

Appendix C - Major Projects Cost and Schedule

Major projects are defined as those projects with a lifetime cost of £100m or more with a business case approved by Government. The historic cost estimates in the table below are expressed in money values of the year in which the estimate was prepared (i.e. have not subsequently been adjusted for inflation).

Project/Programme	Year initiated	Estimated cost at initiation (£m)	Current business case cost (£m)	Estimated cost Mar 2019 (£m)	Estimated end date at initiation	Current business case end date	Estimated end date Mar 2019
First Generation Magnox Storage Pond (FGMSP) - Bulk Sludge and Fuel Retrievals	2004	229.0	400.0	337.1	Dec 2012	Mar 2020	May 2019
Key reasons for changes to cost and/or end date from year initiated to March 2019							
Cost has been stable for some time with only slight variance in year due to inflation. Increases in cost and schedule compared to initiation were associated with the complexity of installing new equipment into an existing radioactively contaminated and sensitive nuclear facility as well as project performance issues. The project forecasts to complete in June 2019 well within the business case. The improved completion date reflects the retirement of risks as the project nears completion.							
Magnox Swarf Storage Silo (MSSS) - SEP Solid Waste Storage Retrievals	-	-	880.0	810.0	-	Sept 2023	Mar 2023
Key reasons for changes to cost and/or end date from year initiated to March 2019							
A full cost and schedule review has been conducted with the outputs reflected in the revised forecasts with no change to the forecast completion date nor to the business case value. In year cost increases are the result of delivery issues with several elements of the work including skip flasks, gamma gates, liquor extraction and ventilation.							
Magnox Swarf Storage Silo (MSSS) - Box Encapsulation Plant	2014	615.0	887.0	782.9	Jan 2021	Jun 2023	Nov 2022
Key reasons for changes to cost and/or end date from year initiated to March 2019							
Whilst there has been no change in the Business Case cost, project delivery performance issues have been experienced in 2018/19 resulting in some cost and schedule slippage. A 'Tiger Team' has been put in place to review the impacts of any slippage and to implement appropriate mitigation. Variances in the early stages of the project concerned changes in scope and design along with different commercial arrangements than had been originally envisaged. The current scope also reflects changes associated with the Alternative Intermediate Level Waste Strategy.							
Magnox Swarf Storage Silo (MSSS) - Silo Maintenance Facility	2006	180.0	255.0	252.8	Oct 2011	Aug 2019	Mar 2019
Key reasons for changes to cost and/or end date from year initiated to March 2019							
There were no changes to the business case cost or schedule during the year and the project handed over to operations and completed within the approved business case in March 2019. The cost and schedule increases compared to the forecast at initiation are due to additional resources identified by the contractor to deliver the project and delays as part of an overall portfolio reprioritisation exercise in 2014 and to align with overall MSSS and the alternative waste management approach							

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Project/Programme	Year initiated	Estimated cost at initiation (£m)	Current business case cost (£m)	Estimated cost Mar 2018 (£m)	Estimated end date at initiation	Current business case end date	Estimated end date Mar 2018
Pile Fuel Cladding Silo (PFCS) - Early Retrievals Project	2005	495.0	601.0	471.2	Oct 2019	Apr 2021	Nov 2019
Key reasons for changes to cost and/or end date from year initiated to March 2019							
There was no change to the approved business case. The business case highlighted three key opportunities to improve the project cost and schedule, around simplification of the retrievals, waste handling and control equipment. Work has continued to realise these opportunities, reflected in the cost and schedule estimates being well within business case approvals and the cost estimate reducing in year.							
Variances to the forecast at initiation followed a review in 2013 design which led to a review of the proposed solution. This resulted in a revised approach which required the redesign of the waste retrievals and handling equipment, increasing the cost and schedule. The revised business case, approved by Government in September 2016, provided an updated cost and schedule reflecting the new approach.							
Pile Fuel Cladding Silo - Box Encapsulation Plant Product Store - Direct Import Facility	2006	119.0	400.0	374.5	Jan 2019	Jun 2021	Dec 2020
Key reasons for changes to cost and/or end date from year initiated to March 2019							
A revised Business Case reflecting cost and schedule increase was approved by HMG during 2018/19 financial year. Delays to the completion of detailed design scope led to increased design and supervision costs, delaying procurements and creating inefficiency in construction activities on site. Contractor performance has been an ongoing concern and this has resulted in forecast cost and schedule increases. Sellafield Ltd has now taken over full control of project delivery with encouraging signs of improvement.							
SIXEP Contingency Plant	2014	394.0	500.0	419.8	Nov 2024	Nov 2026	Mar 2028
Key reasons for changes to cost and/or end date from year initiated to March 2019							
There has been no change to the business case cost or schedule but there has been a significant change in the forecast: the most significant issue experienced on this project concerns the supply of valves, with a decision being taken to implement an alternative procurement strategy. This has introduced both cost and schedule slippages in 2018/19.							
At initiation in April 2014 the project estimate was based on a volumetric estimate. As the project has matured through Concept (Apr 2015) and Preliminary Design (July 2016) stages the increased scope definition enabled a more accurate and definitive estimate to be developed based on measured quantities.							
Sellafield Product and Residue Store Retreatment Plant	2019	885.0	885.0	729.0	Mar 2028	Mar 2028	Nov 2026
Key reasons for changes to cost and/or end date from year initiated to March 2019							
NEW: An Outline Business Case was approved by HMG in January 2019. Cost and schedule forecasts remain unchanged.							
Electrical Supply New Construction	2018	238.0	238.0	220.0	Dec 2022	Dec 2022	Apr 2022

Key reasons for changes to cost and/or end date from year initiated to March 2019

Outline Business Case for Phase 1 of the project was approved by HMG in early 2018/19.

The Dounreay Decommissioning Programme, National Low Level Waste Programme and the Magnox Programme were previously reported in the NDA Annual Report and Accounts. As these are not major projects and do not follow the definition on page 165, they have been removed from Appendix C. The progress of these programmes can be found on pages 143-153.