 Target	2020/23 Target	Comments
Nuclear Materials – Plutonium and Uranics					
Support the NDA's decommissioning programme by providing transport and technical solutions for movements of nuclear material in the UK	17 22	2020-2023		ON TARGET	
Integrated Waste Management – High Level Waste					
Continue to deliver important international transports of vitrified High Level Waste (HLW) and conditioned Intermediate Level Waste (ILW)	36 37	2020-2023		ON TARGET	
Critical Enablers					
Continue to deliver important international transports of spent mixed oxide (MOX) fuel		2020-2023		ON TARGET	
Seek opportunities for new UK and international business within nuclear shipping, packaging and design and establish a consultancy that provides transport enabling solutions to UK and international markets		2020-2023		ON TARGET	
Maintain a leading fleet of specialist nuclear transport vessels and crews that, by undertaking regular shipments, meets the highest standards of quality, safety and security		2020-2023		ON TARGET	
Continue to develop a strategic partnership with Direct Rail Services including the creation of a joint consultancy offering that combines the nuclear transport capabilities of both organisations		2020-2023		ON TARGET	
Implement a series of transformation activities that make INS more competitive, innovative and efficient whilst ensuring it has the right skills, capability and diversity of talent to deliver in a safe, secure and reliable manner		2020-2023		ON TARGET	

Performance Analysis - Site Licence Companies

Direct Rail Services Ltd

Direct Rail Services (DRS) is an NDA subsidiary, providing expert and specialist nuclear transport services to support the NDA mission. A world leader in safe, secure and reliable nuclear logistics, DRS also has contracts with domestic customers, providing other tailored rail logistics solutions.

In February 2021, we brought together the extensive transport and logistics expertise of International Nuclear Services (INS), Direct Rail Services (DRS) and INS's subsidiary Pacific Nuclear Transport Ltd (PNTL) into a single transport division – Nuclear Transport Solutions (NTS).

Key Activities	Strategic Outcome	Timescale	2020/21 Target	2020/23 Target	Comments
Spent Fuel					
Support AGR fuel movements by rail for EDF from stations to Sellafield, including preparations for the AGR defueling programme	6	2020-2023		ON TARGET	
Nuclear Materials – Plutonium and Uranics					
Support national nuclear material rail movements for Harwell, Winfrith and DSRL	17 22	2020-2023		ON TARGET	
Delivery of the rail transport element in support of the Exotics programme	12 17	2020-2023		ON TARGET	
Critical Enablers					
Provide assistance in the development of the NDA transport and logistics strategy		2020-2023		ON TARGET	
Support the discharge of NDA obligations with respect to MOD nuclear rail transportation		2020-2023		ON TARGET	
Provide value for money to the taxpayer through the execution of identified non-nuclear work that complements the skills and capabilities required to support the core nuclear mission		2020-2023		BEHIND TARGET	Non-nuclear revenue growth for the year was £1.7m, just below the £2m- £2.5m target, due primarily to COVID-19. Efforts will continue to deliver non-nuclear revenue as opportunities arise
Provide rail authority and other associated expertise to the NDA in considering areas of synergy between DRS and INS in support of the NDA's strategic transport capability		2020-2023		ON TARGET	
Operate and maintain technology leading fleet of locomotives to support		2020-2023		ON TARGET	
Attract and retain the necessary skills, capability and diversity of talent to deliver our rail logistics business in a safe, secure and reliable manner		2020-2023		ON TARGET	

Performance Analysis - Other businesses that support the NDA mission

NDA Archives Ltd

NDA Archives is an NDA subsidiary, responsible for the Nucleus (the Nuclear and Caithness Archives). The facility is operated by a commercial partner and provides long-term records management and archiving services for the NDA group.

Key Activities	Strategic Outcome	Timescale	2020/21 Target	2020/23 Target	Comments
Critical Enablers					
Mature and implement the NDA Group Heritage Strategy		2020-2021	ACHIEVED		Heritage now captured in NDA Strategy 4. NDA Heritage guidelines submitted to SLC's for enactment via NDA Archives Ltd
Develop NDA Group Digital Preservation and Digitisation strategies and policies		2020-2021	MISSED		Vision and strategies produced in draft. Digital Preservation Coalition are advising on standards. This needs to align with NDA Group Digital Vision and Strategy which will be developed in 2021/22
Development of the Hub and Spokes delivery model – centralised inventory and management with dispersed, off-site storage		2020-2021	ACHIEVED		Development complete with spoke locations identified. Film collection accessioned and under Nucleus control. Future addition of other spokes and development of management system planned
Accession the outputs from the Sellafield and Magnox sift and lift projects		2020-2023		BEHIND TARGET	Magnox Sift & Lift in flight and on target. Sellafield Sift & Lift underway and plans indicate completion 2025. Sellafield Appleton store will be empty by Mar-23
Capacity management planning		2020-2023		ON TARGET	

Performance Analysis - Other businesses that support the NDA mission

Rutherford Indemnity Ltd

Rutherford Indemnity Ltd provides insurance cover for the NDA group. It has a particular focus on nuclear liability cover and the provision of support for changes to insurance requirements. The company is a wholly-owned NDA subsidiary, managed for the NDA by Marsh Captive Management Services, and has no direct employees.

Key Activities	Strategic Outcome	Timescale	2020/21 Target	2020/23 Target	Comments
Critical Enablers					
Develop and implement comprehensive major incident claims management solution		2020-2021	DEFERRED		Solution is dependent upon a Third-Party Administrator being appointed (See below)
Procure Third Party Administrator to implement NDA-controlled nuclear liability claims handling administration		2020-2021	DEFERRED		No bids were received for the Third-Party Administrator tender. Feedback from suppliers is being collated to inform the re-scope for retender in 2021/22. Work is ongoing to determine a more bespoke solution than was anticipated at the outset
Provide optimal insurance coverage to the NDA to support its NDA group-wide insurance programme and exploit opportunities to reduce overall cost of insurance risk		2020-2023		ON TARGET	
Explore all avenues to develop potential innovative solutions to the increased financial security or insurance requirement resulting from the Nuclear Installations (Liability For Damage) Order 2016 and to respond to demands for new or additional policy or cover		2020-2023		ON TARGET	
Continue to deliver the target return on the investment portfolio, protecting Rutherford's ability to offer insurance on a cost effective basis, maintaining liquidity in order to be able to respond promptly to a major loss		2020-2023		ON TARGET	
Continue to use a prudent proportion of Rutherford's assets to support infrastructure investment within the NDA group		2020-2023		ON TARGET	
Assist with the NDA group insurance broker tender to ensure all outsourced activities improve efficiency and are aligned to support NDA group Insurance Strategy		2020-2023		ON TARGET	

Performance Analysis - Other businesses that support the NDA mission

NDA Properties

NDA Properties Ltd is an NDA subsidiary, holding and managing the majority of the non-nuclear property assets within the NDA group.

Key Activities	Strategic Outcome	Timescale	2020/21 Target	2020/23 Target	Comments
Critical Enablers					
Effective management of Landlord's Essential works Programme, including property portfolio projects for repair work and improved environmental stewardship		2020-2021	DEFERRED		Deferred due to impact of COVID-19. Refurbishments and demolitions underway in 2021/22
Effective management of Hinton House including collaborative partnership working with Sellafield Ltd to align with the award on the next generation Facilities Management contract		2020-2021	DEFERRED		On hold until future office strategy (post COVID-19) is known
Proactively dispose/release surplus assets no longer required by the NDA Group or wider parts of government, including those that have high socio-economic value		2020-2022		ON TARGET	
Effective and efficient management and assurance of retained landholding consisting of 1203 hectares and in excess of 100 properties		2020-2023		ON TARGET	
Transfer land and property back to NDA where it is established the land is required for operational purposes		2020-2023		DEFERRED	Deferred pending NDA Properties Ltd strategy review

Performance Analysis - Other businesses that support the NDA mission

Energus

ENERGUS.

Energus is an NDA subsidiary offering a range of training, education and business support services geared towards providing and enhancing skills within both the local and national nuclear workforce.

Key Activities	Strategic Outcome	Timescale	2020/21 Target	2020/23 Target	Comments
Critical Enablers					
Continue to work closely with the NDA and stakeholders across the nuclear sector to upskill and develop the workforce of today and tomorrow		2020-2023		ON TARGET	
Continue to manage and facilitate a number of training opportunities for the NDA group and wider nuclear sector; including nucleargraduates, cyber security graduates and apprentices and other bespoke programmes to support the NDA People Strategy		2020-2023		ON TARGET	
Continue to work in partnership with the National Cyber Security Centre (NCSC) and NDA Cyber Security Resilience (CSRP) to deliver a pipeline of cyber security young talent into the sector. Deliver CyberFirst and be the venue of choice for Cyber Security training in the North West		2020-2023		ON TARGET	
Continue to be a Cumbrian venue of choice for the NDA group's events, conferences and delivery of training and education.		2020-2023		ON TARGET	

Performance Analysis - Other businesses that support the NDA mission

Springfields Fuels Ltd

Owned by Westinghouse Electric UK Holdings Limited

Springfields is a nuclear fuel manufacturing site and is located near Preston in Lancashire. The site is operated by Springfields Fuels Ltd (SFL) and isused to manufacture a range of fuel products for UK and international customers, the processing of historic uranic residues and decommissioning of redundant facilities.

From April 2010, the NDA permanently transferred ownership of the company to Westinghouse Electric including the freedom to invest for the future under the terms of a new 150-year lease. SFL is contracted to provide decommissioning and clean-up services to the NDA to address historic liabilities.

Key Activities	Strategic Outcome	Timescale	2020/21 Target	2020/23 Target	Comments
Site Decommissioning and Remediation					
Deommissioning and demolition					
Complete post operational clean out of the Residues Recovery Plant	42	2020-2022		BEHIND TARGET	A delay to the Service Island project at Springfields during 2020 means that this target is forecast to complete during 2022/23
Continue decommissioning of the Magnox Island	42	2020-2022		BEHIND TARGET	A delay to the Service Island project at Springfields during 2020 means that this target is forecast to complete during 2022/23

Performance Analysis - Other businesses that support the NDA mission

Capenhurst

Owned by: URENCO

The NDA Capenhurst site is located near Ellesmere Port in Cheshire.

In 2012, the site was transferred to URENCO, owners of the adjacent licensed site, and was amalgamated into a single nuclear licensed site. As part of this transfer, URENCO established Urenco Nuclear Stewardship (UNS), formerly known as Capenhurst Nuclear Services, to provide responsible management of uranic materials and carry out remediation work on behalf of the NDA.

UNS manages a large proportion of the NDA's uranic inventory and also provides broader decommissioning and demolition works for redundant facilities, in order to reduce liability and optimise space utilisation on site.

Key Activities	Strategic Outcome	Timescale	2020/21 Target	2020/23 Target	Comments
Site Decommissioning and Remediation					
Deommissioning and demolition					
Continue decommissioning and demolition of key facilities	42 43	2020-2023		ON TARGET	
Nuclear Materials					
Continue receipt and safe storage of uranic materials	24	2020-2023		ON TARGET	
Continue the safe storage and management of uranic materials, including uranium hexafluoride tails prior to processing through the Tails Management Facility	24	2020-2023		ON TARGET	

D. Peattie

David Peattie
Accounting Officer and Group Chief Executive Officer
15 July 2021

Glossary and abbreviations

A&RAC	Audit and Risk Assurance Committee
AGR	Advanced Gas-cooled Reactor
BEIS	Department for Business Energy and Industrial Strategy
BEP	Box Encapsulation Plant
C&AG	Comptroller and Auditor General
CETV	Cash Equivalent Transfer Value
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CPS	Combined Pension Scheme
DRS	Direct Rail Services Ltd
DSRL	Dounreay Site Restoration Ltd
EA	Environment Agency
EAP	Employee Assistance Programme
ED&I	Equality, Diversity and Inclusion
FGMSP	First Generation Magnox Storage Pond
GDF	Geological Disposal Facility
GLT	Group Leadership Team
GSR	Group Strategic Risks
HAL	Highly Active Liquor
HLW	High Level Waste
HMG	Her Majesty's Government
HSE	Health and Safety Executive
HSSE	Health, Safety, Security and Environment Committee
IAS	International Accounting Standards
ICT	Information Communications Technology
IFF	Integrated Financial Framework
IFRS	International Financial Reporting Standards
ILW	Intermediate Level Waste
INES	International Nuclear and Radiological Event Scale
INS	International Nuclear Services Ltd
IWM	Integrated Waste Management
JCG	Joint Consultation Group
LLW	Low Level Waste
LLWR	Low Level Waste Repository Ltd
LTIP	Long-Term Incentive Plan
M&A	Mergers and Acquisitions
MOX	Mixed Oxide Fuel
MSSS	Magnox Swarf Storage Silo
NAO	National Audit Office
NDA	Nuclear Decommissioning Authority
NDPB	Non-Departmental Public Body
NED	Non-Executive Board Director
NOMCO	Nominations Committee
NTS	Nuclear Transport Solutions
OHI	Organisational Health Index
ONR	Office for Nuclear Regulation
OpCo	Operating Company
P&PC	Programmes and Projects Committee
PAC	Public Accounts Committee
PBO	Parent Body Organisation
PCSPS	Principal Civil Service Pension Scheme
PFCS	Pile Fuel Cladding Silo
PFSP	Pile Fuel Storage Pond
PNTL	Pacific Nuclear Transport Ltd
PPP	Programme and Projects Partners
R&D	Research and Development
REMCO	Remuneration Committee
RIDDOR	Reporting of Injuries, Diseases and Dangerous Occurrences Regulations
RWM	Radioactive Waste Management Ltd
SEP	Silo Emptying Plant
SEPA	Scottish Environment Protection Agency
SFL	Springfields Fuels Ltd
SGHWR	Steam Generating Heavy Water Reactor
SIRO	Senior Information Risk Owner
SLC	Site Licence Company
SME	Small and Medium-sized Enterprises
STEM	Science, Technology, Engineering and Mathematics
STIP	Short-Term Incentive Plan
THORP	Thermal Oxide Reprocessing Plant
TRIR	Total Recordable Incident Rate
UKGI	UK Government Investments

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Glossary and abbreviations

Care and Maintenance	When a Magnox reactor site is kept in a state of Care and Maintenance, it is made safe for a planned period of quiescence, after which decommissioning activities will commence.	NDA Authority	This is used to describe the Non-Departmental Public Body created under the Energy Act and the performance of which is reported in this document.
End State	Condition of a nuclear site (including the land, structures and infrastructure) following completion of decommissioning and clean-up activities, and any controls to be applied during its subsequent use.	NDA Estate	The businesses that support the NDA mission – Sellafield, Magnox, Dounreay, LLWR, DRS, INS, RWM, NDA Archives, NDA Properties, Rutherford Indemnity, Energus, Springfield's Fuels Ltd and URENCO Nuclear Stewardship Ltd.
Interim State	An interim state describes the condition of a site or facility (including land) at specific points en-route to the site end state. It is a natural milestone or decision point in the decommissioning and remediation programme that typically represents a significant reduction in risk or hazard. An interim state does not automatically infer a period of quiescence; it can be followed by continuous or deferred decommissioning.	NDA Group	This is the group of businesses included in the statutory accounts. These are NDA, Sellafield, Magnox, INS (including subsidiaries PNTL, INS Japan, INS France SAS), DRS, RWM, NDA Archives, NDA Properties and Rutherford Indemnity. DSRL and LLWR will also be consolidated in to the statutory accounts in 2021/22.
Interim End State	An interim end state is a specific type of interim state. It marks the end of all physical works. No more active remediation will take place to achieve the site end state, i.e. further remediation will be passive for example as a consequence of radioactive decay or natural attenuation of contamination.	One NDA	A way of working more effectively and efficiently to maximise the opportunities within the group of businesses.

Useful links and documentation

- Nuclear Decommissioning Authority (https://www.gov.uk/government/organisations/nuclear-decommissioning-authority)
- Department for Business, Energy and Industrial Strategy (https://www.gov.uk/government/organisations/department-for-business-energy-and-industrial-strategy)
- Sellafield Ltd (www.gov.uk/government/organisations/sellafield-ltd)
- Magnox Ltd (www.gov.uk/government/organisations/magnox-ltd)
- LLWR Ltd (www.gov.uk/government/organisations/low-level-waste-repository-ltd)
- Dounreay Ltd (www.gov.uk/government/organisations/dounreay)
- Capenhurst Nuclear Services Ltd (https://www.urenco.com/)
- Springfields Fuels Ltd (https://www.westinghousenuclear.com/)
- Radioactive Waste Management Ltd (https://www.gov.uk/government/organisations/radioactive-waste-management)
- Nuclear Transport Solutions (https://nucleartransportsolutions.com/)

Useful documentation

- NDA Strategy - March 2021 (www.gov.uk/nda)
- NDA Business Plan 2020 to 2023 and NDA Business Plan 2021 to 2024 (www.gov.uk/nda)
- NDA Mid-Year Performance Report 2020 to 2021 (www.gov.uk/nda)
- NDA Research and Development 5 year plan: 2019 to 2024 (www.gov.uk/nda)
- NDA Direct Research Portfolio (DRP) Projects: Quarterly Update – Oct 2019 (www.gov.uk/nda)
- Nuclear Decommissioning: attracting and retaining skills (brochure) Nov 2016 (www.gov.uk/nda)
- NDA Corporate Centre: gender pay gap report, 2020 (www.gov.uk/nda)
- Register of Director's Interests and associated procedure (www.gov.uk/nda)
- NDA sustainability report April 2020 to March 2021: (www.gov.uk/nda)

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Appendix A - NDA Group - Summary of events confirmed as INES1 or higher during 2020/21

Site	Event Description	Final rating and duty holders comments on the event
INES 2 events		
Sellafield Ltd	Leak from Magnox Swarf Storage Silo at the Sellafield site. NB This event began in 2019 and was reported in that year, however the leak is continuing, and it is considered appropriate to report as an ongoing, not new, INES level 2 in this year.	Liquor level monitoring indicated a leak from the Magnox Swarf Storage Silo which culminated in contamination within the facility and the land and associated groundwater underneath the facility. This incident was rated as an INES Level 2.
INES 1 events		
Sellafield Ltd	Leak from a pipe in the Magnox reprocessing facility at the Sellafield site.	A uranyl nitrate leak from a corrosion crack in a pipe led to a small loss of radioactive liquid from an overhead pipe onto ground which was subsequently remediated. No persons were affected and there was no immediate safety consequence. The incident was rated as INES Level 1

Process notes

- It is the site licence company's duty to report and investigate events on the site, to take action to control risks, and prevent recurrence. However, the NDA takes the safety of people working with radiation seriously and we have, working with the site licence companies concerned, reviewed all of the above. We were content that site licence companies had carried out a proper investigation and learned from what happened.
- The International Nuclear and Radiological Event Scale (INES) is a tool for communicating the safety significance of nuclear and radiological events to the public. Events are rated at seven levels. A level 1 INES event is rated as an anomaly.
- Events are given a provisional INES rating by the site licence company
- The provisionally rated event is referred to the National Officer (an ONR Inspector), who decides the final rating reported to IAEA
- The latest information on INES events can be found at https://www-news.iaea.org/

Appendix B - Major Projects Cost and Schedule

Major projects are defined as those projects with a lifetime cost of £100m or more with a business case approved by Government. The historic cost estimates in the table below are expressed in money values of the year in which the estimate was prepared (i.e. have not subsequently been adjusted for inflation).

Project/ Programme	Year initiated	Estimated cost at initiation (£m)	Current business case cost (£m)	Estimated cost Mar 2020(£m)	Estimated cost Mar 2020 (£m)Variance	Estimated end date at initiation	Current business case end date	Estimated end date Mar 2020	2019/20 estimated Schedule Variance
First Generation Magnox Storage Pond (FGMSP) - Bulk Sludge and Fuel Retrievals	2004	229.0	400.0	340.0	0.6	Dec 2012	Mar 2020	May 2020	+11 mths
Key reasons for changes to cost and/or end date from year initiated to March 2020 Increases in cost and schedule compared to initiation were associated with the complexity of installing new equipment into an existing radioactively contaminated and sensitive nuclear facility as well as project performance issues. There has been a £0.6m cost variance in year due to delays associated with plant failure with respect to the D Bay component of the scope and subsequent repair. This has also extended the project completion forecast. As of end of March 21 all project scope has been delivered and project is being closed out									
Magnox Swarf Storage Silo (MSSS) - SEP Solid Waste Storage Retrievals	-	-	846.0	911.5	33.1	-	Sept 2023	Jan 2026	+13 mths
Key reasons for changes to cost and/or end date from year initiated to March 2020 Key reasons for changes to cost and/or end date from year initiated to March 2021 In year cost and schedule increases have resulted from delivery issues and delays primarily with SEP 2 commissioning. Currently the start of retrieval operations are expected to commence Q4 FY 21/22 but there are risks to this associated with completing remaining scope and regulatory permissions. Cost increases and schedule movements are also as a result of the COVID-19 pandemic and the complex working arrangements around the facility which will only become more complex once retrievals operations commence. The understanding of this and the learning from SEP 2 commissioning has been factored into the forward plan for SEP 1 and SEP 3. Start of retrievals using SEP 3 is also contingent on BEP availability, the delivery of which has slipped to May 2026 and is driving out the end date for this project. .									
Magnox Swarf Storage Silo (MSSS) - Box Encapsulation Plant	2014	615.0	887.0	1327.0	339.9	Jan 2021	Jun 2023	May 2026	+42 mths
Key reasons for changes to cost and/or end date from year initiated to March 2020 Variances in the early stages of the project concerned changes in scope and design along with different commercial arrangements than had been originally envisaged. The current scope also reflects changes associated with the Alternative Intermediate Level Waste Strategy. The BEP project has experienced significant delivery issues subsequently, with cost and schedule now forecast to exceed business case approvals. The output of the Tiger Team work has been incorporated into the forward delivery plan for BEP and the creation of a single integrated delivery team. Increases in cost and schedule reflect the outcome of the work to revise the delivery strategy and the impact of the COVID-19 pandemic. Executive Steering Group overseeing the recovery of this project chaired by the Sellafield CEO.									
Pile Fuel Cladding Silo (PFCS) - Early retrievals project	2005	495	601	474.1	0.3	Oct 2019	Apr 2021	Mar 2021	+7mths
Key reasons for changes to cost and/or end date from year initiated to March 2020 Variances to the forecast at initiation followed a review of the proposed solution in 2013. This resulted in a revised approach which required the redesign of the waste retrievals and handling equipment, increasing the cost and schedule. The revised business case, approved by Government in September 2016, provided an updated cost and schedule reflecting the new approach. The business case highlighted 3 key opportunities to improve the project cost and schedule, around simplification of the retrievals, waste handling and control equipment. Work has continued to realise these opportunities, reflected in the cost and schedule estimates being well within business case approvals. In-year cost and schedule increases have been the result of delays in completing the last remaining scope element of the project associated with the internal transfer flasks following the manufacturer going into receivership. This scope is now complete, and the project is being closed down.									

Appendix B - Major Projects Cost and Schedule

Project/ Programme	Year initiated	Estimated cost at initiation (£m)	Current business case cost (£m)	Estimated cost Mar 2020(£m)	Estimated cost Mar 2020 (£m)Variance	Estimated end date at initiation	Current business case end date	Estimated end date Mar 2020	2019/20 estimated Schedule Variance
Pile Fuel Cladding Silo (PFCS) Box Encapsulation Plant Product Store – Direct Import Facility	2006	119.0	445.0	454.5	54.5	Jan 2019	Jul 2022	May 2023	+23 mths
Key reasons for changes to cost and/or end date from year initiated to March 2021 A revised Business Case reflecting cost and schedule increases was approved by HMG during the 2018/19 financial year. Delays to the completion of detailed design scope led to increased design and supervision costs, delaying procurements and creating inefficiency in construction activities on site. Sellafield Ltd took full control of the project in Q1 financial year 2019/20 and following further performance issues with the pipework subcontractor the contract with them was terminated and the remaining mechanical and electrical installation activities were consolidated under a single contractor to address performance issues. However, as a result of this and the impact of the COVID-19 pandemic the project had to be re-sanctioned in September 21. Given that the true impact of the pandemic was not understood at this time only the impact of the pipework delays were included in the sanction. The variance between the approved business case and current stated outturns is due to COVID-19 impacts and the project is delivering in line with its COVID-19 impacted cost and schedule.									
SIXEP Contingency Plant	2014	394	730	602.3	28.1	Nov 2026	Oct 2030	Jan 2029	+5 mths
Key reasons for changes to cost and/or end date from year initiated to March 2020 At initiation in April 2014 the project estimate was based on a volumetric estimate. As the project has matured through concept (Apr 2015) and preliminary design (July 2016) stages the increased scope definition enabled a more accurate and definitive estimate to be developed based on measured quantities. Since March 2020 the project has progressed to schedule on site construction activities, however these activities have been offset by COVID-19 delays on valve prototype development which is on critical path. This delay has resulted in a 5 month schedule variance and associated cost of £28.1m. The project is currently preparing its Full Business Case for HMG approval in Q1 2022. This project has been added to the GMPP in Q3 and associated reporting is in place.									
Sellafield Product and Residue Store Retreatment Plant	2019	885	885	1142.3	364.6	Mar 2028	Mar 2028	Feb 2029	+21 mths
Key reasons for changes to cost and/or end date from year initiated to March 2021 The project has been preparing its Full Business Case during 2020/2021. The development of the case has been informed by more robust market informed data and assurance of the forward schedule by the Programme and Project Partners (PPP). Development of the FBC has resulted in a significant cost and schedule variance form the March 2020 position. This cost and schedule increase has been heavily assured and benchmarked, and is captured within the FBC, which is seeking ministerial approval in July 2021. The estimate is in line with current Reference Class forecasts. On site construction activities have progressed, delivering in line with its COVID-19 impacted cost and schedule. Design delays, due to COVID-19 restricted working arrangements have also impacted on the forward schedule. This project has been added to the GMPP in Q3 and associated reporting is in place.									
Electrical Supply New Construction	2018	238	238	325.3	93.1	Mar 2023	Mar 2023	Nov 2026	+16mths
Key reasons for changes to cost and/or end date from year initiated to March 2021 Cost and schedule variance is due to immature scope and design in the original business case leading to an understatement of cost and schedule. The current project forecast has been aligned to the estimates & schedule assured via the Sellafield Ltd SPER in Dec 2020, this takes into account the impacts of COVID-19 as well as the improved scope and design definition. Project to submit FBC in October 21.									
Replacement Analytical Project	2018	800	800	659.3	33.3	Feb 2029	Feb 2029	Apr 2028	+3mths
Key reasons for change to cost and/or end date from year initiated to March 2019 NEW: The Outline Business Case was approved by HMG in January 2020. Cost & schedule increases associated with COVID-19 impact (£23m) and annual indexation. Project delivery continues in line with COVID-19 forecasts, however, there have been some notable delays - preliminary design completions target of March 21 is further delayed due to ongoing working inefficiencies and critical design resource issues. Detailed Design completions for Analytical Equipment Development Modifier are at risk affecting Contract Awards. Delays to the critical path are being analysed with plans for recovery also in development. Following a 'Cold Eyes Review' of the project, plans have been developed to address some of the project shortcomings with additional resources being provided by the PPP partnership including a new Head of Projects. This project has been added to the GMPP in Q3 and associated reporting is in place.									

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