

Statement of the Nuclear Decommissioning Funding Account

for the period from 1 April 2009 to 31 March 2010

Presented to Parliament pursuant to section 32(5) of the Energy Act 2004.

Ordered by The House of Commons to be printed 16 December 2010

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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 2009-10 is set out on page seven.

Nuclear Decommissioning Authority (NDA)

The NDA became fully operational, as a non-departmental public body (NDPB) of DTI (now Department for Energy and Climate Change) 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. NDA is funded with a mixture of grant from DECC 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 2009-10 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 Energy and Climate Change Resource Accounts 2009-10 (HC209) and the NDA's Annual Report and Accounts 2009-10 (HC477).

Moira Wallace
Principal Accounting Officer and Permanent Secretary
6 December 2010

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 2009-10. I am also satisfied that balances included in the Statement are consistent with:

- the Authority's audited 2009-10 financial statements (HC/477 2009-10); and
- the Secretary of State's published determination for 2009-10, 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.

Amyas C E Morse
Comptroller and Auditor General

National Audit Office
151 Buckingham Palace Road
Victoria, London
SW1W 9SS

14 December 2010

Statement of Nuclear Decommissioning Fund Account for 2009-10

		2009-10		2008-09
	Funding used (debits) £m	Available funding (credits) £m	Funding used (debits) £m	Available funding (credits) £m
Opening balance		1,952		1,613
2009-10 Determination		1,613		1,535
Commercial receipts		1,528		1,792
Total available funding		5,093		4,940
Grant in Aid drawn down	1,629		898	
Other receipts drawn down	1,510		2,090	
Total funding drawn down from the Consolidation Fund	3,139		2,988	
Balance		1,954		1,952
Comprising:				
Cash at NDA		173		155
Grant in aid balance		1,781		1,797
		1,954		1,952

Moira Wallace
Principal Accounting Officer and Permanent Secretary
6 December 2009

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 2009 to 31 March 2010 under section 31(4) (c) of the Act is £1,612,897,000.*

*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 2009-10 are £1,441,173,000.

Secretary of State for Energy and Climate Change

27 January 2010



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