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0.2 Introduction & Purpose

This manual specifies NDA control requirements for Project and Programme management [Portfolio & Enterprise] across the NDA estate. It provides the framework for the SLCs and subsidiaries, to consistently establish, monitor and report progress against baselines including data/information transfer to demonstrate visibility of outcomes. It specifies the requirements SLCs and subsidiaries should adopt to ensure that the appropriate processes, systems and procedures are in place to support NDA’s mission delivery.

It is not intended to define how the SLC’s should implement their internal programme controls processes and procedures it is expected that standard industry practice (eg APM, MSP etc) will be used to support delivery of the programme. This procedure has been written as a framework through which the concepts, terms and activities within the Association for Project Management “Body of Knowledge” and associated supporting documents and guides¹ should be interpreted and applied as appropriate to projects.

The requirements within this document have been produced to be consistent with the NDA’s Site M&O Contract, Parent Company Agreement or equivalent documents in place.

If any provision of this document is inconsistent with a provision of the Site M&O Contract, Parent Company Agreement, Subsidiary Agreement then the aforementioned document shall prevail. Where the requirements of this document are inconsistent or conflict with previous documentation published by the NDA then this document shall prevail.

To aid flexibility and ensure alignment with each individual SLC or Subsidiary this PCP-M is accompanied by an Annex specific to each SLC. The SLC Annex will provide points of clarification and identify any requirements that are not applicable to a particular SLC.

0.3 Document Structure

0.4 NDA & SLC Responsibilities & Accountabilities

¹ APM or other relevant body eg MPA. It should be clear, however, which is being used to enable consistency of application.
The NDA is responsible for:

- Development and maintenance of the PCP-M and PCP requirements
- Ensuring that the requirements of this document align and support the Site M&O Contracts (where applicable)
- Ensuring that the requirements of this document are communicated throughout the NDA, its subsidiaries and to the SLC’s
- Fostering an effective Programme and Project environment, awareness and culture across all sites enabling and encouraging continual improvement, sharing of lessons learned and good practice throughout the national decommissioning programme

The subsidiaries and SLC’s are responsible for:

- Performing its obligations in the context of this document and associated SLC Annex.
- Establishing appropriate internal procedures which implement the Authority’s requirements as set out in the PCP-M
- Fostering an effective Programme and Project environment, awareness and culture across all sites enabling and encouraging continual improvement, sharing of lessons learned and good practice throughout the national decommissioning programme
- Liaising with NDA to maintain data compatibility with NDA systems

0.5 Assurance

The NDA is responsible for monitoring, surveillance and audit of the subsidiary (where applicable) and SLC’s compliance, in all material respects, with this PCP-M. This includes conducting periodic Assurance reviews and sampling of SLC processes and outputs.

Reviews will be based on a systematic and structured approach, assessing and monitoring all phases of Baseline development i.e. planning, maintaining and delivery. The reviews will be carried out by the NDA either in partnership with, or independent of, the SLC depending on the type of review undertaken. NDA may at times also commission third party independent reviews.

The SLC’s and subsidiaries are responsible for implementing and maintaining their own internal procedures which will implement the requirements of this PCP-M. As part of this responsibility the SLC’s and subsidiaries are to have in place an internal process that self assures against the requirements contained within this PCP-M. Where an entity is responsible for multiple sites, a consistent approach shall be adopted for all Sites. Progress against any findings, observations and actions arising from both the NDA and self-assurance process shall be visibly tracked and made available to NDA upon request.

0.6 Baselines and the Lifetime Plan

The Lifetime Plan is the over-arching document which, for each NDA site, describes the totality of activities required to take the site from its current state and mission to the assumed or agreed site end-state.

It is the means through which the NDA and the Site Licence Companies (SLC’s) identify the nature of the work to be performed (the scope), when, during the lifetime of the site, the work is to be done (the schedule) and how much it is going to cost to discharge the lifetime liabilities (the cost). As such, it
Baseline Management System Programme
Controls Procedure

Doc No: PCP-M

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Informs the Contract Baseline (where applicable) and the Lifetime Plan Performance Baseline. The Lifetime Plan and its component parts are driven and informed by a number of influences, these include:

- Government and Devolved Government policies
- The NDA strategy and client / site strategic specifications
- Regulatory requirements
- Funding allocation
- Key strategic assumptions (e.g. availability of Geological Disposal Facility (GDF))

As a minimum, a Lifetime Plan Performance Baseline (current information) is required and where applicable a Contract Baseline (budgeted cost that fee is measured against).

Performance will be monitored and reported against both Baseline’s measured and reported on a cumulative basis which necessitates historical data (and all supporting documentation e.g. risk registers, basis of cost estimates, contingency calculations etc.) to be maintained.

The Lifetime Plan Performance Baseline is the current plan and is used for performance monitoring (conventional EV Analysis) and informing the SLC/Site ASFL’s and the ARAC Liability Estimate. As this has to more closely reflect the best estimate and the actual to go scope it is subject to additional change control triggers including any agreed acceleration and deferral.

The lifetime plans consist of some main elements - The schedules of work (by site, SLC or subsidiary) describe the sequence and duration of activities which make up the Programme of work. Schedules should be developed to the SLC’s & Subsidiaries own Contract Work Breakdown Structure (CWBS) and mapped to the NDA Programme Summary Work Breakdown Structure (PSWBS). Schedules should be developed using appropriate scheduling software. SLC’s & Subsidiaries should ensure that outputs from their system(s) are compatible with that used by the NDA. The estimates, at an appropriate level of detail for their proximity, contingency, the basis upon which they are derived including assumptions and exclusions.

The Contract Baseline, where applicable, covers the contractual term and is used to determine the payment of fee. It is maintained under strict change control (see NDA PCP05) but remains essentially fixed over the contract term.

0.7 Performance Management

The SLCs and subsidiaries need to establish a performance reporting and review process that is supported by the necessary procedures and tools. This process is to provide a standard set of performance reports with information necessary for the users to understand the status of the work, causes of the deviations from the plan and the proposed changes to address the deviations. In addition the process provides a focus on forecasting and informing likely out-turns in terms of cost and schedule highlighting potential concerns or issues. The NDA may require visibility of all or part of these reports on a regular basis and may audit these working level reports and may issue a requirements document for these reports.

In order to ensure consistency in performance reporting, the NDA expects the working level reports to be based on the site Contractor Work Breakdown Structure (CWBS) and to be summarised to the NDA Programme Summary Work Breakdown Structure (PSWBS). The CWBS is to reference the PSWBS at Level 9 to allow a rollup of the tasks to either of the WBS structures. The performance monitoring
information shall align to the Charge Codes and associated CWBS and PSWBS. This should be consistent with the site cost estimating, charging practices and scheduling procedures.

Performance on the Life Time Performance baseline is reported from an agreed date and is measured and reported on a cumulative basis. The Lifetime Plan Performance baseline is only reset upon instruction from the NDA. Performance on the Contract Baseline is reported from the start of the agreed contract term and is measured and reported on a cumulative basis. The Contract Baseline will expire at the end of the contract term and is reset on contract award/renewal or extension.

Earned value reporting shall be carried out at P50 level.

Performance review meetings should be held commensurate with management needs. The NDA expects performance review meetings to be held periodically in agreement with the NDA and they should include the senior SLC management.

0.8 Earned Value

Earned value management is used to support performance monitoring, it is a project controls process, based on a structured approach to planning, cost collection and performance measurement. It facilitates the integration of project scope, time and cost objectives and the establishment of a baseline plan for performance measurement. The NDA requires the SLCs to use this technique as the basis for performance reporting in accordance with PCP 13. The following form the basis of earned value reporting:

Budgeted Cost of Work Schedule (BCWS) – the planned cost of work to be accomplished, scheduled across the lifetime of the baseline.

Budgeted Cost of Work Performed (BCWP) – the value of work performed or accomplished relative to the total budgeted value of a task.

Actual cost of Work Performed (ACWP) – Incurred costs that are charged to the task or project budget and for which payment has been made or accrued.

Schedule Performance Index (SPI) – A measure expressed as the ratio of the earned cost and the planned cost.
SPI = BCWP/BCWS. 1.0 = project on schedule.

Schedule Variance (SV) – The difference of the monetary value of work actually performed and that scheduled to be completed. SV = BCWP – BCWS.

Cost Performance Index (CPI) – A measure, expressed as a ratio of work accomplished versus work cost incurred for a specified time period, an efficiency rating for work accomplished or resources expended. CPI = BCWP / ACWP.

Cost Variance (CV) – The difference (positive or negative) between the budgeted cost of the work performed and the actual expenditure. CV = BCWP – ACWP.
PCP-01 Work Breakdown Structures
1.1 Scope

This PCP defines the SLC responsibilities and methodology to develop, implement and maintain the Work Breakdown Structure (WBS) requirements for the NDA.

Work breakdown structures represent the fundamental building blocks which provide the overall framework and structure for the NDA Lifetime Plans and the plans and programmes of the Site Licence Companies (SLCs), thus allowing the parties to plan, manage and monitor the entire portfolio of work being undertaken on the UK civil public sector nuclear sites in a consistent manner.

This document describes the requirements for two distinct work breakdown structures:

- The UK-wide NDA Programme Summary Work Breakdown Structure (PSWBS)
- Contractor Work Breakdown Structures (CWBS) used by the SLCs

1.2 Overview

1.2.1 The NDA Programme Summary Work Breakdown Structure

The PSWBS is the basis for structuring work within the NDA and provides a consistent framework for oversight of the overall NDA programme. The PSWBS comprises 9 levels, which are summarised below.

**Level 1: NDA Programme** - Summary level PSWBS element which describes the overall scope of the NDA Programme. This PSWBS level is a node only, representing the pinnacle of the PSWBS for aggregation and roll-up purposes, it does not carry any activities and costs.

**Level 2: Geography** - Summary level PSWBS element which captures the scope of work managed by the NDA in the UK and elsewhere. This is for NDA use only.

**Level 3: Site Licence Companies and Standalone Sites** - Summary level PSWBS element which is used to aggregate the activities and costs on the "bundled" sites managed by each SLC. This level also caters for short term "corporate" or parent company-wide activities.

**Level 4: Sites** - Summary level PSWBS element describing the scope of work carried out at the sites, which rolls up into the overall sites programme. (Note that this level represents the start point of the contractor WBS (the CWBS) and whilst not prescribed in the Guidelines and Dictionary section of this PCP, it is recommended that the CWBS is aligned to the nature of the work and must be capable of being mapped across to the PSWBS. Whilst utilised by the sites, the number and nomenclature for the sites is determined by the NDA.)

**Level 5: Category** - Summary level PSWBS element that sub-divides the site programme into the major categories of activity carried out over the lifetime of the site. Includes new construction projects, commercial operations, decommissioning and termination and waste and nuclear materials management. Also has provision to capture functional support activities and revenue from commercial and non-commercial activities.

Level 5 of the PSWBS contains 11 categories, which are as follows:

10 – Transition
.11 – New Construction Projects
.12 – Commercial Operations
.13 – Decommissioning and Termination
.14 – Waste and Nuclear Materials Management
.15 – Site Support
.16 – Support Services
.17 – Stakeholder Support
.18 – Fee
.19 – NDA Funded
.20 – Revenue Income

Categories 11, 12, 13 and 14 are concerned with physical activities on the sites. The other categories tend to focus more on site-wide support type activities and income. As far as possible, genuine site-wide support costs should be collected via these elements and not arbitrarily allocated or “smeared” across the physical activities on the left hand side of the PSWBS.

**Level 6: Type** - Summary level PSWBS element that splits down categories into the key types of activity which make up the scope of the work of the categories.

**Level 7: Operating Unit** - Summary level PSWBS element that identifies the major operating units, large multi-function facilities or groupings of facilities/geographical areas within sites. Also identifies key functions associated with the types of activity carried out at level 6. The detail at this level is determined by the SLC and is not prescribed by the NDA.

**Level 8: Facility/Sub-Unit** - Summary level PSWBS element that describes individual facilities or sub-facilities/liabilities of operating units described at level 7. Note with smaller, discrete facilities or liabilities there may be a 1:1 relationship with operating unit at level 7. The detail at this level is also determined by the SLC.

**Level 9: Function** - Summary level PSWBS element that describes the key phases of activity performed at the operating unit and Facility/Sub-Unit level which, together, make up the lifetime scope of the activities described at level 6.

Entries at Levels 7 and 8 in the PSWBS are at SLCs discretion, enabling them to tailor the PSWBS to suit individual sites’ activities. All other levels and elements of the PSWBS are fixed and can only be changed by the NDA. Not all PSWBS categories extend to Level 9. In these cases SLCs can create dummy levels.

**1.2.2 The Contractor Work Breakdown Structure**

The PSWBS is not designed to enable SLCs to plan, manage and execute work programmes on the sites on a day to day basis. Instead, this purpose is served by individual Contractor Work Breakdown Structures (CWBS).

The SLC is required to develop, maintain and own the CWBS. The structure and number of levels within each CWBS is, therefore, discretionary and determined by the individual SLC but must be sufficient to enable effective managerial and financial control of the scope of work to be undertaken on the site.

Where an SLC is responsible for multiple sites and the scope of work on those sites is similar, it is expected that the CWBS structures would also be similar.
Contractor Work Breakdown Structures submitted to the NDA must be those used internally by the SLC. If significant change to an existing CWBS is proposed, prior notification to NDA must be provided.

Given the difference in intent between the PSWBS and CWBS it is not anticipated that their structures will mirror each other or that there will be a 1:1 mapping of CWBS elements and the PSWBS at Level 9. A linkage between the two is however required and the mechanism for this is described in the following section.

1.2.3 The linkage between the CWBS and the PSWBS

The site CWBS must map to the PSWBS at the lowest level of the PSWBS (level 9) or, where a category does not extend to level 9, the lowest available level (including “dummies”).

Given the different structures and purposes of the PSWBS and the CWBS, the methodology employed to map between the two is at the discretion of the SLC. Changes to this interface are also subject to change control.

It is recommended that alignment does not occur at charge code level as this would create large volumes of data to be managed and, if the charge codes are considered to be part of the CWBS, renders them liable to change control, restricting flexibility and increasing the administrative burden.

1.2.4 Maintenance, Change Control & Quality Assurance

To maintain consistency and clarity across the NDA and sites, it is anticipated that changes to the PSWBS will be extremely infrequent and confined to major changes to the scope of work and/or remit of the NDA.

Changes to individual CWBS at site may occur more frequently but are discouraged for the reasons described above. Consequentially, changes to the CWBS should be strictly by exception and only when absolutely necessary.

Any changes to the existing WBS, whether by the NDA at the PSWBS level or by the SLC at the CWBS level, shall be documented and approved using a baseline change proposal (BCP) where necessary.

1.3 Guidelines

An important principle of the PSWBS is the avoidance of arbitrary allocation or smearing of overhead and support type costs over other, more direct, activities. Costs should be mapped to the PSWBS element that incurred the cost. This is of particular importance in the following areas:

- Project support activities (project management, procurement etc.) where these are exclusively in support of a single project or time-booked to that project (i.e. not shared or supplied on a site-wide basis) are included in the above. Where activities are of a more generic, site-wide nature, they are included in Site Support (1.1.x.xx.15) or Support Services (1.1.x.xx.16).

- Functional support type activities, carried out on a site-wide basis (i.e. in support of the site as a whole) should be captured separately and recorded against the relevant PSWBS element (1.1.x.xx.16 or 1.1.x.xx.17). As stated above, they should not be allocated across direct project
or operational activities. Examples of this might be Finance, HR, Health, Safety and Environment etc.

- Where sites incur costs from the activities of a corporate parent, these should be allocated to individual site on a basis agreed with the NDA (e.g. headcount, pro-rata to budget etc.) and captured within the Corporate Support PSWBS element (1.1.x.xx.16.61).

Current UK Government policy declares that spent fuel, uranium and plutonium are not classified as wastes. Accordingly, activities associated with the treatment and storage of these materials is addressed in the following way within the PSWBS:

- Activities and costs relating to the large scale, predominantly commercial, operations (primarily Oxide and Magnox fuel reprocessing and storage and mixed oxide (MOX) fuel manufacture at Sellafield) are captured within the Commercial Operations PSWBS element (1.1.x.xx.12).

- Activities and costs relating to materials associated with non-commercial operations including research and test reactor fuel, Uranium and Plutonium bearing residues, special nuclear materials (e.g. Thorium) etc. on other NDA managed sites are captured within the Waste and Nuclear Materials Management Nuclear Materials Operations element (1.1.x.xx.14.42).

The PSWBS is fixed and cannot be altered by SLCs. The only areas of flexibility are at levels 7 and 8 (Operating Unit & Facilities), where individual SLC’s can structure these levels to reflect the requirements of their sites. To ensure consistency and traceability across all NDA activities, each operating unit, functional activity and facility will be assigned a unique 5 character identifying code.
1.4  PSWBS Dictionary

1.4.1  Level 3: Site Licence Companies and Standalone Sites -1.1.x

Summary level PSWBS element used to aggregate the activities and costs associated with the sites being managed by a single SLC and also to collect those activities and costs associated with the sites that remain individual, standalone entities.

The SLCs and standalone sites are as follows:

Magnox Ltd. (1.1.2) - Aggregates the activities and costs associated with the Magnox Ltd. group of sites and their associated common support activities.

Research Sites Restoration Ltd. (1.1.3) - Aggregates the activities and costs associated with the Research Sites Restoration Ltd. group of sites and their associated common support activities.

Dounreay Sites Restoration Ltd. (1.1.4) - Aggregates the activities and costs associated with the Dounreay Sites Restoration Ltd. site.

Sellafield Ltd. (1.1.5) - Aggregates the activities and costs associated with the Sellafield Ltd. group of sites and their associated common support activities.

Low Level Waste Repository Ltd. (1.1.6) - Aggregates the activities and costs associated with the Low Level Waste Repository Ltd (LLWR) site.

British Energy (EDF) Sites (1.1.7) - Aggregates the activities and costs associated with the British Energy (EDF) group of sites and their associated common support activities.

Stand Alone Sites (1.1.8) - This PSWBS element captures the activities and costs of those sites which remain stand alone.

Programme Support (1.1.0) - This PSWBS element primarily captures the costs associated with short-term activities, often of a corporate or parent company-wide nature that it is not appropriate to channel through the site programme or individual sites. The performance of activities described in this element may be measured or monitored (and could be incentivised) but will play no part in site (or bundle) funding, cost and performance monitoring or fee determination. For this reason and because it is not anticipated that these activities will be directly compared with any others in the programme, the structure of the components below this level, whilst it needs to be agreed with the NDA, is flexible. It is anticipated that when the activities are completed, the sub-elements at level 4 will be deleted from the PSWBS.

1.4.2  Level 4: Sites (1.1.x.xx)

Includes all the activities carried out at each site and their associated costs. This will normally be defined as all the activities carried out within the area of the nuclear site licence boundary and any activities outside of that boundary which support the site (e.g. off-site administration activities). The above element is further sub-divided into categories at level 5:

• Transition
All site costs associated with the disposal of waste to the disposal facilities should be captured under Off-Site Disposal (1.1.x.xx.14.xx.xxxxx.xxxxx.46) excluding ILW disposal costs i.e. costs are collected at the site which has contractual accountability for those costs and is, usually, the consigning site.

Revenue income from commercial activities (Thorp reprocessing, fuel manufacture, tenant income etc.) should be attributed to the site where the income is generated.

In addition to the civil public sector nuclear sites and the repositories the PSWBS also includes provision to monitor the performance on the sites owned and operated by British Energy (EDF).

1.4.3 Levels 5, 6 and 9

1.4.3.1 Level 5: Transition (1.1.x.xx.10)

Includes one-off activities associated with major organisational or structural changes with site-wide implications such as transition and restructuring costs associated with the initial creation SLC's or a change of site M&O contractor.

The above element is further sub-divided into:

Level 6: Workforce Restructuring (1.1.x.xx.10.01)

Activities and costs associated with major workforce re-structuring. Includes:
- Severance packages
- Retraining
- Relocation
- Recruitment

Level 6: Contractor Changeover (1.1.x.xx.10.02)

Activities and costs specifically associated with a change of SLC, or to facilitate the creation of Site Licence Companies. Includes:
- Creation of Site Licence Companies (SLC's)
- Changeover of IT systems
- Contract termination
- Invitation to tender
- Contractor bid assessment
- Contractor bid award
SLCs should not plan for any activities and costs associated with this PSWBS element unless instructed by, or agreed with, the NDA. In general, this element should be used for the collection of actual costs associated with the competition of sites, rather than for future planning purposes.

1.4.3.2 Level 5: New Construction Projects (1.1.x.xx.11)

Includes all activities and costs (feasibility, design, construction and commissioning) associated with a new construction project or a group of related projects. A new construction project is defined as one which creates a tangible, material end product. Examples would include:

- Major items of plant and equipment
- Facilities
- Buildings
- Major refurbishment or asset care activities

It does not apply to minor plant upgrades or enhancement projects that may be associated with ongoing plant operations, decommissioning, waste and nuclear materials management or operations. Upon completion of commissioning, the facility will transfer to the appropriate category at level 5. Normally this will be following the completion of active commissioning. A new construction project is deemed to be complete when the project is closed out to NDA satisfaction, handed over to operational personnel and, where appropriate, operational safety case and regulatory approvals are in place.

The above element is further sub-divided into:

Level 6: Operations (1.1.x.xx.11.10)

This describes front-end facilities exclusively devoted to commercial activities or that directly support commercial activities on the site or on other sites. Note that this category does not include shared, downstream facilities e.g. waste management plants. Examples would include:

- Fuel handling facilities
- Reprocessing facilities
- Fuel fabrication facilities
- Storage ponds and product stores

Level 6: Decommissioning (1.1.x.xx.11.11)

Describes facilities which support specific decommissioning activities. Note that waste management activities in support of decommissioning activities are captured under the waste and nuclear materials management category (1.1.x.xx.14) and that product storage is included in commercial operations (1.1.x.xx.12). Examples would include:

- Over buildings
- Major refurbishment/enhancement projects e.g. ventilation systems upgrades

Level 6: Waste & Materials Management (1.1.x.xx.11.12)

These new facilities are for the treatment, storage and on-site disposal (where applicable) of wastes which are either generated on the site or transferred from other sites. This PSWBS element also includes facilities dedicated to the treatment and storage of materials which, whilst not of commercial value are not classified as wastes. Examples would include:
• Waste handling facilities
• Waste treatment facilities
• Stores

Level 6: Infrastructure (1.1.xx.11.13)

These facilities are in support of site-wide activities as opposed to specific operational or decommissioning activities. Examples would include:
• Administrative buildings
• Water treatment plants
• Laboratories, analytical facilities etc.

The above elements are further sub-divided into:

Level 9: Feasibility Study (1.1.xx.11.xx.xxxxx.xxxxx.10)

Includes costs associated with feasibility studies, sitting, value engineering studies, optioneering, economic evaluations etc.

Level 9: Design (1.1.xx.11.xx.xxxxx.xxxxx.11)

Includes costs associated with design (initial, detailed and final), and other related activities (e.g. developing safety case documentation).

Level 9: Construction (1.1.xx.11.xx.xxxxx.xxxxx.12)

All costs associated with the construction of the project once engineering design has been finalised and a procurement package is ready to be issued. Includes procurement activities, construction and installation of plant and equipment.

Level 9: Commissioning (1.1.xx.11.xx.xxxxx.xxxxx.13)

All costs associated with the facility start up and pre-operational testing (water testing, inactive commissioning, active commissioning etc.).

Notes:

This category includes, but is not confined to, projects which in strict accounting terms would be defined as "capital", i.e. where an asset is created which is subsequently depreciated in the books of accounts.

The activities and costs of infrastructure capital projects once construction and commissioning (if applicable) are completed would normally be captured under Site Services (1.1.xx.15.51).

1.4.3.3 Level 5: Commercial Operations (1.1.xx.12)

Includes all activities and costs either exclusively associated with commercial operations or in direct support of commercial operations. Commercial operations include:
• Electricity Generation
• MOX fuel fabrication
• Oxide and Magnox spent fuel reprocessing
• Manufacture of Fresh Uranium Fuel and Intermediates

The duration of operations is described as the period commencing upon handover from commissioning, through to the end of Post Operational Close Out (POCO) or, in the case of Reactor Sites, the completion of defuelling.

The above element is further sub-divided into:

**Level 6: Production (Operations) (1.1.x.xx.12.20)**

Ongoing operational activities and costs. The end of this operation phase is signified when all feedstock has been processed and any associated products have been produced to the customers' and the NDA's satisfaction and the terms of commercial operating contracts have been fulfilled. In the case of Reactor Sites, the end of the operational production phase is signified by the cessation of generation. This PSWBS element also includes the activities and costs associated with storage of feedstock (e.g. spent fuel) and products (e.g. Uranium and Plutonium).

**Level 6: Outage/Shutdowns (1.1.x.xx.12.21)**

Activities and costs associated with planned outages necessary to support process operations, regulatory requirements, extended planned maintenance and plant enhancements and the planned outages associated with operational Magnox stations. Outages are complete when the plant configuration supports a resumption of operational activities and, if appropriate, when regulatory approval for re-start has been obtained.

**Level 6: POCO/ Defuelling (1.1.x.xx.12.22)**

Activities and costs associated with clean out of currently operational facilities immediately following the completion of the operational phase and the defuelling of Magnox stations following the end of generation. POCO is deemed to be complete when the plant satisfies the criteria for decommissioning. In the case of defuelling, this is deemed to be complete when all the fuel has been removed from the reactor cores and has been transported off-site to Sellafield. Note that POCO in this instance relates to the activities undertaken directly after operations cease. Typically, this will be carried by the incumbent plant operators under the operational safety case with the support of decommissioning personnel utilising installed plant and equipment and may involve minor plant modifications to allow more effective removal of radioactivity.

Bulk retrieval of material from legacy facilities where those facilities have lain idle for protracted periods and where these activities are of a protracted and costly nature, they are captured under Interim Decommissioning, Decommissioning and Termination (1.1.x.xx.13.32) or, in the case of Sellafield, Waste and Nuclear Materials Management (1.1.5.35.14).

The above elements are further sub-divided into:

**Level 9: Transport (1.1.x.xx.12.xx.xxxxx.xxxxxx.20)**

Applies to transport activities associated with commercial operations. Examples would include transport of spent fuel from operational and defuelling Reactor Sites to Sellafield, MOX fuel transport etc. For clarity and to avoid double-counts or omissions, where transports are of an inter-site nature,
costs are collected at the site which has contractual accountability for those costs, usually the consigning site.

**Level 9: Operations (1.1.x.xx.12.xx.xxxxx.xxxxx.21)**

Costs associated with activities necessary to support day to day plant operations (labour, materials etc.).

**Level 9: Maintenance (1.1.x.xx.12.xx.xxxxx.xxxxx.22)**

Costs associated with maintenance activities to support routine operations e.g. routine, preventative, corrective etc.

**Level 9: Plant Enhancement (1.1.x.xx.12.xx.xxxxx.xxxxx.23)**

Activities and costs of non-routine asset care and asset enhancement initiatives. Typically these will be to enhance the performance of a plant, to maintain the performance of a plant or to satisfy increased environmental or safety requirements.

**Notes:**
Transport activities associated with POCO and defuelling are captured under Waste and Nuclear Materials Management (1.1.x.xx.14).

**1.4.3.4 Level 5: Decommissioning & Termination (1.1.x.xx.13)**

Includes all activities undertaken on a site to decommission facilities starting from the end of POCO/defuelling, through to the agreed or assumed end state for the facilities and the site. Also includes contaminated land and groundwater remediation and site close out.

The above element is further sub-divided into:

**Level 6: Initial Decommissioning (1.1.x.xx.13.30)**

Applicable to process plant and, in particular, chemical plants, this activity is an extension of POCO/Defuelling activities, which are carried out as part of the decommissioning phase and by the decommissioning teams. It seeks to remove or fix further loose radioactive material and typically, will involve decontamination of pipework and vessels to reduce dose rates and ease access to facilitate further decommissioning tasks.

**Level 6: Surveillance & Maintenance (1.1.x.xx.13.31)**

This activity applies to facilities that are not in a passively safe state following POCO/ Defuelling or Initial Decommissioning and require a period of Surveillance and Maintenance prior to embarking on the next stage of decommissioning. In these cases it would be anticipated that certain plant systems would remain energised and operational (e.g. services, radiological monitoring and ventilation systems etc.), maintenance regimes would remain in place and some plant enhancement may be necessary (e.g. to maintain building structural integrity).
In the event that a facility is already in a passively safe state following the completion of POCO/Defuelling and it is planned to move to final decommissioning as the next phase, this period of activity would be classified as Care and Maintenance (1.1.x.xx.13.33) - see below.

**Level 6: Interim Decommissioning (1.1.x.xx.13.32)**

This activity describes the work required to move a facility to a passively safe state and includes all work required to prepare for Care and Maintenance. Typically this would involve removal of residual radioactive inventory from the plant, de-energising systems, dismantling and removal of plant and equipment (vessels, pipework etc.), removal of non-radioactive facilities (e.g. service buildings, inactive tank farms etc.) and, where possible, reduction of the building footprint.

This PSWBS element is also intended to describe the more straightforward activities associated with the retrieval of legacy materials, particularly where little or no additional plant and equipment is required, the quantities are relatively small and, when retrieved, the wastes do not require complex treatment, immobilisation and packaging in large and costly dedicated facilities. These activities might include removal of pond furniture, contaminated plant and equipment, simple re-packaging of drummed material etc.

For large quantities of bulk legacy materials requiring complex retrieval and treatment, these activities are to be captured under Waste and Nuclear Materials Management 1.1.x.xx.14.

**Level 6: Care and Maintenance (1.1.x.xx.13.33)**

Activity associated with limited monitoring and observation of a facility prior to final decommissioning for e.g., levels of radioactivity to decay. In the case of Reactor Sites, this embraces the "Safestore" period. At this stage, the plant will be in a passively safe state with systems and processes de-energised, deactivated and drained etc. Effort to maintain the plant in this state would be minimal, confined to routine monitoring and surveillance of the facility and the building fabric with very few, if any, operators dedicated to the plant on a full-time basis.

**Level 6: Final Decommissioning (1.1.x.xx.13.34)**

Final activity associated with bringing a plant or facility to its agreed or assumed end-point, including final site clearance but excluding any contaminated land or groundwater remediation. Would include final dismantling of installed plant and equipment if not already completed, strip-out of any remaining facilities within the building and demolition of cells, internal structures and the building envelope. All wastes generated will be disposed of or stored. The end-point reached at the completion of this phase will be such that any danger or hazard that may remain to workers, the general public or the environment is at a minimum level consistent with the principles of ALARA (As Low As Reasonably Achievable) and ALARP (As Low As Reasonably Practicable).

**Level 6: Groundwater Remediation (1.1.x.xx.13.35)**

Activities necessary to characterise, manage and remediate any contaminated groundwater.

**Level 6: Contaminated Land Remediation (1.1.x.xx.13.36)**

Activities necessary to characterise, manage and remediate any contaminated land.
Level 6: Site Close-out (1.1.x.xx.13.37)

Post decommissioning activities carried out on sites. Examples would include final site survey, landscaping, visitors' centres and any post closure indemnification and insurance requirements. The above elements are further sub-divided into:

Level 9: Assessment (1.1.x.xx.13.xx.xxxxx.xxxxx.30):

Includes all activities prior to the actual physical implementation of decommissioning site work (e.g. waste characterisation and inventory, feasibility studies, optioneering, design, planning and scheduling, safety case work etc.).

Level 9: Implementation (1.1.x.xx.13.xx.xxxxx.xxxxx.31):

Activities and costs associated with physical decommissioning site work. Would include retrieval of legacy waste, dismantling, demolition, activities associated with Initial Decommissioning, Surveillance and Maintenance, Care and Maintenance, Groundwater and Contaminated Land Remediation and Site Close-out.

Notes:
Activities associated with the treatment and disposal of bulk wastes generated during the decommissioning process and treated in dedicated facilities would be classified as waste management and included under that PSWBS element (1.1.x.xx.14). Where the quantities of waste are small and are treated largely in-situ (e.g. repackaging of waste within a decommissioning facility), the activities and costs can be captured within this category and there is no requirement to re-classify them as Waste and Nuclear Materials Management.

Activities associated with the treatment and recovery of residues (e.g. Uranium and Plutonium bearing materials) are captured under Waste and Nuclear Materials Management Nuclear Materials Operations (1.1.x.xx.14.42), even in the case where the residues recovered maybe judged to have a commercial value.

1.4.3.5 Level 5: Waste & Nuclear Materials Management (1.1.x.xx.14)

Includes all activities performed at a site, which relate to the treatment, storage, transportation and on-site (where applicable) disposal of solid and liquid low level waste (LLW), very low level waste (VLLW), intermediate level waste (ILW), high level waste (HLW), and hazardous and non-hazardous waste. This PSWBS element also captures the activities and costs of dealing with Nuclear Materials, which are not classified as wastes.

The above element is further sub-divided into:

Level 6: High Level Waste Operations (1.1.x.xx.14.40)

Activities associated with the management of liquid highly active heat generating waste with a thermal power of above 2 kW per m³.
Activities associated with the management of solid and liquid intermediate level waste in which radioactivity levels exceed the upper boundaries for LLW. Typically, this will include solid and liquid ILW generated from reprocessing operations (e.g. fuel cladding, medium active liquors etc.), sludges, ILW arising from reactor decommissioning activities, Plutonium Contaminated Material (PCM), Contact Handled ILW (CHILW). Remote Handled ILW (RHILW), Miscellaneous Beta Gamma Waste (MBGW) etc.

This element includes the activities and costs associated with bulk retrieval of materials from shut down legacy facilities that may have lain idle for a prolonged period. In contrast to POCO, this is concerned with materials that may be poorly characterised with ill-defined or unknown inventories.

**Level 6: Nuclear Materials Operations (1.1.x.xx.14.42)**

Activities associated with the management of Nuclear Materials which are not classified as a waste. Examples would include research and test reactor fuel, Thorium and certain Uranium and Plutonium bearing residues etc. but would exclude feedstock and products associated with commercial operations (e.g. Magnox and oxide fuel reprocessing).

**Level 6: Low Level Waste Operations (1.1.x.xx.14.43)**

Activities associated with the management of LLW containing less than 4 x 10^9 Bq per tonne of alpha activity or less than 12 x 10^9 Bq per tonne of beta/gamma activity. Typically, this will include solid LLW arising from operational, waste management and decommissioning activities and Low Active Effluents. This element should also include High Volume Low Activity Waste (HVLA) and similar LLW subsets.

**Level 6: VLLW Operations (1.1.x.xx.14.44)**

Activities associated with the management of wastes with a lower radioactive content than LLW but remain subject to regulatory disposal conditions and can only be disposed of at certain locations (e.g. Clifton Marsh) - see Notes below.

**Level 6: Hazardous Operations (1.1.x.xx.14.45)**

Activities associated with the management of non-radioactive contaminated waste that is subject to regulatory disposal requirements (e.g. oil, solvents, asbestos etc.).

**Level 6: Non-Hazardous Operations (1.1.x.xx.14.46)**

Activities associated with the treatment of non-radioactive, non-hazardous materials, e.g. building rubble for free release or landfill.

**Level 6: POCO Deactivation (1.1.x.xx.14.47)**

Activities and costs associated with clean out of waste management facilities prior to hand-over to decommissioning.

The above elements are further sub-divided into:

**Level 9: Treatment Operations (1.1.x.xx.14.xx.xxxxx.xxxxx.40)**
Activities associated with the treatment and conditioning of wastes, effluents and Nuclear Materials to render them passively safe and hence suitable for long term interim safe storage. Activities also included are the treatment of liquid effluents such that, subject to discharge authorisations, they can be discharged to the environment. Processes include vitrification, encapsulation, immobilisation, decay cooling, extraction of radionuclide from the wastes etc. Where applicable these activities include size and volume reduction by, e.g. compaction and evaporation.

Level 9: Storage Operations (1.1.xx.14.xx.xxxxx.xxxxx.xxxxx.41)

Activities associated with the storage of raw wastes and effluents prior to treatment and the storage of conditioned, passively safe wastes, prior to final disposal. Also includes activities and costs relating to Nuclear Materials storage.

Level 9: Maintenance (1.1.xx.14.xx.xxxxx.xxxxx.xxxxx.42)

Costs associated with maintenance activities to support plant operations e.g. routine, preventative, corrective etc.

Level 9: Plant Enhancement (1.1.xx.14.xx.xxxxx.xxxxx.xxxxx.43)

Activities and costs of non-routine asset care and asset enhancement initiatives. Typically these will be to enhance the performance of a plant, to maintain the performance of a plant or to satisfy increased environmental or safety requirements.

Level 9: Transport (1.1.xx.14.xx.xxxxx.xxxxx.xxxxx.44)

This element describes the activities associated with the transportation of wastes and Nuclear Materials, either between sites for treatment/storage at that location or from sites to final disposal locations. This activity does not include the costs of transportation of spent fuel to and from sites which is included under Commercial Operations.

Level 9: On-Site Disposal (1.1.xx.14.xx.xxxxx.xxxxx.xxxxx.45)

This activity is concerned with the on-site disposal of wastes where this occurs and it is anticipated that this will be confined to LLW and VLLW.

Level 9: Off-Site Disposal (1.1.xx.14.xx.xxxxx.xxxxx.xxxxx.46)

This PSWBS element captures the activities and costs associated with wastes disposed of at off-site locations, including LLWR and ILW & HLW repositories. In addition, this will relate to non-radioactive wastes (hazardous and non-hazardous) but could also apply to any future additional disposal sites.

Notes:
Currently in the UK, the only radioactive waste category that is licensed for direct disposal is LLW. All other radioactive waste types are interim safe stored pending a decision regarding the final disposal routes for these wastes.
Currently, there is no recognised definition of VLLW. However, in order to distinguish it from other LLW that is disposed of at the LLWR, the activities and costs associated with the wastes disposed of at Clifton Marsh from the Springfields site are captured within the VLLW PSWBS element 1.1.7.37.14.44.

In the event that a facility processes more than one category of waste (e.g. EARP at Sellafield that processes both Low and Medium Active Effluent), the activities and costs would normally be captured under the waste category element to which most effort is devoted or where the greatest volume is processed. The decision is largely discretionary on the part of the SLC, noting that the categorisation, once decided upon, should be documented in the Lifetime Plan scope of work document.

Spent fuel, Uranium and Plutonium, consistent with UK Government policy, are not classified as wastes and hence are not included in the above.

1.4.3.6  Level 5: Site Support (1.1.x.xx.15)

This section includes activities that directly support projects and operations on a site as a whole but are not dedicated to a single operating unit or project. The activities support the site services (1.1.x.xx.15.51) and operations and project support (1.1.x.xx.15.52). Site Research and Technology (R&T) activities (1.1.x.xx.15.50), where applicable, are also captured here.

Notwithstanding the above, wherever possible support and functional type costs should be directly charged to projects and operational activities, where there can be proper accountability and where they can be challenged and controlled. These may well include the types of costs described in the sections below where they can be reliably and accurately measured and charged out (e.g. where utility costs can be charged through metering).

However, it is accepted that this will not be possible in all cases (e.g. where utilities are not metered on a facility by facility basis) and in these cases the costs are to be recorded centrally and not smereered or arbitrarily allocated to direct activities, where no responsibility or ownership for them exists and no influence can be brought to bear. It is therefore for individual SLC's to exercise discretion to achieve the optimum balance between costs charged out to project and operational activities and those held centrally.

The above element is further sub-divided into:

Level 6: Research and Technology (1.1.x.xx.15.50)

Describes R&T activities on the site either carried out in general support of activities on the site or may include R&T carried out in site facilities of a more generic, possibly industry-wide, nature, being directly commissioned and funded by the NDA. Where R&T is in support of a specific project, the activities and costs should be captured on that project.

Level 6: Site Services (1.1.x.xx.15.51)
Includes facility and service based activities that support the site as a whole, particularly the site infrastructure, rather than being exclusively in support of individual projects and operations on the site. Includes:

- Facilities Management
- Security
- Emergency Response activities
- Site Roads and Railways
- Site vehicles
- Laboratories and analytical services
- Utilities (steam, water, gas, electricity, compressed air etc.)
- General stores and tank farms
- Communications and telecommunications (including site IT services)
- Laundry and personal protective equipment
- Central control systems (emergency and security facilities and control rooms)
- Central instruments and instrument calibration/storage/cleaning facilities
- Central changerooms

**Level 6: Ops and Project Support (1.1.x.xx.15.52)**

Includes activities which, whilst they are in direct support of operations and projects on the site are not exclusively devoted to a single project or operating unit. Indeed these activities may support many projects and operations on the site and in some cases, all. Includes:

- Site procurement
- Programme Office including:
  - Management of programme controls
  - Management of Baseline maintenance
  - Performance management and reporting
- Operations and manufacturing support
- Engineering and technical support (which is not project specific)

**1.4.3.7 Level 5: Support Services (1.1.x.xx.16)**

This section describes functional type activities that support the site as a whole, including projects and operations on the site and also the SLC's organisation and business activities. Includes activities that are carried out on the site itself and services which are provided by the SLC's corporate parent. Note that the principles described in Section 1.1.3.3.6 above, also apply to this category.

The above element is further sub-divided into:

**Level 6: Functional Support (1.1.x.xx.16.60)**

Describes activities that are provided by the functions based on the site. Includes:

- Site Management Team
- Management of Environment, Health and Safety
- Management of Quality, Quality Assurance (QA) and Management of Records
- Management of Audit and Compliance
- Management of Finance and Accounts
- Human Resources/Welfare
- Management of Training
• Contract Management & NDA Interface
• Management of Safeguards and Nuclear Material Accountancy

The above activities are in support of many projects or operating units on a site. Where resource or activity is devoted exclusively to a single project or operating unit or effort is time-booked to that project or operation, the activity and the costs should be captured within that element of the PSWBS.

**Level 6: Corporate Support (1.1.x.xx.16.61)**

These are corporate support activities supplied to the site from the SLC's corporate parent, typically from "Head Office" type support functions, including Payroll and Legal support. In the case of services of a generic nature being provided by the corporate parent to more than one site and it is not possible to differentiate between the level of effort (LOE) provided to individual sites, the costs of these activities will be allocated between the sites. The methodology of the cost allocation will be agreed with the NDA.

**Notes:**
Note that the treatment of Corporate Support (above), where costs are allocated out, is the only exception to the principle of collecting costs at source or by time-booking direct to specific activities. Where corporate support services are supplied from a site at which other activities (e.g. decommissioning) are also being undertaken (i.e. where the site is providing corporate support to itself as well as other sites), only that portion of corporate support costs relating to that site are to be collected under this PSWBS leg, with the balance allocated to the other sites to which the service is also supplied, in accordance with the methodology agreed with the NDA.

1.4.3.8 **Level 5: Stakeholder Support (1.1.x.xx.17)**

Includes costs and activities associated with stakeholder and regulator support and involvement at sites.

The above element is further sub-divided into:

**Level 6: Regulator Support (1.1.x.xx.17.70)**

Includes the cost of regulation on the site and includes charges from:
• Office for Nuclear Regulation (ONR)
• Environment Agency (EA)
• Scottish Environmental Protection Agency (SEPA)
• EURATOM
• International Atomic Energy Agency (IAEA)

Note that these costs do not include the costs of staff on the site required to support regulator activities but are confined to the charges from the regulators themselves.

**Level 6: PA/PR Activities (1.1.x.xx.17.71)**

Costs and activities associated with Public Affairs and Public Relations on site to support local stakeholders and the community. Includes:
• Media Relations
• Publicity
• Local Liaison Committees
• Community involvement
• Employee communications
• Visits
• Charitable donations
• Local enterprise support
• Talks service

1.4.3.9 Level 5: Fee (1.1.x.xx.18)
Includes all fee payments to the SLC by the NDA for:

Level 6: Base Fee (1.1.x.xx.18.80)
Not used.

Level 6: Performance Incentives (1.1.x.xx.18.81)
Costs to NDA of fee paid to SLC in line with performance against incentivisation arrangements relating to activities on the site.

Notes:
This PSWBS category is intended for the recording of actual fee paid to the SLC’s from the NDA. It is not to be used for future planning as the level of fee will not be known in advance.

1.4.3.10 Level 5: NDA Funded (1.1.x.xx.19)
Includes costs to the SLC of any costs directly incurred on behalf of the NDA and, usually, would be considered to be outside of the scope of site activities. Includes:
• Staff seconded to the NDA.
• Activities/packages of work directly commissioned by the NDA, which would not normally constitute part of the scope of the sites’ core activities.
• Activities undertaken by or funded from one site on behalf of another site or groups of sites

1.4.3.11 Level 5: Revenue Income (1.1.x.xx.20)
Income to the NDA and sites from revenue generating activities. Income needs to be captured and reported in order that the NDA can evaluate the amount of revenue it is expected to receive to offset against the costs of discharging the liabilities and that which the sites earn and offset against costs to derive the Annual Site Funding Limits (ASFL’s). Fundamentally, there are two types of income, Operational (otherwise known as Category I) PSWBS element 1.1.x.xx.20.90 and Non-Operational (otherwise known as Category II) which is catered for by PSWBS elements 1.1.x.xx.20.91 and 92.

The above element is further sub-divided into:

Level 6: Production (Operations) (1.1.x.xx.20.90)
This is made up of the substantial income streams originating from major external commercial customers, deriving from the commercial activities undertaken on certain of the NDA sites. The major contributors are:
- Thorp Reprocessing
- Electricity generation

Significant in nature, this income is passed straight through to the NDA and is not a factor in determining site ASFL’s.

**Level 6: Non-Operational (External) (1.1.x.xx.20.91)**

This represents true cash income from NDA-provided services to external customers from the SLC’s, but is of a much smaller magnitude. It typically arises from tenant income on sites or smaller scale services provided to other, Non-NDA, organisations (e.g. Environmental Health, safety and Quality, Finance, Utility Services etc.). This income is used to determine the site funding levels.

**Level 6: Non-Operational (NDA) (1.1.x.xx.20.92)**

This income is not of a true external commercial nature, but is comprised of cross-charging between NDA entities (including other SLC’s and NDA owned subsidiaries), usually as a result of services provided from one SLC/entity to another (e.g. LLW Disposal). It is however, deducted from the funding of the site providing the service as whilst it is not true income from an NDA point of view it often represents real cash transactions between SLC’s and there is a need therefore to avoid double-counting the costs and income.

### 1.4.4 Definitions for Levels 7 and 8

#### 1.4.4.1 Level 7: Operating Unit (1.1.x.xx.xx.xxxxx)

An **operating unit** would normally be defined as a major plant, activity or project which, for the purposes of additional clarity and granularity can be logically sub-divided into discrete, separately identifiable component activities which are defined at level 8 (Facility/Sub Unit). Examples might include:
- Large, multi-process integrated facilities housed within a single building envelope or footprint, where recognisably different, discrete activities can be identified (e.g. the Thorp complex).
- Major projects or project groups which are made up of discrete, separately identifiable activities (e.g. prototype fast reactor (PFR) decommissioning).
- A geographical area within a site where broadly similar activities are being undertaken, which can be logically grouped (e.g. Western Storage Area).

A **function** will normally be defined as a discrete department (e.g. Human Resources). The only exception to this is where a function carries out non-trivial separate activities that can be clearly identified and segregated. An example might be Payroll, which could be administered from within the Finance Department.

**Notes:**
It is intended that all major liabilities will be captured at this level and, in turn, these large packages of work will be further broken down in Lifetime Plan at level 8. In the event that this is not the case and the work is not further broken down (e.g. on the smaller, more straightforward sites), then level 8 will be equal to level 7, i.e. there will be a 1:1 relationship between the two.
1.4.4.2  Level 8: Facility/Sub-Unit (1.1.x.xx.xx.xxxxx.xxxxx)

This element includes activities and costs of facilities, sub-units or sub-liabilities which when aggregated together make up the larger, more complex activities described in Operating Units at level 7.

A facility or sub-unit would normally be described as a single facility or a discrete, separately identifiable activity or project comprising part of a larger project or multi-functional operation. Examples might include:

- An operation or facility within a larger more complex plant, e.g. a pond or a store
- A project within a major project or project group
- A single activity within a broader geographical area on a site

Notes:
At this level it may still be appropriate to group similar facilities or activities, themselves small in nature, to constitute a single activity. An example might be all the facilities on a site associated with the water supply and would include Incoming mains, pumping stations, distribution mains and pipework, etc.

Note that the PSWBS does not recognise artificial distinctions within facilities that are used for contractual, cost recovery purposes with external commercial customers.

The coding protocol at this level of the PSWBS is discretionary and the decision of the site M&O contractors. It is however, recommended that it is intuitive and descriptive to avoid unnecessary cross-referencing and indexing. Facilities/sub-unit codes must be 5 characters in length and alphanumeric codes may be used. Care should be exercised however, in generating codes for both Operating Units and Facilities that bear too close a resemblance to the actual building nomenclature or building name, thus rendering the coding and hence, the totality of the Lifetime Plan, subject to a "Official-Sensitive" security classification under the Office of Civil Nuclear Security (OCNS) rules or Official – Sensitive SNI under the Regulation of Sensitive Information.
Appendix A - NDA PROGRAMME SUMMARY WORK BREAKDOWN STRUCTURE

Revision 6 – June 2018

[Diagram of Work Breakdown Structure]

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### Appendix B NDA PSWBS Index

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PCP-02 Electronic Data Submissions
2.1 Scope

The SLC shall submit electronic cost and resource data by site on a monthly basis. This allows the NDA to monitor performance against the Lifetime Performance Baseline.

2.2 Overview

Six electronic data files are required for Lifetime Performance Baselines. These are:

- Current Baseline: Budgeted Cost of Work Scheduled (BCWS) – See section 2.4
- Budgeted Cost of Work Performed (BCWP) – See section 2.5
- Actual Cost of Work Performed (ACWP) – See section 2.6
- ACWP Forecast – See section 2.7
- BCWP Forecast – See section 2.8
- Funding – See section 2.9

A Programme Summary Work Breakdown Structure (PSWBS) dictionary and Contractor Work Breakdown Structure (CWBS) dictionary for all codes used must also be provided with each submission.

All data should be submitted one level below Detailed Volumes (DV) of the CWBS (with the exception of Funding which can submitted at a higher level of the CWBS as appropriate). The data will also reference the lowest defined level of the PSWBS and capital/revenue split. Some submissions will be further split by cost element and monthly time periods as shown in the table below.

2.2.1 Summary table of Lifetime Plan Performance Submissions:

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<th>CWBS Level</th>
<th>Include Cost Elements</th>
<th>Comments</th>
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<td>Monthly for the current fiscal year + 4 years, then by year</td>
<td>At least the lowest defined level</td>
<td>One level below the CWBS DV</td>
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<tr>
<td>ACWP Forecast</td>
<td>Forecast expenditure for the current fiscal year</td>
<td>Future months for current year</td>
<td>As above</td>
<td>One level below the CWBS DV</td>
<td>Y</td>
<td></td>
</tr>
<tr>
<td>BCWP Forecast</td>
<td>Forecast EV for the current fiscal year</td>
<td>Future months for the current year</td>
<td>As above</td>
<td>One level below the CWBS DV</td>
<td>N</td>
<td></td>
</tr>
<tr>
<td>Funding</td>
<td>Approved Funding</td>
<td>Total value for current year</td>
<td>As above</td>
<td>Appropriate level for the site</td>
<td>N</td>
<td></td>
</tr>
</tbody>
</table>

2.3 Submissions
2.3.1 PSWBS and CWBS Requirements

All electronic submissions need to reference the PSWBS and CWBS for the individual site.

If there are new PSWBS or CWBS codes or changes to existing codes then these must be added to the PSWBS/CWBS dictionaries and submitted to the NDA as part of each data submission. Each WBS code must only be listed once in a dictionary.

PSWBS Dictionary

PSWBS and associated descriptions for each site must include a complete listing of all PSWBS levels and elements from level 1 to the lowest identified levels.

The site will submit a table containing two columns:

- PSWBS number (to level 9 equating to 29 characters with full stops[.])
- PSWBS description (limited to 200 characters)

The PSWBS number is structured in the following manner:

<table>
<thead>
<tr>
<th>Level Format</th>
</tr>
</thead>
<tbody>
<tr>
<td>1  x</td>
</tr>
<tr>
<td>2  x.x</td>
</tr>
<tr>
<td>3  x.x.x</td>
</tr>
<tr>
<td>4  x.x.x.xx</td>
</tr>
<tr>
<td>5  x.x.x.xx.xx</td>
</tr>
<tr>
<td>6  x.x.x.xx.xx.xx</td>
</tr>
<tr>
<td>7  x.x.x.xx.xx.xx.xxxxx</td>
</tr>
<tr>
<td>8  x.x.x.xx.xx.xx.xxxxx.xxxxx</td>
</tr>
<tr>
<td>9  x.x.x.xx.xx.xx.xxxxx.xxxxx.xx</td>
</tr>
</tbody>
</table>

For every PSWBS number that has costs assigned, every “parent” level must also be included even if it the parent itself has no costs assigned. Each level is defined as:

<table>
<thead>
<tr>
<th>Level</th>
<th>No. Digits</th>
<th>Fixed?</th>
<th>Source</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>1</td>
<td>Yes, always 1</td>
<td>Generic PSWBS</td>
<td>Programme</td>
</tr>
<tr>
<td>2</td>
<td>1</td>
<td>Yes, always 1</td>
<td>Generic PSWBS</td>
<td>Geography</td>
</tr>
<tr>
<td>3</td>
<td>1</td>
<td>No</td>
<td>Generic PSWBS</td>
<td>Site Identifier</td>
</tr>
<tr>
<td>4</td>
<td>2</td>
<td>No</td>
<td>Generic PSWBS</td>
<td>Category</td>
</tr>
<tr>
<td>5</td>
<td>2</td>
<td>No</td>
<td>Generic PSWBS</td>
<td>Type</td>
</tr>
<tr>
<td>6</td>
<td>2</td>
<td>No</td>
<td>Site Specific</td>
<td>Operating Unit</td>
</tr>
<tr>
<td>7</td>
<td>5</td>
<td>No</td>
<td>Site Specific</td>
<td>Facility/sub Unit</td>
</tr>
<tr>
<td>8</td>
<td>5</td>
<td>No</td>
<td>Site Specific</td>
<td></td>
</tr>
<tr>
<td>9</td>
<td>2</td>
<td>No</td>
<td>Generic PSWBS</td>
<td>Function</td>
</tr>
</tbody>
</table>
### Approved Site Identifier Codes

<table>
<thead>
<tr>
<th>Code</th>
<th>Site</th>
<th>SLC/Group/Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>10</td>
<td>Dounreay</td>
<td>DSRL</td>
</tr>
<tr>
<td>12</td>
<td>Harwell</td>
<td>Magnox Ltd.</td>
</tr>
<tr>
<td>14</td>
<td>Windscale</td>
<td>Sellafield Ltd.</td>
</tr>
<tr>
<td>16</td>
<td>Winfrith</td>
<td>Magnox Ltd.</td>
</tr>
<tr>
<td>17</td>
<td>Culham</td>
<td>Reserved</td>
</tr>
<tr>
<td>20</td>
<td>Electricity Trading Group</td>
<td>Reserved</td>
</tr>
<tr>
<td>21</td>
<td>Berkeley</td>
<td>Magnox Ltd.</td>
</tr>
<tr>
<td>22</td>
<td>Bradwell</td>
<td>Magnox Ltd.</td>
</tr>
<tr>
<td>23</td>
<td>Dungeness A</td>
<td>Magnox Ltd.</td>
</tr>
<tr>
<td>24</td>
<td>Hinkley Point A</td>
<td>Magnox Ltd.</td>
</tr>
<tr>
<td>25</td>
<td>Hunterston A</td>
<td>Magnox Ltd.</td>
</tr>
<tr>
<td>26</td>
<td>Oldbury</td>
<td>Magnox Ltd.</td>
</tr>
<tr>
<td>27</td>
<td>Sizewell A</td>
<td>Magnox Ltd.</td>
</tr>
<tr>
<td>28</td>
<td>Trawsfynydd</td>
<td>Magnox Ltd.</td>
</tr>
<tr>
<td>29</td>
<td>Wylfa (including Maentwrog)</td>
<td>Magnox Ltd.</td>
</tr>
<tr>
<td>31</td>
<td>Calder Hall</td>
<td>Reserved</td>
</tr>
<tr>
<td>32</td>
<td>Capenhurst</td>
<td>Urenco UK Ltd.</td>
</tr>
<tr>
<td>33</td>
<td>Chapelcross</td>
<td>Magnox Ltd.</td>
</tr>
<tr>
<td>34</td>
<td>Low Level Waste Repository</td>
<td>LLWR Site Licence Company</td>
</tr>
<tr>
<td>35</td>
<td>Sellafield</td>
<td>Sellafield Ltd.</td>
</tr>
<tr>
<td>36</td>
<td>Magnox Support Office</td>
<td>Magnox Ltd.</td>
</tr>
<tr>
<td>37</td>
<td>Springfields</td>
<td>Springfields Fuels Ltd.</td>
</tr>
<tr>
<td>38</td>
<td>Research Support South</td>
<td>RSRL</td>
</tr>
<tr>
<td>39</td>
<td>Magnox South Support Office</td>
<td>Reserved</td>
</tr>
<tr>
<td>40</td>
<td>Dungeness B</td>
<td>EDF/British Energy</td>
</tr>
<tr>
<td>41</td>
<td>Hartlepool</td>
<td>EDF/British Energy</td>
</tr>
<tr>
<td>42</td>
<td>Heysham 1</td>
<td>EDF/British Energy</td>
</tr>
<tr>
<td>43</td>
<td>Heysham 2</td>
<td>EDF/British Energy</td>
</tr>
<tr>
<td>44</td>
<td>Hinkley Point B</td>
<td>EDF/British Energy</td>
</tr>
<tr>
<td>45</td>
<td>Hunterston B</td>
<td>EDF/British Energy</td>
</tr>
<tr>
<td>46</td>
<td>Sizewell B</td>
<td>EDF/British Energy</td>
</tr>
<tr>
<td>47</td>
<td>Torness</td>
<td>EDF/British Energy</td>
</tr>
<tr>
<td>50</td>
<td>Geological Disposal Facility</td>
<td>Reserved</td>
</tr>
<tr>
<td>70</td>
<td>ME Governance</td>
<td>Reserved</td>
</tr>
</tbody>
</table>

**Note:** Italic denotes a legacy or reserved future code
CWBS Dictionary

Unlike the PSWBS, there is no specific standard prescribed for CWBS coding, other than it should follow the same style of alphanumeric characters separated by full stops and be specific to one site.

The CWBS dictionary should have 2 columns:
- CWBS Code (up to 45 characters including separators [.])
- CWBS Description (limited to 200 characters)

2.3.2 WBS Data Format

The layout of the submissions should be as follows:

<table>
<thead>
<tr>
<th>A</th>
<th>B</th>
</tr>
</thead>
<tbody>
<tr>
<td>WBS Code</td>
<td>Description</td>
</tr>
</tbody>
</table>

2.3.3 Submission Format

All electronic data submissions (EDS) will be in Microsoft Excel format (.xls) and submitted as agreed with the NDA, usually by e-mail to progress.reporting@nda.gov.uk

2.3.4 Cost Elements

Cost elements are used to define certain breakdowns of data to be submitted electronically. They address types of costs and hours. Cost elements have been predefined and are shown below.

<table>
<thead>
<tr>
<th>Costs:</th>
<th>Description</th>
<th>Units</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>LABORCST</td>
<td>Labour Costs</td>
<td>Costs</td>
<td>£1</td>
</tr>
<tr>
<td>SUBCO CST</td>
<td>Subcontractor Costs</td>
<td>Costs</td>
<td>£1</td>
</tr>
<tr>
<td>EQUIPCST</td>
<td>Equipment</td>
<td>Costs</td>
<td>£1</td>
</tr>
<tr>
<td>MATRLCST</td>
<td>Material</td>
<td>Costs</td>
<td>£1</td>
</tr>
<tr>
<td>OTHERCST</td>
<td>Other</td>
<td>Costs</td>
<td>£1</td>
</tr>
<tr>
<td>CTG50CST</td>
<td>Base to P50 Contingency</td>
<td>Costs</td>
<td>£1</td>
</tr>
<tr>
<td>CTG80CST</td>
<td>P50 to P80 Contingency</td>
<td>Costs</td>
<td>£1</td>
</tr>
</tbody>
</table>

2.3.5 Dates

Start and End dates must be labelled as the start and end of a complete month or year. e.g. spend for July 2008 would have a start date of “01-07-2008” and an end date of “31-07-2008”; spend for 2031/2 would have a start date of “01-04-2031” and an end date of “31-03-2032”. Each item should be for 1 month or 1 year only. If values are to span multiple months/years, each month/year should have a separate entry in the data submission. E.g. if a cost is to go from July-September then it should have entries for July, August and September with the cost split across the months as desired. All dates submitted must be in the format “dd-mm-yyyy” or “dd/mm/yyyy”.

This document is uncontrolled when printed
NOTE: Data can be reported by financial period as per the sites accounting system, but must be then labelled to the calendar month as described above. This is a limitation of the NDA’s reporting database and it is not intended for the M&O site contractors to change their accounting periods to the start and end of calendar months. Reports produced by the NDA will only reference month and year totals, therefore will be in line with M&O contractors monthly and annual reports.

2.3.6 Amounts

Amounts are defined in or costs (whole £’s).

2.3.7 Capital or Revenue

It is necessary to be able to identify between capital and revenue in progress reporting. Each cost/hours entry must be marked as either capital or revenue; this is done through a column within the submission that must be completed with either a C or an R to represent capital or revenue respectively.

2.3.8 EDS Reconciliation Reports

To confirm that figures in the NDA system align with those in the SLC system, an overview excel / pdf report shall be submitted with each EDS. The template is available in PCP02 appendix A.

2.3.9 File and Email Conventions

- Submitted files should contain data only with no header rows.
- Submissions spanning more than one Excel sheet should be submitted as separate files and named accordingly, e.g. BCWS1, BCWS2, etc., rather than as multiple workbooks in a single file.
- Dictionary files must not contain duplicate entries and should have a full parent-child structure from Level 1 to the lowest level required.
- Each file submitted should be site specific and not contain data for multiple sites.
- In addition to files being clearly labelled with Site, Period and File Type (e.g. BCWP) references, any container zip file and e-mail subject should also reference Site and Period and be clearly marked as an EDS.
- There should be no blank rows anywhere in submitted spreadsheets, including at the end of the Excel file (i.e. the vertical scrollbar should stop at the last line of data).
- Only columns containing data should exist in the Excel files. If columns after the data appear wider than the default Excel width, then they have probably contained data which has seemingly been removed, but Excel may still hold metadata in these columns and they should be wholly deleted.
- Revenue Category values should be negative, all others positive.
- No cost elements should be used other than those detailed in this PCP.
- Excel files should not be password protected. If additional security is required, files should be sent in a single, password protected zip file or made available via an SLC Extranet site.

2.4 Current Baseline (BCWS)

Level: CWBS/Cost Element
Duration: Length of remaining Baseline
2.4.1 Requirements

Current Baseline data must be submitted at one level below the DV in the CWBS and referenced to PSWBS. All current baseline submissions must also be split by cost element, date (monthly/annual periods) and defined as capital or revenue.

The Current Baseline is submitted by month for current and future months within the current fiscal year plus 4 years, then by year for remainder of the Lifetime Performance Baseline. History cannot be changed. Changes and corrections to previous months must be made in the current or future months. Resubmission of historic BCWS to the NDA is no longer required, however history should be maintained within SLC systems to a sufficient extent to allow for any changes that may be required to be effected in this way.

If any previously submitted cost element value becomes zero then it must be adjusted in the current and future months only as zero. Removing values in their entirety may result in corrupted data.

e.g. a specific PSWBS,CWBS, Capital/Revenue and cost element combination has values of £50 for the first 12 periods of the current baseline declared in period 1. These values are then reviewed in period 4 and the item should actually be zero for the year. In this case in Period 4 the current period should be set to -£150 (to negate the historic values declared in periods 1-3) and all subsequent periods should be submitted as zero. This then gives an annual total of zero without altering values for historic periods

2.4.2 Data Format

The layout of the submission should be as follows:

<table>
<thead>
<tr>
<th>Column Data</th>
<th>PSWBS Code</th>
<th>CWBS Code</th>
<th>Cost Element</th>
<th>Capital/Revenue</th>
<th>Amount or Value*</th>
<th>Start Date</th>
<th>End Date</th>
</tr>
</thead>
</table>

*Value in pounds

2.4.3 Annual Baseline Data Transition

The period 1 submission in each fiscal year will need to adjust current/future baseline data previously submitted to:

- Uplift all current/future values to new FY monetary figures
- Replace what was year 6 (annualised) of the baseline with what is now year 5 (monthly)
- Remove P80 values from the new execution year.

2.5 BCWP

Level: CWBS
Duration: Cumulative to date since start of Lifetime Performance Baseline

2.5.1 Requirements

BCWP should be submitted at one level below the DV in the CWBS and reference the PSWBS. All BCWP submissions must be further defined as capital or revenue using C or R respectively. BCWP is not to be broken down to Cost Element level.
The BCWP is submitted only as a £ value and does not record hours. The BCWP is cumulative £’s and is the value to-date. In this submission the combination of PSWBS, CWBS and Capital/Revenue should be unique. Multiple entries for the same combination of codes will be ignored and lost by the NDA system.

2.5.2 Data Format

The layout of the submission should be as follows:

<table>
<thead>
<tr>
<th>Column</th>
<th>A</th>
<th>B</th>
<th>C</th>
<th>D</th>
</tr>
</thead>
<tbody>
<tr>
<td>Data</td>
<td>PSWBS Code</td>
<td>CWBS Code</td>
<td>Capital/Revenue</td>
<td>BCWP (cumulative)</td>
</tr>
</tbody>
</table>

2.6 ACWP

Level: CWBS/Cost Element
Duration: Cumulative to date since start of Lifetime Performance Baseline

2.6.1 Requirements

ACWP must be submitted at one level below the DV in the CWBS and further referenced to the PSWBS. All ACWP submissions should be further split by the cost element and defined as capital or revenue. Actual costs are cumulative performance–to-date.

In this submission the combination of PSWBS, CWBS, and Capital/Revenue should be unique. Multiple entries for the same combination of codes will be ignored.

Once an ACWP is submitted it will remain in the NDA system until it is updated in a subsequent ACWP submission, as the system will not reset unsubmitted values to zero. E.g. if an ACWP is submitted in period 6 at £800 for a particular PSWBS, CWBS, Capital/Revenue and Cost Element combination but is then found to be in error in period 7 and should have in fact been zero, it must be resubmitted as zero in period 7. Failure to do this will result in incorrect ACWP values.

2.6.2 Data Format

The layout of the submission should be as follows:

<table>
<thead>
<tr>
<th>Column</th>
<th>A</th>
<th>B</th>
<th>C</th>
<th>D</th>
<th>E</th>
</tr>
</thead>
<tbody>
<tr>
<td>Data</td>
<td>PSWBS Code</td>
<td>CWBS Code</td>
<td>Cost Element</td>
<td>Capital/Revenue</td>
<td>Amount or Value*</td>
</tr>
</tbody>
</table>

Value in pounds

2.7 ACWP Forecast

Level: CWBS/Cost Element
Duration: Future months in current Fiscal Year

2.7.1 Requirements

ACWP forecast must be submitted at one level below the DV level in the CWBS and referenced to PSWBS. All ACWP forecast submissions are further split by cost element and time (monthly periods),
and values must be defined as capital or revenue. Unlike BCWS/ACWP/BCWP there is no need to retain history or to make adjustments to historic items for ACWP forecast.

The ACWP forecast is for future months in the current year.

### 2.7.2 Data Format

The layout of the submission should be as follows:

<table>
<thead>
<tr>
<th>Column</th>
<th>A</th>
<th>B</th>
<th>C</th>
<th>D</th>
<th>E</th>
<th>F</th>
<th>G</th>
</tr>
</thead>
<tbody>
<tr>
<td>Data</td>
<td>PSWBS Code</td>
<td>CWBS Code</td>
<td>Cost Element</td>
<td>Capital/Revenue</td>
<td>Amount or Value*</td>
<td>Start Date</td>
<td>End Date</td>
</tr>
</tbody>
</table>

*Value in pounds

### 2.8 BCWP Forecast

Level: CWBS  
Duration: Future months in current fiscal year

#### 2.8.1 Requirements

BCWP forecast must be submitted at one level below the DV in the CWBS and reference the PSWBS. All BCWP forecast data must be defined as capital or revenue. BCWP forecast is not broken down to Cost Element level.

The BCWP Forecast is submitted only as a £ value.  
The BCWP Forecast is a £’s value of BCWP for each remaining month until the end of the current year. Unlike BCWS/ACWP/BCWP there is no need to retain history or to make adjustments to historic items for BCWP forecast.

#### 2.8.2 Data Format

The layout of the submission should be as follows:

<table>
<thead>
<tr>
<th>Column</th>
<th>A</th>
<th>B</th>
<th>C</th>
<th>D</th>
<th>E</th>
<th>F</th>
<th>G</th>
</tr>
</thead>
<tbody>
<tr>
<td>Data</td>
<td>PSWBS Code</td>
<td>CWBS Code</td>
<td>Capital/Revenue</td>
<td>YE BCWP</td>
<td>Start Date</td>
<td>End Date</td>
<td></td>
</tr>
</tbody>
</table>

### 2.9 Funding

Level: PSWBS and appropriate level of CWBS  
Duration: Totals for the current fiscal year

#### 2.9.1 Requirements

Funding is the total site funding for the current year submitted to the lowest level of the PSWBS and to a level of the CWBS that funding is recorded by the sites. It must be resubmitted with each submission. Funding must also be defined as capital or revenue.
The Funding is submitted only as a £ value.

2.9.2 Data Format

The layout of the submission should be as follows:

<table>
<thead>
<tr>
<th>Column Data</th>
<th>A</th>
<th>B</th>
<th>C</th>
<th>D</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>PSWBS Code</td>
<td>CWBS Code</td>
<td>Capital/Revenue</td>
<td>Funding</td>
</tr>
</tbody>
</table>
5.1 Introduction & Purpose

NDA PCP 05 describes the NDA’s requirements for the monitoring of trends and implementation of Change Control.

Baseline & Performance plan change control (known as Baseline change control) is described in this procedure. The prime purpose of baseline change control is to maintain the integrity and configuration of the relevant Baseline(s) to define, monitor and control work scope.

Changes in funding, assigning of Subsidiary/SLC funding level, managing changes, increasing or decreasing funding, moving funds between Capital and Resource etc. will be managed and conducted through formal correspondence.

Where a change control may have implications surrounding the Sanction & Validation process reference should be made to PCP17.

5.2 Procedure

5.2.1 Categories of Change

Reference should be made to the relevant NDA Subsidiary or SLC Annex.

5.2.2 Trending

Trending is a management tool that provides early warning of any potential changes to the baseline(s) before events are realised.

There are two categories of trends, performance and scope trends, once acknowledged and processed, trends either serve to update the Estimate at Completion (EAC) and/or are the basis for the variance analysis. If they impact the scope or the funding they may be the basis for either baseline or funding change controls as per the baseline change controls process Appendix A.

Scope Trend

This describes a trend that results from an evolving change to the scope of work to be performed, typically as a result of a significant change in scope boundaries or a better understanding of the scope to be performed.

Where the SLC submits a Baseline Change Proposal on the basis of a Scope Trend that is ultimately not approved because the proposed Change is already covered by the existing Baseline(s), the SLC shall re-classify the original Scope Trend as a new Performance Trend and shall log and monitor the trend accordingly.
Performance Trend

These trend items are the basis for changes in the Estimate at Completion (EAC) but do not alter the overall scope of the work to be performed and are the basis for variance analysis. Typically, these arise from over/under performance in executing the work and result in cost/schedule variances.

5.2.3 Triggers for Change Control

When change controls are triggered, proposals should be raised against agreed valid triggers (trigger(s) should be agreed with the relevant NDA Team). The change control needs to be clear regarding the trigger(s) giving rise to the change.

5.2.4 Application of Change Control – Lifetime Plan Performance Baseline and Contract Baseline (note: Subsidiaries do not typically require a Contract Baseline and therefore references to the CB do not apply.)

When applying Change Control it is important to note the purpose of the Contract Baseline is to determine Contract Performance within the Contract Term, to allow benefits to be tracked, monitored and assessed and fee to be earned by the SLC. As it is largely fixed, only certain changes are permitted. However, because the Lifetime Plan Performance Baseline is used for measuring lifetime performance (to date and forecast); informs ASFL and drives the liabilities estimate, it needs to more closely reflect the scope that is to be delivered. As such additional types of change are permitted. Further details concerning setting the Contract and Lifetime Plan Performance Baselines(s) can be found in PCP07.

Changes to the Contract Baseline should be implemented to all years within the applicable Contract term(s) to which the changes apply in accordance with delegations outlined in the SLC Annexe. Changes to the Lifetime Plan Performance Baseline should be implemented to all years throughout the lifetime to which the changes apply, thus updating and maintaining the full Lifetime Plan on a continuous basis.

5.2.5 Baseline Change Control

A baseline change control proposal is used to manage changes in the requirements of the baseline arising typically from external factors outside the control of the SLC. They give rise to the requirement to make modifications to the scope, schedule and costs of the work to be completed. The Baseline Change Control process should aid performance reporting not hinder, delay or stall it, should typically not be retrospective in nature and should be of no surprise to the NDA.

Typically, changes to the Contract Baseline will arise from:

- Regulatory changes or changes in regulatory requirements.
- Changes in external commercial customer or client requirements.
- Changes in NDA strategy, requirements or NDA direction.
- Changes in legislation.
- Annual Inflationary and indexation changes (see PCP-09 & PCP-13 for further detail).

All change controls associated with the Contract Baseline must be approved by the NDA. Change Controls must be submitted in a timely manner as soon as possible following the identification of the
trigger for change, which should be clearly communicated to NDA. Approval and thresholds of NDA category changes to the performance plan baseline are described further in the relevant SLC Annex.

In addition to the above types of change, the following may be permissible in respect of the Performance Plan / Baseline:

- Changes in SLC/Site Strategy including implementation of approved opportunities and efficiencies.
- Changes in key assumptions and risks.
- Significant variances (driven by scope change) leading to Schedule and/or cost variance (CV).
- Changes to Baseline to reflect efficiencies realised (see PCP07).

The following do not constitute changes or are not a basis for change control:

- Re-sequencing of the work in the execution year, where the overall in-year scope and deliverables remain unchanged.
- A means to remedy poor cost or schedule performance (where the poor performance would have led to disallowable costs being incurred).
- Carry over/slippage of scope from one year to the next year.

The only exception to the above is where, usually due to poor performance or significant re-planning, the current Performance Baseline is so far removed from the prevailing reality that a complete realignment of scope, schedule and costs needs to be undertaken. This is subject to formal NDA direction only and will be subject to appropriate governance, review and assurance by the SLC and NDA.

## 5.2.6 Format of Baseline Change Proposals

The SLC shall prepare and submit baseline change proposals as per sample Change Control Template in Appendix B or alternative in agreement with relevant NDA SLC Facing Team.

Change controls to the Contract Baseline and Performance Baseline will be clearly distinguished in order to demonstrate an auditable trail of changes to both baselines where applicable.

If the change is considered to be novel contentious or repercussive (NCR), including changes associated with new innovations, realisation of opportunities or acceleration of work, these changes are required to go through the NDA Change Controls approval process.

## 5.2.7 Evaluation Timetable

The evaluation timescale for NDA will be dependent on the complexity of the change, however the NDA will endeavour to review and respond as soon as reasonably practical, or in line with the relevant SLC contract.

## 5.2.8 Implementation of Baseline Change

Agreed changes should be incorporated into the Baseline(s) as soon as reasonably practical to allow performance to be recorded or in line with the relevant SLC contract.
5.2.9 Emergency Work

Emergency Work is defined as a result of:

- Implications for nuclear or conventional safety
- Regulatory requirements
- To mitigate potential harm to the environment
- To support continuation of commercial operations or
- To re-start of commercial operations

Where work constitutes emergency action the NDA subsidiary or Site/SLC should proceed with this work forthwith and not wait for the outcome of the change control process, which will be implemented later. If such work does not constitute emergency action, the SLC shall follow the normal trending and change control process.

5.2.10 Change Control & Trend Log

The SLC is required to maintain change control and trend logs and share with NDA on request.
Appendix A: Baseline Change Control Process

1. Start
2. Scope?
   - Yes: Proceed to LTP Performance Baseline?
   - No: Baseline still meaningful?
3. Baseline still meaningful?
   - Yes: Performance Trend
   - No: Monitor as variance
4. Performance Trend
   - Yes: BCP Approved?
   - No: Process via NDA Portfolio Management Process
5. BCP Approved?
   - Yes: Increase ASFL
   - No: Deferral

**Decision Points:****
- Trend identified
- Is the change associated with regulatory changes or legislation?
- Is the change associated with a change in external commercial customer requirement?
- Is the change associated with a change in NDA strategy or direction?
- Is the change associated with permissible contract changes – inherited conditions, indexation/inflation etc?
- Was the change reasonable foreseeable and within the control of the SLC?
- Was the change due to late completion of work or revisions/deletions due to poor planning or execution?
- Was the change due to poor planning, inadequate analysis, late procurements, poor cost estimates/scheduling, inadequate resource planning or project management?
- Can the change in scope be clearly explained against the baseline definition and scope boundary?
- Is Baseline still meaningful?
- Does the change require additional funding?
- Is the funding available within the ASFL?
- Submit funding change request to increase ASFL
- Funding change approved by NDA?
- Incorporate scope into LTP Performance Baseline and/or Contract Baseline
- Defer Scope to match ASFL or manage as overpressure
- End

**Flowchart Notes:**
- Start
- Scope?
- Baseline still meaningful?
- Performance Trend
- Monitor as variance
- End
- Process via NDA Portfolio Management Process
- BCP Approved?
- Increase ASFL
- Deferral
- Submit funding change request to increase ASFL
- Funding change approved by NDA?
- Incorporate scope into LTP Performance Baseline
- Defer Scope to match ASFL or manage as overpressure
- End

This document is uncontrolled when printed
## Appendix B Change Control Template Example (for guidance purposes)

<table>
<thead>
<tr>
<th>Project No</th>
<th>Project name</th>
<th>Cost Summary (£k)</th>
<th>Change Overview</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>Provide a brief description of the change - Include project details / stages of the gated process etc. What is changing? What is the impact of the change? Why is this change required?</td>
</tr>
</tbody>
</table>

### Change Type

- [ ] Reconciliation
- [ ] Funding & Affordability

#### Reconciliation Commentary

- [ ] New Sanction v Current Baseline
- [ ] Current Baseline v CCR Build
- [ ] Operating Plan v CCR Build

### Future Years

<table>
<thead>
<tr>
<th>Change Sanction</th>
<th>Paper (if appropriate)</th>
<th>CCR Build Variance</th>
<th>Operating Plan Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Previous Sanction Request</td>
<td>2021</td>
<td>2022</td>
<td>2023</td>
</tr>
<tr>
<td>Current Sanction Request</td>
<td>2024</td>
<td>2025</td>
<td>2026</td>
</tr>
</tbody>
</table>

### Schedule

- [ ] Provide a summary of the scope impact over the full lifetime - List WBS elements were scope is currently detailed
- [ ] Provide a summary of the schedule impacts over the full lifetime - Detail all Logic Flows movements, Capture movement of Milestones

### Dependencies

- [ ] Detail any dependencies affected by the change - Provide project and programme details.

### Risks

- [ ] Detail any risks affected by the change - Provide ARM references.

### Overall Impact

- [ ] Provide a combined view of the overall impact, including impacts on funding, affordability, schedule, dependencies and risks.

### Any other comments

- [ ] Provide any additional comments or feedback on the template, including suggestions for improvements or additional points to consider.
7.1 Scope & Purpose

This section defines the overarching requirements and methodology to develop, implement and maintain the Lifetime Plan (including LTP Performance Baseline and Contract Baseline where required).

7.2 Document Structure

7.2.1 Lifetime Plan Documentation

The Lifetime Plan baseline, which ultimately feeds the Lifetime Plan Performance Baseline and the Contract Baseline (where required) will be made up of the following key documents:

- Detailed Volumes, (document packs) the most important section of the baseline containing the key information relating to the scope, schedule and costs of the work to be undertaken and measured against.
- Site (or SLC) Level Documents such as Technical Baseline, Hazard Baseline, Integrated Waste Strategy, Prioritisation, Skills strategy and Procurement Plan.

7.2.2 Detailed Volumes (DV)

The DV’s are structured using the SLC CWBS and mapped to the NDA PSWBS Levels 3 to Level 9, see PCP01 for further detail. The level at which the DV(s) map to both the CWBS and PSWBS may vary accordingly to each Site/SLC i.e. Project/Programme/Operating Unit Level, this will be agreed with the NDA.

Where Programme Level DV’s are required, in addition to Project Level, this will be agreed with the NDA and additional information may be sought in order to provide specific programme level information.

The format and layout of the DV is discretionary to each Site/SLC, however, there are key components, associated with Project, Programme or Operating Unit which must be included; these are identified in the following sub-sections 7.2.2.1 to 7.2.2.4:

7.2.2.1 Scope of Work

Mapped to the agreed level of the NDA PSWBS, the scope of work within the DV describes the nature of the work to be undertaken on the site. The level of detail will be driven by the nature of the activity i.e. project type activities will require a greater level of detail than operational activities which, in turn, will require to be described in more detail than functional support, Level of Effort (LOE) type activities. Also it is expected that greater level of detail will be included for the near term/contract term phase of work compared to out years.

Scope to be executed within the near term/contract term period shall be described in sufficient detail to inform and satisfy a number of key requirements including:

- Validation and underpinning of basis of schedules, resources and costs required to carry out the work
- Execution and Delivery arrangements
- Measurement of performance (including Fee)
- Support Basis for Change Control
• NDA Business Plan Updates

Where applicable to a Programme or Operating Unit Level DV the scope of work will provide an overview of the Project(s) and/or phases of work to be undertaken over the duration of the programme. This will also contain how the scope aligns to an agreed NDA/SLC Client Specification and Site/SLC Strategy.

Major Deliverables & Milestones

This section will identify the major deliverables and milestones associated with performing the work and will relate to interim and final end-states. In addition to significant end-state, regulatory, NDA Corporate deliverables and enabling and constraining milestones particularly on larger, more complex projects which are part of an overarching programme of work, interim milestones and major deliverables should also be identified so that progress towards completion can be more readily measured.

Constraints

This section will identify significant constraints, particularly those of a regulatory or 3rd party nature, the achievement of which are key to delivering the programme of work on the site. For further information refer to NDA PCP-11 Scheduling.

Where applicable to a Programme or Operating Unit Level DV, constraints and enablers will be highlighted and explanation of how these are to be programme managed is required.

Metrics & Key Quantities

This section will include high level, summary metrics and key quantities which demonstrate progress towards completion of the work. The metrics should be comprehensive, readily measurable and directly relevant to the delivery of the scope of work. Where applicable to a Programme or Operating Unit Level DV, metrics will include specific measurables which align to the delivery of key benefits and outcomes.

Exclusions & assumptions

This section will include details regarding assumptions, the prediction of an outcome or decision not yet made allowing planning to continue beyond that point and exclusions, those items that are outside of the bounds of the project, programme, site or SLC.

7.2.2.2 Risks & Opportunities

The key risks and opportunities associated with the delivery of the Baseline(s) will be captured within the relevant Risk Registers, for further detail see NDA PCP-10 Risk Management.

Where applicable to a Programme or Operating Unit Level DV, risks and opportunities will be highlighted within the relevant risk registers i.e. to show what level these risks and opportunities being held at, how will they be managed and mitigated.

7.2.2.3 Schedule of Work

A number of schedules shall be made available to the NDA. Structured in line with the NDA PSWBS down to level 9 or the lowest WBS level agreed with the NDA, schedules should be resource loaded and logically linked where appropriate. For further detail see NDA PCP-11 Scheduling.
7.2.2.4 Cost Estimating

PCP09 defines the requirements for Cost estimating, Inflation, Indexation and Contingency. Costs are presented in constant money values. Constant money values are shown as the mid-year value of the year of the Baseline to which they relate (e.g. September). The requirements for inflation, the annual re-indexing of the estimates to the money value of the year are detailed in PCP09 Price Indexation 9.2.6.

7.3 Funding

On an annual basis by the 30th November each year, the NDA will inform the SLC’s of their Funding Guidance for the Execution year and subsequent near term years. For the out-years, the NDA will issue funding guidance based on the Government’s Spending Review settlement. When aligning the baseline(s) to the provided funding guidance, SLC’s may also be requested to develop high level scenarios against different potential outcomes, including different funding arrangements.

Following funding guidance, at the beginning of the Execution Year the NDA will formally notify the SLC of its’ confirmed ASFL’s and provide the proposed Site funding allocation. The SLC may propose alternative distribution across its Sites for NDA review and approval.

In the event that there is a significant funding shortfall that cannot be managed through overpressure arrangements, baselines may need to be aligned through change control in line with PCP05. Note that this could apply to both the Contract Baseline and LTP Performance baseline and is subject to NDA and SLC dialogue and agreement.

7.3.1 Portfolio Management Budget

Once notified of the ASFL, the SLC/Site is expected to manage within it, subject to individual contractual arrangements. Should an SLC/Site believe that there is a requirement for additional funding, this will be reviewed on a case by case basis, consistent with NDA and Treasury Guidelines. Regular reporting, in line with PCP13, will monitor the SLC’s commitment and expenditure of funds.

The SLC/Site will notify the NDA of savings and potential release of funds, this will be flagged and monitored via monthly performance reporting and use of Trending and Change Control. As part of the portfolio management process the NDA and SLC will review and agree the necessary steps when monitoring and maintaining the baseline including the application of change control and management by variance if funds are to be invested elsewhere.

7.3.2 Income

Income needs to be captured and reported as per PCP01 and PCP 02 so the NDA can evaluate the amount of revenue it is expected to receive to offset against the costs of discharging the liabilities and that which the sites earn that can be used to offset against costs to derive the ASFL.

There are two types of recognised income. Category I income is paid directly to the NDA and plays no direct part in Site/SLC funding. Category II is paid to and is retained by the Sites/SLC’s however this income does form part of the overall ASFL (the anticipated income is netted off the funding contribution) and therefore is not in addition to it.
7.3.3 Embedding Efficiencies

On at least an annual basis the SLC’s are, where required, to produce a Baseline Change Proposal, against the Lifetime Plan Performance Baseline to embed all savings and efficiencies realised during the Execution Year in the ‘to go’ Budgeted Cost of Work Scheduled (BCWS). Where applicable this BCP should reference the Site/SLC Efficiencies Log.

Regarding embedding efficiencies within the Contract Baseline this is determined by individual SLC contractual requirements.

7.4 Site Level Documents

Contain information which is fundamental and key to understanding and informing the Lifetime Plan, but are more of a strategic, generic and site-wide nature. Described below is a summary of the key Site Level Documents required, but note that this list is not exhaustive. Detailed requirements associated with each document are defined in other specific NDA Procedures and Guidance documents as referenced in Sections 7.4.1 to 7.4.7.

7.4.1 Prioritisation Process

The SLC is required to operate a prioritisation process for the decommissioning and clean up work on their sites as detailed in NDA/EGPR02. The SLCs are required to ensure that SED scores are calculated for all the facilities on the sites for which they are responsible and producing a list of facilities ranked in accordance with their score, calculated in accordance with EGPR02. The output from this prioritisation process including the Safety and Environmental Detriment Measure will be made available to the NDA as requested.

7.4.2 Hazard Baseline

The purpose of the hazard baseline is to assist NDA and its contractors in prioritising work activities, and to demonstrate delivery of the mission with respect to hazard reduction, waste conversion, and disposal as this is the principle benefit delivered to society. The requirements for development, presentation and reporting of the hazard baseline, data and templates are contained within guidance document EGG06, update progress reports will be provided with the Period 6 and Period 12 reports.

7.4.3 Integrated Waste Strategy

Lifetime Plans are required to include an Integrated Waste Strategy in order that the site is able to demonstrate it has a good understanding of waste streams and inventories and a robust strategy and plans for managing them.

For further information refer to the document “Specification for an Integrated Waste Strategy Document” ENG01. The Waste strategy document is to be reviewed on a period of no more than 3 years or when circumstances changes. There is no specified template however ENG01 provides the contents and structure. The IWS is to be made available to NDA as requested.
7.4.4 Technical Baseline and underpinning Research & Development

The R&D strategic objective is to ensure that the delivery of NDA’s mission is technically underpinned by sufficient and appropriate R&D. Furthermore, failure of technical solutions to achieve desired outcomes is a significant risk to the NDA.

In order to provide evidence of the SLCs’ approach and their corresponding technical underpinning programmes the following outputs are required as a minimum:

- An SLC Technical Management Summary (TMS) detailing SLC technical governance and assurance processes;
- Process Wiring Diagrams (PWD) that highlight planned technologies and their maturities taking a whole system approach; An R&D Table, which details plans to resolve technical issues underpinning delivery;
- A Technology Map giving a high level representation of the SLCs technology issues and opportunities; and
- An Annual Technical Report (ATR), which details any changes in governance / assurance processes and any significant in-year changes to the baseline and R&D requirements.

Details of how the individual TBuRD components should be completed can be found in EGG10 and associated templates.

7.4.5 Skills

The NDA has a duty set out within the Energy Act to ensure the availability of skills required to deliver the overall clean-up mission. This duty will be discharged by working in partnership with a number of organisations including Contractors (e.g. Tier 1, subcontractors etc) and Local and national bodies (e.g. nuclear skills strategy group, national college for nuclear, local colleges, universities, etc.)

As a consequence the NDA requires input into a group wide skills strategy through the development of individual skills strategies and baseline requirements to ensure that short, medium and long term skills needs of each business unit can be met. The SLC skills strategy shall be available to NDA on request.

This will be monitored through the development and implementation of the People Strategy and the QPR process.

7.4.6 Procurement Planning - Pipeline

The pipeline is a government commercial function requirement as articulated in “Commercial Pipeline. Supporting the implementation of the Government Commercial Operating Standards” www.gov.uk/gcf. The submission provides a forward view of potential activity for the NDA businesses and can be rolled up to an estate level, it covers a minimum rolling 18 month period and includes all procurements (contract opportunities) over £25k.

The procurement pipeline is used as the baseline for the QPR supply chain data and reports; the requirements for which are detailed in PCP13. The NDA requires that the pipeline is maintained and reviewed at least on a quarterly basis.
The template format (available on request) is to be used for the submissions and must not be changed without prior approval of the NDA, ensuring that a common template is in place for roll-up and consolidation of NDA estate information. Any additional columns that an NDA business may require must only be added after the last column. All columns as shown within the template are to be published on the NDA businesses website and updated on a quarterly basis.

### 7.4.7 NDA Businesses Level Procurement Strategy

A procurement strategy which sets out the contracting and supply chain principles and how the supply chain activity is managed for the NDA businesses is required.

The procurement strategy must set out how the commercial activity is structured and governed, and how it supports the delivery of the businesses corporate objectives. Specifically, it must:

- Set out the approach to the themes of the Commercial Operating Standards for Government and the associated metrics;
- Be cognisant of the improvement plan which is required for the Commercial Operating Standards which has been agreed with the NDA;
- Be aligned with NDA’s Supply Chain Development Strategy and associated initiatives such as the NDA’s Small Medium Enterprise (SME) Action Plan; and
- Defines the businesses position/approach to areas not covered in the Commercial Operating Standards such as providing an insight into:
  - how the procurement activity is delivered including engagement with the supply chain, routes to market, thresholds for competition, the collaborative procurement agenda etc.
  - how value for money is achieved.
  - the delivery of socio-economic benefits and the alignment of process with Government and NDA policies such as the use of SME’s, Industrial Strategy for Growth etc.
  - the use of technology in procurement such as eTendering.
  - the approach to supplier management/development.
  - Etc.

The procurement strategy must be updated on an annual basis and available for approval before the start of each new fiscal year.

### 7.4.8 Deliverables

<table>
<thead>
<tr>
<th>Document Name</th>
<th>Template</th>
<th>Frequency</th>
<th>Format</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prioritisation process – inventory SED scores</td>
<td>N</td>
<td>Available on request</td>
<td>Portable Document Format</td>
</tr>
<tr>
<td>Hazard Baseline</td>
<td>N (format option)</td>
<td>Bi-annually with Period 6 &amp; period 12 reports</td>
<td>Portable Document Format</td>
</tr>
<tr>
<td>Integrated Waste Strategy</td>
<td>N (content structure)</td>
<td>Updated no more than 3 years Available on request</td>
<td>Portable Document Format</td>
</tr>
<tr>
<td>Technical Baseline and Underpinning Research &amp; Development (TBuRD)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Technical Management Summary (TMS)</td>
<td>Y</td>
<td>5yrs or following significant change (30th Sept)</td>
<td>Portable Document Format</td>
</tr>
<tr>
<td>Process Wiring Diagram (PWD)</td>
<td>N</td>
<td>Annual (31st March)</td>
<td>Portable Document Format or MS</td>
</tr>
</tbody>
</table>
The above specified deliverables specified are to be received electronically by the NDA (either to an NDA agreed email address or on CD). Paper submission of the deliverables is not required.

7.5 Submission Requirements

As the Lifetime Plan Performance Baseline and its associated documentation is maintained on a continuous basis through change control and multi-year performance reporting, the annual submission requirements are minimal. These include:

Part 1 Submission (by 28th February)
- Raise and Submit Annual Baseline Change Proposals for:
  - Embedding savings and efficiencies realised in the ‘to go’ BCWS
  - Removal of P80 contingency from the Execution Year
- Raise and Submit Annual Inflation Metrics Data Set and propose Change Control

The data set to be provided by the SLC’s in the Part 1 submission will be the inflation rate data that is to be used to uplift the baseline(s), once approved by the NDA. It is recognised that the scope (“BCWS to go”), which the inflation rates are to be applied to, may alter between the January submission date and the actual implementation of the change control on 1st April due to the baseline being live.

Key for January is that the SLC’s submission is based on the current futures years “BCWS to go” and details the inflation rates proposed to be used when implementing the change control on 1st April. Once these proposed inflation rates have been agreed by the NDA these will then be used in the April implementation.

Part 2 Submission (by 31st March)
- Formal correspondence to assign ASFL (Capital and Resource)

All other Baseline data i.e. Scope, Schedule, Costs and Basis of Estimates, Risks, Procurement Plans, Site Level documents etc. will be baselined and maintained under configuration control, this data will also be made available to the NDA on request.
PCP-09 Cost Estimating
9.1 Scope & Purpose

This document sets out the responsibilities and requirements of the NDA subsidiaries and SLCs for Cost Estimating. It specifies the requirements which subsidiaries and SLCs should adopt to provide the NDA with assurance that Cost Estimating is achieved in a way which effectively supports the delivery of objectives.

9.2 Requirements

9.2.1 Estimating Processes

Applying standard industry practice for cost estimating subsidiaries and SLCs should produce their own processes and procedures for cost estimating. These processes and procedures shall be compliant with the requirements of the NDA PCPs.

9.2.2 Estimate Classification

It is understood that cost estimates are prepared at a moment in time, reflect that stage of scope, mature with the evolution of scope definition and accuracy increases over the project lifecycle.

In order to establish standard estimating accuracy levels for the Lifetime Plan the subsidiary or SLC will decide on and document a suitable estimating methodology for the stage of scope development and work/project definition. Less detailed estimating methods are expected for work which is further in the future. Estimates for the near term and particularly the execution year will be more detailed than later years. Following standard industry practice the subsidiary or SLC should record the estimate class and methodology used in the basis of estimate document. The SLC should have a process in place to define the class of estimate, accuracy range and the typical engineering basis or level of technical information expected for that accuracy range.

9.2.3 Base Estimate

The Base Estimate should include the costs of all quantified in-scope work plus normal estimating allowances (i.e. Base Estimate = Base Scope Costs + Estimating Allowances). The Base Estimate, by definition, does not include Cost Contingency.

All estimates should be prepared as deterministic “base” cost estimates directly relating to the activity scope as described and should not include unspecified contingency on account of either cost/schedule uncertainty or project event risk (other than agreed mitigation strategies).

9.2.4 Cost Contingency

The evaluation of contingency involves the assessment of uncertainty surrounding the base estimate and the discrete risks pertinent to the scope of work. The subsidiary or SLC should consider both estimating uncertainty and discrete risks in the assessment of contingency and the ongoing management of contingency in order to optimise the effective use of funds.
9.2.4.1 Contingency Development

Contingency development, although a specific and specialised activity should be an integral part of both the cost estimating and risk process. The NDA requirements for Risk Management are given in PCP 10.

9.2.4.1.1 Quantitative Schedule and Cost Risk Analysis (QSRA/QCRA)

To ensure standard and consistent application of contingency requirements calculation, each SLC and subsidiary are expected to conduct quantitative cost and schedule risk analysis. The requirement for QCRA/QSRA should be considered as a minimum for major projects and programmes of work and the NDA require that the SLCs and subsidiaries use the qualitative analysis process during the sanctioning process, reviews of business cases and at key decision points over the project/programme lifecycle.

The results of QCRA/QSRA following management challenge and understanding; should be considered with a view to maintaining a realistic schedule and estimate to complete the project/programme. Each SLC and subsidiary shall have procedures in place to show the results of this analysis and how they have been reflected in the current forecast date and cost ranges being provided to the NDA. The percent probability of achieving the submitted dates/costs should be available at the time of the reviews.

The quantitative analysis should be updated for each appropriate project or programme where required due to significant changes or if requested by the NDA. The use of QCRA/QSRA does not give authority for rebaseline.

9.2.4.2 Estimating Uncertainty

Estimating Uncertainty is not to be confused with Estimating Allowance (refer 9.2.3). To analyse Estimating Uncertainty the subsidiary or SLC should apply standard industry practice in the production of 3 point estimates by augmenting the single-point base estimates with optimistic and pessimistic estimates. Three point estimates should form the input to the quantitative risk analysis process.

9.2.4.3 Risks

In accordance with PCP10 - Risk Management, the subsidiary or SLC should develop their own risk handling strategies for risks. Subsidiaries or SLCs should decide whether or not to include the cost exposure in the contingency assessment including appropriate consideration to very unlikely probability, critical or crises impact risks (low probability – high impact items). Those risks not included in contingency should be notified to the NDA.

9.2.5 Basis of Estimate Assumptions and Exclusions

Cost estimating assumptions and exclusions should be sufficiently detailed within the Basis of Estimate.

9.2.5.1 Assumptions

An assumption is a premise used to bridge gaps in the basis of estimate or scope in order to allow the estimate to be completed. Depending on the level of the scope definition, assumptions will be made and documented. Assumptions are used to bridge gaps in planning knowledge in order to bound scope, schedule and cost estimates.
• There should generally be an attendant risk that the assumption will prove not to be true, and so a corresponding entry should appear on the project risk register for screening and evaluation (as appropriate).

• Assumptions shall not be used to state that another part of the SLC organisation or a subcontractor will perform work as described, on schedule or within budget where totality of the scope is under the SLC control.

9.2.5.2 Exclusions

Exclusions will define scope that is explicitly not included as part of the Programme/Project Baseline:

• Scope should not be excluded solely due to the lack of information or knowledge – an assumption should be made regarding the particular piece of missing information.

• Exclusions do not require a corresponding assumptions or a risk entry. If an exclusion requires a risk entry, then it is probably not really an exclusion.

• Exclusions shall not be included if the work is include elsewhere within SLC scope.

• If exclusions exist then the SLC should demonstrate how it plans to manage this issue.

9.2.6 Price Indexation

Baseline cost estimates shall be presented in constant money values as specified in PCP 07 (7.2.2.4). This may require previously prepared estimates at prior year’s values to be re-indexed to the money value of the year to make allowance for the actual effects of inflation.

As part of the NDA Inflation and Economics Research the NDA will carry out a site wide inflation assessment using a weighted basket of measures approach.

When annually inflating the Baseline(s) at the start of the execution year (via Change Control as per PCP05), SLC’s will use the actual/forecast inflation index as provided as a basis for the uplift. Data is equivalent to the mid-point of the year (September). This annual inflating of the baseline will include where necessary two elements, 1) a correction factor, if the current years inflation assumption is different to the inflation actually experienced and 2) the inflation forecast to uplift to the next financial year money values.

SLC’s may choose between the data provided in the Q2 or Q3 bulletins to carry out their uplifts and corrections depending on their own timelines. SLC’s are not permitted to mix data from these bulletins and must clearly state which bulletin they have based their uplift and correction on.

For clarity: Q2 bulletin will provide actual inflation for the current year as inflation is measured on a Q2/Q2 basis and a full next year forecast. When published, the Q2 bulletin will contain some provisional data due to the way the national inflation indices are published, any movements seen to-date would not be considered significant overall. By the Q3 bulletin the majority of the provisional data will have been firmed up for the current year actual inflation and the forecast for the next year will be based on ¼ actuals and ¾ forecast.

In order to maintain and keep the baseline current for out-year estimates, indexation shall not be applied to estimates more than 5 years old, these estimates should be re-priced at the prevailing money value rates for submission.
9.2.7 Value for Money

Estimates for future years should be updated to recognise and incorporate any savings and efficiencies as described in PCP-07 (7.3.3).

9.3 Outputs

9.3.1 Basis of Estimate (BoE)

Following standard industry practice all estimates should have a recorded basis of estimate available for review when requested. The BoE provides definitive traceability of the information in the estimate and minimises the variability associated with the inherent uncertainty of the estimating process.

NDA require subsidiaries and SLCs to apply standard industry practice in defining the content and make up of their BoEs.

Where subcontractor derived estimates are used then the subsidiary or SLC shall form its own view as to the veracity of the estimates with regard such items as: excluded scope, errors and omissions, and the balance of risk ownership between the subsidiary or SLC and the subcontractor.

9.3.2 Independent Estimate Review

Standard governance promotes the application of independent estimate reviews. NDA requires its subsidiaries and SLCs cost estimating procedures to make provision for such reviews, where this has been undertaken, an analysis report should be made available to NDA when requested. The independent report should as a minimum identify cost comparison of equivalent cost elements against appropriate industry norms, which allows a reconciliation of differences to be undertaken.

9.3.3 Benchmarking

The NDA promotes the practice and utilisation of benchmarking within the industry. As such, it is an NDA requirement that estimates can be validated by comparison and reconciliation to similar work. In this context benchmarking is about making improvements in estimating standards and validation by making comparisons with other areas and previous project outcomes, and also the incorporation of lessons learned from less successful work. This may be done at various levels: at the overall project level or at individual work package level. It is particularly important where there is a lack of information at site level to look wider across the industry for comparisons. This has the benefits of comparisons with best practice and/or successful completion of work and the identification of gaps in scope and work definition.

9.4 Charging Practice

Charging practice describes the requirement for SLC’s to record cost and income data clearly and consistently. This procedure applies to all spending on Projects and Programmes funded by the NDA.

9.4.1 Requirements

The SLC’s are required to demonstrate that all costs and income related to Projects and Programmes are recorded in a logical, open and transparent manner.
Costs and income recording should be aligned to Work Breakdown Structures (see PCP-01), allowing comparison of actual spending against planned activity and estimated costs.

SLC’s should be able to demonstrate how the charging practices are implemented and how compliance is ensured, including arrangements for audit and review. This should be explained in an annual cost allocation statement.

### 9.4.1.1 Key Charging Principles

- Activities should be planned and costs subsequently recorded against Work Breakdown Structures.
- Actual costs and income should be recorded when the work is done or when the goods and services are received.
- Where possible all costs should be direct-charged or time-booked. Where this is not possible or impractical (e.g. for site-wide support services) these costs should be captured separately and not allocated or arbitrarily spread across other activities.
- The category and source of income should be recorded.
- Cross-charging between sites/SLC’s under the NDA remit will be at cost with no profit element or mark-up.

### 9.4.1.2 Cost Allocation Statement

A report should be provided annually by the SLC which explains the procedures in place to comply with these guidelines.
PCP-10 Risk Management
10.1 Overview

This procedure sets out the requirements for managing risks associated with SLCs and subsidiaries, it seeks to promote an effective and consistent approach across the estate and integrate risk management procedures with business planning and decision making systems.

It is not intended to define how the SLCs and subsidiaries implement their internal risk management process but specifies the standard requirements they should meet in order to provide the NDA with assurance that risks are managed adequately and in a way which promotes the delivery of the NDA objectives. It should be read in the overall context of the delivery of business objectives and has a direct relationship with other Programme Control Procedures (PCPs) and should be used to inform change control, contingency and sanctioning processes.

The NDA requires it’s SLCs to develop and maintain Lifetime Plans to communicate the scope of work to be delivered by the SLC, together with the associated delivery schedule and estimated costs. In order to provide confidence in the LTP, the SLC must provide an assessment of how risk and opportunity may impact the plan and how such may be managed or exploited.

10.2 Key Definitions

**Risk** – an uncertain event which may, should it occur, negatively impact on the outcome of a defined objective.

**SLC / Site Risk** – Risks which are within the responsibility and control of the SLC to manage.

**NDA Risk** – Risks which are within the responsibility and control of the NDA to manage.

*Unless formally accepted by the NDA, the risk owner is the SLC and will normally be the party best placed to manage the risk.*

**Jointly Owned Risks** – risks which to ensure best management are shared between the NDA and SLC. This will require the recording of duplicate risks in respective systems and will require cross-referencing.

**Opportunity** – an uncertain event that may, should it materialise, positively impact the outcome of a defined objective.

**SLC / Site Opportunity** – Opportunities which are within the accountability and control of the SLC / Site to exploit.

**NDA Opportunity** – Opportunities which are within the accountability and control of the NDA to exploit.

**Jointly Owned Opportunities** – Opportunities which to ensure they are appropriately exploited are best shared between the NDA and the SLC.

**Risk Management Process** – the systematic application of management policies, procedures and practices involved in the identification, analysis, treatment, reporting and reviewing of risks and opportunities, and their communication.

**Risk Management Maturity** – a set of graduated levels describing the degree of sophistication achieved in the management of risk and opportunity.
10.3 NDA Risk Management Principles

The following outline the general risk management principles applicable throughout the estate:

- We are all responsible for managing risk, and are required to integrate this into our culture and the way we work. All staff across the NDA estate should feel able to raise risks and opportunities in an open and transparent environment.

- We are all responsible for managing risk, and are required to integrate this into our culture and the way we work. All staff across the NDA estate should feel able to raise risks and opportunities in an open and transparent environment.

- All decisions we make reflect the risk appetite set by the NDA Board, to ensure that we keep risk within tolerable levels whilst creating and investing in opportunities and ensuring mitigating activities provide value for money. The NDA’s appetite should influence the setting of appetites by the PBOs, SLCs and subsidiaries.

- The majority of risk decisions are made at a level where the risk is best understood, where the accountability for their management rests and where the resources are available to manage it.

- The scale of any risk treatment, escalation and reporting should be proportionate to the risk’s impact and likelihood, with Risk Management input occurring early into decision making processes.

- Whilst the responsibility for the management of many risks is divested to NDA PBOs, SLCs and subsidiaries accountability for their impact often rests with the NDA Corporate Centre. The NDA will seek assurance regarding the effectiveness of the controls in place to manage risks on behalf of the NDA, and challenge them where needed.

- Risk management activity undertaken by SLCs and subsidiaries will be delivered against NDA requirements and good practice.

10.4 Good Practice in Risk Management

This procedure requires the SLC to follow good practice and achieve an appropriate level of maturity in the management of risk and opportunity, consistent with the risk profile and appetite across all functional, operational, programme and project activities. This will require demonstration to the NDA that:

- Risk and opportunity management is a continuously developing process, seeking to achieve higher levels of maturity and is at the core of business decision making and planning
- The SLC’s risk management operations align with NDA policy and international good practice
- Appropriate senior executive leadership, direction and management are in place and effective
- A clear culture of risk awareness is integrated into the organisation
- Risk processes are effective, coordinated with clear communication, covers all functional, operational, programme and project activities and is regularly assured
- Risk management is adequately resourced with an appropriate number of competent staff
- All subcontractors engaged by the SLC maintain no lesser standards than the SLC in the management of risk and that processes are aligned
10.5 Risk Management Framework

The NDA’s approach to risk management processes is based on BS ISO 31000 and described in the NDA Risk Management Framework (Doc RSP01). It is influenced by the documents listed in paragraph 10.10 and SLC’s and subsidiaries are required to apply standards with no less rigour. In particular:

- **Risk Appetite** – the SLC or subsidiary must be cognisant of the NDA’s Risk Appetite and related Appetite Statements and manage risks so that they remain or move within the stated appetite limits

- **Context** – the SLC or subsidiary must understand the context in which the SLC’s business, programme and project objectives are set so that risk and opportunity management supports their achievement

- **Identification** – the SLC or subsidiary must have in place a robust process by which risks and opportunities arising throughout the organisation and from external sources may be identified and recorded

- **Assessment and Evaluation**: the SLC or subsidiary must have in place a process by which risks and opportunities may be evaluated and prioritised and should encompass both qualitative and quantitative assessment as appropriate, including impact, probability and frequency.

- **Treatment & Response** – the SLC or subsidiary must have in place a process by which risks are prioritised for treatment.

- **Monitoring, Reporting & Review** – the SLC must have in place a comprehensive and consistent monitoring, reporting and review system providing visibility of their risk landscape. The top ten SLC or subsidiary risks and opportunities outlined in PCP 13 should be reported to the NDA on an agreed time cycle and using the NDA’s Probability and Impact matrix (as issued), together with the effectiveness of any controls.

- **Escalation Protocols** – the SLC must have in place a system allowing the escalation to NDA of all risks, which are owned by the SLCs or subsidiary or are dependent on others to manage, which deteriorate to the extent they potentially breach the NDA Risk Appetite limits. It is envisaged this process will fall outside the routine agreed reporting cycle.

10.6 Risk Management Maturity Assessment

The SLCs and subsidiaries are expected to achieve the highest level of risk management maturity relative to their risk profile and appetite. The NDA Risk Management Maturity Model (as provided by the NDA) provides a baseline for assessing the maturity of the risk management operations and the target level will be mutually agreed between the NDA and the SLC or subsidiary; where target level is not already met, a plan to achieve it will be developed by the SLC or subsidiary.
The NDA reserves the right to assure themselves that the SLC or subsidiary is meeting the target maturity level agreed. This will comprise self-assessment against the maturity model, reinforced by periodic 2\textsuperscript{nd} and 3\textsuperscript{rd} line reviews.

10.7 Risk and Opportunity Ownership

Risks will be owned by the party best able to manage them. Most risks will be owned by the SLCs but it may be that some risks or opportunities may be more appropriately managed by the NDA or shared between the NDA and the SLC. For the latter, the following procedure will be adopted:

- Proposed NDA or shared risks / opportunities will be communicated to the NDA as soon as practicable
- The NDA's SLC Facing Team's risk champion(s) and the NDA Risk Management team if required, will assess the proposal
- The decision will be communicated to the SLC by the SLC Facing Team as soon as practicable

Should new risks or changes to existing risks or controls be identified which requires a change in scope, the change control process of PCP-05, Change Control Process, may apply.

Note – all risks must have a nominated Owner who is responsible for managing the risk and contributing to the reporting protocols agreed.

10.8 Risk and Opportunity Reporting

This procedure recognises the dynamic nature of risks and opportunities and ensures those of interest to the NDA are appropriately identified and communicated. The NDA Risk Management function will provide additional guidance on specific cases as appropriate or as requested.

The SLC and SLC Facing Teams should conduct risk reviews on a no less than quarterly basis and report top ten and emerging risks and opportunities using the Quarterly Performance Report (QPR) Risk Management template.

All proposed NDA risks shall be reported as and when they have been identified and assessed by the SLC or subsidiary. Once accepted by the NDA, the SLC is no longer required to report on the risk.

Where both the SLC and the NDA jointly manage a risk, the SLC is required to continue to report their element of the risk.

Should any top 10 risk show significant deterioration or a major control action fail, the SLC must notify the NDA's SLC Facing Team who will escalate the report as appropriate.

- The risk submission should include immediate, medium and long term risks.
- The report shall include the SLC’s top ten risks and opportunities, using the NDA’s Probability and Impact Diagram; additional risks which show deteriorating assessments or are close to breaching the NDA’s Risk Appetite limits.
• The SLC shall report any changes since the last period and the addition of new risks which have the potential to adversely affect the site programme.

10.9 NDA Associated Risk Management Reporting Requirements

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<tr>
<th>Report Name</th>
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<tr>
<td>Quarterly Performance Reviews Report</td>
<td>Y</td>
<td>Quarterly – as per PCP 13.</td>
</tr>
<tr>
<td>- Risk report submission</td>
<td>(in conjunction with NDA PID and risk maturity model)</td>
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PCP-11 Scheduling
11.1 Introduction & Purpose

This procedure sets out the responsibilities and requirements of the NDA for Schedule management (at Project, Programme, Strategic or Enterprise level), and for providing assurance regarding the achievement of objectives as presented by the Site Licence Companies (SLC’s) & NDA Subsidiaries in their Baseline schedules.

The SLC’s & Subsidiaries schedule management process must provide a means for measuring physical performance, scope performance and serves as the basis for EV performance reporting of key elements, Budgeted Cost of Work Scheduled (BCWS) & Budgeted Cost of Work Performed (BCWP). The schedule must therefore reflect the scope of work being delivered and the information contained therein must be maintained in a timely manner.

11.2 Baseline Schedule Expectations

The NDA requirements are based on a good practice planning expectation and include specific requirements that enable the NDA to have a top down view of plans. The schedule should incorporate coding and milestones detailed in appendix 1 & 2.

Expectations for Level 1 Plans

The summarisation at level 1 is the top level and is primarily a visual communication tool for use by both the NDA and SLC. The schedule depicts the Site level programmes of work up to the end state for the site.

Expectations for Level 2 Plans

The summarisation at level 2 shows the major programme areas and their project groups and how these are logic linked to form programmes and is usually used to provide an overview of the overall phases and key stages of work

Expectations for Level 3 Plans

The level 3 plan is the submitted LTP level Schedule grouped by designated programme detailing the main fully logic linked project activities, displaying a clear critical path and interdependencies which in total provides the full strategic direction and liabilities for the planned scope taking it from its current state to the agreed end state and outcome(s).

Expectations for Lower Level Detailed Schedules (Level 4)

The detailed Project Baseline Schedules must be robust and underpinned and provide the detail to enable the SLC to manage and control the work being delivered on a day to day basis and must demonstrably support and roll up to the LTP Schedule activities and milestones.

The Lower Level Detailed Schedules should be available via the site should there be any need for further discussion regarding supporting data and to demonstrate an auditable trail to the Contract baseline schedule (where appropriate).

LTP schedules should be in effect a ‘glass bottomed boat’ in that the view from the top looks down through the schedules to level 4 where the day to day comparisons of progress are made.
The expectation is that the level 3 and 4 schedules are integrated into the SLC’s baseline management system. The summarisation should reflect the scope of work being delivered, be repeatable and auditable.

11.3 Baseline Schedule Fundamentals

The Baseline schedule shall:

- ensure that each work package, whether delivered by client, contractor, or third party, is represented in an integrated Baseline schedule, and must incorporate mechanisms for Earned Value reporting;
- ensure that the integrated baseline schedule supports critical path analysis, interface management, resource forecasting and risk management;
- ensure that the basis of schedule records how the schedule has been constructed including what benchmarking has been carried out. If no benchmarking has been undertaken then an explanation of the rational for no benchmarking needs to be provided.
- ensure that a deliverable schedule and cost baseline is set after appropriate consideration of risk and uncertainty;
- measure and report progress based on verified objective assessment.

11.4 Baseline Schedule Requirements

The SLC’s & Subsidiaries are obliged to maintain the Baseline schedules which are to be used by the SLC’s & Subsidiaries to report performance and manage the work effort that has been agreed to by the NDA. Activity code definition can be found in appendix 1.

The Baseline schedules will include and be able to identify, where appropriate the following criteria:

- The schedule should be constructed with deliverable-based activities at an appropriate level of detail to reflect the work scope and the maturity level.
- The schedule is logic linked with a clear critical path (s) and reflects agreed delivery strategies for the project/work package (including gated processes, procurement, construction, commissioning, and other strategies).
- Logically driven, deliverable-based milestones, including strategic milestones and key decision points, should be used to demonstrate that the schedule achieves the specified programme/project deliverables and objectives.
- The schedule should be logically aligned to other interfacing programmes/projects with no disconnects between the programme/project and other associated programmes/projects.
- Alignment of underpinning schedules (sub-contractor plans, master production schedules (MPS) etc) needs to be clearly demonstrated.
- If a task is Level of Effort then a schedule is not required.
- The Schedule should be constructed where required to allow periodic scenario planning at a project and enterprise level.
- Where a Schedule exists it should be resource loaded. (Note: only resource load for internal labour only, External labour is captured as a contract value).
11.5 Basis of Schedule (BoS)

Following standard industry practice all schedules should have a recorded basis of schedule available for review when requested. The BoS provides definitive traceability of the information in the schedule and minimises the variability associated with the inherent uncertainty of the scheduling process.

NDA require subsidiaries and SLCs to apply standard industry practice in defining the content and make up of their BoSs.

Where subcontractor derived schedules are used then the subsidiary or SLC shall form its own view as to the veracity of the schedule with regard such items as: excluded scope, errors and omissions, and the balance of risk ownership between the subsidiary or SLC and the subcontractor.

11.6 Independent Schedule Review

Standard governance promotes the application of independent schedule reviews. NDA requires its subsidiaries and SLCs scheduling procedures to make provision for such reviews, where this has been undertaken, an analysis report should be made available to NDA when requested. The independent report should as a minimum identify schedule comparison of equivalent activity elements against appropriate industry norms, which allows a reconciliation of differences to be undertaken.

11.7 Benchmarking

The NDA promotes the practice and utilisation of benchmarking within the industry. As such, it is an NDA requirement that schedules can be validated by comparison and reconciliation to similar work. In this context benchmarking is about making improvements in schedule standards and validation by making comparisons with other areas and previous project outcomes, and also the incorporation of lessons learned from less successful work. This may be done at various levels: at the overall project level or at individual work package level. It is particularly important where there is a lack of information at site level to look wider across the industry for comparisons. This has the benefits of comparisons with best practice and/or successful completion of work and the identification of gaps in scope and work definition.

11.8 Demonstrable Basis of Progress (Physical % and Forecast)

The ongoing surveillance of the integrated schedule that will be carried out by the NDA, the SLC’s and Subsidiaries should be able to demonstrate how the physical percent complete and forecast completion dates for activities in the current project / programme schedule have been calculated or informed.

11.9 Quantitative Risk Analysis QRA (Schedule & Cost Risk Analysis QSRA & QCRA)

Each SLC is expected to carry out QRA where appropriate in line with "good practice" risk management. The requirements for QRA should be considered as a minimum for major projects and programmes of work and the NDA would expect the SLC’s to use the QRA process during the sanctioning process, reviews of the business case and at key decision points over the project/programme lifecycle.

The results of QSRA following management challenge and understanding; should be considered with a view to maintaining a realistic schedule. Each SLC should have procedures in place to show the results of this analysis and how they have been reflected in the current forecast dates being provided to the
NDA. The percent probability of achieving the submitted dates should be available at the time of the reviews.

The QRA should be updated for each appropriate project or programme where required due to significant changes or if requested by the NDA. The use of QRA does not give authority for rebaseline.

11.10 Schedule Management Information

SLC’s are to have available on request electronic Primavera XER files at a site level. These XER files are to reflect the current status of the Lifetime Plan Performance Baseline schedules and if appropriate Contract Baselines, and are to be consistent with the EDS data supplied to the NDA. These XER files are to be compatible with the NDA Primavera Planning system.

The SLC should have available on request to a level and in a format that can be uploaded to the NDA system a data file for review. The NDA expect the SLC’s to have complied with their internal procedures with reference to schedule integrity prior to release of all requested files.
## Activity Codes Definition

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These codes are to be used to drive the production of the Rolling Sanction Schedule (RSS) as set out in PCP17.

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35 Groundwater Remediation
36 Contaminated Land Remediation
37 Site Close-Out
40 HLW Operations
41 ILW Operations
42 Nuclear Materials Operations
43 LLW Operations
44 VLLW Operations
45 Hazardous Operations
46 Non-Hazardous Operations
47 POCO/Deactivation
50 Research & Technology
51 Site Services
52 Ops & Project Support
60 Functional Support
61 Corporate Support
70 Regulatory Support
71 PA/PR Activities
80 Base
81 Performance
90 Production (Operations)
91 Non Operational (External)
92 Non Operational (NDA)

**Code Type** | **Global Activity Code**
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**Char. Length** | 5
**Code Name** | NDA-PSWBS07-OPERATINGUNIT

The PSWBS level 7 code string is not defined from the NDA. However in order to avoid duplications in a national coding mapping, it is suggested for the SLC’s to use the site number as a part of the code string (first 2 characters).

**Code Type** | **Global Activity Code**
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**Char. Length** | 5
**Code Name** | NDA-PSWBS08-FACILITY/SUBUNIT

The PSWBS level 8 code string is not defined from the NDA. However in order to avoid duplications in a national coding mapping, it is suggested for the SLC’s to use the site number as a part of the code string (first 2 characters).

**Code Type** | **Global Activity Code**
--- | ---
**Char. Length** | 2
**Code Name** | NDA-PSWBS09-FUNCTION

**Code Value** | **Code Value Description**
--- | ---
10 | Feasibility Study
11 | Design
12 | Construction
13 | Commissioning
20 | Transport
21 | Operations
22 | Maintenance
23 | Plant Enhancement
30 | Assessment
31 | Implementation
40 | Treatment Operations
41 | Storage Operations
<table>
<thead>
<tr>
<th>Section</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>42</td>
<td>Maintenance</td>
</tr>
<tr>
<td>43</td>
<td>Plant Enhancement</td>
</tr>
<tr>
<td>44</td>
<td>Transport</td>
</tr>
<tr>
<td>45</td>
<td>On-Site Disposal</td>
</tr>
<tr>
<td>46</td>
<td>Off-Site Disposal</td>
</tr>
</tbody>
</table>
Appendix A2 - Global Calendars

Each global and project calendar must have an SLC identifier in front of the description. The SLC identifier must be common for all sites that are being managed from each SLC. This is to avoid overwriting different SLC Calendars when the NDA imports the XER files into the national database.

Below are the identifiers for each SLC (6 characters long):

SELLA- : Sellafield Ltd
MGXLT- : Magnox Ltd
DSRLT- : Dounreay Site Restoration Ltd
RSRLT- : Research Sites Restoration Ltd
LLWRL- : Low Level Waste Repository Site License Company Ltd
SFLTD- : Springfields Fuels Ltd
CULHM- : Culham Site
CAPHT- : Capenhurst Site
13.1 Introduction/Purpose/Requirements

The SLCs need to establish a performance reporting and review process that is supported by the necessary procedures and tools. This process is to provide a standard set of performance reports with information necessary for the users to understand the status of the work, causes of the deviations from the plan and the proposed changes to address the deviations. The NDA may require visibility of all or part of these reports on a regular basis and may audit these working level reports and may issue a requirements document for these reports.

In order to ensure consistency in performance reporting, the NDA expects the working level reports to be based on the site Contractor Work Breakdown Structure (CWBS) and to be summarised to the NDA Programme Summary Work Breakdown Structure (PSWBS). The CWBS is to reference the PSWBS at Level 9 to allow a rollup of the tasks to either of the WBS structures. The performance monitoring information shall align to the Charge Codes and associated CWBS and PSWBS. This should be consistent with the site cost estimating, charging practices and scheduling procedures.

As a minimum, a Lifetime Plan Performance Baseline (current information) is required and where applicable a Contract Baseline (budgeted cost that fee is measured against).

Performance on the Life Time Performance baseline is reported from an agreed date and is measured and reported on a cumulative basis. The Lifetime Plan Performance baseline is only reset upon instruction from the NDA. Performance on the Contract Baseline is reported from the start of the agreed contract term and is measured and reported on a cumulative basis. The Contract Baseline will expire at the end of the contract term and is reset on contract award/renewal or extension.

Earned value reporting shall be carried out at P50 level.

Performance review meetings should be held commensurate with management needs. The NDA expects performance review meetings to be held periodically in agreement with the NDA and they should include the senior SLC management.

13.2 Deliverables

13.2.1 Period End Plus 6 working days Deliverables

<table>
<thead>
<tr>
<th>Report Name</th>
<th>Template provided Y/N</th>
<th>Frequency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Flash report</td>
<td>Y</td>
<td>Monthly</td>
</tr>
<tr>
<td>Safety, Security, Safeguards, Environment and Health metrics</td>
<td>Y</td>
<td>Annually</td>
</tr>
<tr>
<td>EDS Cost and Resource Data Report: supplied for each site at PSWBS Level 6 (Type), sub totaled at Level 5 (Category) and totaled at Level 4 (Site). Submitted in excel format.</td>
<td>Y</td>
<td>Monthly</td>
</tr>
</tbody>
</table>
### 13.2.2 Period End plus 8 Working Days Deliverables

<table>
<thead>
<tr>
<th>Report Name</th>
<th>Template provided Y/N</th>
<th>Frequency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Priority Programme Reports:</td>
<td>Y</td>
<td>As agreed</td>
</tr>
<tr>
<td>(Programmes will be identified by the NDA)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Major Projects Reports:</td>
<td>Y</td>
<td>As agreed</td>
</tr>
<tr>
<td>(Projects will be identified by the NDA)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### 13.2.3 Period End plus 12 Working Days Deliverables

These are produced after the SLC has carried out their assurance activities on their performance data and requirements will be advised by the NDA SLC facing Teams over and above the reports listed below.

<table>
<thead>
<tr>
<th>Report Name</th>
<th>Template provided Y/N</th>
<th>Frequency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Quarterly Performance Reviews Report</td>
<td>Y</td>
<td>Quarterly</td>
</tr>
<tr>
<td>Procurement and Sub contract reports</td>
<td>Y</td>
<td>Monthly</td>
</tr>
<tr>
<td>Critical Asset Reporting</td>
<td>Y</td>
<td>Quarterly</td>
</tr>
<tr>
<td>Amendments to day 6 Flash Report</td>
<td>N</td>
<td>Monthly</td>
</tr>
<tr>
<td>Mission Progress reporting</td>
<td>Y</td>
<td>NDA to confirm frequency</td>
</tr>
</tbody>
</table>

### 13.3 Other Reports

The SLC and the NDA may need other performance reports to satisfy special conditions. These will be defined and agreed as needed.

### 13.4 Submissions to the NDA

The deliverables specified within the document are to be received electronically by the NDA (either to an NDA agreed e-room or to performance.reporting@nda.gov.uk). The electronic submission is to be in Word, Excel or Adobe Acrobat Reader. Paper submission of the deliverables is not required. Where the NDA require the deliverable to be in a specific electronic format this will be advised.

Exact submission dates are as per the annual timetable issued by the NDA.
17.1 Introduction and Purpose

The NDA shall consider and review Work Activities across its estate. The term Work Activity is intended to cover any task carried out by an organisation (SLC and subsidiaries), in-house or procured, which is described in an NDA approved plan (i.e. for SLC’s the approved Lifetime Plan (LTP), for other organisations an approved Business Plan) or is identified as an Investment Opportunity for which authorisation to pursue this opportunity is to be agreed with the NDA.

The following are recognised Work Activities:

- Contracted programmes, projects and procurements
- Goods and Services (e.g. Standalone and Collaborative procurements)
- Customer contracts and Inter estate revenue transactions (e.g. transactions within the estate)
- IT Expenditure (projects and procurements)
- Asset disposal proposals
- Investment opportunities

The NDA sanction process will scrutinise proposals to spend money or commit resources (including sale of assets) and will ensure that:

- Work Activities are justified and aligned with NDA strategy
- The NDA estate is doing the right projects/procurements/programmes
- Work activities are executed in the right way
- The proposed solution(s) are technically mature and will deliver the stated benefits
- The proposed solution(s) are affordable and represent Value for Money to the UK tax payer in terms of being the best known solution available taking into account all known risks
- A variety of options (long-list and short-list) have been adequately considered and risks properly assessed
- Good practice and lessons learned have been utilised and shared to drive continuous improvement in performance
- Uncertainty and risks are visible and are being effectively managed
- Adequate consultation has taken place
- Adequate management of risks and of the activity as a whole are in place

Any activity considered to be Novel, Contentious or Repercussive (NCR) must be presented to the NDA for approval, irrespective of value and financial delegated authority.

Additional clarification on the NCR definitions is shown in section 17.3.3.

17.2 Key Principles of NDA Approach to Sanction

The key principles of the Sanction process are:

- A Work Activity must have a Sponsor (see section 17.3.1) and be taken through the appropriate governance process is line with this procedure and the NDA’s Scheme of Delegated Authority (see section 17.3.2).
- Each work activity presented for sanction must be endorsed by the Sponsor and relevant Governance panel – the Sponsor being the individual within the organisation who has the capacity to exercise judgement and authority to deliver the benefits of the sanction request
- Sanction submissions must be open, honest and transparent. Uncertainty and all significant known risks to threaten or accelerate delivery must be identified in the submission along with the mitigation
action and clear ownership. Should NDA wish to review or audit underpinning data then this must be available upon request

- Programmes must be supported by a benefits profile and realisation plan that demonstrates how the capabilities will be delivered to realise the benefits
- Business Cases must be prepared and presented to clearly articulate the outcomes and benefits to the NDA and demonstrate value for money to the UK taxpayer. The Sponsor has responsibility to ensure an NDA estate wide perspective is taken through consideration and identification and management of potential benefits, uncertainty, impacts, dependencies and interfaces
- Programme Level Business Cases must be supported by clearly defined Programme Performance Requirements that provide a programme level specification for Work Activities (including interfaces and dependencies) required to deliver the programme benefits
- Project scope must be aligned with an SLC approved and controlled functional specification that delivers the requirement of the Programme Performance Requirements
- Sanction submissions must be delivered in a timely manner and align with planned submission dates on the Rolling Sanction Schedule (RSS). Justification should be provided by the relevant Sanction Team for any movement from the RSS.
- Reliance on each organisation’s assurance and governance through the generation of Integrated Assurance and Approvals Plans (IAAPs) (section 17.6) to improve planning, visibility and delivery of timely assurance and governance. Compliance with processes and procedures, any other criteria required under an M&O contract/Service level Agreement (or similar) and NDA processes and procedures is mandatory
- The Sponsor must be able to demonstrate robust options appraisal and selection, that the activity is affordable and justify why it will deliver Value for Money to the UK tax payer
- Where work activities are deemed to be NCR, the Sponsor must seek early NDA Sanction process owner advice and guidance
- The Sponsor has responsibility for the identification of Learning from Experience (LFE) and must demonstrate implementation of relevant learning in each sanction request
- NDA as a Client Organisation will engender increased trust in the Sponsor upon demonstrable performance
- NDA approve scope delivery against quality, cost and schedule tolerances, expecting robust risk and uncertainty management commensurate with the maturity of the scope. Should any of these aspects change then the Sponsor (through the NDA representative) must seek NDA Sanction process owner advice and guidance
- NDA requires full visibility of the Base estimate along with the rationale for estimating uncertainty and contingency in support of cost and schedule ranges to deliver Work Activities. NDA approves SLC project scope against a P50/P80 cost (including inflation) and P50/P80 schedule and require the SLC to clearly articulate the confidence levels in any submission.

If the Key Principles are not adhered to, the NDA reserves the right to decline the sanction request.

If further clarification is required on any aspect of this PCP, the Sponsor must consult and seek direction from the NDA Sanction process owner.

17.3 Robust Process and Governance

Each organisation must apply robust processes and governance to all activities that require sanction approval irrespective of delegation of authority limits.
17.3.1 Selection of a Sponsor

Each organisation must select a Sponsor for each Work Activity that requires NDA approval. The Sponsor must be an individual who has the capacity to exercise judgement and the delegated authority to deliver the benefits of the sanction request. It is the NDA’s expectation that the Sponsor for the majority of the NDA estate will be one of the respective organisation’s Directors. It is the responsibility of the Sponsor to consult widely prior to personally seeking sanction approval.

For Programmes that support the NDA estate, a Sponsor is to be appointed by each of the contributing organisations, with a single Delivery Programme Manager to be agreed to represent the interests of all the organisations in the spirit of collaborative working, noting that the Sponsors retain their accountability. For new National Programmes, a lead SLC is to be proposed to coordinate and integrate the programme.

17.3.2 Delegation of Authority

All costs associated with a work activity must be considered by the Sponsor against the limits specified in the Scheme of Delegated Authority. Different work activities will have different delegations, such as IT projects or collaborative procurements through the Shared Services Alliance (SSA). Delegated authority is set against the inflated P80 lifetime costs (normally defined to completion of inactive commissioning for projects).

Each organisation must only approve work activities that are within their delegated authority and where the full project lifetime scope is included in an NDA approved plan. If the lifetime scope is not included in an NDA approved plan then NDA approval must be sought regardless of lifetime cost.

The NDA and its subsidiaries are subject to Cabinet Office Controls in addition to the Scheme of Delegated Authority. SLCs are currently exempt from Cabinet Office Controls.

Further information is available in the Scheme of Delegated Authority.

17.3.3 Novel, Contentious and Repercussive (NCR) Sanction Requests

Novel, Contentious & Repercussive (NCR) definitions and guidance are defined in the NDA’s Framework Document as:

Novel or Repercussive
- Work activity which the NDA has not been involved with before
- Is wholly new
- Is inconsistent with NDA aims and objectives
- Has significant impact on individuals, local communities and the environment
- Has potential for significant media interest
- Is a variant in some way of a Work Activity which NDA has been involved with e.g. funding or payment mechanism proposed may be significantly different to that which is normally employed or NDA could pay cost that it would not normally expect to pay
- Work Activity involving an issue which is not adequately covered by Government Accounting or other relevant guidance which is not covered by delegated authorities

Contentious
A degree of novelty but focus will be:
• Whether it is a proposal / Work Activity which the NDA ought legitimately to be doing and whether support of the proposal either by direct funding or in some other way could be justified from a regulatory, propriety and value for money standpoint
• Whether the mechanisms put in place to achieve the necessary outcomes are in conflict with existing rules / guidelines
• Where the expenditure is difficult to forecast or cap
• Where there is a high degree of financial risk, for whatever reason
• Where there might be contention of a policy nature for the Government as a whole.

High Risk
Has a high level of business risk for NDA, for example:
• High level of innovation
• Is, or is likely to be, politically sensitive
• Is, or is likely to be, stakeholder sensitive
• Regulator sensitive
• Has a poorly defined and/or inflexible implementation strategy
• Is high risk and/or high hazard and/or requires a high amount of certain resources.

Matters that may affect:
• NDA Strategy
• Programmes or work set out in the agreed NDA Annual Plan
• Commercial operations that impact NDA revenue
• Movement of radioactive waste both nationally and internationally
• Storage of radioactive waste nationally
• The purchase of land at a higher price than its value; or disposal of land at less that open market value as part of a development agreement
• Work Activities requiring the use of innovative or untried technology
• Work Activity that could lead to public enquiry

The NDA will confirm whether a submission is considered NCR upon receipt on the Integrated Assurance and Approvals Plan (IAAP) and following engagement with the organisation.

17.3.4 Gated Process

The NDA Sanction process will, in general, apply a multiple Gate approval approach: Strategic Outline Business Case (SOBC), Outline Business Case (OBC), Full Business Case (FBC) and Post Investment Appraisal (PIA). NDA retain the right for intervention at all stages of the work activity lifetime if the risk profile of a particular Work Activity necessitates, and therefore may mandate more Gates in some circumstances.

The NDA's Programme and Project Lifecycle (the “Gated Process”) shows the gates through which a Programme or Project should pass during its lifetime:
Each organisation must apply a robust Gated Process to all Work Activities. The extent of application and therefore number of Gates will depend on the risk, value and complexity of the work activity. Each organisation must ensure that the Gated Process is applied robustly yet appropriately and that inappropriate risk is not carried across stages and/or Stage Gates. For all high risk, high value work activities (i.e. those that require NDA approval under the Scheme of Delegated Authority) the SLC must ensure independent Gate reviewers endorse the Stage Gate review status, maturity and risk.

A summary of the Stage Gate review output, endorsed by the independent Gate reviewer and including output from any specific supporting reviews, must be considered in the governance process and should be updated and provided to the NDA. For clarity, the Sponsor remains the decision maker and maintains the accountability for ensuring sound judgement is applied. Whilst it is recognised that other organisations within the NDA Estate do not apply a formal Gated Process, the principles of a staged approach to reduce risk still apply.

Organisations may need to apply their Gated Process differently to meet this requirement.

NDA expects the organisations across the Estate to work together to prepare IAAPs for Programmes that support the wider estate.

17.3.5 Technical and Project Maturity

Projects must be on target to deliver the capability and outputs required by the specified Programme Requirements during all phases of their lifetime. A project functional specification must therefore be derived from the Programme Requirements. For all projects, the Sponsor must be able to demonstrate to NDA that technical and overall project maturity is appropriate for the current Stage in the Gated Process (including Studies). In accordance with the requirements of EGG10, each organisation must identify technologies that are critical to delivery of a system’s function - the Critical Technology Elements (CTE). The maturity of the technology with regard to the systems desired function must be assessed with an underpinned Technology Readiness Level (TRL) assigned. TRL and CTEs should ideally be considered at a programme (system) level and maturity considered as part of economic and commercial appraisal of options.

Any TRLs or other project functional immaturity must be highlighted at each Stage Gate review with deliverable mitigation plans approved to address the shortfall. The organisation should address any shortfalls before proceeding through the Gate. Where delegated authority exceeds that of the organisation any such shortfalls must be made clearly visible and for all projects with a high degree of technical risk, the NDA expect that TRL is independently assessed and that independence is external to the organisation for the highest risk projects in the estate (i.e. typically those that require sanction/approval via the NDA Sanction Committee).
For the most complex projects where different scope elements do not align well with the Gated Process, an appropriate gating strategy for the scope elements must be developed and captured in the IAAP.

17.3.6 Business Case

Each SLC and non-SLC organisation must ensure that a robust Business Case can be demonstrated for all Work Activities requiring sanction approval and at each Gate review. Where the Work Activity cost exceeds the delegated authority of the organisation, the Business Case must satisfy the intent of HM Treasury’s five case model and the investment appraisal requirements contained with HM Treasury’s Green Book.

The Business Case detail and focus should be appropriate for the status, magnitude, complexity and risk of the Work Activity, as well as the audience of the Business Case e.g. HMG may ask for additional information which was not required for the Sanction Committee.

NDA has prepared guidance in line with HM Treasury’s Green Book (refer to NDA’s “Preparing Business Cases” – previously EGG08). This guidance requires due consideration to be given to the Value Framework during options appraisal and evaluation, which should be visible within the Business Case.

17.3.7 Rolling Sanctioning Schedule (RSS)

The RSS provides data on the key milestones for Work Activities requiring NDA approval (i.e. those that exceed the delegated authority or are deemed potentially NCR). The RSS therefore includes Programmes (including cross-estate Programmes), Projects (including associated acquisition strategies), Standalone and Collaborative Procurements (including Frameworks), Customer Contracts, Asset Disposals, Transactions within the NDA estate, IT Programmes, projects and procurements. The RSS should be informed by the governance activities identified within the IAAPS that require NDA endorsement.

The RSS must be maintained as a live document by each organisation. One integrated, up to date and accurate RSS must be submitted to the NDA (including the NDA Sanction process owner) monthly at the same time as per the PCP13 reporting calendar. The RSS should cover at least a rolling twelve month forecast period. Every effort must be made to maintain meet the dates included in the RSS.

The Sponsor is responsible for data provision and accuracy on Work Activities for which they are accountable.

17.3.8 Sanction Submissions

Sanction submissions from SLC’s shall only be considered by NDA if the Work Activity scope is included in a NDA approved LTP/Operating Plan, or is identified as an Investment Opportunity, and that the organisation’s internal approvals process has been completed. Alignment of the baseline and sanction must be maintained.

For other organisations the work activity must be included in an NDA approved Business Plan. Inclusion of the scope in the approved plan confirms the Work Activity is required to deliver the NDA Strategy, and is affordable within the current funding guidance/budget. New activities outside an approved plan must seek approval from the NDA (and potentially HMG) before the activity can commence.

All submissions should be presented in line with the NDA’s guidance on preparing business cases (EGG-08) and in accordance with HM Treasury Green Book.
The Sponsor is solely accountable for the content and quality of the submission and the underpinning in support of the submission. Thereafter the Sponsor will be held accountable for successful delivery of the approved Work Activity. All Sanction submissions that exceed the organisations delegated authority must be submitted to the relevant NDA representative and NDA Sanction process owner.

The Outline Business Case (OBC) and Full Business Case (FBC) are mandatory requirements, hence all approvals will be confirmed in writing from the NDA; if sanction is not granted the relevant organisation will be instructed to suspend or terminate the Work Activity. For the purpose of sanction planning, each organisation should plan to meet with NDA Sanction Committee and Board submission dates.

Provision should be made in Programme and Project schedules for the appropriate governance to take place. Guidance on appropriate timescales for approval should be discussed with the NDA Sanction process owner at the point of IAAP development.

17.3.9  NDA Sanction Governance

Prior to consideration by the Sanction Committee, the Sponsor must obtain endorsement from the NDA Executive Sponsor. This endorsement may be sought on behalf of the Sponsor by the NDA representative where NDA are appropriately supportive of a sanction request. If within their delegated authority, the Executive Sponsor can approve the submission.

The Sanction Committee will meet once per month and the NDA Board meeting every other month, dates for which are set in advance covering at least a 12-month rolling period and communicated across the NDA estate. It is the responsibility of the Sponsor to plan submissions to coincide with the Sanction Committee/NDA Board dates. All final Sanction submissions must be submitted to the NDA Sanction process owner. Draft versions should be shared with the relevant NDA Programme Manager, Contract Manager and Sanction Team to enable early NDA assurance.

17.4  Sanction Process Requirements

17.4.1  Programme Submissions

Those programmes which have been identified and agreed as a Work Activity with a value above that specified in the Scheme of Delegated Authority must be supported by a Programme Business Case which is brought to the NDA (either Executive Sponsor or Sanction Committee depending on value) for approval.

Programme Business Cases are required for all programmes and must be supported by Programme Requirements that provide a programme level specification for Work Activities required to deliver the programme benefits. The Programme Requirements set the expectations and tolerances within which the programme will be required to deliver from a financial, technical and resource perspective as well as the timescales for delivery of specific benefits and the rate at which the benefits will be realised. They form a hierarchical set of requirements that define what is expected to be delivered and form the triggers for management action should there be a risk that they will be breached. Programme Requirements need to recognise uncertainty in the programme and the scope and action required to reduce uncertainty in a timely manner.

For Programmes across the NDA estate, a Programme Business Case should include a description of the cross party management arrangements, controls and commercial arrangements, and requires endorsement by all contributing organisations through their internal Governance processes prior to submission to the NDA. It is the responsibility of the lead organisation to present the Programme Business Case for approval, with the support of other’s where appropriate to demonstrate collaborative
working. Milestones and targets should be aligned across the Programme to monitor SLC delivery and to inform SLC incentivisation arrangements. The Programme Business Case needs to differentiate the total benefits to the NDA as well those in each organisation in terms of scope, schedule and costs, including impact on Lifetime costs and the Nuclear Provision.

Note that a cross-estate Programme Business Case should be developed to meet with the requirements of NDA Strategy Gate C and SOBC approval to avoid duplication in governance.

NDA approval decisions may differ depending on the complexity and maturity of the programme and NDA will clearly articulate which aspects of the programme it endorses whilst identifying areas for improvement.

Where a Programme is already in delivery and has been previously approved by the NDA, the Programme context and demonstration of alignment must be presented with all related work activity submissions. All new Programmes that exceed the Sponsor delegated authority must be submitted to NDA for approval.

Programmes must be supported by a Programme Benefits Profile and Realisation Plan (guidance is available through the OGC guide ‘Managing Successful Programmes’). Each SLC must determine how it constructs and presents its Benefits Profile and Realisation Plans, ensuring sufficient clarity and underpinning. For National Programmes they must capture any cross estate activities (for all relevant organisations). As Programmes of work evolve or key decisions are made, they must have their benefits re-appraised against the initial plan. Any change to the benefits or breach of tolerances will require the Programme Business Case to be updated. Where the Sponsor determines that this is a material change in the Programme scope and benefits it should be re-submitted to the NDA. Otherwise it should only be re-submitted for approval as part of a subsequent supporting Work Activity sanction request. All Work Activity sanction submissions must be supported by confirmation of Programme context and tolerance alignment. NDA retain the right to call all Programmes in for further review at any time.

General requirements for a Programme submission are provided in NDA’s latest guidance on business cases.

For the avoidance of doubt a Programme is expected to be a scope of work that delivers benefits within an NDA approved plan. If in doubt about the Programme construct, consult with the relevant NDA Programme Manager or Sanction process owner.

17.4.2 Project Submissions

For each Project there are four mandatory NDA gates or “decision points”. There may be a requirement to provide a Strategic Outline Business Case (SOBC) to the NDA, ahead of the Outline Business Case, to provide an overview of the strategic direction and the options being considered (see Section 17.4.2.1) NDA endorsement of an IAAP (either at programme or project level) will enable NDA to flex these mandatory gates to align with appropriate approvals points proposed.

17.4.2.1 Strategic Outline Business Case

A Strategic Outline Business Case (SOBC) will be required for projects and procurements with a lifetime cost of £50m or greater, and will provide an overview of the strategic direction, the Case for Change and the long list of options being considered. It is expected that the focus of the business case will be the Strategic and Economic Cases, with high level information available in the Commercial, Financial and Management Cases.
SOBC’s should be presented ahead of the Outline Business Case, and will require NDA Sanction Committee and NDA Board approval.

IT Projects and Procurements will not require a separate SOBC if they are included within the NDA-approved annual IT Programme.

17.4.2.2 Outline Business Case

The Outline Business Case (OBC) is necessary to assure NDA that the project is robust and that appropriate optioneering has taken place. Once the Work Activity is included in an NDA approved plan, this is the NDA’s opportunity to challenge the Sponsor as to whether the Project is being progressed on a value for money basis or, in the extreme case, to reject and remove the Project from the approved plan. The OBC is the preferred point at which the NDA will seek approval from HMG for the full project scope, cost and schedule, for those projects and procurements with a lifetime cost outside of NDA delegations.

The primary focus of the submission is therefore the validity and viability of the OBC and alignment with the Programme Requirements to deliver its intended benefits. It is also sufficiently early to provide an opportunity for NDA to influence a Project’s direction before the organisations commitment of significant expenditure.

All options considered should be included and assessed using the Value Framework (see NDA’s “Value Framework” document), with a Net Present Value (NPV) calculation against each option. Where a NPV is not possible, this should be discussed with the NDA. For advice on NPV calculations, please refer to the HM Treasury Green Book.

The requirement for approval must follow the relevant organisations internal validation and approval of the Project’s Business Case. Projects, with a lifetime cost that exceeds the SLC financial delegated authority limit must be brought to NDA for approval. The OBC best aligns with the gate following the definition of the functional requirements of a project. Projects (including Studies) that will exceed the SLC financial delegated authority must be brought to NDA for approval before £5m of the project costs are spent or committed.

For all Projects with an element of procurement, NDA expect (as a minimum) compliance with EU Procurement Rules and OGC Good Practice, and the Sponsor must demonstrate this or conversely provide a suitably robust justification to demonstrate value for money. Governance required around development of the Acquisition Strategy must be considered in the project IAAP and should be included in the Business Case. The Acquisition Strategy should be formally presented to the NDA as part of the OBC, and flow down from the organisations’ overarching Procurement Strategy.

The Project OBC submission must include reference to any Programme Requirements, all critical decisions (with timescales) and interfaces that may impact the project.

17.4.2.3 Full Business Case

Following the OBC, a Full Business Case (FBC) must be submitted to NDA for approval following organisational governance and prior to Implementation, Execution or Contract Award. The FBC must be approved before any main execution contract is placed with the supply chain or significant resources are committed under a ‘make’ decision. This includes early commitment with suppliers intended or likely to be awarded the main execution contract (e.g. multi-phase Design & Build or EPC contracts). For all projects that exceed an organisations delegated authority, approval will be required from either the NDA or HMG. Specific requirements for IT Programmes and Projects are stated in Section 17.4.6.
An approved FBC permits an organisation to execute agreed scope in the baseline plan within cost and schedule tolerances. Approval is therefore only applicable to the scope and agreed deliverables covered in the sanction submission. Sanction ‘headroom’ created from executing scope effectively and efficiently does not enable the organisation to deliver additional (e.g. accelerated) scope within the approval unless permission is granted from the NDA.

17.4.2.4 Project Acquisition Strategy

For all projects with ‘buy’ elements which exceed the OJEU thresholds, the Sponsor must be able to justify and communicate the acquisition strategy and specifically the following areas:

- Summary of the make vs. buy decision for the project
- Detail and justification for the proposed split of the work packages
- Project procurement key dates: Sub-Contract strategy availability/ITT issue/Contract placement
- Proposal for competition and market engagement plans

The Project Acquisition Strategy must align with the organisation’s overarching Procurement Strategy. Procurements that are potentially NCR potentially Security or Strategy Critical must be discussed with NDA (Contract Manager) in order to determine appropriate governance. The Acquisition Strategy will be approved with tolerances agreed on the basis of an estimated contract value, as per the project cost estimate. The Sponsor must conduct the procurement process as per the agreed strategy and in line with any internal governance and procurement procedures. If the tolerances are exceeded or the strategy is revised, the updated Outline Business Case must be submitted to NDA for re-approval.

Strategies for any sub-contracts within the Project not requiring specific NDA approval will be produced in line with each organisation’s internal procedures and should be included in the IAAP. NDA reserve the right to review these strategies. The Sponsor must ensure that sub-contracts are fully compliant with Public Procurement rules and OGC Good Practice unless robust justification is provided on how Value for Money will be delivered.

Acquisition strategies for projects should be covered in the Commercial section of the Business Case. Standalone procurements should also be presented to the NDA in the form of a business case for approval. Acquisition strategies and underpinning information must be available to the NDA to review and/or assure in support of any sanction submissions.

17.4.2.5 Cost Basis for Sanctioning

Unless there are exceptional circumstances, sanction will include base data in constant money values with P50 and P80 for both cost and schedule. Provisions for inflation should be made explicit and in accordance with guidelines contained in PCP-09 and PCP-11 or as per funding guidance. Sanction tolerances will be set against the Performance Baseline (or equivalent). In order to determine these limits (where appropriate), opportunities to accelerate work must be visible and transparent whether they are included in the Performance Baseline or not. Work activities that fall within the organisation’s delegated authority limit must only be approved against the Performance Baseline.

For other organisations only activities within the NDA approved plan can be sanctioned irrespective of where delegation of authority lies.

Sanction submissions must align scope, cost and schedule against an NDA approved plan (for SLC’s the Performance Baseline). For the sanction cost estimate and schedule the following shall be incorporated:

- Base estimate – The estimate for the work activity in constant money values
• Estimating uncertainty and Discrete Risks – the risks shall be modelled at P50 and P80
• Inflation – This shall be in accordance with guidelines contained in PCP 09 or as per funding guidance

Clarity must be provided on Programme and Project held contingency. For Programme level risks, contingency provision must be supported by a key decision calendar against the discrete risks. The Sponsor must demonstrate to NDA that risk management is undertaken at a level of authority where risks can be mitigated.

Where similar or comparable project scope to that seeking sanction has been delivered previously, suitable benchmarks will be used to underpin and/or justify project costs and schedule durations. These can be on an absolute basis (e.g. cost/duration of comparable ILW stores) or a unit cost basis (e.g. cost per unit reinforced concrete, duration of design stage).

In line with PCP-09 it is recognised that estimates are prepared at a moment in time and reflect that stage of scope development.

Sanction submissions should therefore clarify the maturity of the programme or project cost range at that time with reference to key information within the Basis of Estimate, which includes key areas of uncertainty and estimating methodology, estimate classification and expected estimate level of accuracy.

Note the review and update of estimates does not give automatic right to change control or re-sanction, this would be considered on a case by case basis and would be subject to a revised business case.

17.4.2.6 Re-Sanction of Work Activities

In the first instance, it is the responsibility of the Sponsor, with knowledge of the Work Activity, to identify where delivery has or is forecast to exceed the agreed tolerances approved (performance requirements, cost, schedule and strategic) at the time of the OBC or FBC approval, or set within the Programme Requirements. Tolerances are specified at the point of sanction, the following re-sanction thresholds apply:

1. scope deviates from that described in the sanction submission and supporting documentation
2. where there is a reasonable expectation that the released sanction for all activities within the phase of the Sanction will be exceeded;
3. where there is a reasonable expectation that the approved schedule for the sanctioned phase of the Work Activity will not be met;
4. where there is a proposed material change to the Work Activity that was sanctioned (e.g. different or novel technical solution, different output or outcome or different commercial or delivery strategy)
5. where there is proposed to be a change to the NDA approved Sub-Contract strategy
6. where there is change in an interdependency between Projects within a Programme which impacts upon both individual Projects and the Programme itself, or any cross-estate Programmes.

Each organisation must have a similar set of re-sanction rules that apply to all work activities within their delegation of authority limits. For activities above the delegated authority where a potential need for re-sanction is identified (i.e. when the forecast performance first indicates a tolerance will be breached), the Sponsor must raise the issue with the NDA representative who will consult with the NDA Sanction process owner to determine whether re-sanction is necessary at that time.

Where a submission to NDA is required to be re-sanctioned, clarity and transparency is required on any variance and /or change controls applied against either the NDA approved plan or the sanction tolerances. Justification for re-sanction is however not justification for approving a change control as
most deviations against the approved plan are expected to be managed as variance (see PCP-05 for further detail on ‘triggers’).

Alignment of the baseline and sanction must be maintained. As part of sanction or re-sanction of work activities, the underpinning information to the Business Case and any associated change proposal should be the same and should be presented together, to enable integrated assurance. The NDA’s approval and assurance process will look to assess both at the same time to improve efficiency.

Particular attention shall be paid to any schedule slippage of critical path projects within an overarching programme of works. The Sponsor must understand and demonstrate the criticality, strategic importance and interdependency of the Project within the context of the Programme Performance Requirements, other related Programmes and the Site level programme, such that any deviation from the planned delivery strategy triggers the need to consider re-sanction. In particular any aspect of delivery that may have compromised the Business Case or the strategic intent must be identified, examined and evaluated against the need to re-sanction the Project and indeed other projects forming part of a common programme.

In the event that there is a claim or compensation event arising from a sub-contract arrangement with the supply chain, the Sponsor must ensure that any agreement of this claim or compensation event does not compromise the sanctioned value. Where the claim or compensation event is aligned to risk items identified at sanction for which contingency provision is included, this drawdown of contingency should be highlighted in the Monthly Performance Report and any relevant Major Project Reports (refer to PCP13) from the SLC.

The business case for a re-sanction must capture historical sanction information for full audit traceability and consideration against baseline performance. In particular NDA expects scope reconciliation to be visible (i.e. confirmation on whether the scope previously sanctioned has been delivered against the cost and schedule tolerances).

Re-sanction is likely to cause consideration of consequences by the Executive Sponsor or Sanction Committee. The nature of the consequence is likely to depend on the impact of the re-sanction; performance of the Sponsor; action taken to address performance issues; and the cause of any issues that have resulted in tolerances being breached.

17.4.2.7 Post Investment Appraisal (PIA)

This final NDA gate aims to ensure that each organisation is capturing and disseminating lessons learned for all Projects and Procurements at appropriate times in their lifetime. The PIA should be appropriate for the complexity and value of the activity and should reflect the magnitude of learning from delivering the activity. For all Work Activities that required NDA approval, the PIA must be submitted by the Sponsor to the NDA representative in the first instance. The NDA Sanction process owner will advise which PIAs should be escalated to the Executive Sponsor or Sanction Committee. The NDA Executive Sponsor or Sanction Committee Chair (depending on delegations) will consider the PIA and selectively invite those where business benefits have not been realised, tolerances have not been adhered to or lessons can be learned across the estate to present their PIA submission to NDA.

The PIA should include:

- an investment appraisal of delivered outputs against the tolerances in the original approved business case;
- a review of the benefits delivered to date and the progress of the Benefits Realisation Plan; and
- the lessons learned during the Work Activity, and an action plan which identifies how the learning will be shared.
The NDA consider it good practice to undertake a PIA exercise at each gate to ensure the relevant learning is captured and incorporated into future Work Activities. Learning should be applied robustly and routinely to inform projects commencing through early phases of design and acquisition strategies.

### 17.4.3 Goods and Services, including Standalone and Collaborative Procurements

#### 17.4.3.1 Standalone Procurements (inc. Frameworks)

Standalone Procurements (including Frameworks) requiring NDA approval will be those non-project procurements over the organisation’s delegated authority threshold as set out in the Scheme of Delegated Authority. All standalone procurements must align with the organisation's overarching Procurement Strategy.

The Scheme of Delegated Authority applies to both the cost and duration of a procurement, and the level of approval required will depend upon the committed scope/cost:

- Procurement with committed scope/cost – delegated authority will apply to both the cost and duration of the procurement (typically a contract), and may require either NDA Sanction Committee, NDA Board and/or HMG approval;
- Procurement with zero committed scope/cost and where the drawdown of services will be subject to a separate business case – delegated authority will apply to the duration of the procurement (typically a framework) and is likely to require approval from NDA Sanction Committee.

There will be exceptions to these rules, such as procurements which are deemed NCR. Organisations should consult the NDA Sanction process owner as early as possible to confirm requirements.

Standalone Procurements which require NDA approval must be presented as a business case, using the five case model. Acquisition Strategies should be presented as an Outline Business Case, and Contract Award should be presented as a Full Business Case (see section 17.4.2.4).

#### 17.4.3.2 Collaborative Procurements

Any proposed Collaborative Procurements must be part of the overarching Programme managed and approved by the Shared Service Alliance (SSA) and be delivered in accordance with ‘The SSA Governance arrangements for cross estate collaborative procurements’. The Sponsor for any Collaborative Procurement will usually be from the lead organisation acting on behalf of all Participating Entities within the collaboration and will report progress in the first instance back via the SSA.

Delegated authority remains as per the lead organisation and is not the aggregated value of all of the organisations’ delegations.

For those Collaborative Procurements which exceed the delegated authority of the lead organisation, approval will be required from the NDA Executive Sponsor, Sanction Committee and/or HMG.

#### 17.4.3.3 Approval of Procurements

Goods and Services which will require NDA approval are those that are outwith any Project governance and above the financial delegation of authority of the organisation, or are deemed to be NCR in nature.

Standalone and Collaborative Procurements will require NDA approval of the Outline Business Case at the point of availability and prior to publication of the OJEU notice. The NDA will use the Scheme of Delegated Authority and NCR criteria to determine the level of NDA approval required for the Outline
Business Case and any subsequent contract approvals. The Sponsor must ensure NDA approval is confirmed for all procurements with values that exceed the delegation of authority limits. All NCR procurements will also require approval of the acquisition strategy by HMG.

Where a suite of frameworks, are to be let with multiple suppliers to provide similar services (scope), the strategy to be approved will apply to the totality of the frameworks (not the resulting individual frameworks).

The Sponsor must conduct the procurement process as per the agreed acquisition strategy and in line with any internal governance and procurement procedures. The Outline Business Case will be approved with tolerances agreed on the basis of an estimated contract value, as per the project cost estimate. Only if the tolerance is exceeded must the Outline Business Case require re-approval.

The NDA Sanction Committee may determine that notification only is required prior to contract placement. In this case, seven (7) days prior to contract placement, the SLC and non-SLC organisations will submit formal notification to the NDA representative and Sanction process owner, which will act as notification that the contract(s) about to be placed has been delivered in line with the approved Outline Business Case. The requirement to submit notification shall apply to all Collaborative Procurements and each resulting framework agreement for Standalone Procurements; the value detailed on the notification shall be the Limit of Liability of the individual agreement.

17.4.3.4 Cost Basis for Contract Approval

All Security or Strategy Critical procurements must be discussed with the NDA representative in order to determine appropriate governance. Cognisance should be taken of contracting risks and contingencies (cost and schedule), the base estimates, assumptions, together with any provisions for inflation. The Scheme of Delegated Authority applies to the lifetime cost and duration of a contract (or framework).

The lifetime cost and duration detailed in the Acquisition Strategy provides the upper limit of the approval envelope. The notification value should reflect the contract EAC with any specific contingency; and hence this value will become the NDA approved value. Any deviation from this value will trigger the need for re-approval.

17.4.4 Customer Contracts

Customer Contracts requiring NDA approval will be those which exceed the delegated authority threshold of the organisation or where a Customer Contract is deemed NCR. The approach to Customer Contracts is similarly applicable to Inter Estate Revenue Transactions.

17.4.4.1 Obtaining a Negotiation Mandate

An Outline Business Case is required to be submitted to NDA for approval to obtain a Negotiation Mandate. The Business Case must clearly define the scope and justification for the proposed minimum price; details of the commercial strategy; payment arrangements; contract management responsibilities; and an assessment of any risks and uncertainties. It must also include detail on any planned sales and marketing activity and/or a bid and proposal plan. The Sponsor should seek to undertake independent assurance to support the request.

The objective is to provide the NDA with the overall context and general benefits that will be achieved; and to provide sufficient information in order for the NDA to understand the activities that will ultimately result in the organisation entering into a Customer Contract.
If the activity is not within the NDA approved plan then NDA approval is required to develop the customer contract irrespective of delegated authority.

The Negotiation Mandate is an envelope of minimum and maximum values, scope, timescales and commercial strategy which the Sponsor must work within when finalising the Customer Contract. In agreeing the Negotiation Mandate the NDA may delegate full responsibility for subsequent negotiation and implementation to the Sponsor.

17.4.4.2 Approval of Customer Contracts

A formal submission to the NDA prior to contract placement is required unless the NDA Executive Sponsor agrees that notification is sufficient. The submission shall be a Full Business Case for the Customer Contract; approval (or rejection) shall be communicated by the NDA to the Sponsor within thirty days of submission unless NDA Board or HMG approval is required.

If the Sponsor must only submit notification to NDA, it must confirm that the terms of the Customer Contract are finalised, and that they comply with the NDA agreed Negotiation Mandate (scope, cost and commercial strategy). It must be submitted within seven days of issuing the Customer Contract for signature. The notification shall provide the NDA with the final agreed contract values and commercial terms of the deal and an auditable record of compliance with the Negotiation Mandate.

Prior to contract placement, any deviation from the agreed Negotiation Mandate or Outline Business Case will trigger the need for NDA re-sanction. Once in contract, any proposed changes to those tolerances agreed at the point of approval will require NDA approval.

17.4.4.3 Permitted Activities

Permitted Activities are a mechanism within the M&O contracts which offer the opportunity to minimise the number of Customer Contracts requiring individual approvals.

Where the NDA estate routinely enters Customer Contracts for products or services classed as low risk and which are not considered to be of a strategic nature; these Work Activities may be added to the Permitted Activities schedule. For example, annual revisions of tariff rates for routine services would not be required to be submitted for NDA Sanction if the service has been agreed as a Permitted Activity.

Within each SLC, for advice on Permitted Activities please contact the NDA Contract Manager.

17.4.5 Asset Disposals

This considers the disposal of assets in the Authority's ownership. Examples include:

- Sale of fixed assets (plant and machinery, vehicles, IT/Telecoms equipment), equipement, stock, trade/business or subsidiaries, Intellectual Property (IP), leases, surplus nuclear materials (e.g. enriched UF6),
- Swaps/Exchanges (virtual or physical) of nuclear materials (e.g. depleted UF6)
- Title transfers (e.g. Pu)

For a proposed Asset Disposal within the NDA estate of greater than the value specified in the Scheme of Delegated Authority, NDA approval must be sought. All assets must be sold at reasonable market value, with appropriate revenue recognition as per the M&O contract and the Sponsor must be able to demonstrate Value for Money.
All land or property asset disposals must be progressed under the direction of NDA and require HMG approval. Organisations have no authority to dispose of land or property.

Each organisation is contractually required to maintain a register of all Asset Disposals for audit purposes. This should include any zero book value Asset Disposals.

Movements of (non-fixed) assets across the NDA estate through NATS (National Asset Transfer Scheme) will not be considered as Asset Disposals under the Sanction process.

17.4.6 IT Programmes and Expenditure

Each SLC is required to submit an IT Programme annually for NDA Approval. It must be submitted to the NDA for approval no later than February, to allow approval to be sought prior to the start of the next Financial Year. The IT Programme submission must describe the high level principles that each SLC will operate to, how this aligns with the NDA and SLC business strategies and how these will be delivered through the utilisation of IT and telecoms equipment and processes. The IT Programme must recognise the relative risk associated with IT by differentiating between the inherent risk between low-risk and high-risk projects. The IT Programme should be submitted annually to the NDA Chief Technology Officer and Director of Security, Information & Services for approval.

The background and context provided by the IT Programme must provide the necessary confidence to allow the NDA to approve subsequent Work Activity submissions. The IT Programme should include one year in detail, with a three year roadmap which will outline the broad activities planned during that period. Each SLC must demonstrate robust control on IT scope and costs through appropriate challenge, assurance and governance. An IT Programme submission will also facilitate approval for all routine IT ‘work’ and any pre-sanction spend for the smaller value/low risk IT projects. Where individual project capital spends are below the organisation's delegated authority threshold, no further NDA approval is required provided that the project costs and schedule are aligned to the NDA Approved Plan. The Sponsor should ensure that there is alignment between the IT Programme and the SSA Technology Category Strategy prior to submission to the NDA.

All IT projects and procurement submissions must follow the NDA’s guidance on preparing business cases, and comply with HM Treasury’s Green Book. SOBC’s are not required for business-as-usual, low risk IT projects and procurements which are included in a NDA-approved IT Programme.

The Scheme of Delegated Authority specifies the approval threshold for IT projects and procurements and is applicable to the NDA estate. Each organisation must nominate a Sponsor for the IT Programme who is accountable for all projects and procurements associated with the programme. For other organisations, a Sponsor must be identified for all IT Work Activities that exceed the delegated authority limit. The route for approval should be considered in line with the Scheme of Delegated Authority.

Organisations must follow these requirements for IT Programmes, Projects and Procurements:

1. The SLC highest authority governance forum formally approves the IT Programme on an annual basis prior to submission to the NDA
2. The IT Programme is then required to be Approved by the NDA (and HMG if required by NDA’s Scheme of Delegated Authority)
3. SLCs will have an IT governance process for approving routine ‘work’. As such, all ‘routine IT work’ will be deemed to be approved on the basis that it has been specified in a NDA Approved Plan and hence, by definition, reviewed/approved by the NDA.
4. All work activities in the IT Programme are categorised in two bands:
   - Band A – low risk, non-NCR and/or <£1m
   - Band B – high risk, and/or NCR and/or budgets at >£1m
High risk is any project which is not in the Strategy or Technology Category Strategy, has a potential safety or security impact, or has a lifetime cost >£1m.

5. The SLC must propose which activities are deemed to be high risk and the reason for this. Consideration of the risk associated with specific work activities will be given by the NDA when the IT Programme is approved. This will determine whether any work activities with a project or procurement cost of <£1m are deemed to be high risk. The NDA will confirm which projects are high risk and require NDA approval.

6. For all Work Activities, each organisation’s governance must be demonstrable in all cases and evidence maintained to satisfy NDA audit requirements.

7. For all Band B Work Activities, the business case must undergo demonstrable robust governance and assurance, with an assessment of the total lifecycle costs and integration risks. The formal sanctioning value is the lifetime project or procurement cost.

8. For all Band B Work Activities, all “definition funding” type expenditure prior to the implementation gate will require approval from the NDA.

9. An IAAP must be agreed with the NDA in advance of commencement of the project, and governance activities recorded on the RSS. The highest authority governance forum will approve the IAAP prior to submission to the NDA.

10. Definition funding for all individual Work Activities with project costs up to £1m (Band A) will be considered as approved if specified in the NDA approved IT Programme, provided that the project costs and schedule are aligned to the Approved Plan. If the project costs and schedule are breached, the project will require re-sanction. If Work Activities are outside of the Approved Plan, NDA approval is required. Following NDA approval of the IT Programme, Sponsor approval of the Band A projects and procurements is sufficient to enable funds to be committed.

11. The Sponsor must conduct Post Investment Appraisal reviews to evaluate the benefits realised from all IT projects and procurements. Post Investment Appraisals for all band B projects and procurements will require consideration and approval by the NDA.

17.4.7 Investment Opportunities

Investment Opportunities are defined as those activities that the NDA estate wishes to pursue that have the potential to change the organisation/NDA strategic baseline and/or requires costs not included in the current performance baseline. These may include opportunities for accelerating scope to deliver better Value for Money; developing alternative strategic options; innovation that fundamentally changes assumptions underpinning the approved plan; or workforce restructuring.

The Scheme of Delegated Authority does not apply to investment opportunities.

The mandate to develop an Investment Opportunity must, as a minimum, be approved by the relevant NDA Executive Sponsor initially before further developing a business case. The NDA Executive Sponsor will subsequently approve realisation of the benefits of an opportunity to facilitate change control of the NDA Approved Plan.

17.5 Performance Metrics

Each SLC is required to implement performance metrics covering both the timeliness and quality of its Sanction submissions and review these as part of its management arrangements covering its own Sanction governance processes.

The performance metrics to be reported to the NDA Sanction process owner quarterly are:
1. Performance against the RSS for all work activities requiring NDA governance including evidence of learning implemented to ensure effective delivery against RSS planned submissions within a 6 month rolling window.

The performance metrics to be reported to NDA representative and Sanction process owner monthly are:

2. SLC governance panel Records of Decisions (RoD’s) that include a summary record of discussion for all Work Activities that require NDA sanction/approval.

The SLC Sanction process and the SLC governance panel must be subject to periodic internal SLC audit.

17.6 Assurance and Integrated Assurance & Approvals Plans (IAAPs)

17.6.1 Planned Assurance

NDA will place increased reliance on each organisation’s assurance and governance through their generation of IAAPs. The organisations are responsible for enabling integrated assurance with the NDA to maximise efficiency. The Sponsor must inform the NDA of planned assurance and governance (including Gate or other relevant reviews) in advance of all activities that require NDA sanction approval to enable integrated assurance.

The IAAP, along with the RSS, will inform planning for NDA assurance activities which ideally will align with each organisation’s planned reviews.

An IAAP must be developed for each programme that is based on reducing uncertainty and justifies the need, for example, for Studies (or equivalent) and the key decision points to either progress Studies, transition Studies to projects or carry contingent options to a pre-determined decision point. This approach should continue through different tranches of the programme as they mature. This will ensure governance, supported by robust assurance is planned at key decision points in both SLCs and NDA. NDA requires IAAPs to be produced for all Priority Programmes (as defined in the NDA Operating Plan) and all programmes which require NDA approval.

IAAPs must similarly be developed for projects on a proportionate basis (i.e. more complex projects require more detailed thinking and planning evidenced in the IAAP) and for projects that exceed the organisations delegated authority, governance is agreed through NDA formal endorsement of the project IAAP under delegation of the relevant NDA Executive Sponsor.

The implementation of IAAPs provides one of the key foundations for planning and control of the delivery of Projects and Programmes. The IAAP ensures a proportionate approach to identified risk potential and the needs of stakeholders, as well as ensuring a coordinated approach for the organisation, NDA and HMG assurance and approvals requirements. The focus of IAAPs at a Programme level is to specifically address the risks and uncertainty associated with early planning and development, as well as to ensure sufficient focus on the control of the Programme as a baseline for delivery of Projects. Project IAAPs facilitate consideration of the key value-driven decision points and associated assurance to support these. The development of IAAPs for both Programmes and Projects is critical to providing a robust control framework. The IAAP is likely to determine the NDA sanction points.

The Sponsor is responsible for advance planning with NDA to ensure integrated NDA engagement/involvement in each organisations review including Gate Reviews. The requirement for planned assurance activities for other organisations should be considered on a proportionate basis. This is a key requirement prior to obtaining endorsement by the NDA Executive Sponsor. The Sponsor will be
held accountable if failure to engage NDA in advance of submissions results in delays, rejections or recycle of the sanction submission. For Work Activities which require approval from the NDA Sanction Committee or above, independent and/or joint assurance (external to the organisation) should be planned. Further, NDA must be invited to attend key assurance activities and Gate Reviews with appropriate advance notice (at least 10 working days if in an agreed IAAP) to allow for preparation.

Each programme must be supported by an IAAP that is focussed on reducing uncertainty, justifies the need for programme scope (including Studies to develop option) and identifies the key decision points to either progress early R&D or studies, transition these into projects or carry contingent options to a pre-determined decision point. This will ensure governance, supported by robust assurance, is planned at key decision points in both organisations and the NDA. The IAAP will enable the NDA to determine the forward sanction requirements for Work Activities during early phases of a Programme. Programmes that (may) require NDA Approval must be included in each organisation’s RSS. The Programme submission and associated IAAP must be endorsed ideally before, but no later than, the submission of the first Project (within the Programme) submission for approval.

Any procurements that exceed the organisation’s delegated authority must be identified on the IAAP and the Acquisition Strategy approved as part of the Outline Business Case, or be identified on the RSS and discussed with the NDA Executive Sponsor for endorsement.

An Assurance Logbook should be completed for all Work Activities which exceed the delegated authority of the organisation. It should summarise the assurance undertaken on business case submissions, any findings and recommendations, and provide a status of those findings and recommendations. The Assurance Logbook is a mandated requirement for all submissions which require HMG approval, and will be provided to the NDA Sanction Committee and Board alongside the Business Case.

For complex, high risk and/or high value projects, the NDA retains the right to impose multiple stage gating and/or contract approvals. This requirement will be determined when the NDA consider and agree the project IAAP. The Outline Business Case may therefore enable staged approvals.

Any non-standard activities or approaches for a Programme, Project or Procurement must be transparent in the sanction submissions and IAAP. Examples include activities such as Alternative Remuneration Tasks (ARTs), Alternative Pricing Mechanisms (APMs), Affiliate Contracts etc.

Further guidance on assurance requirements is available in NDA’s “Guidance to SLCs on planning integrated assurance and approvals for programmes & projects” (EGG-13).

17.7 NDA Sanction Administration

The NDA Sanction process owner is responsible for overseeing management and administration of the NDA Sanction process. The Sanction process owner provides a critical interface with each Sponsor and the NDA representative. Each Sponsor must keep the NDA (including the Sanction process owner) fully informed of progress of activities identified on the RSS submitted to NDA to enable NDA to integrate assurance activities.

All submissions must be presented using HM Treasury’s five case model, in compliance with NDA’s guidance on preparing a business case and HM Treasury’s Green Book. All submissions must be made at least 10 working days before the Sanction Committee meets. Late submissions will be deferred until the next Sanction Committee.
The NDA retains the right to implement additional requirements for supporting information to Business Cases. This could include additional types of assurance (e.g. Commercial, IT, legal etc) and additional information (e.g. an organisation’s legal advice, commercial assurance etc).

To ensure compliance with this PCP across the NDA estate, NDA will from time to time undertake compliance reviews. These will sample the application and approach to ensuring and demonstrating compliance is maintained at all times. Specific areas of focus are likely to include adherence to the Scheme of Delegated Authority; demonstration that activities sanctioned were aligned to the NDA approved plan; and process compliance. NDA may build on internal audit reviews undertaken by the respective organisations.
Glossary of Terms
## Acronyms

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<thead>
<tr>
<th>Acronym</th>
<th>Description</th>
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<tbody>
<tr>
<td>ACWP</td>
<td>Actual Cost of Work Performed</td>
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<td>AIP</td>
<td>Approval in Principle</td>
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<td>ALARA</td>
<td>As Low As Reasonably Achievable</td>
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<td>ALARP</td>
<td>As Low As Reasonably Practicable</td>
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<td>APM</td>
<td>Association of Project Management</td>
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<td>ARAC</td>
<td>Annual Report and Accounts</td>
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<td>ART</td>
<td>Alternative Remuneration Task</td>
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<td>ASFL</td>
<td>Annual Site Funding Limit</td>
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<td>ATR</td>
<td>Annual Technical Report</td>
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<td>Baseline Change Proposal</td>
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<td>BCWP</td>
<td>Budgeted Cost of Work Performed</td>
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<td>BCWS</td>
<td>Budgeted Cost of Work Scheduled</td>
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<td>BoE</td>
<td>Basis of Estimate</td>
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<td>CHILW</td>
<td>Contact Handled Intermediate Level Waste</td>
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<td>CPI</td>
<td>Cost Performance Index</td>
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<td>Critical Technology Element</td>
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<td>Contractor Work Breakdown Structure</td>
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<td>Department of Energy and Climate Change</td>
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<td>Dounreay Site Restoration Limited</td>
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<td>High Volume Low Activity Waste</td>
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<td>IAAP</td>
<td>Integrated Assurance &amp; Approvals Plan</td>
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<td>IAEA</td>
<td>International Atomic Energy Agency</td>
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<tr>
<td>ILW</td>
<td>Intermediate Level Waste</td>
</tr>
<tr>
<td>ITT</td>
<td>Invitation To Tender</td>
</tr>
<tr>
<td>IWS</td>
<td>Integrated Waste Strategy</td>
</tr>
<tr>
<td>LLW</td>
<td>Low Level Waste</td>
</tr>
<tr>
<td>LLWR</td>
<td>Low Level Waste Repository</td>
</tr>
<tr>
<td>LTP</td>
<td>Lifetime Plan</td>
</tr>
<tr>
<td>LOE</td>
<td>Level of Effort</td>
</tr>
<tr>
<td>MBGW</td>
<td>Miscellaneous Beta Gamma Waste</td>
</tr>
<tr>
<td>M&amp;O</td>
<td>Management &amp; Operations</td>
</tr>
<tr>
<td>MOX</td>
<td>Mixed Oxide</td>
</tr>
<tr>
<td>MPS</td>
<td>Master Production Schedule</td>
</tr>
<tr>
<td>MSP</td>
<td>Managing Successful Programmes</td>
</tr>
<tr>
<td>NCR</td>
<td>Novel, Contentious or Repercussive</td>
</tr>
<tr>
<td>NDA</td>
<td>Nuclear Decommissioning Authority</td>
</tr>
<tr>
<td>NTWP</td>
<td>Near Term Work Plan</td>
</tr>
<tr>
<td>OBC</td>
<td>Outline Business Case</td>
</tr>
<tr>
<td>OBS</td>
<td>Organisational Breakdown Structure</td>
</tr>
</tbody>
</table>
OCNS  Office of Civil Nuclear Security
OJEU  Official Journal of the European Union
PA/PR  Public Affairs/Public Relations
PBI  Performance Based Incentives
PBO  Parent Body Organisation
PCM  Plutonium Contaminated Material
PCP  Programme Controls Procedure
PCP-M  Programme Controls Procedure Manual
PFR  Prototype Fast Reactor
PIA  Post Investment Appraisal
PID  Probability Impact Diagram
POCO  Post-Operative Clean Out
PSWBS  Programme Summary Work Breakdown Structure
PWD  Process Wiring Diagram
QA  Quality Assurance
QCRA  Quantitative Cost Risk Analysis
QPR  Quarterly Performance Review
QSRA  Quantitative Schedule Risk Analysis
RHILW  Remote Handled Intermediate Level Waste
RIDDOR  Reporting of Injuries, Diseases and Dangerous Occurrences Regulations
RSA  Radioactive Substances Act
RSRL  Research Sites Restoration Limited
RSS  Rolling Sanction Schedule
R&T  Research & Technology
SED  Safety and Environmental Detriment
SEPA  Scottish Environmental Protection Agency
SLC  Site Licence Company
SME  Small Medium Enterprise
SNI  Sensitive Nuclear Information
SOBC  Strategic Outline Business Case
SPI  Schedule Performance Index
SV  Schedule Variance
TBURD  Technical Baseline and Underpinning Research Document
TMS  Technical Management Summary
TRL  Technical Readiness Level
VLLW  Very Low Level Waste
WBS  Work Breakdown Structure
### Glossary of Terms

**A**

**Actual Cost of Work Performed (ACWP)**
Incurred costs that are charged to the task or project budget and for which payment has been made, or accrued.

**Alternative Remuneration Task**
The services, operations, projects and activities undertaken by the SLC on the terms agreed between the Authority and the SLC in respect of the relevant services, operations, projects and activities.

**Annual Site Funding Limit**
The overall funding limit authorised to the site via the Funding Change Proposal at the beginning of the Current Year

**Asset Disposal**
The disposal of NDA assets by an SLC or other contracted body.

**Assumption**
A bridge in the planning process that predicts the outcome of a decision not yet made and is used in order to bound scope for scheduling, costing and change control purposes. It allows planning to continue beyond that point.

**B**

**Baseline**
The definition of a programme/project in terms of its technical scope, planned schedule, and estimated cost. The baseline is a reference point of projected cost, schedule, and delivery that serves as a base or standard of measurement during the performance of an effort.

**Base Estimate**
The estimator's best estimate of the cost of the project for a given work, site, location, and other project attributes. It should not include the costs associated with uncertainties or risk (contingency).

**Baseline Change Proposal**
The document used to provide a complete description of a proposed change and its resulting impacts on the baselines. It is reviewed and results in approval or rejection of the change.

**Basis of Estimate**
The detailed underpinning data that supports the scope, cost and schedule of the work to be performed.

**Benchmarking**
The process of gathering information about other companies in the industry to compare performance against and to use to set goals.

**Budgeted Cost of Work Performed (BCWP)**
BCWP is the value of work performed or accomplished relative to the total budgeted value (BCWS) of a task.

**Budgeted Cost of Work Scheduled (BCWS)**
BCWS is the planned cost of work to be accomplished, scheduled across the lifetime of the baseline.
C

Capital Expenditure
Money expended or to be expended in the acquisition or creation of fixed assets. A fixed asset is an asset that has physical substance and is held for use in the production or supply of goods and services, for rental to others, or for administrative purposes on a continuing basis. This includes labour, materials and equipment required to create a fixed asset.

Charge Code
The lowest level cost collection element where specific tasks that work, materials or services are identified and their associated costs to be charged. The summary of these codes are included in the charge code index. The cost codes summarise to the lowest level of the CWBS.

Commitment
A binding financial obligation, typically in the form of a purchase order or contract.

Contingency
The additional cost added to a base estimate to reasonably allow for uncertainties in the cost terms that make up the estimate. The contingency is normally stated as a percentage of total cost. The uncertainties are caused by such estimate variables as labour hours, labour wage rates, estimated scope quantities, production rates, and material unit prices (etc.) which may take a range of values.

Contract Baseline
The Contract Baseline covers the contractual term and is used to determine the payment of fee. It is maintained under strict change control (see NDA PCP05) but remains essentially fixed over the contract term.

Cost Element
The cost elements defined by the NDA in procedure NDA PCP02. These include labour, materials, equipment, subcontracts, etc.

Cost Estimate
An assessment of the cost of completing the bounded technical or physical scope within the baseline.
Cost Performance Index (CPI)  
A measure, expressed as a ratio of actual cost to EV. The ratio of work accomplished versus work cost incurred for a specified time period. The CPI is an efficiency rating for work accomplished for resources expended.

\[
\text{CPI} = \frac{\text{BCWP}}{\text{ACWP}}
\]

A CPI greater than 1.0 means a favourable cost performance; less than 1.0 means an unfavourable cost performance.

Cost Variance (CV)  
The difference (positive or negative) between the cost EV and the actual expenditure.

\[
\text{CV} = \text{BCWP} - \text{ACWP}
\]

Critical Path  
Sequence of activities through a project network from start to finish, the sum of whose duration determines the overall project duration. Note: There may be more than one such path. The path through a series of activities, taking into account interdependencies, in which the late completion of activities will have an impact on the project end date or delay a key milestone.

Critical Path can also be defined as the path between two key milestones that has the least amount of float.

Cross Charging  
Refers to work done or goods and services provided by one NDA site to another. Primarily this covers the provision of utilities and services and treatment, storage and disposal of nuclear materials and waste but may include other services.

Earned Value Reporting  
The method of performance monitoring that compares the rates of earned cost (BCWP) against the planned cost (BCWS) and actual cost (ACWP). This comparison is expressed as Schedule and Cost Variances (SV and CV) and Schedule and Cost Performance Indexes (SPI and CPI). The differences are addressed through the variance analysis.

Estimate At Completion (EAC)  
The Estimate at Completion (EAC) represents the forecast Actual Cost of Work Performed (ACWP) at the Financial Year End. It includes the ACWP to date plus forecast (ACWP) to go (FTG) including accruals. It is derived from the data held in the Site & SLC EV performance monitoring systems and will
include approved Change Controls.

It does not include in-flight and unapproved:
- change controls
- scope or performance trends or
- management judgement.

For the avoidance of doubt, all approved Performance Trends should be included in the EAC.

**Estimate To Complete (ETC)**

The forecasted cost to complete the remaining work.

**F**

Float

Time available for an activity or path in addition to its planned duration.

Float is the amount of time that an activity can slip past its earliest completion date without delaying the rest of the project.

**I**

Inflation

The treatment for Escalation of Costs for future Liabilities purposes is different to Inflating the LTP on an annual basis to re-index the Cost Estimates to the current Monetary Value (M.V). Annually re-indexing estimates to the money value of the year.

When inflating/re-indexing the Baselines annually to the current money values (MV), SLC's will use different % uplifts to different cost categories – these uplift values will be in line with those provided by the NDA Inflation & Economic Metric Project.

LTP's are in constant money values are shown as the mid-year value of the year of the Baseline to which they relate (eg September).

**J**

Jointly Owned Risks

Risks which have management activity which is best placed with the NDA and SLC. Where this is true, a duplicate risk will be held in respective systems with cross referencing.

**L**

Level Of Effort

Support effort that cannot be measured in terms of discrete accomplishments. LOE is characterised by a sustained rate of
activity for a specific time period. For LOE tasks the BCWP = BCWS for any given period.

**Lifetime Plan**

Describes the totality of the activities in terms of scope, schedule and cost to be undertaken on each of the UK NDA sites, within the NDA itself and dependent of the NDA remit.

**Lifetime Plan Performance**

The time-phased budget plan against which performance is measured.

The sequence and interrelationships in a schedule or plan for the project that depicts the process of the work activities and their interaction in a flowchart, i.e., the logic diagram.

**M**

**Milestone**

A key event. An event selected for its importance in the project. Milestones are commonly used in relation to progress. A milestone is often chosen to represent the start of a new phase or completion of a major deliverable. They are used to monitor progress at summary level. Milestones are activities of zero duration.

**N**

**NDA Opportunity**

Opportunities which are within the responsibility and control of NDA to manage

**NDA Risk**

Risks which are within the responsibility and control of the NDA to manage

**O**

**Opportunity**

An uncertain event that may, should it occur, positively impact on the outcome of a defined objective

**Out-Years**

Those years in the LTP beyond the Current Year

**P**

**Percent Complete**

The amount of work accomplished or planned to be accomplished relative to the total amount of work to be done. Can be measured relative to the forecast of budget. Can be expressed in terms of any relevant unit (pounds, man-hours, cubic metres, tonnes etc.)

**Performance Monitoring**

The process of determining progress based of physical work completed and comparing this value against the plan. Where there are significant deviations from the plan, those responsible analyse the discrepancies, identify the impacts,
determine if corrective action is required, and monitor the corrective action to its completion.

Performance Trend
This describes a trend that, due to favourable or adverse performance will result in a change to cost of the work performed or the EV (ACWP, BCWP and/or EAC) but will not result in an overall change to the scope of the work to be undertaken. Performance trends are not usually regarded as a valid basis for change control and manifest themselves as cost and/or schedule variances.

Programme
The co-ordinated management of projects and change management activities to achieve beneficial change.

Programme Summary Work Breakdown Structure (PSWBS)
Provides the framework of work scope covering all the UK Nuclear Sites covered by the NDA. The PSWBS is the primary framework for planning and performance monitoring of the total NDA work programme.

Project
A unique, transient endeavour undertaken to achieve planned objectives.

Q
Quantities
The individual resource or deliverable units used to estimate the cost of the resources or deliverables and, upon proceeding with the work, the basis for determining the percent complete for performance measurement.

R
Resource
Resources are the materials, equipment, manpower, and money (etc.) required to perform the work identified on a schedule within established time frames.

Risk
An uncertain event, which, should it occur may impact negatively on the outcome of defined objectives

Risk Management Process
The method through which the risk is identified, assessed and managed. It must be consistent and comprehensive with processes that are embedded in management activities throughout the organisation.

S
Schedule Performance Index (SPI)
The ratio of the earned cost and the planned cost.
SPI = BCWP/BCWS.
<table>
<thead>
<tr>
<th>Term</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Schedule Variance (SV)</strong></td>
<td>The difference between BCWP and BCWS. At any point in time it represents the difference the monetary value of work actually performed and that scheduled to be accomplished. SV – For cost evaluation it is the difference between the earned cost (BCWP) and the planned cost (BCWS). SV = BCWP - BCWS.</td>
</tr>
<tr>
<td><strong>Scope of Work</strong></td>
<td>A statement or definition that defines and provides the bounding parameters of a particular task, project, or Site effort.</td>
</tr>
<tr>
<td><strong>Scope Trend</strong></td>
<td>This describes a trend that results from an anticipated change to the scope of work to be performed, typically as a result of emerging issues, changes in priorities, better understanding of the scope to be performed etc. If acknowledged, scope trends are incorporated into the baseline through change control.</td>
</tr>
<tr>
<td><strong>SLC Opportunity</strong></td>
<td>Opportunities that are within the responsibility and control of the SLC to manage</td>
</tr>
<tr>
<td><strong>SLC Risk</strong></td>
<td>Risks which are within the responsibility and control of the SLC to manage</td>
</tr>
<tr>
<td><strong>Stakeholder</strong></td>
<td>A person or group of people who have a vested interest in the success of an organisation and the environment in which the organisation operates. Project stakeholders are people or organisations who have a vested interest in the environment, performance and/or outcome of the project.</td>
</tr>
<tr>
<td><strong>Tariff</strong></td>
<td>A charging rate usually associated with labour which is charged out to direct activities according to actual usage by the demanding activities.</td>
</tr>
<tr>
<td><strong>Trend</strong></td>
<td>A trend is defined as an anticipated deviation from the scope, schedule or cost which may lead to a change in the Baseline or funding requirements. Typically, trends are identified as a result of future changes in scope, under or over performance, and changes in rates or resources.</td>
</tr>
<tr>
<td><strong>Variance</strong></td>
<td>The difference between the earned and the planned or actual work. In EV Reporting this is the difference between the earned spend (BCWP) against the planned (BCWS) or actual (ACWP).</td>
</tr>
</tbody>
</table>
| **Variance Analysis**         | The analysis of a cost or schedule variance that defines the...
cause, identifies the impact, and establishes a corrective action plan and completion dates.

W
Work Breakdown Structure (WBS)
A product-oriented, family tree-type (hierarchical) depiction of real estate, hardware, software, services, and data products that organises, defines, and displays all of the work to be completed in a programme or project. It subdivides the work into manageable levels where work can be planned, controlled, executed, and performance-measured.

Y
Year End Estimate To Complete
The forecasted cost to complete the work scope included in the Forecasted Year-End BCWP.

Year End Schedule Variance Estimate to Complete
The forecasted cost to complete the work scope included in the Forecasted Year-End Schedule Variance.