

Statement of the Nuclear
Decommissioning Funding Account
for the period from 1 April 2006 to 31 March 2007

Presented pursuant to section 32(1) of the Energy Act 2004.

Ordered by The House of Commons to be printed 4th March 2008

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Contents

	Page
Foreword	4
Comptroller and Auditor General's Report on the Statement of the Nuclear Decommissioning Funding Account	5
Statement of the Nuclear Decommissioning Funding Account	7
Statement of Secretary's Determination under Section 31(4) of the Energy Act 2004	8

Foreword

Under Section 32 (1) of the Energy Act 2004 the Secretary of State must prepare a statement of the Nuclear Decommissioning Funding Account (the Statement). The Statement for 2006-07 is set out on page four below.

Nuclear Decommissioning Authority

The NDA became fully operational, as a non-departmental body (NDPB) of DTI on 1 April 2005.

It is responsible for the decommissioning and clean up of all civil public sector nuclear sites save those currently being operated by British Energy and United Kingdom Atomic Energy Authority's (UKAEA) JET fusion facility at Culham, where decommissioning has not yet commenced.

In addition to its decommissioning responsibility, the NDA is also required to operate existing commercial activities on its sites (previously owned by UKAEA and British Nuclear Fuels Limited (BNFL)) until current contracts with UK and overseas customers have been met, and to use the revenues to offset spend on decommissioning.

Funding the NDA

The Government is committed to funding the full costs of the decommissioning and clean up of the civil nuclear liabilities arising at the NDA's sites. It is funded through the Consolidated Fund, with a mixture of grant and commercial income. Over time the contribution from income will reduce as productive units are progressively taken out of service.

Purpose of the Statement

The purpose of the Statement is to ensure transparency with regards to the funding of the NDA's functions. The intention is that such transparency will give greater assurance to stakeholders of the Government's commitment to fund this essential activity, particularly those who might compete for NDA contracts (as the NDA's sites are opened up progressively to competition).

The Statement sets out the funding available within the Consolidated Fund for use by the NDA during 2006-07 on its activities. This is shown as credit balances. It also sets out the funding that the NDA drew down from the Consolidated Fund during that period, which is shown as debit balances.

The NDFA is a notional reflection of the funding available and used by the NDA. It contains no actual cash flows. The underlying funding is accounted for within the Consolidated Fund, the Department of Trade and Industry Consolidated Resource Accounts 2006-07 and the NDA's Report and Accounts 2006-07 (HC/1001 2006-07).

Brian Bender
Accounting Officer
11 January 2008

Report of the Comptroller and Auditor General to the Houses of Parliament

Introduction

The Nuclear Decommissioning Authority was established under the Energy Act 2004. The Authority's prime objective is to oversee and monitor the decommissioning, and clean-up, of the UK's civil nuclear legacy

Under section 31(1) of the Energy Act 2004, and for the purpose of ensuring transparency in respect of funding for carrying out the Nuclear Decommissioning Authority's functions, the Secretary of State is required to establish and maintain an account, the Nuclear Decommissioning Funding Account.

Statement of the Nuclear Decommissioning Funding Account

The Secretary of State is responsible for preparing a statement of the Nuclear Decommissioning Funding Account in accordance with section 32(1) of the Energy Act 2004 showing balances as required under section 32(2).

My responsibility, under section 32(5) of the Act, is to examine and report to Parliament on the statement of the Nuclear Decommissioning Funding Account prepared by the Secretary of State.

Scope of work

Our examination is limited to ensuring that the balances disclosed in the Statement are consistent with the:

- Nuclear Decommissioning Funding Account Determination, under Section 31(5) of the Energy Act 2004, for the relevant year; and
- Nuclear Decommissioning Authority's audited accounts for that year.

We also review the foreword for consistency with the Energy Act.

This engagement does not amount to a statutory audit of financial statements and can not be relied upon to disclose all misstatements, fraud or errors that might exist.

Results of Examination

Following my examination, I am satisfied that the statement shows the funding available to, and funding used by, the Nuclear Decommissioning Authority in connection with its activities during 2006-07. I am also satisfied that balances included in the statement are consistent with:

- the Authority's audited 2006-07 financial statements (HC/1001 2006-07); and
- the Secretary of State's published determination for 2006-07, as required under Section 31 (5)(d) of the Energy Act 2004.

All disclosures required under section 32 of the Act have been satisfactorily included.

John Bourn
Comptroller and Auditor General

National Audit Office
157-197 Buckingham Palace Road
Victoria, London
SW1W 9SP

25 January 2008

Statement of Nuclear Decommissioning Fund Account for 2006-07

	2006-07		2005-06	
	Funding used (debits) £m	Available funding (credits) £m	Funding used (debits) £m	Available funding (credits) £m
Opening balance		558		0
2006-07 Determination		1,680		1,162
Commercial receipts		1,555		1,366
Transfer of BNFL's cash to fund creditors transferred to the NDA		0		472
Total available funding		3,793		3,000
Grant in Aid drawn down	1,108		773	
Other receipts drawn down	1,668		1,669	
Total funding drawn down from the Consolidation Fund	2,776		2,442	
Balance		1,017		558
Comprising:				
Cash at NDA		56		169
Grant in aid balance		961		389
		1,017		558

Brian Bender
Accounting Officer
11 January 2008

Nuclear Decommissioning Funding Account Determination Under Section 31(4) of the Energy Act 2004

As required by section 31(5)(d) of the Energy Act 2004 (the “Act”), I am publishing the determination I have made for the purposes of section 31(4)(c) in accordance with the statement to the House on 7 December 2004 (Column 86WS) under section 31(6)(a) of the Act, which sets out my policy with regard to the determination of amounts to be credited to the Nuclear Decommissioning Funding Account (“NDFA”) under section 31(4)(c) of the Act.

Determination under section 31(4) (c) of the Energy Act 2004:

1. I hereby determine that the amount to be credited to the NDFA in relation to the financial year 1 April 2006 to 31 March 2007 under section 31(4) (c) of the Act is £1,679,694,000.*

*Additional funding for the NDA will come from commercial receipts from the productive units owned by the NDA since the 1st April 2005. These will be credited to the NDFA in arrears under s 31(4) (b). Forecast commercial receipts for 2006/07 are £1,368,000,000.

Secretary of State for Business, Enterprise and Regulatory Reform
December 2007



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ISBN 978-0-10-295332-9

