



Nuclear Decommissioning Authority
**Annual Report
and Accounts 2021/22**



Nuclear Decommissioning Authority

Annual Report and Accounts 2021/22

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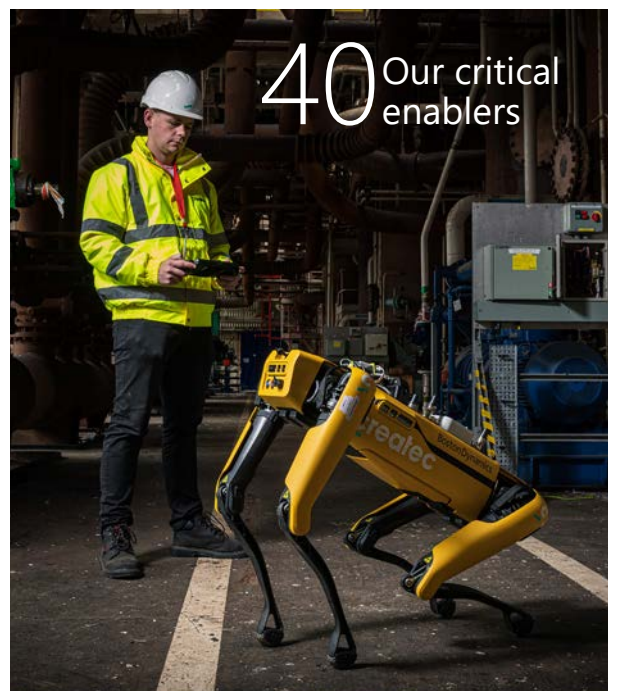
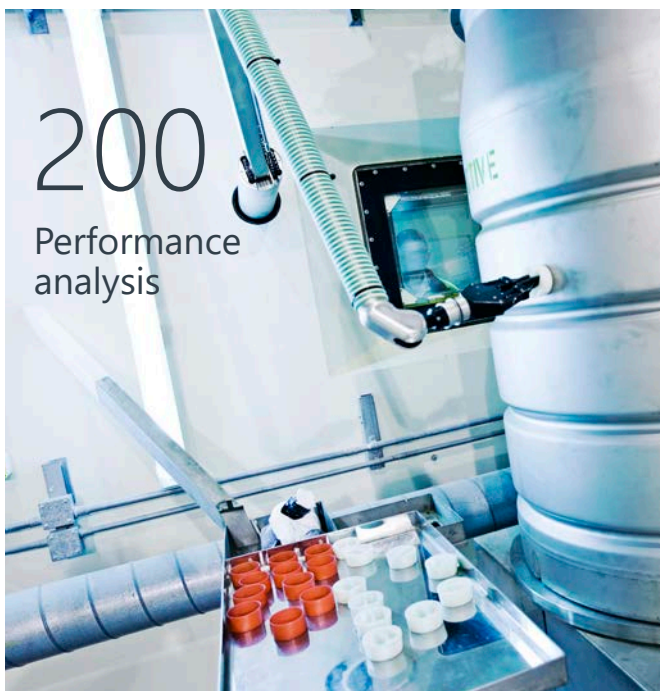
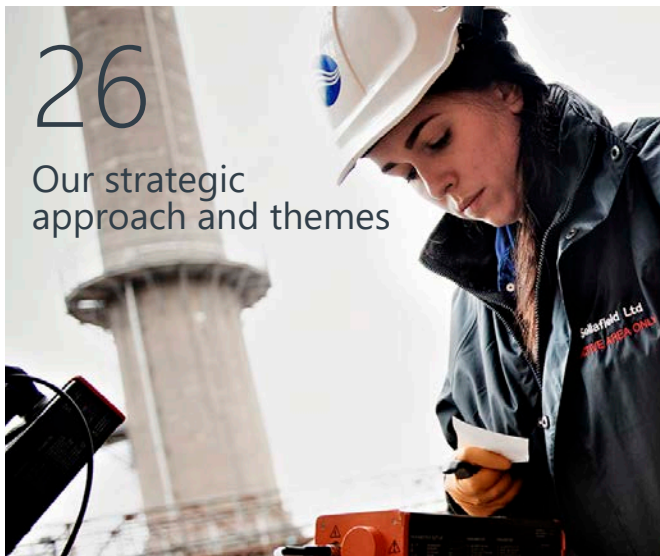
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10 Chair's statement



A woman with blonde hair tied back, wearing blue scrubs and a floral lanyard, is focused on writing on a clipboard. She is in a control room, with various monitors and charts visible in the background. One monitor shows a circular diagram with the text 'Control Room' above it. Another monitor shows a grid of data. The scene is brightly lit, and the woman's expression is one of concentration.

Overview of performance 2021/22

This overview section provides an insight into our work during 2021/22 and highlights areas of progress for this year. We have described these using our five strategic themes.



Chair's statement

Dr Ros Rivaz

After taking up my role as NDA Chair at the height of the pandemic, the last 12 months have provided many more opportunities to visit sites, meet teams delivering work and gain a deeper understanding of the complexities associated with our mission.

I continue to be impressed by the challenging and nationally important work being delivered by people all across the NDA group.

Health, safety and wellbeing is our highest priority and performance has remained strong and favourable in comparison to other industries, although incident rates have risen slightly from last year's all time low. This is in part connected to the challenge of recommencing some work activities as COVID-19 restrictions have eased.

We reach the end of the year confident that our mission and strategy remain clear and are pleased

to highlight several successes. However, we are increasingly mindful of a particularly difficult operating environment. Rising costs of materials and energy, Government's fiscal pressures and the conflict in Ukraine are all factors which have an impact on our work, alongside operating in a competitive market for the skills we need to deliver our programmes.

Looking forward, it is clear there will be ongoing and increased pressure on public funding. Within that context, I'm pleased that the NDA has been trusted by Government with a funding settlement for the next three years that recognises the important work that we do and allows further progress to be made against our clean-up mission. The Board and I fully recognise that with that trust comes huge responsibility.

The Board

I continue to meet with representatives of the UK Government and devolved administrations at ministerial and official level, to ensure an ongoing dialogue on the context in which we carry out our mission.

I recently completed a Chair's review of the NDA. This was at the request of the Secretary of State's office when I took up the post and augments the

"I continue to be impressed by the challenging and nationally important work being delivered by people all across the NDA group."



outcomes of previous reports and reviews enabling us to move forward with a clear set of actions, particularly regarding projects and programmes.

An external Board effectiveness review which commenced in February 2021 has been finalised during the year. Externally facilitated reviews are undertaken every three years, with an internal review annually, in line with best practice. The 2021 review provided insights that are being used to enhance the way that we work, such as better reflecting the NDA's unique governance arrangements and making sure that the distinction between our role as a fiduciary board and obligations as a non-departmental public body, as set out in our Framework document with the Department for Business, Energy and Industrial Strategy and Scottish Government, is clearly articulated, understood and fulfilled.

We have also approved a schedule of reserved matters for the first time as a Board. This clarifies decision making authority by clearly setting out those areas specifically reserved for the Board's decision.

Chris Train OBE joined the Board as a non-executive Board member in January. Chris has significant experience in energy, utilities, regulation and infrastructure sectors with organisations such as Cadent, National Grid, Transco and Lattice. He is already proving to be an asset to us and is chairing the Programmes and Projects Committee of the Board, leading the scrutiny of the spend of a significant part of our £3 billion budget.

I would like to take this opportunity to thank Rob Holden for his service and support as he concluded his term as a non-executive member of the NDA Board, having been in post since 2015.

Challenges of COVID-19

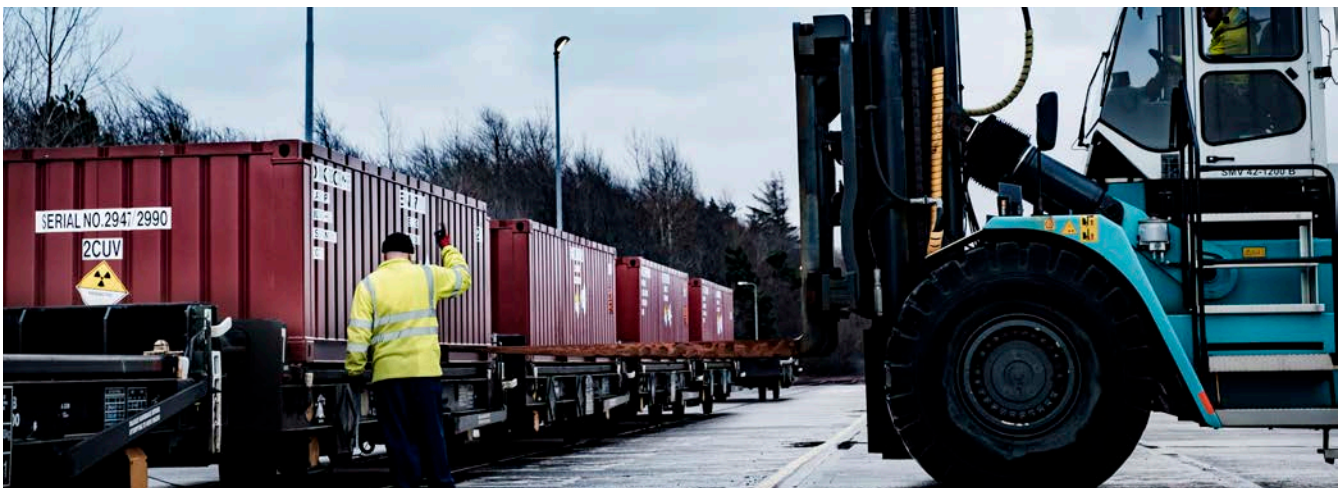
In 2020/21 the impact of COVID-19 was unprecedented on the NDA and organisations the world over. That impact has continued to be felt, and has required adaption to different restrictions in regions and nations of the UK at various points of the year. I am pleased that 2022 is so far bringing with it an opportunity for a sense of normality to resume.

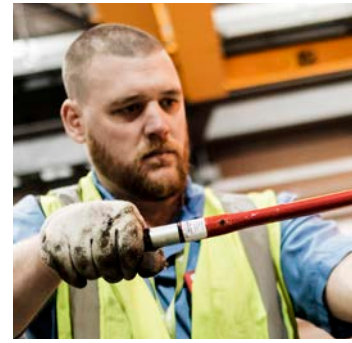
As we begin moving on from the pandemic, the legacy that it has created continues to emerge with changes in the working environment, including flexible and virtual working. I also remain incredibly impressed and proud of the support that was offered to local organisations and small businesses, during that period. We have statutory obligations under the Energy Act to support socio-economic activities around our sites, and it is clear that this proactive and tailored help meant a great deal to both the recipients and employees of the NDA and our operating companies.

These contributions helped to build local resilience and I would like to think those communities are in a stronger position as a result. Very many of our employees also gave personal support and, on behalf of the Board, I would like to place on record a thank you to all those involved.

Reducing hazards and managing waste

High hazard reduction remains our primary objective and this report contains many examples of the diverse range of complex nuclear material, waste management, construction and demolition projects that are being progressed.





Stakeholders regularly raise with me the importance of delivering our commitments, particularly in relation to waste management. The creation of Nuclear Waste Services will place an increased focus on waste management across the group, including the important work to find a suitable site and willing community to host a Geological Disposal Facility.

We continue to benefit from the input of our local and national stakeholders in this work and in delivering our wider mission. I want to thank them for engaging with us, challenging us, holding us to account and recognising the work being delivered by our teams.

Placing sustainability and people at the heart of our work

Sustainability has been high on the agenda in the UK this year, with Glasgow hosting the COP 26 United Nations Climate Change Conference and the UK Government publishing its Net Zero Strategy.

We recognise the important role that the NDA group performs in this area, with a legal and ethical responsibility to deliver our mission sustainably.

The NDA Board has established a Sustainability and Governance Committee, under the leadership of non-executive Board member Janet Ashdown, to ensure appropriate focus on this topic and others such as values and culture.

I welcome publication of a group-wide Diversity and Inclusion Strategy this year, setting out areas of focus between now and 2025. The Board is playing its part, with the gender balance of its membership and commitment to respect the wider diversity expectations of the Corporate Governance Code being key topics for the Nominations Committee.

Achieving the benefits of the NDA group

David Peattie and the wider Group Leadership Team have continued to take important steps towards realising the benefits of working more closely together as one NDA group. The vision for achieving this was set out in last year's report and I am grateful to David and the team for their clear leadership in driving forward this agenda.

The launch of Nuclear Transport Solutions and Nuclear Waste Services are good examples and significant steps towards simplifying the way that the group is structured.

The year ahead will see more progress, as Magnox and Dounreay join together, subject to regulatory agreement. I am confident that these changes, and the approach of working more closely as one NDA group, will bring many benefits in the future and help us to deliver increased value for taxpayers.



Being trusted to do more

I welcome Government’s announcement that it has reached an agreement with EDF Energy which will see AGR sites transfer to the NDA, specifically into our Magnox organisation, for decommissioning in the future.

As we reached the end of the year, a joint project team has also been formed and a Memorandum of Understanding signed to consider the potential of transferring the Ministry of Defence’s Vulcan site to the NDA group for decommissioning. Vulcan sits adjacent to the Dounreay site and we expect to know more about the potential options in the next year.

While exploring and progressing these opportunities, our core mission remains unchanged and our primary focus remains on successfully delivering these commitments.

Looking ahead

It remains our priority to further build and retain the confidence of Government, our stakeholders and our workforce as we are trusted to deliver our mission and do more.

Steps have been taken towards a new trajectory, working more collaboratively across the group and developing an inclusive culture. A great deal has been achieved under David’s leadership so far and I am confident he and his team will continue to make further progress towards simplifying

governance and reporting arrangements in order to deliver our mission safely, effectively and efficiently.

Our work and, importantly, the way we carry it out has never been more important. The environment in which we are operating means that it is crucial we retain a firm focus on delivering value for money. Meanwhile the increasing national and international priority placed on sustainability and achieving carbon net zero means it is equally important that the mission is delivered in the right way.

I would like to offer my thanks to members of the Board for their attention in response to various reviews this year and for their effective support and scrutiny of the activities of the NDA. My ongoing thanks also go to David and his leadership team for achieving significant steps towards delivery of the mission, while also establishing different ways of working and setting strong foundations to help us make further progress in the coming years.

Dr Ros Rivaz
NDA Chair
7 July 2022

Group Chief Executive's statement

David Peattie

I'm delighted that decommissioning activity across the NDA group has significantly increased again this year, following the unprecedented impact of the pandemic in the previous 12 months.

The safety of our people and sites continues to be our highest priority. Despite another challenging year responding to changing restrictions, we put the right measures and protections in place that have enabled our operational teams to remain focused on hazard reduction.

Progressing our mission

The nationally important work that we do continues to be reflected in the level of funding committed by Government to progress our mission. I welcome our latest funding settlement and am acutely aware of the economic challenges facing the country, so our commitment has never been stronger to spend money wisely.

As Government publishes its Energy Security Strategy, with an ambition to support a new generation of nuclear power stations, our role to safely and securely reduce hazards at the UK's oldest nuclear facilities is in sharper focus, as is the need to provide waste management routes that support both our programme and any future requirements.

Skyline changes help to demonstrate the progress we're making and they don't come much higher than the removal of a giant diffuser, which had sat on top of the 125-metre Windscale Pile Chimney on the Sellafield site for 70 years. The chimney is the most prominent structure on the site and removing the diffuser was a painstaking job that took three years to complete.

There are similar examples of complex decommissioning challenges being met throughout the group. Magnox's Chapelcross site placed its first package of intermediate level waste (ILW), with material from its decommissioned cooling pond, in a new interim storage facility during 2021. Meanwhile large roof beams travelled to Caithness by sea, before being transferred to Dounreay, where they are being used for construction of the site's latest shielded radioactive waste store.

"People are central to the NDA's ability to deliver its mission. Our aim is to provide great places to work and I was pleased to launch our new group diversity and inclusion strategy this year."



Our mission goes beyond existing sites. We're also responsible for identifying a suitable site and a willing host community for a Geological Disposal Facility (GDF). Four communities are now engaged in the process and a significant amount of technical work and stakeholder engagement is underway. It will take years of detailed assessments before a final siting decision is taken, with the latest planning assumption that the GDF will be available for ILW from around 2050-2060 and high level waste and spent fuel from 2075.

Meanwhile we're progressing commitments in our strategy to investigate alternative treatment and disposal options that could further enhance the way we deliver our mission.

The NDA's work also crosses international borders and in November Nuclear Transport Solutions successfully delivered 16 MOX fuel assemblies to the Takahama Nuclear Power Station in Japan. It builds on a 45-year history of transporting nuclear materials between Europe and Japan with a flawless nuclear safety and security record.

Protecting our environment

We have an increasingly important role to support the UK Government's goals for green energy and achieving carbon net zero by 2050.

This year we published our Sustainability Strategy which sets out our ambitions and we are already seeing successes. This year the Nuclear Transport Solutions vessel Oceanic Pintail was decommissioned and, in a UK first, 100% was recycled. It's a fitting end to a vessel that served the UK with distinction for more than 30 years.

Meanwhile, an innovative approach is being taken to resurfacing work at the LLW Repository site. An additive, made of non-recyclable plastic, is being used in the tarmac, putting the material to use and avoiding it being sent to landfill.

Developing our people

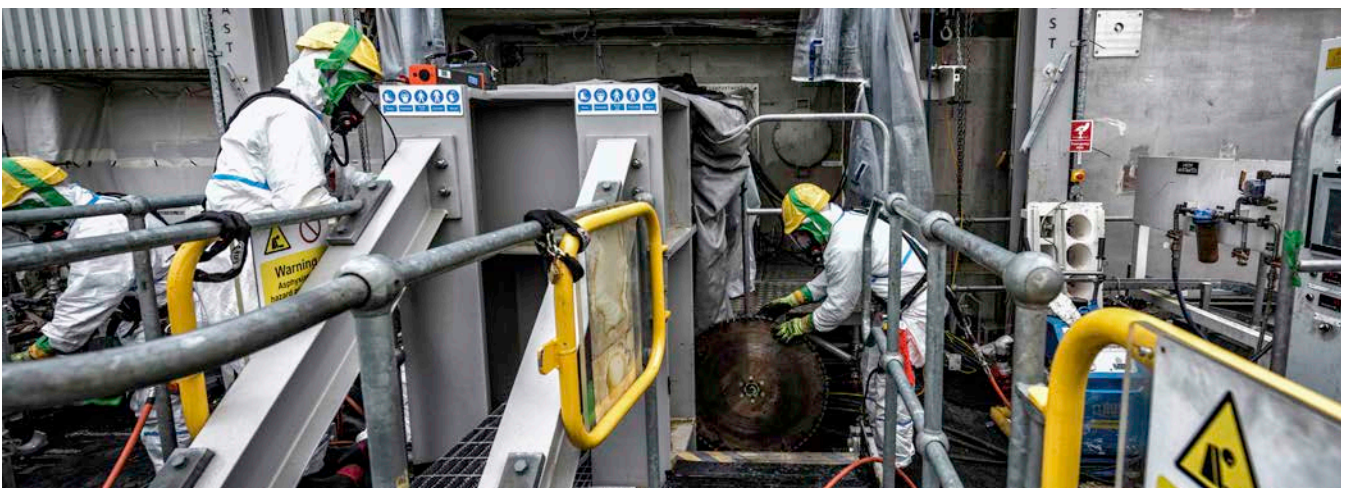
People are central to the NDA's ability to deliver its mission. Our aim is to provide great places to work and I was pleased to launch our new group Diversity and Inclusion Strategy this year. It sets some challenging, but important targets between now and 2025 to take us further on this journey.

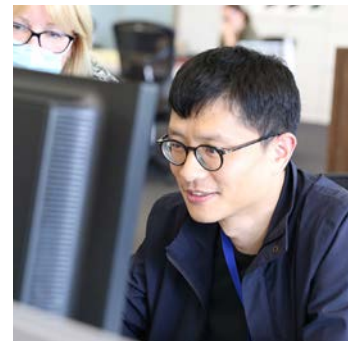
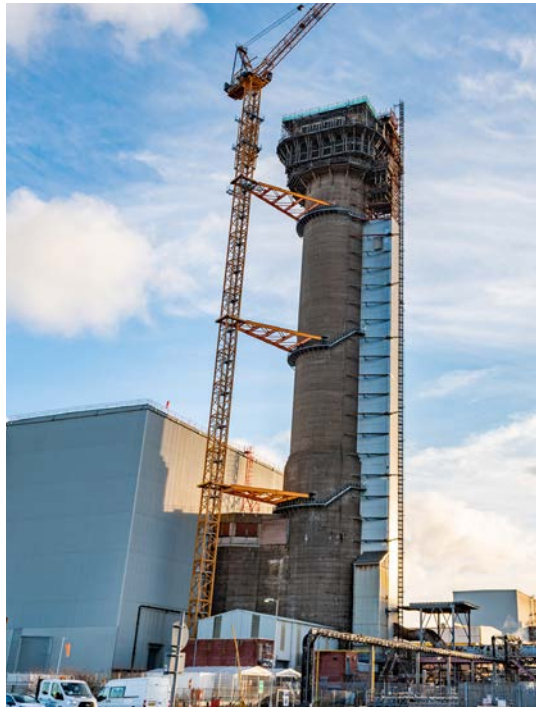
Inclusive culture and leadership is one of five focus areas within the strategy and our leadership standard, developed with input from all levels of the group, was recognised at the Learning Awards 2022. The standard is helping us build a collaborative culture and is creating consistency of what people can expect from our leaders. In addition, our Leadership Academy, which is designed to help our people grow, is doing incredibly well and is now progressing its third cohort of participants.

Shaping our group

Our Group Leadership Team (GLT) has now been operating for a year and we are seeing real benefits from this collaborative approach. It brings together the NDA's Executive Leadership Team (ELT) with the Chief Executive Officers of our operating companies in one forum to shape the future of the group.

With all of our Site Licence Companies now subsidiaries, we're moving to a group structure that consists of the NDA and four operating





companies. I've already reported the launch of Nuclear Transport Solutions and, in January this year, we created Nuclear Waste Services. This brings together LLW Repository Ltd and Radioactive Waste Management Ltd as one waste-focused organisation.

We've also announced that, subject to regulatory approval, Dounreay will join with Magnox in 2023. With Sellafield remaining a subsidiary company as it is today, the combined Magnox and Dounreay organisation will become the fourth of our operating 'pillars'.

Magnox will also be the home of the AGR reactors when they transfer from EDF Energy to the NDA for decommissioning. I am proud that the Government has trusted us to do more and discussions have started to prepare for the transition of the first AGR site when its defueling is complete.

Scrutiny and learning

In July we published the NDA's responses to the Magnox Inquiry, published in March 2021, as well as the Department for Business, Energy and Industrial Strategy's Departmental Review, which was published in July 2021.

Importantly, we've already taken significant steps to strengthen the NDA and improve the structure of the group and this is reflected in our response. While good progress has been made, our work continues and the reviews provide additional value as we develop and embed our new operating model.

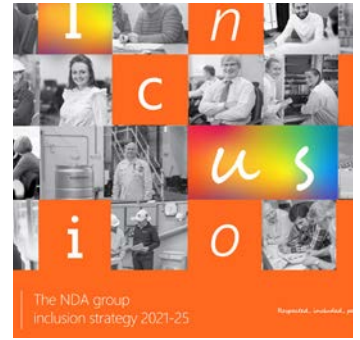
Supporting our communities

We mustn't lose sight of our wider responsibilities in the communities where we operate and we continue to make investments that help those areas prepare for life beyond our decommissioning mission.

This year saw the completion of redevelopment work at Scrabster Harbour, close to Dounreay. A £5 million contribution from the NDA has helped increase capacity at St Ola Pier, allowing access to larger vessels and opening up opportunities such as offshore energy construction and maintenance, as well as cruise ships docking.

Meanwhile our support for the creation of business hubs is helping to create new jobs at different ends of the country. Whitehaven Bus Station in Cumbria opened in 2021, with the previously derelict facility providing modern business accommodation and winning awards for 'excellence in planning for heritage and culture' and 'excellence in planning for a successful economy' from the Royal Town Planning Institute.

The Romney Marsh Employment Hub, near our Dungeness A site in Kent, offers similar support to local businesses and was created with a £500,000 contribution from the NDA and Magnox. The scheme is expected to create up to 500 new jobs, which will play a significant role in mitigating the impact of future reductions at Dungeness A and B sites as decommissioning progresses.



Thank you

We are now seeing many of our in-person events return and staffing levels in our offices are on the increase. I see this interaction as vital to the delivery of our mission and I hope it signifies a move to improved working beyond the pandemic.

I would again like to thank all those working around the group for their dedicated service in what has been an unprecedented set of challenging circumstances. I'd also like to extend my ongoing thanks to our Board, the Governments of the UK and the devolved administrations and all our stakeholders.

It's clear we have some big challenges ahead but, as we continue our journey of reshaping the NDA group, I remain very confident that we are well placed to continue to make real progress in our nationally important mission.

David Peattie
Accounting Officer and
Group Chief Executive Officer
7 July 2022

Financial review

Mel Zuydam - Group Chief Financial Officer

This year has seen revenues grow and investment made across our portfolio, with new transport and waste divisions formed, and preparations underway for the transfer of AGRs to the NDA group in the future.

While COVID-19 continued to impact operations and mission delivery during the year, our sites and businesses were able to manage the disruption it created and return to pre-COVID levels of productivity and mission progress by the end of the year. The latter part of the year did however see new financial risks emerging, particularly increases in energy prices. Combined with general inflation impacts, this will lead to a more challenging financial position for the group in the coming years. At the same time, we will maintain our focus on generating commercial income.

We have continued to portfolio manage our financial risks and opportunities, ensuring that we remained within the overall funding settlement agreed with Government through the Supplementary Estimate process. With a whole year of operation of our new Group Leadership Team and working closely with Government, we were able to take risk-based prioritised investment decisions and maximise our commercial revenues.

Our commercial revenues increased by 17% to £714 million, with increased fuel deliveries from the UK's operational nuclear power stations. Our net expenditure for the year was £2,758 million, compared to the original voted net expenditure limit of £2,791 million. Our capital investment was £2,024 million and our resource expenditure was £1,448 million.

Our funding for the medium-term was secured in Government's recent spending review, providing a platform for continued mission progress in the next few years. After a number of short-term settlements in recent years, this is a welcome development in our ability to create financial plans over a longer period.

This year saw the finalisation of the last two parent body organisation contracts, with Dounreay Site Restoration Limited (DSRL) and LLW Repository Limited becoming

NDA subsidiaries. It also saw the creation of Nuclear Waste Services, bringing together LLW Repository Limited and Radioactive Waste Management Limited (RWM). It was also a successful year of operations for our transport division, Nuclear Transport Solutions, which undertook substantial ship and rail transport deliveries, with revenues of £160 million.

Following an announcement by the UK Government and subsequent directions to the NDA issued by UK and Scottish Ministers, we can also look forward to the transition of AGR sites into the group in the future as they enter their decommissioning phase. This will increase the scope of our mission and create opportunities for synergies.

Our group-wide Integrated Financial Framework (IFF) delivered some important milestones, through a series of continuous improvement workstreams focused on people, reporting, controls and risk. A new enterprise resource planning system has been implemented, which is the first step in the modernisation of our suite of management information systems.

Improved performance reporting has also been delivered for use by the Group Leadership Team, NDA Board and Government, alongside improved investment review processes and delegations. We are now into our second year of intake to our Finance, Audit and Risk graduate scheme, and we have launched our first Finance apprentice scheme. This will help to ensure we have the right skills and resources in place to support the group as we look forward.

Since the year end, we have continued to see an increase in rates of inflation. We are reviewing the evolving impact on our spend forecasts and how this may impact on future assessments of our nuclear provision.

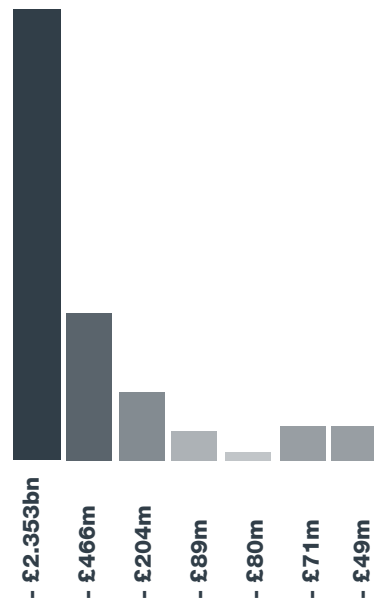
"Our funding for the medium-term was secured in Government's recent spending review, providing a platform for continued mission progress in the next few years."



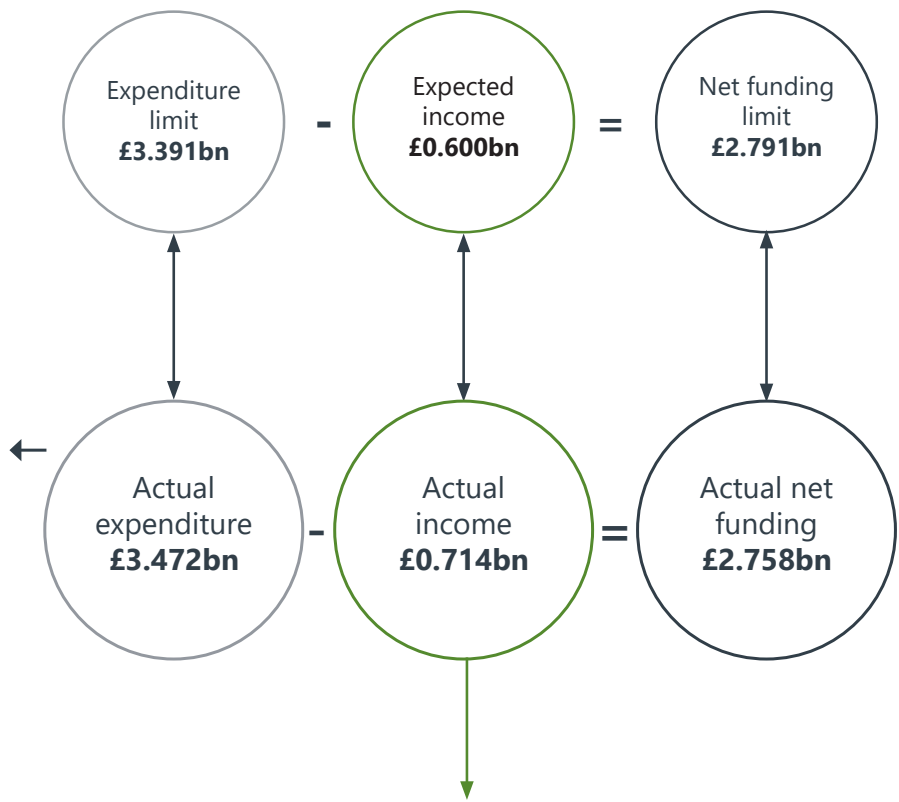
Performance against financial targets

How £3.472bn funding was used to deliver the NDA mission

- £2.353bn** Sellafield
- £466m** Magnox
- £204m** Dounreay
- £89m** LLWR
- £80m** RWM
- £71m** INS
- £49m** Springfields and Capenhurst
- £160m** Other



Other costs	
Industry costs	£119m
Energy costs	£5m
NDA running costs	£36m
Total	£160m



NDA actual income £714m

- £289m** Reprocessing/waste contracts
- £254m** Spent fuel management
- £11m** Energy sales
- £70m** Nuclear materials and transport
- £90m** Other

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

£3.5 billion

A total of £3.5 billion spent in the year

£2.8 billion

A net total of £2.8 billion funded by Government

£0.7 billion

£0.7 billion of income

£36 million

NDA's own running costs are 1.1% of overall group budget

The NDA and our mission

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

What we do

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

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

We strive to deliver best value for the UK taxpayer by focusing on reducing the highest hazards and risks, while ensuring safe, secure, and environmentally responsible operations at our sites.

We seek ways to reduce the level of public funding by generating revenue through our commercial activities.

How we're set up

We're a non-departmental public body created by the Energy Act 2004 to lead the clean-up and decommissioning work at our 17 sites.

We're sponsored and funded by the Department for Business, Energy and Industrial Strategy (BEIS). Our plans for cleaning up the sites are approved by BEIS and Scottish ministers, who provide a framework for us.

We have offices across the UK, in Cumbria, Warrington, Dounreay, Harwell and London and employ just over 350 permanent staff.

As a non-departmental public body, the NDA supports a wide range of Government policy developments such as the Ten Point Plan for a Green Industrial Revolution with intellectual thought, physical assets and research and development.

Our sites

The UK's nuclear landscape began to take shape in the post-war period and has evolved over many decades. The focus during the Cold War arms race was on producing material for Britain's nuclear deterrent. When the nation's priorities shifted, facilities were turned into nuclear power stations, and, from

1956 onwards, the UK's first nuclear power stations began generating electricity for homes and businesses. Fuel fabrication and reprocessing plants were built from the 1970s to 1990s.

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

Current plans indicate it will take more than 100 years to complete our core mission of nuclear clean-up and waste management. The goal is to achieve the end state at all sites by 2125, with all land on Scottish sites expected to be de-designated by 2333.



17

nuclear sites
across the UK



16,900

employees across
the group



950

hectares of
designated
land on nuclear
licensed sites



800+

buildings to be
demolished



The NDA group

Accomplishing this important work requires the best efforts of the entire NDA group.

Cleaning up and decommissioning the UK's nuclear legacy is a complex undertaking and relies on the full range of expertise and skills within the NDA group. Over the last few years, important decisions have been taken about how the organisations delivering our mission are managed, with the intention of simplifying structures and creating a stronger NDA group.

Last year we took the final steps to move to a group (subsidiary) operating model, away from the previous contractual, parent body organisation approach. Dounreay Site Restoration Limited (DSRL) became an NDA subsidiary in April 2021, followed by Low Level Waste Repository Limited (LLWR) in July. These follow similar changes for Sellafield in 2016 and Magnox in 2019.

Moving to a group model is enabling us to make further improvements and simplify structures. In January 2022 Radioactive Waste Management (RWM) and LLWR came together into one waste organisation, Nuclear Waste Services. We have also announced our intention to join Dounreay with Magnox, subject to regulatory agreement.

The NDA group will then be made up of the NDA and its four key component parts: Sellafield, Magnox with Dounreay, Nuclear Waste Services and Nuclear Transport Solutions. Our other subsidiaries include Rutherford Indemnity, NDA Archives, NDA Properties and Energus.

With the finalisation of this structure comes the ability to introduce group-wide policy statements in a number of areas. There are nine policy statements and the NDA and its operating companies will meet the requirements of these through their individual arrangements:

- Ethics
- Sustainability
- Socio-economics
- Health and safety
- Environment
- Security
- Accounting
- Value for money*
- Diversity and inclusion*

The scope of the NDA group is set to grow, following arrangements agreed by the Government and EDF Energy for decommissioning Britain's seven advanced gas-cooled reactor (AGR) stations.

The AGRs will reach the end of their operational lives over the next 10 years and, as they come offline, their ownership will transfer to the NDA for decommissioning, utilising the expertise of our group and significantly Magnox and its experience in decommissioning the older Magnox stations.

*Still under development



The NDA organisational structure



Department for Business, Energy and Industrial Strategy (BEIS)

BEIS is the Government sponsor of the NDA and sets policy and funding



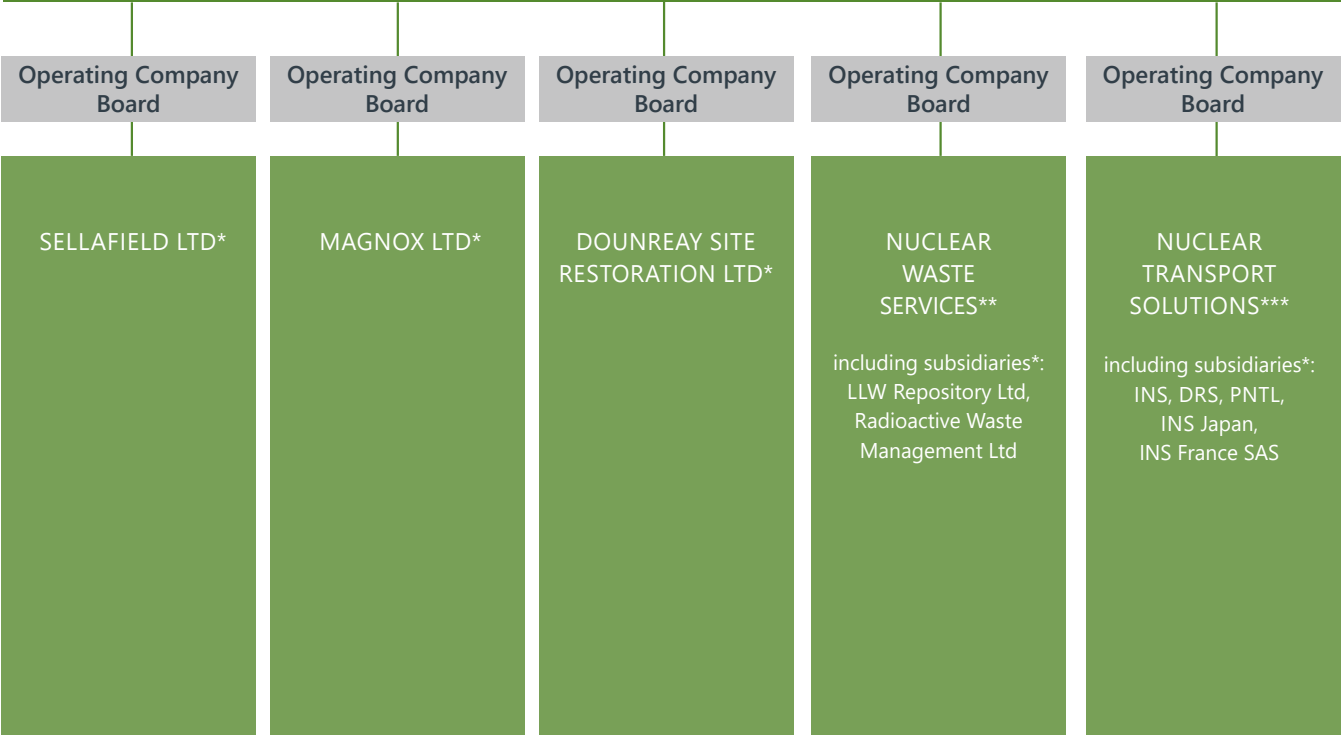
UK Government Investments (UKGI)

UKGI provides strategic oversight of the NDA's corporate governance and performance



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

Operating company subsidiaries



*NDA Group for Statutory Accounts

** Nuclear Waste Services is run by a Management Board. As separate legal entities, there are also Company Boards for LLW Repository Ltd and Radioactive Waste Management Ltd.

*** Nuclear Transport Solutions is run by a Management Board. As separate legal entities, there are also Company Boards for INS, DRS, PNTL, INS Japan, INS France SAS.

Other businesses that support our mission

NDA
ARCHIVES
LTD*

NDA
PROPERTIES
LTD*

RUTHERFORD
INDEMNITY
LTD*

ENERGUS

URENCO
NUCLEAR
STEWARDSHIP
LTD

Owner
URENCO
Nuclear
Stewardship Ltd

SPRINGFIELDS
FUELS LTD

Owner
Westinghouse
Electric UK
Holdings Ltd

Decommissioning contract, residue processing, leases and other commercial arrangements



Our strategic approach
and themes

Our strategic themes

We use five strategic themes to describe all the activities needed to deliver the NDA’s mission.

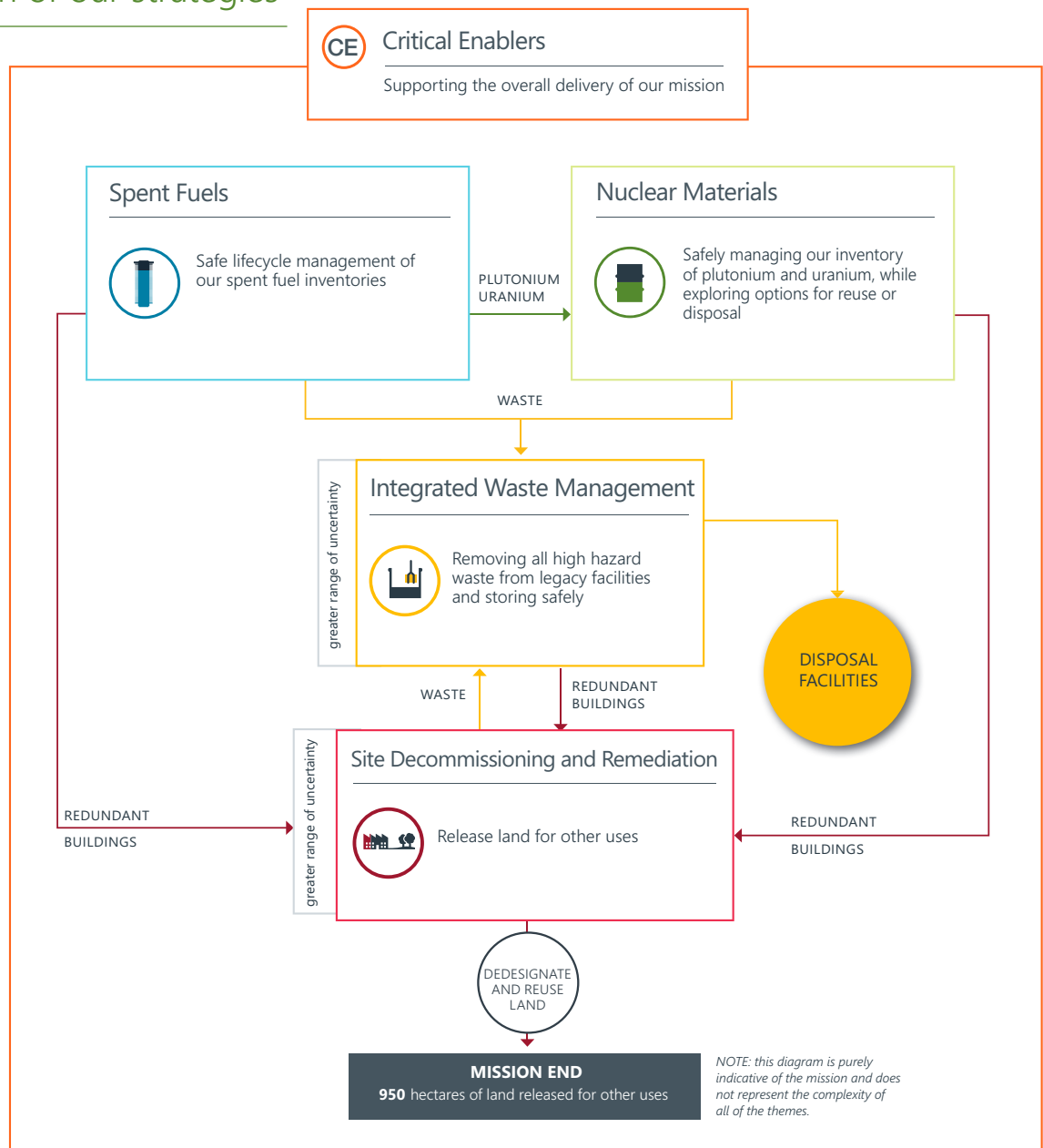
The first four strategic themes, Spent Fuels, Nuclear Materials, Integrated Waste Management and Site Decommissioning and Remediation relate directly to our clean-up and decommissioning work and are known as driving themes.

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

Currently, the most urgent task is dealing with our sites’ highest-hazard materials, spent fuel, nuclear materials and highly radioactive wastes.

Once the inventory has been made safe, the redundant nuclear facilities can be dismantled and demolished.

Integration of our strategies





Our driving themes and strategic outcomes

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

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

Increasingly, we're building a more accurate picture of the work that's been completed across our 47 outcomes and that which is still left to do.

The percentage figures in the charts opposite show how much of the work has been achieved in each outcome so far.

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

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



Spent Fuels Strategic outcomes 1-15

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

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

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

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

Table 1 - Mission Progress Reporting Strategic Outcomes

		2022 % complete	Sellafield	Magnox	Downreay	NWS	NTS	Capenhurst	Springfields
SPENT MAGNOX FUEL	1 All Magnox sites defueled	100%	✓	✓			✓		
	2 All legacy Magnox fuel retrieved	25%	✓						
	3 All Magnox fuel reprocessing completed	96%	✓						
	4 All remaining Magnox fuel in interim storage	25%	✓						
	5 All remaining Magnox fuel disposed	0%	✓			✓			
SPENT OXIDE FUEL	6 All EDF Energy oxide fuel received	60%	✓				✓		
	7 All legacy oxide fuel retrieved	100%	✓						
	8 All oxide fuel reprocessing completed	100%	✓						
	9 All remaining oxide fuel in interim storage	56%	✓						
	10 All remaining oxide fuel disposed	0%	✓			✓			
SPENT EXOTIC FUEL	11 All exotic fuel defueled	73%	✓		✓				
	12 All exotic fuel consolidated	62%	✓		✓		✓		
	13 All exotic fuel reprocessing completed	93%	✓						
	14 All remaining exotic fuel in interim storage	84%	✓						
	15 All remaining exotic fuel disposed	0%	✓			✓			

KEY: NWS = Nuclear Waste Services, NTS = Nuclear Transport Solutions

✓ Denotes outcome complete ✓ Applicable to each SLC/company



Nuclear Materials Strategic outcomes 16-25

Our strategy defines our approach to dealing with the inventory of uranium and plutonium currently stored on some of our sites. These nuclear materials are by-products from different phases of the fuel cycle, either manufacturing or reprocessing. All nuclear materials must be managed safely and securely, by either converting them into new fuel or immobilising and storing them until a permanent UK disposal facility is available.

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

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



Nuclear materials

		2022 % complete	Sellafield	Magnox	Downreay	NWS	NTS	Capenhurst	Springfields
PLUTONIUM	16 All plutonium produced	97%	✓						
	17 All plutonium consolidated	100%	✓		✓		✓		
	18 A: All plutonium repacked in long-term storage B: All cans not suitable for extended storage repackaged	0% 35%	✓						
	19 All plutonium in interim storage	0%	✓						
	20 All plutonium reused or disposed	0%	✓			✓			
URANICS	21 All uranium produced	94%	✓						
	22 All uranium consolidated	80%	✓	✓	✓		✓	✓	✓
	23 All uranium treated	4%						✓	✓
	24 All uranium in interim storage	61%	✓					✓	
	25 All uranium reused or disposed	3%	✓			✓		✓	

Meet some of those helping to deliver our mission and find out about the successes and challenges associated with their work by scanning the QR codes on the following pages.



Case study - Nuclear Materials

MISSION DELIVERY Helping us to deliver strategic outcome: **19**

Major Sellafield construction making progress



Find out more about this case study and meet some of those involved by scanning this code.

Sellafield has seen progress with a large construction project this year, the Sellafield Product and Residue Store Retreatment Plant (SRP).

A huge slab has been constructed, forming the ground floor of the SRP, which will provide safe storage of special nuclear material.

The SRP pour marked a hefty 8,374m³ of concrete laid, reinforced with 1,230 tonnes of steel.

When finished the facility will be an integral part of our mission to create a clean and safe environment for future generations.



Integrated Waste Management Strategic outcomes 26-39

Our strategy considers how we manage all forms of waste arising from operating and decommissioning our sites, including waste retrieved from legacy facilities. Managing the large quantities of radioactive waste from electricity generation, research, the early defence programme and decommissioning is one of the NDA's biggest challenges. Some of this radioactive waste is in a raw (untreated) form, some has been treated and is being interim stored and, in the case of low level waste, some has already been permanently disposed of.

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

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

		2022 % complete	Sellafield	Magnox	Dounreay	NWS	NTS	Capenhurst	Springfields
LOW LEVEL WASTE	26 All LLW produced	7%	✓	✓	✓	✓		✓	✓
	27 All LLW treated - to enable diversion or reuse	9%	✓	✓	✓	✓	✓	✓	✓
	28 All waste suitable for disposal in NDA facilities	15%	✓	✓	✓	✓	✓	✓	✓
	29 All waste suitable for permitted landfill disposed	4%	✓	✓	✓	✓	✓	✓	✓
INTERMEDIATE LEVEL WASTE	30 All ILW produced	33%	✓	✓	✓	✓		✓	✓
	31 All legacy waste retrieved	9%	✓			✓			
	32 All ILW treated	10%	✓	✓	✓			✓	✓
	33 All ILW in interim storage	15%	✓	✓	✓			✓	✓
	34 All ILW disposed	0%	✓			✓	✓		
HIGH LEVEL WASTE	35 All HLW produced	71%	✓						
	36 All HLW treated	74%	✓				✓		
	37 All HLW waste in interim storage	83%	✓				✓		
	38 All overseas HLW exported	11%	✓				✓		
	39 All HLW disposed	0%							

Case study - Integrated Waste Management

MISSION DELIVERY Helping us to deliver strategic outcome: **33**

Chapelcross first active waste package in storage



Find out more about this case study and meet some of those involved by scanning this code.

May 2021 saw the first active waste package placed in a storage facility at Magnox's Chapelcross site, achieving a major step forward for the site's waste management and clean-up programme.

The package, made of ductile cast iron, holds Intermediate Level Waste (ILW) from the site's former cooling ponds.

It was sent to an on-site interim storage facility which can hold more than 700 waste packages safely and securely for over 120 years.

The achievement is the first step to safely securing all the ILW generated during Chapelcross' operations, until the Scottish Government Higher Activity Waste Policy identifies final storage and disposal options for Scotland's ILW.

Case study - Integrated Waste Management

MISSION DELIVERY Helping us to deliver strategic outcome: **31**

High hazard waste retrievals progress at Sellafield



Find out more about this case study and meet some of those involved by scanning this code.

The first of three machines that will grab waste out of the Magnox Swarf Storage Silo (MSSS) at Sellafield moved into position in May 2021.

The 350-tonne Silo Emptying Plant (SEP2) machine was moved over three days across specially installed rails at the top of the silo from compartment six to compartment ten, where the first waste will be removed.

Shifting the equivalent weight of three blue whales along the metal rails was done by hand using twin tirlors, which are effectively a horizontal block and tackle arrangement.

It allowed preparations to begin for active commissioning and the upcoming start of retrievals, a major step towards cleaning up the most important hazard and risk reduction job on the site.

Case study - Integrated Waste Management

MISSION DELIVERY Helping us to deliver strategic outcome: **32**

Major construction project milestone



Find out more about this case study and meet some of those involved by scanning this code.

Sellafield site's Site Ion Exchange Effluent Plant (SIXEP) Continuity Project (SCP) has marked the first concrete pour on its construction site.

The SCP will help to ensure the continued operation of SIXEP.

SIXEP treats and makes safe the effluent created by risk reduction activities in the First Generation Magnox Storage Pond and Magnox Swarf Storage Silo. Completion of this work will enable Sellafield to continue treating this waste for decades to come.



Site Decommissioning and Remediation Strategic outcomes 40-47

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

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

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

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

		2022 % complete	Sellafield	Magnox	Dounreay	NWS	NTS	Capenhurst	Springfields
OPERATIONAL AND PLANNED	40	All planned new buildings operational	TBD	✓	✓	✓	✓	✓	
	41	All buildings primary function completed	38%	✓	✓	✓	✓	✓	
DECOMMISSIONING AND DEMOLITION	42	All buildings decommissioned	21%	✓	✓	✓	✓	✓	
	43	All buildings demolished or reused	19%	✓	✓	✓	✓	✓	
SITES	44	All land delicensed or relicensed	9%		✓	✓	✓		
	45	All land in End State - all planned physical work complete	43%	✓	✓	✓	✓	✓	✓
	46	All land demonstrated as suitable for reuse	9%	✓	✓	✓	✓	✓	✓
	47	All land dedesignated or reused	9%	✓	✓	✓	✓	✓	

Meet some of those helping to deliver our mission and find out about the successes and challenges associated with their work by scanning the QR codes on the following pages.



Case study - Site Decommissioning and Remediation

MISSION DELIVERY Helping us to deliver strategic outcomes: **42** **43**

Sellafield skyline change



Find out more about this case study and meet some of those involved by scanning this code.

The removal of a huge diffuser at the top of the Windscale Pile Chimney marked a key milestone for decommissioning work at Sellafield at the end of 2021.

The diffuser gave the 125-metre chimney its distinctive top-heavy appearance and has been part of the Cumbrian landscape for nearly 70 years.

Demolition work started in December 2018, with the first block removed in January 2019.

It had to be cut up in-situ, more than 100 metres above ground.

Sections were then transported separately down to the ground, requiring 200 moves to clear the entire block. The achievement has also removed the seismic risk associated with the chimney.

Work will now start on demolishing the chimney barrel.

The removal of this iconic part of such a large structure, and the progress made on the demolition work, marks an important achievement in our mission to clean up the UK's earliest nuclear sites.

Case study - Site Decommissioning and Remediation

MISSION DELIVERY Helping us to deliver strategic outcomes: 42 43

Dounreay decommissioning success



Find out more about this case study and meet some of those involved by scanning this code.

World-first innovation helped solve a significant decommissioning challenge at Dounreay, with 1,810 litres of radioactive sodium coolant removed from a shallow heel pool at the base of a reactor vessel within the site's Prototype Fast Reactor (PFR).

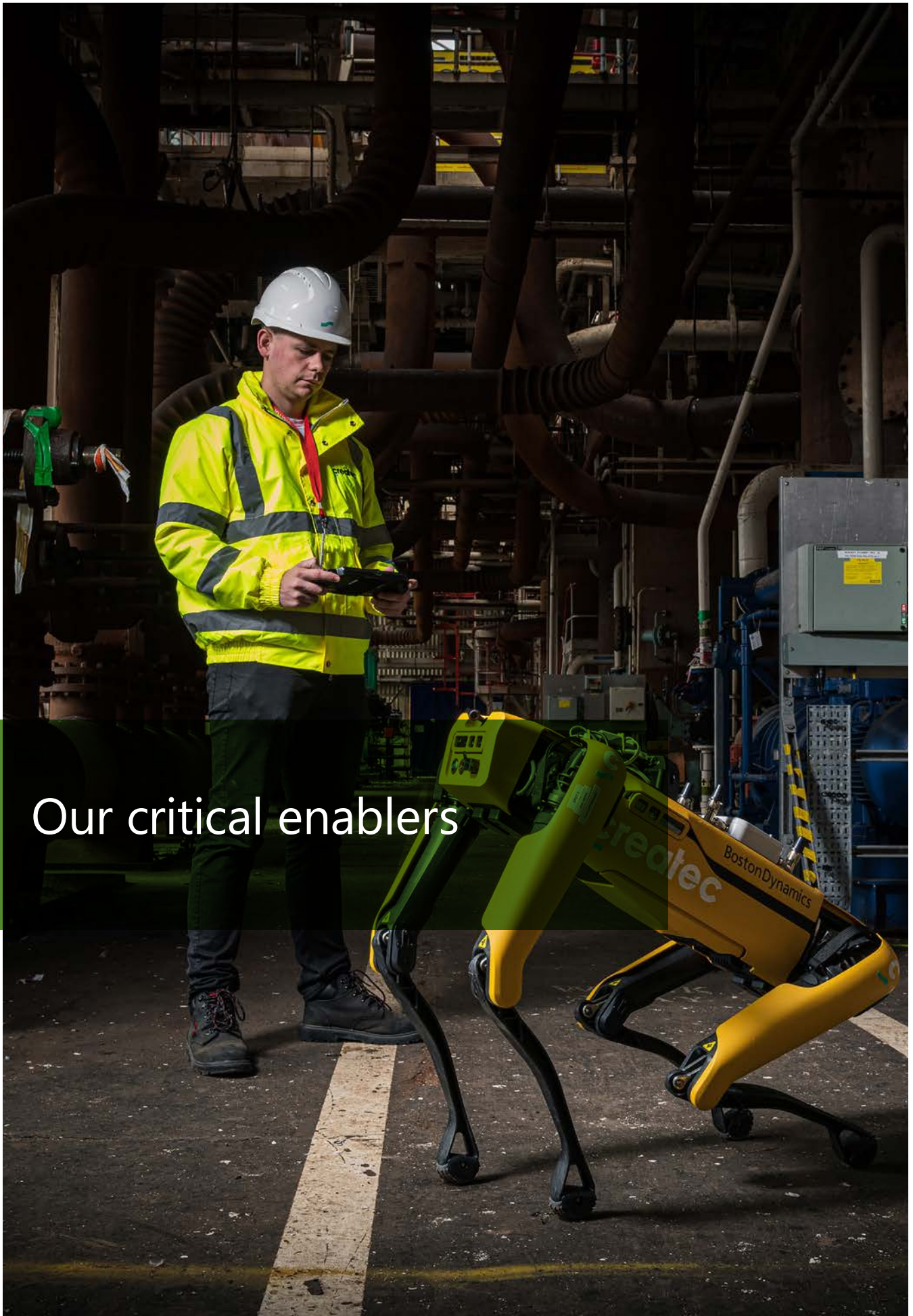
Two solutions were developed to remove the hazard. The first was the design and installation of 11 external heating elements to melt the sodium to allow it to be pumped out of the hard-to-reach pool. The second, was the creation of an in-reactor pump that was remotely manoeuvrable to reach the sodium pool.

Taking away the sodium heel pool removed a major obstacle to allow for the next stage of reactor decommissioning.

The technical and practical challenges to overcome were considerable. The project required input from all the disciplines and specialists available on site, as well as support from the supply chain and it could not have been delivered without this collaborative approach.

The next phase will be to decommission and remove the pump from the reactor and install the treatment system, which will use a water vapour/nitrogen mixture, using purpose-built skids, to reach all the remaining sodium residues within the vessel and pipework. The project is on course to complete the clean-out work by the end of 2023.





Our critical enablers

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

Health, safety, environment and wellbeing

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

We aim to be recognised as a leading environmental remediation organisation. Our environment strategy is maturing and we are working towards a low carbon future and improved environmental outcomes to ensure that our mission outcomes are delivered in an environmentally sustainable manner.

Our strategy for health and wellbeing is to provide a supportive working environment across the NDA group by actively promoting and working with our employees and trade unions (see People) to develop and implement policies and standards with employee health and wellbeing at the forefront.

Sustainability

Our sustainability strategy is also maturing and its emphasis will change over time as our mission progresses. In the short-term, we are making specific efforts to measure our carbon footprint consistently across the NDA group and determine the impact of mission delivery to identify additional opportunities for decarbonisation. In the medium to long-term, ongoing collaboration on our technical grand challenges programme will generate further opportunities to improve the sustainability of our mission delivery. Our recently published strategy sets out our ambition and focuses on delivering sustainable outcomes through decommissioning practices, with care for the environment, through positive and sustainable socio-economic outcomes for nuclear communities. For more information on sustainability at the NDA see page 44.

Security and resilience

Security is a fundamental element of all civil nuclear operations. We are committed to providing proportionate security and resilience solutions throughout the decommissioning lifecycle.

We recognise the many threats that face the NDA and its supply chain, from cyber attacks, data breaches and Information Technology (IT) system failures to extreme weather conditions, global pandemics and terrorism.

Our strategy brings the NDA operating companies together, taking a group-wide approach to security and resilience in order to improve collaborative working and, where appropriate, implement a shared approach to security arrangements.

Cyber security

Our cyber security strategy is well established, but requires further integration with organisational and operational planning across the whole NDA group. The nature of the threat continues to change and is so prevalent that we have established a group-wide programme (Cyber Security Resilience Programme) to ensure that we become an increasingly harder target for those who seek to do harm to our businesses or our sites. We will ensure that we can collectively protect ourselves, detect cyber incidents early and have mature response and recovery plans to minimise disruption to our core mission of nuclear clean-up and environmental restoration.

Research, development and innovation

Delivering our mission needs many 'never-done-before' solutions, which require significant innovative and novel engineering approaches.

Our strategy is to solve the challenging technical problems safely, while aiming to be more effective, efficient, and wherever possible, for less cost to the taxpayer. Research, development and innovation is essential to decommissioning our sites and is delivered in partnership with our supply chain.

Our strategy is established and effective, but our objective has evolved, and will continue to do so, in response to the priorities and challenges across the NDA group and the need for social acceptability of the NDA mission.



People

Our people are a significant strategic enabler to the delivery of our mission. We strive to create great and diverse places to work so that we can retain our people, maintain our skills base and recruit into our businesses.

Our people topic strategy has three main focus areas: ensuring we have the right people at the right time to deliver the mission; creating the culture in which our people can thrive; and working in partnership with our recognised trade unions and the broader stakeholder community.

Asset management

The NDA group has assets in all stages of the asset management lifecycle and we have a responsibility to secure safe, environmentally considerate and cost-effective asset management across the group.

To ensure our assets achieve this objective, we need a continually improving asset management approach informed by good practice that focuses on value for money mission delivery.

Our strategy continues to address the enduring risk that poor asset performance adversely impacts our mission. We will further develop our strategy for new and existing assets and look to obtain through-life asset management plans that fully integrate new assets into current operations.

Supply chain

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

With our one NDA way of working, we are now uniquely placed to identify synergies across the group and continue to perform collaborative procurement activities.

We continue to broaden the routes to market and our supply base for the NDA group. A more diverse and sustainable range of suppliers with nuclear experience will provide greater resilience and access to innovative solutions for safe, secure and cost-effective decommissioning.

Information governance

The NDA owns most of the information produced and managed by the NDA group. We aim to support all businesses Information Governance topic aims to support all businesses within the group to comply with statutory and regulatory requirements and realise the value of these assets to enable delivery of the NDA mission. The first step has been achieved by embedding group-wide policies, procedures and guidance together with key centralised infrastructure consisting of an archive facility (Nucleus), a secure collaboration platform and a secure private cloud.

Socio-economics

We have a responsibility to support the maintenance of sustainable local economies for communities living near NDA sites and, where possible, contribute to regional economic growth.

The NDA group's socio-economic strategy is built upon supporting sustainable incomes, resilient economies and thriving communities. Our approach is to work locally. This means



working in partnership with local authorities and organisations to better understand local needs.

In supporting our local communities, our primary strategy is to ensure that decisions that direct the delivery of our decommissioning mission support local sustainable and inclusive economic growth and greater social value wherever possible. To ensure our local communities can attract future economic activity, we prioritise support and fund projects which are consistent with our responsibilities to the UK taxpayer. We work in partnership with others to increase the impact of our funding.

Public and stakeholder engagement

Open and transparent engagement is key to building support, confidence and trust among all our stakeholders and we continue to encourage two-way dialogue about strategic direction and when consulting on statutory documents. The open dialogue we have with our stakeholders has encouraged the discussion of difficult and complex issues. We are committed to listening to and integrating a diverse range of views and giving confidence to stakeholders that their views and input will be considered fully as part of this engagement, helping to drive and influence progress in delivering the NDA's mission. This would not be possible without the support of our stakeholders and the trust we have built with communities and local authorities close to our nuclear sites.

Transport and logistics

The effective delivery of the NDA mission relies on our ability to transport radioactive materials

(for example, spent fuel, radioactive waste, contaminated items) and bulk materials (e.g. spoil, concrete, raw materials) to, from and between our sites.

In 2021, we brought together the extensive transport and logistics expertise of our subsidiaries, INS and DRS into a single transport division, Nuclear Transport Solutions (NTS) to support the NDA group and provide value beyond the NDA mission, both in the UK and overseas.

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

International relations

The NDA's operating environment is inherently international and the risks we manage transcend national boundaries. The materials in our inventory have safety and security considerations on a global scale, and the policy framework in which our strategy is developed is underpinned by international standards and guidance.

The nuclear decommissioning market is growing globally and we will continue to use our experience and relationships to enhance the reputation of the UK nuclear industry, sharing our experience and skills, accessing peer reviews, and conducting joint technology development projects.

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



Sustainability at the NDA

Sustainability is a new critical enabler.

In 2021 the NDA group's Sustainability Policy and Strategy was approved with demonstrable influence and integration of the agreed approach across the operating companies.

Sustainability at the NDA is structured across four legacies; decommissioning, environmental, socio-economic and cultural.

Vision

Our group sustainability vision is to be recognised as a leader in transforming nuclear legacies into opportunities for local, regional and national sustainable development.

Definition

The NDA group's sustainability definition is to create value through nuclear decommissioning - at pace, affordably, with participation and creatively.

While an important part of sustainability is about protecting and enhancing the environment, as laid out in our environmental legacy, it also means protecting and enhancing the lives of people, creating sustainable local and regional economies, and creating an impact conscious and future focused mindset. In our decisions and actions, we have a responsibility to transform the legacies we have inherited to those we wish to leave behind.

A governance structure that reaches all levels within the NDA group is fundamental to achieving the vision. The creation of an NDA Board Sustainability and Governance Committee and engagement with the Group Leadership Team will enable the highest levels of leadership to expedite and achieve progress.

Key Performance Indicators (KPIs)

Sustainability KPIs have been defined in consultation with our functions and operating companies. They are intended to ensure meaningful progress across our four legacies, covering areas such as procurement, emission reductions, socio-economic spend and cultural changes.

The NDA has also recently launched mandatory sustainability training for its staff. This will help develop a culture of sustainability leadership, with key objectives to raise awareness and understand how the NDA's approach can be used in varying roles.

See pages 127 to 134 for more information on sustainability at the NDA and our performance this year.

Case study - Critical enablers - Sustainability

Recycling success for nuclear vessel



Find out more about this case study and meet some of those involved by scanning this code.

The decommissioning of Oceanic Pintail has set the standard for others to follow after 100% of the 3,865-tonne specialist nuclear vessel was recycled.

Nuclear Transport Solutions, which operated Oceanic Pintail, set Dales Marine Services the challenge of ensuring the world-class cargo vessel was reused.

Applying a number of innovative techniques, every part of the NDA-owned vessel was recycled in a UK first.

The achievement supports the NDA groups sustainability ambitions.

Case study - Critical enablers - Sustainability

On track to cut plastic pollution



Find out more about this case study and meet some of those involved by scanning this code.

Nuclear Waste Services is playing its part in reducing waste plastic by substituting an additive in the tarmac used to resurface the perimeter track at the Low Level Waste Repository site.

In every tonne of asphalt used for resurfacing, 3kg of bitumen are replaced with the equivalent of the plastic additive.

This additive is composed of non-recyclable waste plastics which would have previously been destined for landfill.

Some 12,840kg of the additive will be used in the project. A single use plastic bag weighs around 4.5g, so the amount of recycled plastic equates to 2,853,333 single use bags that will now no longer reach landfill.

Case study - Critical enablers - Sustainability



The Well Project



Find out more about this case study and meet some of those involved by scanning this code.

Western Excellence in Learning and Leadership (WELL) was a project co-designed by Sellafield Ltd, the NDA, Cumbria County Council and school heads from the Cumbria Alliance of System Leaders. It aims to close the disadvantage attainment gap, raise pupil achievement, improve the quality of teaching, and enhance students' health and wellbeing in Cumbria. Highlights include:

- 118 schools have implemented proven interventions to support resilience and learning for disadvantaged students
- 43 schools have completed youth mental health first aid training
- 40 schools now have staff qualified as Emotional Literacy Support Assistants
- 71 schools were provided with surplus IT equipment to support disadvantaged learners to access material through the lockdown

Sustainability at the NDA continued

Carbon net zero journey

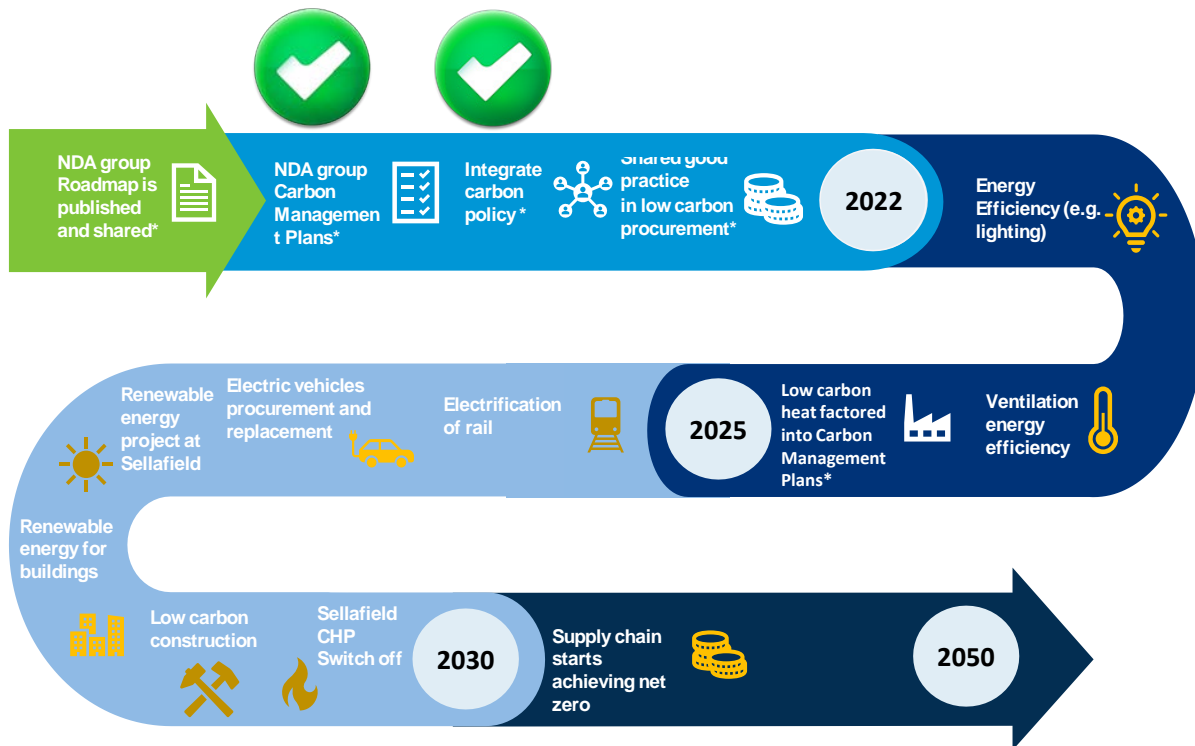
We have published an NDA group Carbon Policy setting out our commitment to achieve carbon net zero by 2050 and how this will be delivered.

Base and stretch carbon emission reduction targets were set for 2021/22 and, while data is still being verified, most operating companies have met both targets – reducing the NDA group’s scope one and two carbon footprint by around 15% (see page 129 for a description of these). This has been achieved because of positive changes in operational practices, as well as some continued impact from COVID-19 and energy generation plant outages. It compares to a reduction of around 16% in the previous year, where the impact of COVID-19 was much larger.

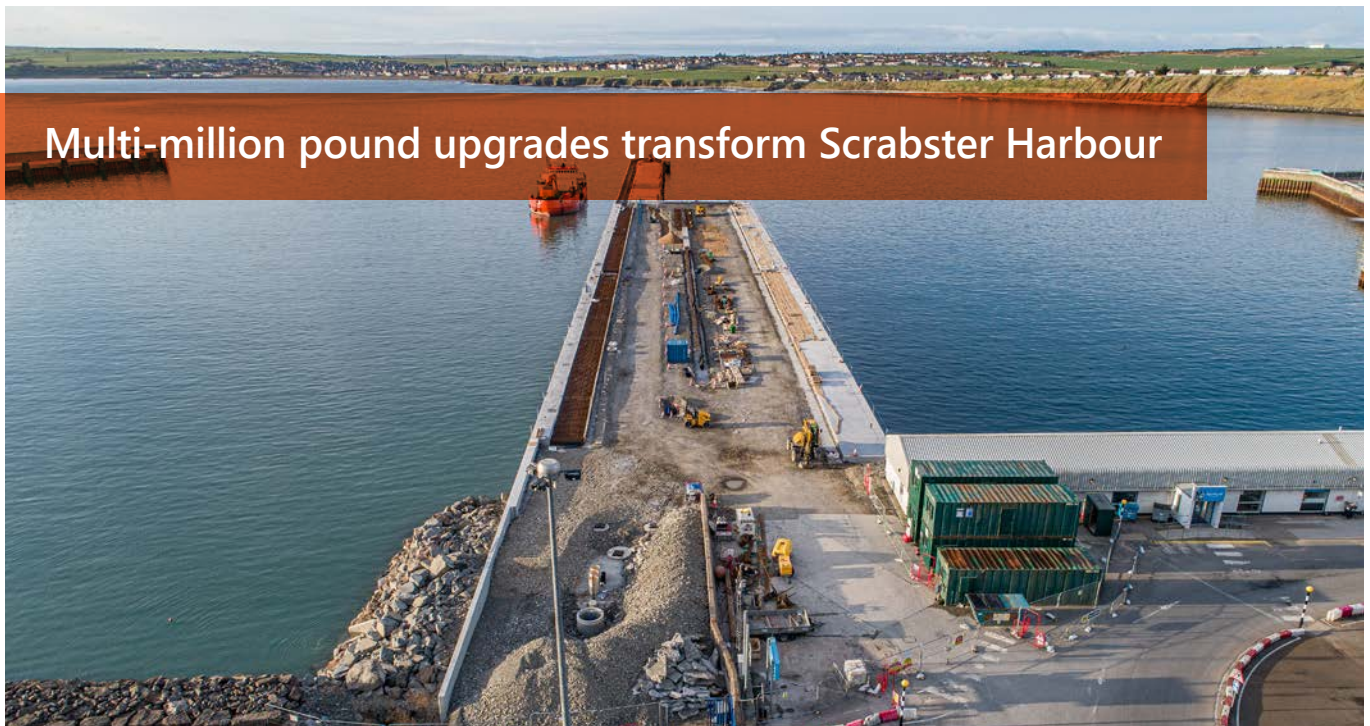
In addition, all operating companies have developed carbon management plans. There has been a focus on energy audits to identify opportunities for reductions and efficiencies. Magnox in particular has exceeded its target and audited all its sites.

Challenging targets have been agreed with all operating companies for the year ahead and we are also ensuring that carbon emissions are now a consideration in our decision making and procurement process, with business case guidance updated to ensure this.

NDA group carbon net zero roadmap



Case study - Critical enablers - Socio-economics



Multi-million pound upgrades transform Scrabster Harbour



Find out more about this case study and meet some of those involved by scanning this code.

The latest port development at Scrabster Harbour, close to the Dounreay site in Caithness, was officially opened in December 2021.

St Ola Pier has been at the heart of a major development project to increase capacity and accommodate larger vessels at the port on the north coast of Scotland.

The investment will allow Scrabster to access new opportunities, including offshore energy and cruise ships.

The project has cost a total of £18.9 million, with NDA providing funding support of £5 million along with its partner Highlands and Islands Enterprise (HIE).

The opening of the pier is an example of our socio-economic strategy in action, helping Scrabster Harbour to develop a range of new opportunities and make a significant contribution to the long-term sustainability of the local economy.

Case study - Critical enablers - Equality, Diversity and Inclusion



NDA group inclusion strategy launched

The NDA group inclusion strategy 2021-25

Respected, included, performing at our best 



Find out more about this case study and meet some of those involved by scanning this code.

A new NDA group inclusion strategy 2021-2025 has been launched.

Building on the foundations laid since our initial Equality, Diversity, and Inclusion strategy was published in 2018, the strategy focuses on five key areas and supporting commitments that we'll prioritise across the group as we move from foundation building to embedding inclusion into the DNA and culture of our organisations.

The strategy also includes goals against which we'll measure ourselves and use to report progress.

The themes are:

- Inclusive culture and leadership
- Diverse workforce
- Embedding inclusion into our employee lifecycle
- Respect, dignity and employee voice
- Flexibility, agility and smarter working

Building great places to work remains a key part of our group vision. Creating workplaces where everyone feels respected, included and able to perform at their best, is not only the right thing to do but will help us to deliver our mission.

Case study - Critical enablers - Group Structure

Nuclear Waste Services launched

Securing a
safer future
for us all

Introducing Nuclear Waste



Find out more about this case study and meet some of those involved by scanning this code.

January 2022 saw the launch of Nuclear Waste Services (NWS) which brought together into one organisation the expertise of site operator Low Level Waste Repository Limited (LLWR), Geological Disposal Facility (GDF) developer Radioactive Waste Management Limited and the NDA group's Integrated Waste Management Programme.

NWS brings together a huge amount of expertise and capability in dealing with radioactive waste across the UK. It also maintains the commitments made to the GDF programme, to the Low Level Waste Repository, and to the communities we operate in.

The organisation builds on work delivered over many decades, while adding more essential services for customers in the nuclear energy, defence, industrial, medical, and research sectors.

By working more closely together we can enable better decision-making and help identify opportunities that can deliver wider benefits like earlier risk reduction at decommissioning sites or greater efficiency and lower costs to the taxpayer.

We announced our decision to create the new business at the start of 2021, as part of wider moves to simplify structures across the group and enhance capabilities. Its creation underlines our one NDA approach to working more collaboratively and efficiently to clean up the UK's earliest civil nuclear sites.

Case study - Critical enablers - Stakeholder Relations

Engaging on the Geological Disposal Facility



Find out more about this case study and meet some of those involved by scanning this code.

The Geological Disposal Facility (GDF) Programme team within Nuclear Waste Services is working with local communities to find a willing community and a suitable site to host a GDF.

In January 2021, Allerdale Working Group was launched and a Community Partnership was established a year later.

The Theddlethorpe GDF Working Group followed in October 2021 (Theddlethorpe, Lincolnshire), and a Community Partnership was formed in June 2022.

Community Partnerships unlock investment funding of up to £1 million a year for community projects that drive economic development, improve the environment and community well-being.

This figure would rise to £2.5 million a year if site investigations progress to the point of deep borehole drilling.

The continued community engagement over the last 12 months follows the launch of the Copeland Working Group in November 2020, with two Community Partnerships for Mid Copeland and South Copeland subsequently established.

Case study - Critical enablers - Cyber Security



National Cyber collaboration



Find out more about this case study and meet some of those involved by scanning this code.

Working with partners from across the sector, the NDA's cyber security resilience programme held its fifth national cyber exercise Golden Osprey.

Working closely with Department for Business, Energy and Industrial Strategy, Office for Nuclear Regulation and the National Cyber Security Centre, the virtual event included an exercise scenario and simulation developed by a group of cross-sector experts.

To ensure an authentic scenario, the simulation exercise was supported by a host of industry organisations including, EDF Energy, Westinghouse Springfields Fuels, Urenco, Sellafield, Nuclear Transport Solutions, Dounreay, Atos, and the Civil Nuclear Constabulary.

The exercise provided the opportunity for experts to test and renew skills, improve technical knowledge and proficiency, and develop analytical and communications skills.

It was based on the concept of a sophisticated attack on critical infrastructure and the supply chains that support it.

Attended by over 20 different sector organisations from across the UK over the years, the one-of-a-kind exercise brings significant training and upskilling opportunities to the region.

Through on-site and remote visits, the exercise series has helped hundreds of people to better prepare and train for cyber incidents.

Case study - Critical enablers - Asset Management

Drones support decommissioning



Find out more about this case study and meet some of those involved by scanning this code.

Through group-wide collaboration, drones are now being used across a number of the NDA's sites to support decommissioning and clean-up work.

The unmanned aerial vehicles, that are remotely operated, are being used to get to places that are more difficult or hazardous for people to access.

The equipment is being used to perform maintenance activities every six months, supporting building condition monitoring and analysis to inform better asset management planning and plans.

The technology is helping Magnox's Wylfa site to inspect areas of internal integrity of its reactors that previously required scaffolding involving working at height and potential exposure to asbestos or radiation risk.

The use of drones is enabling better information to be provided that can be digitised to maintain building configuration and improve personnel safety. The Asset Management Digital Roadmap once implemented, will enable information from remote sensing capability like drones to be seamlessly managed. This will enable more effective decision making whilst removing workers from hazardous environments and allowing resources to be used elsewhere.

The new, more efficient approach to improved asset management is saving around £150,000 per year for this site alone with similar benefits being achieved across the Group.

Changing asset management practices to meet modern standards is a key commitment within Strategy 4.

Case study - Critical enablers - Research Development and Innovation

Robots helping to solve decommissioning challenges



Find out more about this case study and meet some of those involved by scanning this code.

A robot, called Lyra, has successfully surveyed an underground radioactive ventilation duct in Dounreay's redundant laboratories.

Following an initial trial at the Caithness site in 2020 in an inactive building and a limited survey in the laboratories that took place last year, a second-generation robot – Lyra - was developed, with an improved package of surveying measures including LIDAR (a laser detection system), multiple angle cameras, radiation probes and the ability to take swabs using a manipulator arm.

In February and April 2022, the Lyra robot, carried out a survey of the 140m-long underfloor duct which runs under the central corridor between the laboratories, providing useful information that will help to solve the challenge of decommissioning it.

The technology was developed by teams at Dounreay, the Robotics and Artificial Intelligence in Nuclear (RAIN) Hub and FIS360, and was made available for the survey through the National Nuclear User Facility's Hot Robotics programme.

Now the characterisation survey is complete, a comprehensive picture of the duct will help make informed decisions on how the duct should be decommissioned.

D. Peattie

David Peattie

Accounting Officer and Group Chief Executive Officer

7 July 2022



Accountability report

The accountability report sets out how the NDA meets the key accountability requirements to Government. The report is divided into three sections:

The **corporate governance report** which:

- Includes details of the Board members and leadership team
- Explains the governance structures and reviews our risk management and the internal control systems

Remuneration and people report which:

- Discloses the remuneration of our Board members
- Highlights employee matters and details staff numbers, costs and pension arrangements

Parliamentary accountability and audit report which includes:

- The Parliamentary accountability disclosures, reporting on losses and special payments and remote contingent liabilities of interest to Parliament
 - The Audit report prepared by the National Audit Office setting out the Audit opinion on the annual accounts
-

Directors' report

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

Accounts direction

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

The Board comprises of a Non-Executive Chair, Non-Executive Members, the NDA Group Chief Executive Officer and the NDA Group Chief Financial Officer whose details are set out in the Governance Statement on page 66.

Directors' interests

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

Rob Holden declared a commercial interest. He is a Non-Executive Director of NNB Generation Company

(SZC) Ltd, a Non-Executive Director of Electricity North West Ltd and Director of North West Electricity Networks Ltd and therefore was excluded from any involvement with Moorside deliberations before he stood down from the NDA Board in January 2022.

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

Auditor of the NDA

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

Pensions

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

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

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

Prompt payments

It is Government policy to pay 90% of undisputed invoices within five days, with the remainder paid within 30 days.

	2021/22	2020/21	2019/20
Invoices paid within 5 days	66.1%	62.2%	46.1%
Invoices paid within 30 days	93.4%	90.5%	91.2%

The average number of payment days from invoice date for a valid invoice was nine days, an improvement from 14 days in 2020/21. Performance compared with Government policy has been impacted by the lack of an integrated purchase to payment system which significantly reduces our ability to achieve five day payment terms and resolve invoice queries on a timely basis. As part of the Integrated Financial Framework we have implemented a new enterprise resource planning system in April 2022 which has introduced electronic approval workflows and improves our linkage between purchase orders and supplier invoices. This provides a platform for improving our prompt payment performance.

Personal data

There were three data breaches during 2021/22. Due to the nature, type or scale of personal data involved, all three incidents were self-reported to the Information Commissioner's Office, with no further action taken by them.

They did, however, suggest mitigating actions to reduce the chance of re-occurrence, all of which have been implemented.

Other disclosures

Disclosures on equal opportunities, learning and development and how the NDA engages with all staff are in the Remuneration and People Report on pages 100 to 119.

Details of investment in socio-economic developments, research and development and funding, counterparty and foreign exchange risk are all included in the financial statements. The NDA's environmental performance is detailed in the Health, Safety, Security, Environment and Wellbeing report on pages 120 to 126.

Events after the reporting period

IAS 10 requires the NDA to disclose the date on which the accounts are authorised for issue. The Accounting Officer authorised these Financial Statements on 7 July 2022. The Report of the Comptroller and Auditor General was issued on 11 July 2022 (pages 143-145).

Low Level Waste Repository Limited acquired 100% of the issued share capital of Nuclear Waste Services Limited, which is a dormant company, on 15 June 2022. The event has no material financial effect on the company.

Going concern

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

Section 172 statement

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

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

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

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

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

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

Stakeholder engagement is an enabler to mission delivery. It allows the NDA group to understand

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

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

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

Stakeholder engagement takes place through regular and structured contact, augmented

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

Board decisions are informed by the views of relevant stakeholders through the mechanisms set out above. For example, the Board has been kept updated on stakeholder feedback relating to community engagement for the GDF and creation of the new Nuclear Waste Services division. The NDA group Chief Communications and Stakeholder Relations Officer is invited to the Board and provides a strong link to stakeholders and a specialist view of stakeholder perspectives and concerns, where relevant, at Board meetings.

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

The NDA Board considers that it has acted in good faith in a way most likely to promote the achievement of its decommissioning mission for the benefit of the country and having regard (amongst other matters) to factors (a) to (f) S172 Companies Act 2006, in the decisions taken during the year ending 31 March 2022. These decisions include:

Speak Up

This year we have refreshed our approach to whistleblowing - launching our new Speak Up policy and associated training for NDA employees in September 2021 to encourage people to bring any concerns forward. To support our approach we have an independently hosted Speak Up helpline, available at all times, and where reports can be made on an anonymous basis if preferred.

The Audit and Risk Assurance committee has received quarterly reports on Speak Ups received and investigations, as well as reports on themes, trends and lessons learned arising. Serious cases are reported to the A&RA committee as they occur and the committee has dealt with a number of investigations during the year.

In the vast majority of instances, even where an allegation raised was not proven, we were able to make recommendations for improvements to policy, training and communications. During the year, we have also begun to work more closely with our operating companies to ensure greater transparency in relation to Speak Ups raised across the group, and begun to work on reporting on this at a high level to the A&RA committee as well. Going forward we plan to improve reporting, visibility and learning across the group on Speak Up.

Ethical conduct

During the year the Group Leadership Team has agreed a group-wide Ethics Policy, which has also been approved by the NDA Board. The Ethics Policy sets out our standard in relation to key ethics and compliance topics for us and our operating companies to ensure we are working consistently. This policy will be implemented during 2022/23, with training and champions to support it.

COVID-19

The NDA has continued its business continuity measures to support its employees, supply chain, local communities and key Government stakeholders as part of its pandemic response across the group. The NDA implemented a plan to provide additional ICT capability and supporting home working guidance, facilitating the move from office and site operations to a safe home working environment. The NDA maintained a focus on the physical and mental wellbeing of our employees with display screen assessments at home, with equipment provided for each individual need, and the provision of mental health support from internal and external staff, including Mind. This support continues and has been regularly reviewed and revised to respond to the emerging situation as Government restrictions around the pandemic are eased. This is allowing a phased return to offices for employees who have been working from home.

Section 172 statement continued

Active consultation and monitoring took place at the most senior levels in the NDA covering issues such as: remote working safety and security; working at sites; supply chain support programmes; volunteering policy; changing grant programmes to give immediate financial and personal protective equipment support to communities. Finally, the NDA maintained effective and timely reporting of our status to Government and regulatory organisations, to ensure we provided an accurate COVID-19 view within the NDA. The Board, through its committees has carried out a review of the support provided to its supply chain during the pandemic.

Nuclear provision

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

Advanced gas-cooled reactors

The transfer of seven AGR stations from EDF to the public sector for decommissioning pursuant, to an option exercised by the Secretary of State and the Scottish Minister (with respect to the two AGR stations in Scotland), and which the NDA has been directed by Government to undertake. The transaction involved significant stakeholder engagement across BEIS, EDF, the Office for Nuclear Regulation (ONR), Nuclear Liabilities Fund and Scottish Government.

Board Governance training

The Board most recently received Governance training in October 2021 and March 2022 from internal and external legal teams. Topics included the role of a fiduciary board, directors' duties in the context of a non-departmental public body, the NDA's functions, powers and duties under the Energy Act 2004 and the NDA group's governance framework.

Statement of Accounting Officer's Responsibilities

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

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

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

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

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

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

As the Accounting Officer, I have taken all the steps that I ought to have taken to make myself aware of any relevant audit information and to establish that the NDA's auditors are aware of that information.

So far as I am aware, there is no relevant audit information of which the auditors are unaware.



David Peattie
Accounting Officer and
Group Chief Executive Officer
7 July 2022

Governance statement

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

The following Governance Statement provides an insight into the corporate governance framework for the NDA and its group entities during 2021/22.

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

The NDA's Governance Framework

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

The NDA's governance has been reviewed not only as a result of the findings of recent external reviews and, the revised framework document but as a result of the transition to an operating model where the operating companies are wholly owned subsidiaries of the NDA. Work is underway in several areas as outlined within this report to clarify and articulate the group's governance arrangements and ways of working.

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

Certain scopes of work require approval from BEIS. Where work falls outside the NDA's delegated authority, then it must seek approval before

commencing the work and demonstrate that it is affordable, aligned to the NDA mission and provides value for money.

Board and board committees

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

The Board delegates the day-to-day management of the NDA to an executive management team. This includes two Board members: the Group Chief Executive Officer (CEO) and the Group Chief Financial Officer (CFO), and other NDA senior executives. This team has evolved into the newly formed Executive Leadership Team.

The Chair of the Board is accountable to the Secretary of State for the NDA's activities and performance in implementing the NDA Strategy and Annual Plan, for formulating the Board's strategy for discharging the NDA's statutory functions and duties and providing effective leadership and direction of the Board.

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

Governance statement continued

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

Board and Board committees	Purpose	Meeting Chair
NDA Board	<p>Accountable to the Secretary of State for all aspects of the NDA's activities and performance, sets the strategic framework and direction for operations and is responsible for ensuring high standards of corporate governance at all times, sets the risk appetite; agrees plans against which the NDA performance is measured, and maintains an appropriate control framework that provides assurances on risk assessment and the application of appropriate controls.</p> <p>The Secretary of State and, to the extent appropriate, Scottish Ministers, are responsible for approving the NDA's Strategy and annual Business Plan.</p> <p>The Board is advised by, and delegates some responsibilities to, six committees and delegates the day-to-day management of the NDA to an Executive Leadership Team, which includes two Board members - the Group Chief Executive Officer and the Group Chief Financial Officer, and other NDA senior executives.</p>	Chair
Audit and Risk Assurance Committee (A&RAC)	To provide advice and assurance to the Board on risk, control and governance. The committee oversees audit and financial reporting, advises and reports on the plans, activities and performance of internal and external audit, and provides an assessment of assurance reliability and integrity. The committee oversees the effectiveness and quality of the group risk management framework and monitors risk exposure against group risk appetite.	Non-Executive Board Member
Nominations Committee (NOMCO)	To consider the composition and skills of the Board, advise on the structure and size of the committees, consider senior appointments and assess succession planning and talent management.	Chair
Remuneration Committee (REMCO)	To set the reward and governance framework for the NDA group and set the remuneration of executive Board members and members of the NDA Executive Leadership Team who report to the Group Chief Executive Officer of the NDA.	Non-Executive Board Member
Health, Safety, Security and Environment Committee (HSSE)	To support the Board in discharging its responsibilities in respect of issues of Health, Safety (including both nuclear and non-nuclear safety), Security and Environment in the NDA group. This committee was formerly known as the Safety and Security Committee (S&SC).	Non-Executive Board Member
Programmes and Projects Committee (P&PC)	To advise the Board on, and provide additional oversight and scrutiny of, major programmes and projects within the NDA group.	Non-Executive Board Member
Sustainability and Governance Committee (S&G)	To support the Board in respect of sustainability, socio-economics and (non-financial) governance goals and commitments across the NDA group and provide strategic oversight of the group's management of these matters and, in relation to the NDA, compliance with relevant legal and regulatory requirements.	Non-Executive Board Member

Governance statement continued

As of 31 March 2022, the NDA Board comprised of seven non-executive Board members, including the Non-Executive Chair and two executive members, the Group Chief Executive Officer and Group Chief Financial Officer. The table below sets out the names of the Board members during the period 1 April 2021 to 31 March 2022, their respective terms of office and membership of Board committees.

		Board Committee Chair	Term of office ends/ended
Non-Executive Board members			
Ros Rivaz	Non-Executive Chair	NOMCO	31 August 2023
Janet Ashdown (1)	Non-Executive Board Member and Senior Independent Member	HSSE and S&G	31 July 2023
Volker Beckers (2)	Non-Executive Board Member	A&RAC	31 October 2022
Evelyn Dickey (3)	Non-Executive Board Member	REMCO	31 July 2023
Rob Holden (4)	Non-Executive Board Member	P&PC	31 January 2022
Alex Reeves	Non-Executive Board Member	Not applicable	31 January 2025
Nick Elliott (5)	Non-Executive Board Member	Not applicable	30 April 2021
Francis Livens	Non-Executive Board Member	Not applicable	30 November 2023
Chris Train (6)	Non-Executive Chair	P&PC (from January 2022)	31 January 2025
Executive Board Members			
David Peattie	Group Chief Executive Officer	Not applicable	Not applicable
Mel Zuydam	Group Chief Financial Officer	Not applicable	Not applicable

Notes:

- (1) The term of office for Janet Ashdown was extended from 31 January 2022 to 31 July 2023
- (2) The term of office for Volker Beckers was extended from 31 October 2021 to 31 July 2022 and subsequently from 31 July 2022 to 31 October 2022
- (3) The term of office for Evelyn Dickey was extended from 31 January 2022 to 31 July 2023
- (4) The term of office for Rob Holden concluded on 31 January 2022
- (5) Nick Elliott was appointed to the Board on 15 March 2021 and resigned on 30 April 2021
- (6) Chris Train was appointed to the Board on 10 January 2022

Governance statement continued

The following table provides details of each Board member's attendance at Board and committee meetings during the period 1 April 2021 to 31 March 2022.

Total number of meetings	Board 11(1)	A&RAC 5	REMCO 5	HSSE 4	P&PC 10	NOMCO 2	S&G 3
Non-Executive Board members							
<i>Ros Rivaz</i>	11	5 (3)	5 (3)	4 (3)	8 (3)	2	3 (3)
<i>Janet Ashdown</i>	11	5	-	4	10	2	3
<i>Volker Beckers</i>	11	5	5	-	-	2	3 (3)
<i>Evelyn Dickey</i>	11	-	5	4	-	2	3
<i>Rob Holden (part year)</i>	9	-	4	-	8	2	-
<i>Alex Reeves</i>	11	5	5	-	-	2	-
<i>Francis Livens</i>	11	-	-	4	9	1	3 (3)
<i>Chris Train (part year)</i>	3 (2)	-	-	-	3	-	-
<i>Nick Elliott (part year)</i>	0	-	-	-	1	-	-
Executive Board members							
<i>David Peattie</i>	11	5 (3)	5 (3)	4	9	2 (2)	3 (3)
<i>Mel Zuydam</i>	11	5 (3)	2(3)	-	10	2 (2)	-

Notes:

- (1) Includes one special meeting
- (2) One in attendance only
- (3) In attendance only

Board Members



Dr Ros Rivaz

NDA Chair

N

Committee Membership

- N Nominations Committee
- H Health, Safety, Security and Environment Committee
- R Remuneration Committee
- AR Audit & Risk Assurance Committee
- PP Programmes and Projects Committee
- S Sustainability & Governance Committee
- Committee Chair

Board skills and experience:

Ros has wide ranging leadership experience, predominantly in highly regulated and high hazard environments in the UK and internationally.

She started her career at Exxon-Mobil, before progressing to senior roles in international companies including Tate & Lyle, ICI, Diageo and Smith & Nephew.

Her executive career culminated as Smith & Nephew's Global Chief Operating Officer. There, Ros led work on the group's global transformation for supply chain, manufacturing, engineering and procurement. She was also responsible for regulatory matters including health, safety, environmental performance, IT and cyber-security.

External appointments:

Ros holds non-executive, senior independent director and committee chair roles for Defence Equipment and Support (DE&S) within the Ministry of Defence, Computacenter plc, the chemicals company Victrex plc and the specialised steel company Aperam SA.

Ros also plays important roles in the charity sector and academia. She was Non-Executive Director of the 'Your Life' initiative, which was a Government led, industry-sponsored campaign to increase take up of maths and physics amongst 14-16 year-olds, especially girls; Deputy Chair of Southampton University, and was the first chair of the University's HSE & Risk Audit and Assurance; and is on the board of the community interest company Eton Community CIC.



David Peattie

Group Chief Executive Officer
and Accounting Officer



Board skills and experience:

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

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

David was also Chief Executive of Fairfield Energy, a late-life North Sea oil and gas producer, which developed into a company leading the decommissioning of the Dunlin Alpha platform.

External appointments:

David is Chair of PNTL, the international nuclear shipping company, partly owned by the NDA.

He established and personally funds a bursary at the University of Dundee. The fund provides financial support to undergraduate students in the Engineering Department of the University.



Mel Zuydam

Group Chief
Financial Officer

Board skills and experience:

Mel is an experienced Chief Financial Officer with a strong track record in financial change, business growth, mergers and acquisitions and Treasury, and effective performance management in the UK and international infrastructure and engineering sectors.

Previously, Mel worked across the private and public sector, including as a Listed Company Chief Financial Officer in Europe-wide engineering consulting group Sweco, and with organisations including Balfour Beatty, CH2M, and The Highways Agency. He has also been Chief Financial Officer with private infrastructure investors, such as Singapore Sovereign Wealth Fund GIC and JP Morgan Infrastructure Fund.

External appointments:

Mel is a trustee of Mercy Ships UK. The charity aims to provide free healthcare and improve healthcare delivery systems in the poorest nations.

Board Members (continued)



Janet Ashdown

Senior Non-Executive Board Member



Board skills and experience:

Janet has held a number of local and global positions in fuel supply, manufacturing, oil trading and retail marketing.

She was a senior leader at BP, running its UK retail and commercial fuel business in her last role.

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

External appointments:

Janet is a Non-Executive Director and the Chair of the Remuneration Committee at Victrex plc, a Non-Executive Director and Chair of the Corporate Sustainability and Remuneration Committees at RHI - Magnesita NV and a Non-Executive Director at Stolt Nielsen.



Volker Beckers

Non-Executive Board Member



Board skills and experience:

After working in the IT sector, Volker worked as a senior leader in RWE's regulated and non-regulated divisions internationally, grid (transmission and distribution level), retail, generation (including nuclear, conventional and renewable energy) and midstream businesses.

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

External appointments:

Volker holds non-executive roles in the public and private sector as well as academia and charities. He supports start-up businesses and works in his non-executive portfolio with larger companies as well.



Evelyn Dickey

Non-Executive Board Member



Board skills and experience:

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

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

External appointments:

Evelyn is a member of the independent panel for Menopause Friendly Accreditation.

Board Members (continued)



Rob Holden CBE

Non-Executive Board Member (until 31 January 2022)



Board skills and experience: Rob is a chartered accountant with a career background of managing long term projects, including the Trafalgar and Vanguard classes of nuclear powered submarines and Crossrail.

Rob led the London and Continental Railways team in a series of transactions that secured the future of the Channel Tunnel Rail Link later renamed High Speed 1.

In 2009 he was awarded a CBE for services to the rail industry.

External appointments: Rob undertakes advisory assignments on transport and defence projects both in the UK and overseas.



Alex Reeves

Non-Executive Board Member and UKGI Representative



Board skills and experience: Prior to joining UKGI, Alex spent over ten years in corporate advisory and investment banking roles focused on the financial services sector, most recently in the FIG M&A Team at Jefferies in London. During this time, he advised on and managed a large number of UK and cross-border M&A transactions for UK, European and US clients, with a particular focus on the asset management sector.

Alex was a Non Executive Director of London & Continental Railways Limited from 2018 to 2021.

External appointments: Alex is a Director at UKGI, having joined its predecessor organisation, the Shareholder Executive, in 2010.

He currently leads on inward Mergers and Acquisitions and other corporate finance projects, as well as running UKGI's Non-Executive Director Forum.

Alex is a co-opted member of the Investment Committee of the Charity for Civil Servants.



Chris Train OBE

Non-Executive Board Member (from January 2022)



Board skills and experience: Chris has over 38 years' experience in the Energy, Utilities, Regulation and Infrastructure sectors.

He has held CEO, senior project management, operations and business development roles at Cadent, National Grid, Transco and Lattice.

He has also sat on various European and international committees covering subjects such as regulation, commercial and infrastructure development.

External appointments: Chris is the Chair of South East Water and Clean Power Hydrogen (CPH2). He undertakes advisory work on the energy transition and is a member of the BEIS Hydrogen Advisory Council.

Board Members (continued)



Professor Francis Livens

Non-Executive Board Member



Board skills and experience:

Francis has performed numerous important advisory roles in the UK and internationally, as a recognised expert in radiochemistry in particular plutonium and nuclear materials.

External appointments:

Francis is Chair of the Nuclear Innovation and Research Advisory Board advising Government, as well as a member of the Office for Nuclear Regulation Independent Advisory Panel.

As Director of the Dalton Nuclear Institute, he is responsible for co-ordination of nuclear research and education across The University of Manchester.

Francis is a Fellow of the Royal Society for Chemistry and Member of the Institute of Strategic Studies.

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

Governance statement continued

Board performance

Corporate governance compliance

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

Continuing review of compliance against the codes will take place in parallel with further developments under the one NDA way of working and the BEIS Departmental Review of its governance.

Key focus areas for the Board regarding governance this year have included:

- Transitioning fully to a group ownership model
- Reviewing risk areas and mitigations in line with the agreed risk appetite
- Introducing the Group Leadership Team
- Taking an active role in stakeholder relations and seeking greater engagement with the workforce

A S172 statement is set out on pages 60 to 62 which details key engagements including employee breakfast sessions, attendance at the Joint Consultation Group and site visits.

Improvements to the internal governance framework have included:

- Revising the Framework Document, published in June 2021
- Reviewing the Terms of Reference for all Board Committees
- Implementing the findings of an external effectiveness review undertaken at the end of the previous financial year (more information on page 74)
- Approving a schedule of Reserved Matters for the Board
- Improving the induction process for new members
- Implementing the recommendations from the Magnox Inquiry, Departmental Review,

and the Chair's Review in the Integrated Review Response and several Public Accounts Committee hearings

- Strengthening the HSSE Committee remit further considering the roles and responsibilities of key individuals
- Setting up a Sustainability and Governance Committee

The NDA is committed to having a diverse Board in terms of gender, experience, skill, knowledge and background. The biographical details of the Board members can be found on pages 68 to 72.

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

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

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

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

The unitary nature of the Board means that Non-Executive members and Executive members share the same collective responsibility for decisions taken by the Board, to hold the Executive Leadership Team to account and the development of the NDA's Strategy and operations. The Board delegates operational management and execution of the strategy to the Group Chief Executive Officer and their Executive Leadership Team and has established a series of committees to advise it.

Board performance (continued)

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

The Board met 11 times during the year, including a special meeting to consider the Government's Advanced Gas-cooled Reactor (AGR) transaction. Due to COVID-19, the majority of these meetings (and committee meetings) have been held remotely using secure, online systems and technology.

At each of its meetings, the Board reviews key performance information, including reports on the NDA's group performance, operational activity, financial position, forecasts and sensitivities and delivery of its strategic direction. Key discussions for the Board this year have included:

- Response to COVID-19
- One NDA and group development
- The Government's AGR transaction
- Cyber risks

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

Board performance and effectiveness review

The Board undertakes regular evaluations of its effectiveness which look at both the Board and its committees. In line with best practice, an externally facilitated review takes place every three years and an internally facilitated review every year in between.

The last externally facilitated review was undertaken in February 2021. This was at the end of the previous financial year but the findings of this review were published and acted upon during this financial year. This review highlighted some key themes, including the need to clearly define Board and Board committee roles and authorities, defining

Board composition priorities and ensuring that the Board has a clear accountability framework in place between the NDA Board and the four operating company Boards. These are all things that the Board has addressed during the current period.

The next scheduled internally facilitated review will take place in Summer 2022. An internal effectiveness review was not undertaken during this financial year because reviews were carried out at the start and end of the year and to allow the Chair, who was fairly early into her appointment at the start of the financial year, to undertake a Chair's Review and understand the findings and recommendations coming out of several external reviews.

In July 2021, the NDA also published its response to the Magnox Inquiry and the BEIS Departmental Review which included a response to each recommendation and progress to date. The Chair also published the findings of her Chair's Review in September 2021.

Significant change had been introduced since the interim Magnox report in 2017 and the NDA has continued to strengthen the organisation and improve the structure of the group, with this reflected in the response report. During the year, all outstanding recommendations from each of the three reviews were allocated to the Board and Board committees to review and approve. While good progress has been made, work continues and the reviews provide additional value as the new operating model is developed and embedded.

Collective assessments by the Board during 2021/22 agreed that findings are being acted upon and good progress is being made in all key areas.

The Chair undertook the annual performance appraisals of the Non-Executive Board members during March 2022. The senior independent member led the annual appraisal of the Chair's performance during March 2022.

The Board was unable to undertake the usual number of site visits, but individuals and groups have benefited from 'virtual' site visits to Sellafield, Dounreay, Oldbury and Berkeley.

The Chair has visited (in person) Sellafield, LLW Repository, Harwell and the PNTL terminal at Barrow-in-Furness and (virtually) the Magnox sites at Wylfa and Trawsfynydd. The Board welcomed the attendance of the Chairs of the operating company Boards in rotation.

Board committees

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

Membership of committees is made up of a combination of Executive and Non-Executive Board members. If executive directors are also members of a Board committee, then the majority members

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

Audit and Risk Assurance Committee (A&RAC)

Number of meetings in the year: 5

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

- Volker Beckers (Chair)
- Janet Ashdown
- Alex Reeves

The following persons may also attend the committee meetings:

- Standing Advisor (Bruce Martin)
- NDA Chair
- Group Chief Executive / Accounting Officer
- Group Chief Financial Officer
- Group Director of Risk and Assurance
- Group Chief of Staff and Security Officer
- Group Director of Internal Audit
- Group Chief Ethics and Compliance Officer
- Group Financial Controller
- External Audit Representation (NAO)
- Representative from Government Internal Audit Agency (GIAA)
- Chair of BEIS A&RAC
- Chairs of the SLC A&RACs

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

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

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

During the year, the A&RAC has:

- Carried out a deep dive on risks around a change in Government priorities and the effect on NDA funding
- Reviewed and updated the A&RAC Terms of Reference incorporating best practice from across NAO/BEIS/Government Internal Audit Agency
- Reviewed the frequency of meetings and scheduled them to take place quarterly to align with key reporting deadlines
- Commissioned an internal audit on supplier support schemes following COVID-19
- Set up a digitalised audit platform allowing for closer integration of the audit functions across the group as well as better analysis of key areas
- Focused on emerging risks such as cybersecurity and energy prices

Nominations Committee (NOMCO)

Number of meetings in the year: 2

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

The following persons may also attend committee meetings at the invitation of the Chair:

- Group Chief Executive/Accounting Officer
- Group Chief People Officer

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

During the year, the NOMCO has:

- Reviewed and updated the committee Terms of Reference and developed a set of Nominations Committee Principles
- Reviewed Executive performance and succession

Remuneration Committee (REMCO)

Number of meetings in the year: 5

The REMCO consists of four Non-Executive Board members:

- Evelyn Dickey (Chair)
- Volker Beckers
- Alex Reeves
- Rob Holden (until 31 January 2022)
- Chris Train (from 21 March 2022)

The following persons may also attend the committee meetings:

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

Further details on the work of the REMCO is contained in the Remuneration Report on pages 100 to 107.

Board committees continued

Health, Safety, Security and Environment Committee (HSSE)

Number of meetings in the year: 4

The HSSE Committee consists of four members, three of which are Non-Executive Board Members:

- Janet Ashdown (Chair)
- Evelyn Dickey
- Francis Livens
- David Peattie (Group Chief Executive and Accounting Officer)

The following persons may also attend the committee meetings:

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

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

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

Security and resilience include business associated functions such as information governance, cyber security and ICT.

The HSSE Committee advises the NDA Board on:

- HSSE performance in the NDA group (current and projected), including sustainability (prior to the launch of the S&G), health and wellbeing and future plans
- Detailed summaries of safety, security and other information supplied to the NDA Board
- Regular reviews of the HSSE information provided on the NDA group, including key performance indicators and periodic reviews of supplier HSSE arrangements
- Assuring the NDA Board that the HSSE culture is supportive of NDA's stated ambition
- Assurance, or reviews and reports if applicable, in relation to the findings of investigations into

significant incidents and audit findings within the NDA group, including presentations and updates from SLC representatives on issues, action plans to prevent recurrence and lessons learned

- An external perspective on relevant good practices and industry trends, including recommendations as to when and where the Board should seek advice

During the year the HSSE Committee has:

- Carried out an asset management deep dive by developing a group wide asset management strategy
- Set up a One NDA Environmental Group
- Focused on group-wide common issues such as demolition and asbestos, and for the latter developing a code of practice
- Prior to the creation of the S&G committee, the HSSE committee oversaw the formation of the Sustainability Steering Group
- Provided focus on improvements around electrical safety across the NDA group
- Focused on the mental and physical wellbeing of the group workforce during the ongoing COVID-19 pandemic.

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

Board committees continued

From time to time, and as considered necessary, the Committee will receive reports from group businesses on events and accidents.

The Committee also receives and commissions independent reports from NDA's in-house HSSE and

security and resilience teams, including trend analysis and reports of work undertaken by the NDA to promote high standards and encourage collaboration.

Sustainability and Governance Committee (S&G)

Number of meetings in the year: 3

The S&G Committee consists of three Non-Executive Board members:

- Janet Ashdown (Chair)
- Evelyn Dickey
- Francis Livens

The following persons may also attend committee meetings:

- Group Chief Executive and Accounting Officer
- Group Chief Operations and Performance Improvements Officer
- Group Chief Communications and Stakeholder Relations Officer
- Group Chief People Officer
- Director of Environment
- Director of Sustainability
- Director of Social Value
- Group Chief Ethics and Compliance Officer
- Director of Special Projects and One NDA
- Subsidiary Directors responsible for matters considered by the Committee (as required)

The S&G Committee supports the NDA Board in respect of sustainability, socio-economic and governance goals and commitments across the NDA group.

The Committee's remit is to provide strategic oversight of the NDA group's management of sustainability, socio-economics and (non-financial) governance matters and, in relation to the NDA, compliance with relevant legal and regulatory requirements.

The S&G Committee advises the NDA Board on:

- To oversee and monitor the NDA group's Sustainability Strategy
- To assure compliance with sustainability legislation and group policies, corporate governance requirements, including s172 Companies Act 2006 reporting and oversee any relevant corporate governance or regulatory developments that may impact the NDA group
- To oversee the evolution and impact of the Socio-Economic Strategy and Equality, Diversity and Inclusion Strategy
- To keep up to date with social value topics, including stakeholder expectations on these matters
- To support the evolution of the group's one NDA culture, including key metrics, stakeholder engagement and employee feedback surveys

- To ensure top-level awareness of the group's interactions with employees, customers, suppliers, other stakeholders and the communities in which it operates and how this impacts the execution of the Sustainability, Socio-Economic and ED&I Strategies
- To oversee the role of the group in its supply chain, promoting high standards of ethical procurement practices and responsible sourcing practices, in line with the NDA mission and values
- To oversee the ethical conduct of the group, including monitoring themes and trends evident from potential breaches of the NDA Code of Conduct and Speak Up concerns raised
- To support the evolution, as appropriate, of a group Code of Conduct
- To oversee any sustainability-related beacon projects and report into the Board
- To review any relevant group strategic risks allocated to the committee

During the year, the S&G Committee has:

- Overseen the launch of a Speak Up Policy
- Developed a Sustainability Policy and Strategy in conjunction with BEIS, SEPA and ONR
- Received BEIS endorsement of the S&G Committee as a lead sustainability body

Programmes and Projects Committee (P&PC)

Number of meetings in the year: 10

The P&PC consists of four members, three of which are Non-Executive Board members:

- Rob Holden (Chair) (until January 2022)
- Chris Train (Chair) (from January 2022)
- Janet Ashdown
- Francis Livens
- David Peattie (Group Chief Executive and Accounting Officer)

The following persons may also attend committee meetings:

- Group Chief Operations and Performance Improvements Officer
- Group Chief Financial Officer
- Group Director of Risk and Assurance
- Head of Sanction
- Subsidiary representatives and senior responsible officers (SROs)

The P&PC provides additional oversight and scrutiny of major programmes and projects within the NDA group. The Committee supplements Board oversight: it is not intended to supplant it.

The P&PC advises the NDA Board on:

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

During the year, the P&PC has:

- Reviewed and updated the Terms of Reference for the Committee
- Facilitated progress on improving the quality of business cases and scheduling of sanctions
- Reviewed several strategically important group projects
- Assumed responsibility for a significant number of the recommendations from the Integrated Review Response
- Focused on skills retention and capability (in particular SRO) across the NDA group

Governance statement continued

Executive leadership team



David Peattie

Group Chief Executive Officer
and Accounting Officer

Board and Executive
Team Member

For more information see page 69.



Mel Zuydam

Group Chief
Financial Officer

Board and Executive
Team Member

For more information see page 69.



Alan Cumming

Group Chief Operations and
Performance Improvements
Officer

Executive Leadership
Team Member

Alan joined the NDA in April 2018. He has responsibility for all operations, including health and safety.

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

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

Executive leadership team



Kate Ellis

Group Chief Commercial and Business Development Officer (until December 2021)

Executive Leadership Team Member

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

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



Emma Ferguson-Gould

Group Chief Commercial and Business Development Officer (from February 2022)

Executive Leadership Team Member

Emma joined the NDA as Group Chief Commercial and Business Development Officer in February 2022. She joined from BEIS, where she was the Commercial and Operations Director and a Non-Executive Director for UK Shared Business Services Ltd.

Emma brings a wealth of cross-sector commercial experience obtained in both leadership and delivery roles across Whitehall and the private sector.



Neil Harnby

Group General Counsel and Company Secretary

Executive Leadership Team Member

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

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

Governance statement (continued)

Executive leadership team



Frank Rainford

Group Chief of Staff and Security Officer

Executive Leadership Team Member

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

Prior to joining the NDA, Frank spent three years as the executive responsible for the GE Aviation Aerostructures business in the UK and previously spent 21 years with BAE Systems and predecessor companies in the UK and Saudi Arabia, holding several senior roles including Transformation and Project Management Director.

Frank studied at Lancaster University gaining an MBA and MSc in Project Management.



Paul Vallance

Group Chief Communications and Stakeholder Relations Officer

Executive Leadership Team Member

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

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



David Vineall

Group Chief People Officer

Executive Leadership Team Member

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

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

Executive leadership team



Clive Nixon

Group Chief Nuclear
Strategy Officer

Executive Leadership Team Member

Clive joined the NDA in 2005, after 15 years with BNFL, where he held a number of roles across research and development, technical and commercial areas. Through this he covered the full range of activities and facilities at Sellafield, including reprocessing, waste management and decommissioning. He also spent time in the US and overseas.

Roles undertaken within NDA, culminating in his current appointment, have allowed him to gain a comprehensive understanding of the NDA group, the strategy and policy landscape, and provide leadership on strategy development and implementation for the group, and with BEIS, through strong collaborative relationships.

Clive has a BSc and MSc in Engineering and Applied Mathematics, is a graduate of the Cabinet Office Project Leadership Programme and was part of the first NDA Leadership Academy cohort.

Governance statement (continued)

Executive committees

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

The Group Chief Executive and Accounting Officer is supported by an executive leadership team comprising of: Group Chief Financial Officer; Group Chief Operations and Performance Improvements Officer; Group Chief People Officer; Group Commercial and Business Development Officer; Group Chief Communications and Stakeholder Relations Officer; Group Chief of Staff and Security Officer; Group General Counsel and Company Secretary; and Group Chief Nuclear Strategy Officer. Biographies of each can be found on pages 80-83.

Financial control

The NDA had strong financial controls in place to ensure it remained within its budgetary spend for 2021/22 of £3.7 billion. It has well-defined delegated authority and a clear budgetary framework. The system remains effective with no significant issues identified by internal or external audit during the year.

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

Programmes and projects across the group are controlled through operating companies' own governance and assurance processes, overseen by their Boards.

Where a programme or project is above the delegation given to the operating company Managing Director by the NDA Accounting Officer, the NDA Group Investment Committee (previously the Sanction Committee) advises the NDA Accounting Officer to enable them to approve or endorse investment proposals. If above the NDA Accounting Officer's delegation from the BEIS Principal Accounting Officer, the NDA Board followed by BEIS Projects Investment Committee and BEIS minister will approve before being presented to

HMT for approval by Treasury Approval Process and Chief Secretary to the Treasury.

Group risk management and assurance

Effective management of risk across the NDA group enables us to achieve our mission of decommissioning the UK's nuclear legacy safely, securely and cost-effectively.

Risk management is a key decision-making tool for the NDA group. This allows us to proactively identify the opportunities and threats that are relevant to our business. Achievement of our business objectives requires minimising and managing the impact of threats and, maximising the likelihood of realising opportunities. Risks are considered proportionately when taking business decisions.

NDA's risk management approach is aligned to the BEIS Risk Management Principles. Our group risk management and assurance processes have been in place throughout 2021/22.

Embedding risk management

Risk management is at the heart of our decision making through establishing a positive risk culture, where open and transparent discussion of risk forms part of everyday activities. During 2021/22 we achieved this by:

- Providing a supportive environment with open collaborative conversations about our risks and individuals are comfortable to escalate risks and concerns
- Regularly discussing our risk appetite, understanding the effort required to manage the risk and empowering our people to seek business opportunities and be innovative and creative
- Ensuring that our people had the skills and knowledge to manage risks effectively
- Ensuring that key risks were visible, owned, actively, and managed, support is prioritised to where it's needed most.

Risk assurance framework

All processes and associated risk outputs are assured in accordance with the NDA Three Lines of Defence (LoD) assurance model. Risks are linked to controls which encourages assurance to be built into standard management practices at the earliest appropriate points.

Integration is enabled through the Risk Assurance Framework. This defines how we assure ourselves, how we assess the effectiveness of risk management across the businesses and how we support the Assurance function in delivering assurance activities.

During 2021/22, a dynamic planning interface was developed between Risk, Assurance and Internal Audit enabling cross pollination and adjust our focus on a risk basis. This has been developed on the principle of risk, control and assure.

Roles and responsibilities

The Accounting Officer is ultimately accountable for NDA risks. All staff across NDA group businesses have a duty to make sure risks in their areas of responsibility are identified, managed and reported. The responsibilities of our Site Licence Companies are clearly defined through the regulatory framework.

NDA group operating company present their top risks and describe their management of them through the Accounting Officer Review process. In addition, the NDA risk team is engaged in additional challenge and assurance of risks across the businesses.



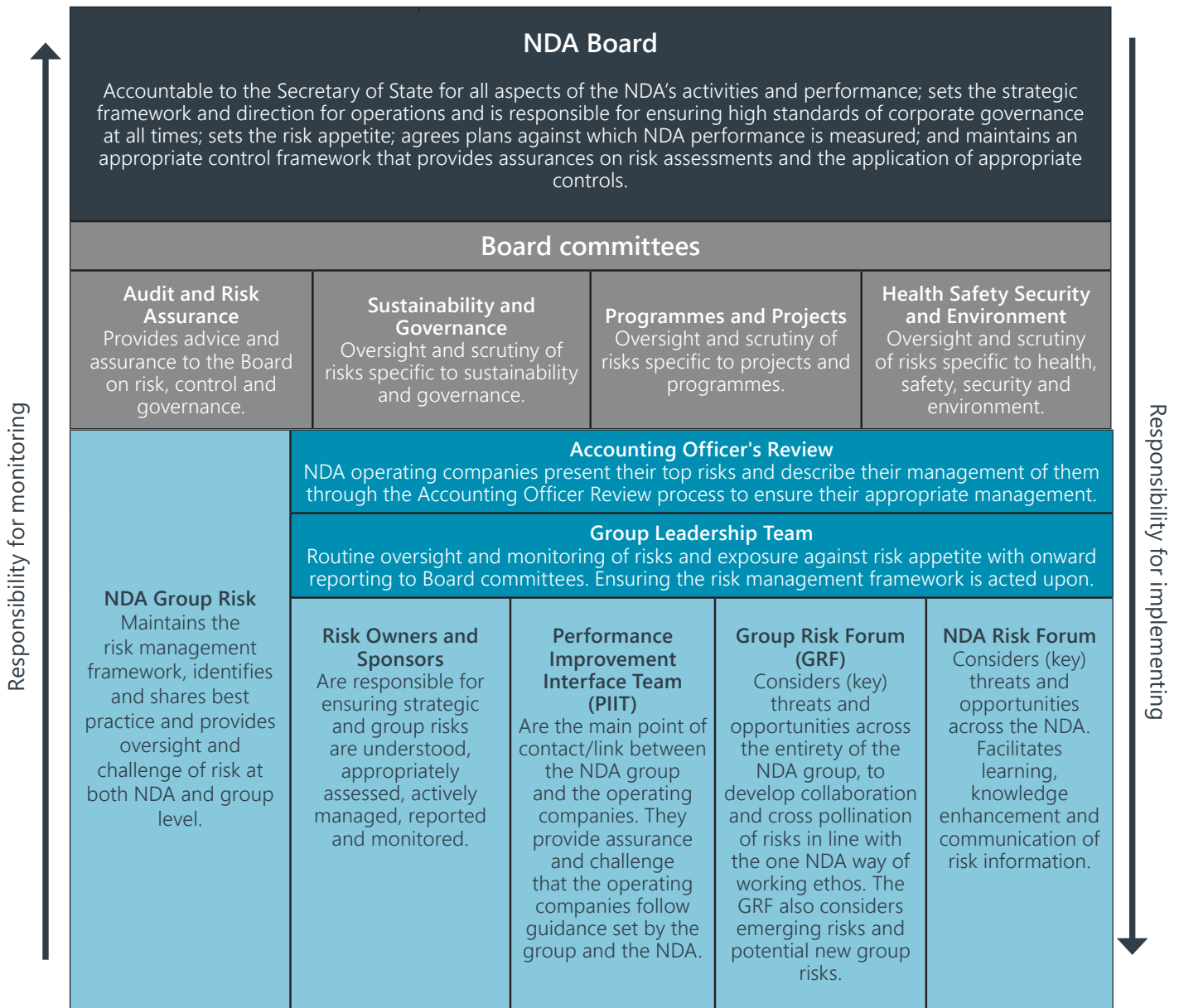
Governance statement (continued)

Our risk management

What we monitor

Group strategic risks		
<p>Risks which could impact on the NDA group and force a fundamental change to the current NDA Strategy and impacts on the mission. Risks that requires pro-active management and co-ordination by NDA, with GLT sponsorship and ownership.</p>		
Our risk landscape	What we assess	Our impact categories
<p>Current risks Risks we are managing now that could stop us achieving our strategic objectives.</p> <p>Emerging risks Risks with a future impact from external or internal opportunities or threats. These can be slow moving or have a rapid velocity.</p>	<ul style="list-style-type: none"> • Risk ownership: each risk has a named owner. • Likelihood and impact: assessed using our Group PID (probability impact diagram). • Control Performance: Assessment of the effectiveness of our management controls. • Risk appetite: risk assessed against our level of appetite and required response • Actions: future actions to further reduce our risk exposure. 	<p>We assess our risks against seven key impact categories</p> <ul style="list-style-type: none"> • Safety • Environment • Legal • Reputation • Delivery • Security • Financial
Business risk registers		
<p>Our operating companies identify threats and opportunities to their operations and interdependencies. These in turn support the development of our Group Strategic Risk Profile.</p>		

How we monitor



Risk appetite

Risk appetite is a key part of our Enterprise Risk Management framework, helping the NDA to find the balance between innovation and caution, without exposing the organisation to irrecoverable damage or stagnation. Risk appetite provides us with a guiding framework on the level of potential exposure that can be tolerated and encourages consistency in decision making across the organisation.

The NDA Board sets the risk appetite for the group. This approach supports effective decision making and risk escalation. It is embedded within our Strategic Management System and underpinned by our Value Framework.

Governance statement (continued)

Risk appetite and tolerance statement

The health, safety, wellbeing and security of employees, contractors, visitors, neighbours and the environment are core to the NDA's operations. The NDA group accepts that it is not possible, nor necessarily desirable, to eliminate all the risks inherent in its activities. However, it will always seek to reduce risks so far as is reasonably practicable by applying appropriate mitigation. Increases in near-term risk exposure may be tolerated in order to achieve the mission and secure overall risk reduction in the longer term.

The NDA group is required to comply with statutory duties and other legal obligations. NDA group businesses may tolerate some risk of breaching laws or regulations when making decisions based on a balance of risks, providing that the risk is always reduced as far as possible and the decision to proceed is defensible. The NDA group maintains zero tolerance for activities or decisions which are intentionally recklessly or deliberately in breach of the law.

Stakeholder confidence and support is vital to the achievement of the NDA's mission. NDA group objectives must be delivered transparently, cost-effectively and ensure value to the taxpayer, whilst ensuring that group activities remain compliant with legal requirements.

The NDA group maintains very low tolerance of activities that would be likely to have a severe negative impact on its reputation. There may, however, be circumstances where, as a group, we take a stance which may not always be supported by all of our stakeholders where we believe – in line with so far as is reasonably practicable principles – it is necessary for the effective and efficient achievement of our mission. NDA group however maintains its long-standing commitment to always act with openness, respect and transparency and engage with stakeholders around significant changes to its plans and strategy.

Group Strategic Risks (GSRs)

Our GSRs are key threats which cause uncertainty in the delivery of the NDA mission to clean up the UK's nuclear sites safely, securely and cost effectively with care for people and the environment. Management of these risks helps to increase certainty in the delivery of this mission. The table below contains the NDA's 13 strategic risks, their link to NDA's five mission themes and the response to mitigate these risks in 2021/22.

During 2021/22 changes to external factors increased the risk environment for a number of GSRs. These include cost inflation and material shortage post COVID-19, labour market dynamics, rising cost of energy, the Ukraine / Russia conflict and funding pressures. In response, the GSRs were re-assessed and the NDA group have taken measures, where applicable, to address the increased level of risk.





Mission themes










Risk title	Mission theme	Responses	Change in risk environment
1. Project, programme and portfolio management performance across the group is not performing as required, impacting mission delivery		<p>Restructuring of the NDA group is complete with the final PBO (LLWR) becoming a subsidiary in July 2021. Several NDA initiatives are starting to demonstrate their value. The use of reference class forecasting⁽¹⁾ in business cases has been more prevalent to support evaluation of risk and NDA has adopted a cross-group Project Definition Rating Index to improve project definition.</p> <p>There has been positive progress on the Chair's Review, aligning to NDA Assurance Programmes and Projects Committee Reporting.</p> <p>Two beacon projects have been launched for 2022/23 - Sustainability and Skills (with a focus on programme and project management skills and succession planning).</p>	<p>↓ Decreased as a result of the NDA group restructure.</p>


¹Reference class forecasting (RCF) predicts the outcome of a planned project based on actual outcomes in a reference class of similar projects to that being forecast. The theories behind reference class forecasting were developed by Daniel Kahneman and Amos Tversky. This theoretical work helped Kahneman win the Nobel Prize in Economics.

Governance statement (continued)

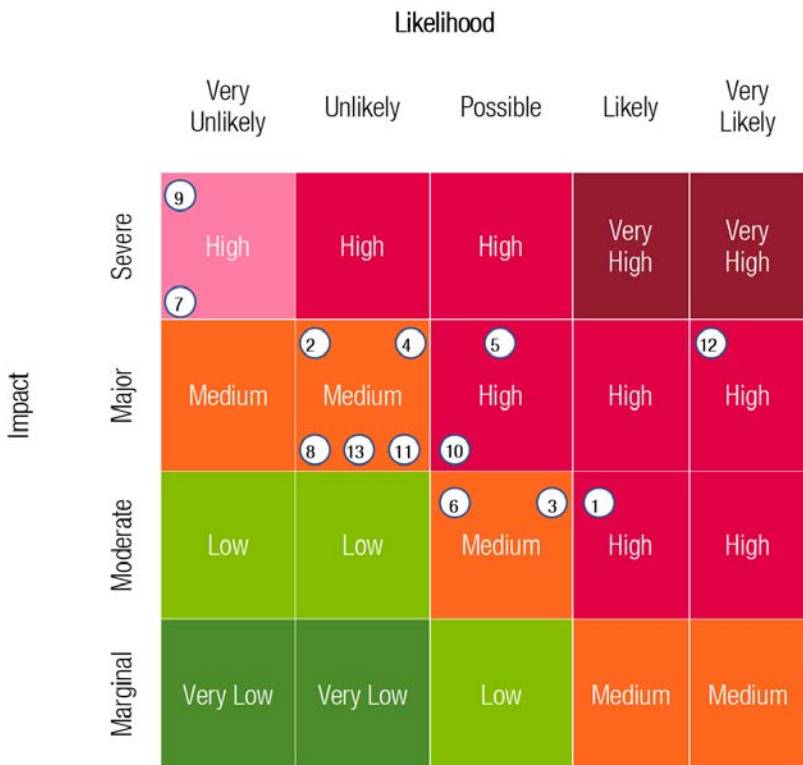
Risk title	Mission theme	Responses	Change in risk environment
<p>2. An inability to safely, securely and cost effectively manage radioactive waste</p>		<p>Good progress has been made to embed the Integrated Waste Management Programme and agree/further develop lifetime plans, in order to support our ability to plan for and optimise future capabilities.</p> <p>From an organisational perspective, Nuclear Waste Services continues to deliver against the Strategic Outcome Specifications.</p>	<p>→ No change</p>
<p>3. The NDA group has insufficient capability and capacity</p>		<p>Opportunities identified to develop a group-wide Strategic Workforce Plan, identifying group-wide skills gaps – scarce, critical and high demand. Embedding a group wide approach to talent (leveraging of talent across the operating companies) and retraining and upskilling the current workforce to meet future needs.</p> <p>A beacon project has been launched for 2022/23 to focus on group wide skills, co-sponsored by the NDA Group Chief People Officer and the Sellafield CEO.</p>	<p>↑ Increased</p>
<p>4. Supply chain may not have the capacity or capability</p>		<p>Work continues to mature the group-wide commercial pipeline; delivery of a group electronic sourcing system will further aid this position. Once established this will support the understanding of both capacity and capability needs to meet future demand.</p> <p>In addition, price inflation, resource shortages and the heated labour dynamic continue to be actively monitored. Close collaboration with supply chain partners continues to ensure aligned responses.</p> <p>Due to the ongoing conflict involving Russia, there is an increased probability of cyber-attacks within the supply chain. NDA continues to work closely with cyber teams to monitor, mitigate and respond accordingly.</p>	<p>↑ Increased</p>
<p>5. Change in Government priorities. NDA funding is not sufficient</p>		<p>The longer term impact on public finances of COVID-19 and current increased inflationary pressures will pose a real challenge to the NDA's funding over the Spending Review 2021 period. The NDA has continued to focus on improving mission delivery to demonstrate value for money and help maintain stakeholder support in prioritising NDA expenditure. Strong portfolio management of threats and opportunities across the group is key to optimise value for money and mission delivery.</p>	<p>↑ Increased</p>

Risk title	Mission theme	Responses	Change in risk environment
<p>6. Inappropriate contractual arrangements, ineffective relationships or overly complex interface arrangements</p>		<p>From 2015 through to 2022 the NDA group has mitigated the risk associated with inappropriate contractual arrangements through moving from the PBO model to a wholly owned subsidiary model and now has in place a new structure for the group.</p> <p>Regarding ineffective relationships, the NDA has developed the Group Operating Framework (GOF) which is intended to remove ambiguity and clarify roles, responsibilities, accountabilities and authorities. It focuses on the desired behaviours to create an enabling environment. NDA articulated governance arrangements, defined obligations from the Energy Act and Framework document and crystallised the role of its functions.</p> <p>The extant Interface Agreements describe standards committed to by NDA and operating companies along with details of group policies and operational arrangements. The focus for the coming year is to review and update the Agreements and deliver against the commitment to further simplify arrangements at the interface, minimising the burden on operating companies through rationalising policies and simplification of processes.</p>	<p>→ No change</p>
<p>7. Major incident at an NDA site</p>		<p>Within the nuclear Site Licence Companies, emergency planning exercises are carried out on a regular basis and well established governance systems are in place. Emergency management processes within NDA have improved significantly in the last 18 months but further work remains to fully embed these within NDA and the wider group. Asset management plans and environment management policies are being put in place and an assurance process is being developed which focuses on achievement of expectations and improvement activities.</p>	<p>New</p>
<p>8. Health, Safety, Wellbeing (HSW)</p>		<p>The Deconstruction Project, Asbestos Working Group and Construction Design and Management working group each have a significant impact on health, safety and wellbeing and establish good working practices across the group.</p> <p>A Mental Health and Wellbeing Delivery Group has been established to support and drive consistency. A health and safety climate survey is planned across the majority of the group in the coming year.</p>	<p>New</p>
<p>9. A nuclear event external to the NDA group</p>		<p>This risk was updated in 2020 to account for Emergency Management response in the short- and medium-term. With the establishment of GSR 007, 010 and 011 the focus of the risk will shift back to recovery in the medium to long term. The threat scenarios continue to be aligned to the International Nuclear Event Scale categories. Controls for short-to medium term mitigations are shared with GSR 007, 010 and 011 and they will be referred to in GSR 009 rather than explained in full. The risk score for external Nuclear Event risk remains elevated and has now increased as malicious act likelihood has been increased to likely due to the ongoing conflict in Ukraine. The conflict is also likely to have an impact on other threat scenarios from a human factors perspective, but the change in the likelihood of these threat scenarios has not been assessed.</p>	<p>↑ Increased</p>

Risk title	Mission theme	Responses	Change in risk environment
10. Cyber threats		<p>NDA fully supports the civil nuclear sector new Cyber Strategy, which recognises the step-change in recent cyber threat and business needs. The NDA group Cyber Strategy has been refreshed in line with this and focuses on enabling the mission, security culture and continuing to increase capability.</p> <p>The NDA group has continued to bolster its security and step up its vigilance, working closely with and taking direction from UK Government, including the National Cyber Security Centre (NCSC) and Government Communications Headquarters (GCHQ).</p>	<p>↑ Increased</p>
11. Security breach		<p>A full analysis of this risk was conducted in collaboration with the NDA group and an independent analysis was conducted in parallel by Control Risks.</p> <p>A group intelligence management system, CLUE was implemented to facilitate intelligence sharing between the NDA group and National Police and intelligence agencies.</p> <p>The NDA Security Forum (NDA SF) provides regular quarterly group working group sessions in: supply chain, personnel and physical security, intelligence, emergency preparedness, business continuity and security governance.</p> <p>Security training and awareness packages for the NDA group are under development and aligned with the wider HMG security awareness plan.</p> <p>Controls are in place focused on the risk reduction actions and maturing risk reduction curve. Security and resilience continues to be in a stable position across the NDA group.</p>	<p>New</p>
12. NDA assets not performing as required, impacting mission delivery		<p>Tactical plans to deliver NDA group commitments are in development through asset management plans, key performance indicator line-of-sight and an Asset Management Digital Roadmap.</p>	<p>New</p>

Risk title	Mission theme	Responses	Change in risk environment
13. Laws, regulations, contractual obligations, policies and a governance framework		<p>The NDA group’s external legal services panel has been refreshed to set up a hybrid resourcing model to flex with business demands.</p> <p>The NDA group is also seeking to ensure that sufficiently resourced legal and governance teams are available to provide advice, manage external lawyers and ensure Boards are sufficiently advised.</p> <p>Further mitigation will continue through senior leadership training and development of a rolling programme of legal risk management training and robust horizon scanning.</p> <p>Senior leadership will:</p> <ul style="list-style-type: none"> • Embed and roll out legal policies and training in their part of the business or function; and • Ensure they have a good understanding of the legal implications of actions (or inactions) in their business area and involve their lawyers in the right things at the right time, including in lessons learned activities when litigation/challenges arise. 	New

Strategic risk probability impact diagram



The numbers in the above diagram relate to the strategic risks listed above.

Governance statement (continued)

Risk deep dives

We undertake a rolling schedule of deep dive reviews of GSRs, that examine all aspects of the risk. Over the past year our Board committees have reviewed five GSRs – 1, 3, 5, 7 and 11. During this year we have utilised expertise from across the group including Non-Executive Directors (NEDs) and other independent advisors. These bring external industry and technical best practice to the in-depth reviews of these risks.

Recommendations are made as to how to enhance the understanding of the risk including controls and responses.

Impact of COVID-19

Managing the impact

Management of the impact of COVID-19 has required significant commitment of resource and time to ensure all our sites remained COVID-19 secure.

We quickly implemented our COVID-19 response strategy, underpinned by a strong leadership commitment to keeping our people safe and to following Government guidance.

We implemented a three phase strategy:

- Recovery
- Restart
- Reimagine

Several of our group operational sites were placed into their passive and safe state. A rapid return to full operational capability was managed through a phased plan with our critical workforce.

Supporting our workforce

To support colleagues working from home we implemented policies on travel, annual leave, supporting mental health and wellbeing, and encouraging flexibility around caring issues and responsibilities.

We supported our staff throughout the pandemic with the CEO providing regular staff briefings, the broadcasting of regular wellbeing communications, and regular management updates.

COVID-19 had an unavoidable impact on NDA's performance. However, risks were managed and

performance was maintained as much as possible through leadership, the adaptability and resilience of the workforce and a robust safety culture. Our re-imagine phase will result in different ways of working. We have now enhanced our resilience to ensure we protect our operation and maintain readiness for future crises.

Impact of risk on sustainability

The NDA's mission is to clean up the UK's nuclear sites safely, securely, and cost-effectively. We have a legal, moral, and ethical responsibility to deliver our work sustainably with care for our people, communities, and the environment, leaving a positive legacy for future generations.

Our vision is to be recognised as a leader in transforming nuclear legacies into opportunities for local, regional and national sustainable development. Delivery of this is centred around four legacies: decommissioning, environmental, socio-economics and cultural. Each of the GSRs may impact the achievement of the sustainability vision and the implementation of the Sustainability Policy.

Decommissioning

Decommissioning is at the heart of what we do and thus is subject to performance risk and spans the whole programme lifecycle.

Delivering our mission safely, securely, protecting people and the environment requires adequate progression of mission deliverables. Insufficient capability and capacity, as well as not having the right people with the right skills at the right time and place are major threats to achieving this.

Stakeholder confidence aids our mission, it helps to provide lifetime value for money and is critical in achieving intergenerational equity.

Environmental

Protecting, remediating, and enhancing the environment, reaching carbon net zero and being recognised by our stakeholders for our environmental performance is at the core of our environmental sustainability legacy.

A major incident at an NDA site, leading to large scale release to the environment, is one of the NDA's highest impacting risks, one which would have an

effect on stakeholder confidence and acceptance of nuclear activities. This could lead to additional clean-up liabilities, additional cost and significant legal consequences, ultimately impacting performance against delivering our mission.

Key to managing this risk is ensuring that asset management and environment management policies are put in place. Development of assurance processes, which focus on achievement of expectations and improvement activities across the estate are also essential.

Socio-economic

Empowering people and communities in a fair and transparent manner to create sustainable local and regional economies is fundamental to our mission. Developing the UK skills base in this way helps facilitate decommissioning and ensure the workforce is prepared for future missions and ultimately mission delivery. Thinking internationally and acting locally helps to ensure that NDA group has sufficient capability and capacity at the right time and place, with the opportunity to export our expertise and know-how.

Cultural

The cultural legacy of sustainability outlines the importance of mindset within the workforce. Sustainability must be embedded in the way we carry out our work, from diversity and inclusion, to how we think about the other legacies.

Working together to establish respectful and inclusive working environments, ensures our people can perform at their best. This results in a reduced risk of inadequate performance and delivery across the group. Creating an impact conscious and future focused mindset, for example through training and leadership activities, prepares our people for positive change and future missions.

Information Governance

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

- Cyber, physical and personnel security and resilience

- Knowledge and information management (including intellectual property and information risk management)
- Digital and data management
- Information and communications technology

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

During the last year, we have:

- Improved group intelligence through improved collaboration with UK Police Constabularies, CNC Special Branch and procurement of a secure intelligence database
- Improved group emergency communications in implementing a connected emergency alert system
- Approved the NDA group Digital Vision and Strategy
- Approved the NDA group Information Security and Cyber Resilience Strategy and supported the development of the civil nuclear sector's cyber security strategy
- Continued delivery of the Cyber Security and Resilience Programme (CSRP) including a successful pilot of a Group Security Operations Capability (GSOC)
- Improved group emergency response, business continuity, recovery and resilience through assessment of links to the critical National infrastructure and wider collaboration with external agencies, such as local resilience forums, UK Health Security Agency, DEFRA and BEIS
- Continued to develop the group's cyber apprentice and graduate scheme that supports the whole civil nuclear sector
- Worked with the Cabinet Office's Emergency Planning College to align cyber incident and wider emergency management planning and exercising
- Continued the reduction of our carbon footprint by reducing our physical (on-premises) servers and through the adoption of greener cloud alternatives

Governance statement (continued)

- Ensured compliance with the new UK General Data Protection Regulations and Data Protection Act 2018
- Matured our ways of working through the establishment of an IT delivery capability with improved portfolio management, new end-to-end service design and service integration process and governance structure, and a new IT Assurance function to better assure group-wide IT investments
- Rolled-out Microsoft Office 365, SharePoint, One Drive, Condeco and other technologies in support of a hybrid working model
- Continued to evolve the group-wide digital collaboration platform (The Hub) within our secure infrastructure service (Ecosystem) promoting the effective sharing of sensitive data, knowledge and expertise
- Completed a sector-wide cyber exercise 'Golden Osprey 2021' and accompanying cyber conference day
- Provided cyber health checks and training to NDA Board members, along with a Board-level cyber exercise
- Led sector-wide working groups in unmanned aerial vehicles, supply chain and personnel security
- Supported DEFRA, UK Health Security Agency, Environment Agency and BEIS in the development of nuclear and radiological response and recovery
- Established improved security and resilience working across the NDA group through the introduction of a quarterly 2-day security and resilience forum. This is further supported through regular monthly assurance activities throughout the NDA group.

The NDA group Senior Information Risk Owner (SIRO) forum, comprising senior NDA staff and directors from each of our operating companies, who are responsible for managing information risk, meet regularly to provide governance of assurance

programmes, and audit performance reviews in the areas covered above. These assessments and reviews, in turn, provide assurance to key stakeholders including the regulatory community, the NDA Board, BEIS and other Government departments and agencies.

Modern Slavery Act 2015

The Modern Slavery Act 2015 (s54) requires organisations with a global turnover in excess of £36 million to publish an annual slavery and human trafficking statement. A 2020/21 statement was approved by the NDA Board on 29 September 2021 in line with requirements. This is supplemented by a Modern Slavery and Human Trafficking Policy which details the steps taken and future developments to support our supply chains in eradicating these practices.

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

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

Effectiveness of the control environment

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

In accordance with HM Treasury guidance, the NDA System of Internal Control has been in place for the period commencing 1 April 2021 up to the approval date for the Annual Report and Accounts. The system is designed to manage risk to a reasonable level while complying with relevant rules and regulations.

It is impossible to eliminate all risk of failure in implementing policies, aims and objectives; therefore, the system provides assurance of effectiveness to a level that is reasonable rather than absolute.

My Executive Leadership Team members are responsible for developing and maintaining the Internal Control Framework in their own functional areas. Oversight and challenge to the system is provided by the Board and also by the Audit and Risk Assurance Committee (A&RAC), who ensure plans are in place to address any weaknesses.

Significant reliance is placed on those controls operated by businesses across the group, including in the management of various compliance risks, including tax risks. Significant focus and cross-group support has been given in-year to the extended requirements of the off-payroll worker rules (IR35). The NDA is compliant with the IR35 requirements.

In line with Government requirements, the NDA Modelling and Analysis Team tests the robustness of the end-to-end process used in developing all the group's business-critical models and spreadsheets that influence the NDA's key business decisions. The NDA is compliant with the implementation of the

MacPherson Review of Quality Assurance (QA) of Government Analytical Models and has AQuA Book compliant processes in place.

Our focus on aligning and improving audit and advisory services across the group in support of strengthened A&RAC oversight has continued. This year, the further embedding of our 'virtual' group internal audit function and target operating model has improved the quality and consistency of group-wide arrangements and has supported our overall visibility, understanding and ongoing improvement of matters of corporate governance, risk management and internal control. Our approach to managing ethics and compliance risk continues to mature.

This year we have refreshed our approach to whistleblowing - launching our new Speak Up policy and associated training for NDA employees in September 2021 to encourage people to bring any concerns forward. To support our approach to Speak Up we have an independently hosted Speak Up helpline, available at all times, and where reports can be made on an anonymous basis if preferred.

The A&RAC has received quarterly reports on Speak Ups received and investigation, as well as reports on themes, trends and lessons learned arising. Serious cases are reported to the A&RAC as they occur.

In the vast majority of instances, even where an allegation raised was not proven, we were able to make recommendations for improvements to policy, training and communications. During the year, we have also begun to work more closely with our operating companies to ensure greater transparency in relation to Speak Ups raised across the group, and begun to work on reporting on this at a high level to the A&RAC as well. Going forward we plan to improve reporting, visibility and learning.

During the year the Group Leadership Team has agreed a group-wide Ethics Policy, which has also been approved by the NDA Board. The Ethics Policy sets out our standard in relation to key ethics and compliance topics for us and our operating companies to ensure we are working to consistently. This policy will be implemented during 2022/23, with training and champions to support it.

Governance statement (continued)

Our A&RAC has continued to strengthen relationships and arrangements with the group's supporting Audit and Oversight Committees at the subsidiaries and Site Licence Companies. We have continued to hold quarterly group-wide sessions for NDA and business A&RAC Chairs and members, retaining a focus on emerging risks, sharing best practice and bringing knowledge from external subject matter experts.

For the first time, we held a hybrid NDA Group A&RAC and Internal Audit Conference, with around half of our attendees able to meet in person, and the remainder attending virtually by video conference. The event tells us this format worked exceptionally well, and resulted in our best attendance yet, including executive and non-executive representation from all our businesses. We spent the first day looking externally, at how our operating environment is changing and the key external risks we need to focus on moving forward. Our second day was for reflection internally, thinking about how we can continue to foster our great working relationships and continue to improve for the year ahead.

Our group internal audit function developed and delivered a group internal audit plan for 2021/22; which included group audit themes for the second year running, aligning our approach to the review of significant group-wide risks and controls. We completed six group audit theme reviews, across the areas of risk management; sustainability; cyber security; business continuity; people strategy and commercial assurance. Insights from these group wide reviews are further promoting the sharing of challenges and good practices.

The internal audit work for 2021/22 was further designed to provide assurance over key business processes, along with specific corporate and business risks. The findings from the internal audit reports across the group receive close attention from both the Executive Leadership Team and the Board via the A&RAC.

In line with the standard ratings of the Government Internal Audit Agency, the NDA's Group Director of Internal Audit has provided an overall rating of 'moderate' to the level of assurance, meaning that

there is generally a sound framework of governance, risk management and control, both within the NDA and the wider group. This view is based on the work of internal audit, including oversight of the various assurance activities undertaken by the NDA, its subsidiaries and Site Licence Companies and through engagement with the internal audit functions of the businesses.

At the NDA the assigned internal audit review ratings were as follows: 'moderate assurance' 11%, 'high level of assurance' 21% and 'substantial assurance' 16%, with 32% advisory. We also provided ongoing advisory support in four areas (20%) for which no report output was produced.

Across the group as a whole, internal audit review ratings were as follows: 'limited assurance' 2%, 'moderate assurance' 33%, 'high assurance' 23%, and 'substantial assurance' 16% with 18% advisory. We also provided ongoing advisory support in seven areas (8%) for which no report output was produced.

The overall 'moderate' assessment is reflective of the group position, recognising that there has been a year on year strengthening of governance, risk management and control alignment. The focus should now be on the embedding of these arrangements in order to realise the required efficiencies and effectiveness.

The results of our group audit theme reviews have highlighted progress made in our approaches to monitor and manage the key risks in the areas of enterprise risk management, commercial, cyber and people, with opportunities to further strengthen our control arrangements. A consistent area of focus has been information and digital and a number of improvement initiatives are being designed and implemented. Addressing these topics with a group-wide approach to risk and control is not only strengthening oversight but also enabling a collaborative and consistent approach to the development and embedding of improvement activities. Business operating processes, including purchasing, expenditure and broad HR controls were generally found to be robust.

I have also been mindful of the work by several important bodies examining the Magnox procurement and the Magnox transition; namely

the National Audit Office (NAO), the Parliamentary Public Accounts Committee and the Magnox Inquiry. The NDA internal audit has provided independent input to the response document 'NDA Response to the Magnox Inquiry and the BEIS Departmental Review', published July 2021. Phase one of the audit work involved reviewing the action plans to ensure they were complete and accurate in addressing the recommendations. Subsequently, phase two reviewed the governance structure to oversee implementation and embedding of the actions in the response document, as well as a review on a sample basis of action implementation.

Looking forward, and as we continue to respond to the changing risk profile left by the COVID-19 crisis, internal audit has had and will continue to have an important role to play as an advisor and assurer to the business and to guide decision-making at the highest level. This year audit has been able to respond to the needs of the business real-time by adopting a 'risk theme' approach. This has allowed us to be agile in performing assurance or advisory services at the right time in the areas that matter.

This has enabled us to provide the most value to our stakeholders, at a time when priorities and business risks are evolving continuously, given the environment in which we are operating.

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



David Peattie
Accounting Officer and
Group Chief Executive Officer

7 July 2022

Remuneration report

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

I am pleased to present the 2021/22 remuneration report for the NDA, outlining the areas of activity for the committee during this financial year.

Group-wide remuneration

In 2021, the process of moving previous private-sector decommissioning companies to become subsidiaries of the NDA was completed and BEIS decided it was an appropriate time to update the Framework Document. This was a welcome opportunity to clarify what Government senior pay controls would apply to the wider NDA organisation. It was decided that senior individuals within the operating companies would be part of the Cabinet Office High Earners transparency report and they were included in the data issued in January 2022.

The expanded group structure has also brought with it an opportune time to review the NDA's own reward and governance policies. These have been updated to reflect group requirements and clarifies what reward decisions can be taken by operating companies, by remuneration committees or what requires approval or consultation with the NDA Accounting Officer or beyond into Government.

The Committee is cognisant that the remuneration policies and practices vary across the group, with each business having its own people strategy and supporting remuneration framework. Whilst the Remuneration Committee has oversight, there is a desire for greater mobility, especially in a post-COVID world, and we are looking to develop a coherent reward structure that would facilitate this. As part of this, a group-wide incentive review across the senior populations was carried out during 2021/22. The Committee will carefully consider the implications and how best to proceed, alongside the operating companies, during 2022/23.

Our approach to NDA remuneration in 2021/22

Base salaries

The Government's decision to freeze annual pay awards was implemented in the NDA, and across all the operating companies.

The impact of COVID-19

Our response to COVID-19 continued to be a major focus in 2021 and the impact on incentive arrangements was considered carefully.

2021/2022 incentive outcomes

In May 2022 the committee considered the performance of the 2021/22 annual incentive plan and the 2019 -2022 Long-term Incentive Plan (LTIP). The outturns of these plans are reflected in the Directors payments table on page 104.

In line with the strong performance against the financial year's Group Key Targets and significant additional operational and people related achievements over the course of the year, the committee decided to declare a corporate out-turn for the 2021/22 annual incentive plan in line with the formulaic target achievement at 80% of the maximum.

Similarly, the performance of the 2019-2021 long-term incentive plan was carefully considered and a payment of 141% of the award value declared in line with the target achievement.

Payments of these awards will be made in June 2022.

2020/21 incentive outcomes

The 2020/21 incentive payments were published as part of last year's Executive Directors Remuneration reporting. Subsequently, we are sharing narrative below.

Early in the financial year, the Committee reviewed performance against the 2020/21 incentive plan targets. These targets were drafted prior to COVID-19, and the committee decided not to adjust the targets

for COVID-19 but to exercise discretion on the outcome at the end of the year if it felt necessary to take the impact of, and our response to, the pandemic into account. The company demonstrated a resilient response to COVID-19 and an incentive out-turn of 60% of the maximum was deemed appropriate based on the formulaic target achievement and the committee did not feel that the use of discretion was required. As COVID-19 restrictions have lifted we have continued to maintain operational delivery and encourage and demonstrate the benefits of a more agile way of working through a mix of flexible hours and hybrid office / site and home working.

Similarly, the performance of the 2018-2021 LTIP was carefully considered and a payment of 147% of the award value declared in line with the independently audited achievement of the six target areas identified and measured for this plan period.

The setting of incentive targets for the annual 2021/22 plan and the long-term 2021-2024 plan commenced in early 2021 and targets were finalised as the 2021/22 year commenced. In doing this the committee took account of our Strategy 4 document and the opportunities of one NDA and was mindful that targets should not be inappropriately influenced by COVID-impacted performance in 2020/21.

During the year, the committee continued to support the group CEO by looking at reward, not just for the two Executive Directors but for all executive team members. This focus beyond Executive Directors has been formalised within the committee's Terms of Reference and the updated Reward and Governance Policy mentioned above. The committee also takes an oversight of reward in the NDA in general and does this by attending meetings of the organisation's Joint Consultation Group and by a variety of other means as reported elsewhere in this report in line with our commitment to section 172 of the Companies Act.

On a final note, Rob Holden, one of our long-standing remuneration committee members, has stepped down and we thank him for his support over the years and wish him well for the future.

Chris Train has replaced Rob Holden on the Remuneration Committee and his appointment was agreed and effective from the 21 March 2022.

Evelyn Dickey

Chair of the Remuneration Committee

Remuneration Committee (RemCo)

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

Remuneration Committee Membership (2021/22)

- Evelyn Dickey (Independent Chair)
- Volker Beckers (Non-Executive Board Member)
- Alex Reeves (UKGI Representative Board Member)
- Rob Holden (Non-Executive Board Member) until 31 January 2022
- Chris Train (Non-Executive Board Member) from 21 March 2022

The following persons may also attend the committee meetings from time to time:

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

During the year April 2021 to March 2022, the Remuneration Committee:

- Reviewed performance at the NDA and individual executive level to determine the Short-Term Incentive Plan (STIP) awards for the year April 2020 to March 2021
- Finalised the performance targets for the 2021/22 STIP.
- Agreed the outcome and payments for the LTIP plan April 2018 to March 2021, paid in 2021.
- Agreed the targets of the LTIP for years April 2021 to March 2024, payable on vesting in 2024
- Commenced work to set the targets for the STIP 2022/23 and the LTIP 2022-2025 which will be finalised early in financial year 2022/23.
- Reviewed market practice on incentive structures and quantum, using insight from PricewaterhouseCoopers (PWC) and specific job benchmarking information from Korn Ferry.
- Supported the Executive to develop the reward section of the new Framework Agreement between BEIS and the NDA, and internal reward and governance policies, particularly providing advice on appropriate governance
- Supported the NDA CEO in deciding reward packages for new appointments within the executive team. There were no annual pay increases in April 2021 in line with Government's pay pause.
- Incentive payouts for the 2021/22 STIP and the LTIP 2019-22, both ending on 31 March 2022, were decided early in 2022/23

Remuneration Policy

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

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

Basic salary	
Policy and Purpose	Salaries are set at a level required to attract and retain the right calibre of executives, reflecting the skills and experience of the individual, market reward data, scope/size of role and responsibility whilst being mindful of taxpayer value.
Operation of policy	Salaries are reviewed each year, effective 1 April, taking the above matters into account and the level of salary increases made in the wider organisation.
Outcome 2021/22	There were no annual salary increases for the Executive Directors, the wider executive team or NDA employees in line with Government's pay pause guidelines.
Implementation for 2022/23	The NDA is subject to the Civil Service Pay Remit. The rises for executives will be considered once Government pay guidance has been issued to ensure that they remain aligned to the Civil Service Pay Remit guidance which applies to delegated grades within the organisation.
Short-term Incentive Plan (STIP)	
Policy and Purpose	The aim of the short-term incentive plan (STIP) is to encourage improved operational and organisational performance and motivate and engage employees by having part of their reward package as variable pay, linked to achievement of the business operating plan and their personal objectives. Standard Malus and Clawback provisions apply under the STIP rules.
Operation of policy	The NDA CEO has an STIP up to a maximum of 50% of salary and the Group Chief Financial Officer 40%, based on achievement of corporate and personal objectives linked to the group operating plan.
Outcome 2021/22 plan	Shortly after the year end the Committee approved the corporate elements of the 2021/22 STIP, with an achievement of 80% of maximum and determined the payout for the personal elements for the CEO, CFO and other executives.
Implementation for 2022/23	No change to the STIP quantum is planned. The design of the STIP for the executive is planned to change for this plan year, increasing the NDA and operating company performance elements of the STIP and reducing the personal performance element. These changes have been made following the review of current market practice in relation to incentive structures. In setting incentive targets for this plan the committee is mindful that targets are fully relevant and suitably stretching for the period ahead.
Long-term Incentive Plan (LTIP)	
Policy and Purpose	The aim of the long-term incentive plan (LTIP) is to encourage strong and sustained performance in line with the strategy and mission, aligning executives on longer-term strategic goals and providing a motivating stake in the delivery of long-term, sustainable business success. Standard Malus and Clawback provisions apply under the LTIP rules.
Operation of policy	Eligibility for LTIP is a year-on-year decision by the Remuneration Committee. An LTIP award may be made at the start of each three-year performance period and a multiplier may increase or decrease the outcome between 0% and 200%. The multiplier is based on performance against long-term targets and improvements to the Operating Plan as determined by the Remuneration Committee which also regularly monitors the performance. The CEO typically has an award of 25% of salary and the CFO 20%.
Outcome of LTIPs commencing 2019	Shortly after the year end, the Committee reviewed the performance of the LTIP 2019-2022 which concluded on 31 March 2022. An out-turn award of 141% was approved.
Implementation for LTIP 2022-25	No change to the LTIP design is planned for year 2022 -2025 but the way in which the quantum are communicated will be simplified as follows: The CEO has an LTIP up to a maximum of 50% of base salary and the CFO 40% of base salary, The potential payment could be in the range of 0% up to a maximum of 100% of the LTIP opportunity subject to our performance and the LTIP rules. The Committee will set targets for this plan in late Spring/Summer 2022 and will ensure these are relevant and suitably stretching for the period ahead.
Benefits	
Policy and Purpose	Benefits are offered to be competitive with the markets in which we compete for talent.
Operation of policy	Executive Directors receive a market benefits allowance of £12,000. Note that private medical insurance is not provided, in line with our public sector status. There are no changes planned to this policy for 2022/23.
Pensions	
Policy and Purpose	A pension is provided to build up a retirement income, in line with other major employers.
Operation of policy	Executive Directors are eligible for membership of the Civil Service Pension arrangements in the same way as other employees, either on a 'career average' or a defined contribution basis. More details of our pension arrangements are on page 117. The group CFO is a member of these arrangements and the CEO is provided with a cash payment in lieu of membership. There are no changes planned to this policy for 2022/23.

Remuneration report (continued)

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

Directors' contracts

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

Non-Executive Board Members are appointed by the Secretary of State for BEIS in consultation with

Scottish Ministers, the NDA Chair and in line with the Commission of Public Appointments Codes of Practice. Fees for the Chair and other Non-Executive Board Members are determined by BEIS and the Non-Executives are not involved in decisions relating to their own remuneration. For year 2021/22, the Chair received a fee of £187,500 and other Non-Executive Directors were eligible to receive £40,000. Some members decided to remain on a previous fee structure. The fees are fully inclusive and there are no additional payments for chairing committees and members do not receive any performance-related bonuses or pension entitlements but are reimbursed for reasonable expenses incurred in the performance of their duties.

Details of directors' remuneration and pension are shown in the single figure table below. More details on pensions and cash equivalent transfer values are shown at the end of the section on page 117. Details on the gender pay gap can be found on page 109.

Executive Directors remuneration

This information is subject to audit.

Director	Year	Fixed Pay			Variable Pay		Total Remuneration £
		Salary £	Benefits £	Pension*** £	Short Term Incentive £	Long Term Incentive £	
David Peattie (*)	2020/21	336,600	61,118	-	126,225	115,634	639,577
	2021/22	336,600	62,180	-	143,055	116,325	658,160
Mel Zuydam (**)	2020/21	260,000	16,981	99,710	63,960	-	440,651
	2021/22	260,000	16,981	99,710	70,200	-	446,891

(*) Additional benefits received were a market benefit of £12,000, and a cash payment of £50,180 (2020/21: £49,118) in lieu of membership of the Civil Service Pension Plan.

(**) Additional benefits received were a market benefit of £12,000, and holiday pay allowance of £4,981 (2020/21: £4,981).

(***) Details on pension arrangements are shown on page 117.

Non-Executive Board Members remuneration

This information is subject to audit.

Non-Executive Board Members	Additional role (Effective date of becoming a member)	Year	Total fees £
Dr Ros Rivaz	Chair of the Nomination Committee (01.09.20 - date)	20/21	109,375
		21/22	187,500
Volker Beckers	Chair of the Audit and Risk Assurance Committee (01.03.15 - date)	20/21	30,457
		21/22	40,000
Evelyn Dickey (1)	Chair of the Remuneration Committee (01.03.15 – date)	20/21	30,000
		21/22	30,000
Janet Ashdown (1)	Chair of the Safety and Security Committee (01.06.15 - date)	20/21	30,000
		21/22	30,000
Rob Holden	Chair of the Programmes and Projects Committee (01.06.15 - 31.01.22)	20/21	30,457
		21/22	33,333
Nick Elliott	Non-Executive Board Member (15.03.21 – 30.04.21)	20/21	-
		21/22	-
Francis Livens	Non-Executive Board Member (01.12.20 – date)	20/21	9,019
		21/22	40,000
Alex Reeves (2)	UKGI Representative Board Member (01.02.20 – date)	20/21	-
		21/22	-
Chris Train	Chair of the Programmes and Projects Committee (31.01.22 - date)	20/21	-
		21/22	9,032

(1) Members who decided to remain on the previous fee structure for this financial year

(2) Did not receive any remuneration for services to the Board

Remuneration report (continued)

Wider workforce considerations

In setting the remuneration for the Executive Directors and the wider executive team, the Remuneration Committee is mindful of wider workforce considerations and appropriate alignment is sought.

Examples of this alignment are:

- Incentive targets alignment, ensuring those used

for executives are the same as those used for the corporate element of the NDA employees' incentives. This alignment has been cascaded through the incentive targets for all NDA employees.

- Executives and all employees are eligible for the Civil Service Pension arrangements

Fair pay disclosures ('Hutton' Disclosure)

Reporting bodies are required to disclose the relationship between the remuneration of the highest-paid director in their organisation and the lower quartile, median and upper quartile remuneration of the organisation's workforce.

Additionally, for both the highest-paid director and also the organisation's workforce the percentage change in the following must be reported:

- salary and allowance; and
- performance pay and bonuses payable

The banded remuneration of the highest-paid director in the NDA, in the financial year 2021/22, was £655,000 - £660,000, (2020/21, £635,000 - £640,000). This was:

- 13.5 times the remuneration of the lower quartile of the workforce, which was £48,702
- 8.8 times (8.4 times 2020/21) the median remuneration of the workforce, which was £74,461 (2020/21, £75,515)
- 6.3 times the remuneration of the upper quartile of the workforce, which was £103,953

The highest paid director's salary and allowance increased by 0% over the previous reporting year and in line with the public sector pay pause. Performance pay and bonuses increased by 6.2% due to improved performance against business objectives.

The salary and allowances for the remainder of the organisation reduced by 1.6% over the previous year, with a reduction of 5.4% in Performance pay and bonuses; this was driven by the level of recruitment in the financial year, pay controls in place and a lower overall incentive performance outcome.

In 2021/22, zero (2020/21, zero) employees received remuneration in excess of the highest-paid director.

Remuneration ranged from the lowest band of £20,000-£25,000 to the highest band of £655,000 - £660,000 (2020/21 band £20,000 - £25,000 to £635,000- £640,000).

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

This information is subject to audit.

	2021/22 Total £	2020/21 Total £
Band of highest paid Director's total remuneration	655,000 – 660,000	635,000 - 640,000
Upper quartile total remuneration	103,953	
Median total remuneration	74,461	75,515
Lower quartile total remuneration	48,702	
Ratio Director: Upper quartile	6.3:1	
Ratio Director: Median quartile	8.8:1	8.4:1
Ratio Director: Lower quartile	13.5:1	
Band of lowest paid employee's total remuneration	20,000 - 25,000	20,000 - 25,000

The small decrease in the median remuneration level of -1.4% is partially due to the public sector pay pause in 2021/22 and changes arising from turnover. The highest paid director did not receive a salary increase in 2021/22. The median pay ratio is reflective of the range of roles at the NDA; including an executive team with leadership roles across the NDA group. NDA pay, reward and progression policies balance value for money while enabling the NDA to recruit and retain the necessary skills to deliver its mission.

	Salary	Total pay and benefits
Upper quartile	79,454	103,953
Median	58,483	74,461
Lower quartile	32,235	48,702

People report

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

We want to create a culture in which our people can thrive, where everyone feels respected, included and able to perform at their best. The following section provides an update on the important progress we've made on our 'people' critical enabler in 2021/22.

Our Strategy 4 document outlines and underpins the objectives for the NDA group in our People Strategy workstream. It is built around three key themes:

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

The one NDA way of working has enabled us to continue to collaborate meaningfully and effectively on developing a strategy to create a thriving workforce for the future. One NDA thinking is around all of us, together, achieving more than we do in our separate operational companies. Examples of this are our joint approach to COVID-19, talent, mobility, skills and diversity and inclusion.

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

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

Leadership and talent was one of four beacon projects for 2021/22, designed and created to future-proof our capability and capacity through a strategic group-wide focus on talent, leadership and succession planning and also to encourage collaboration and innovation across the group.

There were five focus areas for the beacon project:

- Succession
- Leadership Academy
- Leadership Standard
- Group Talent Strategy
- Mobility

Executive succession is a strategic priority for the NDA group, we have matured our approach to succession planning and have created a CEO talent forum to calibrate the plans. This ensures that we are considering successors from across the group to develop more robust and rigorous succession plans enabling us to manage risk, identify senior talent and ensure that appropriate development opportunities are in place. The Leadership Academy was launched in March 2021 and the programme lasts for 18 months, anchored on our Leadership Standard, which describes how we expect our leaders to behave and lead. During this time each delegate receives 'tripartite' support, from their sponsor, an external executive coach and a mentor from another operating company. The NDA group

has partnered with Ashridge to provide the academic facilitation, the delivery is a blend of face-to-face sessions, virtual sessions and each cohort has access to 'masterclasses', some of which are delivered by senior leaders and Non-Executive Directors from across the NDA, others are external speakers and subject matter experts.

The delegates are senior leaders who demonstrate the behaviours within the standard and who will visibly champion our values and ambitions for the NDA group. Our aim is to create a cadre of NDA group leaders who are inspiring, curious, self-aware and confident to engage with our diverse set of stakeholders, to safely deliver our collective mission and the one NDA way of working, whilst ensuring value for money for the taxpayer.

The Leadership Standard was launched across the NDA group in January 2021. The Standard has been adopted by all the operating companies, creating a single language of leadership. A huge amount of work has taken place across the group to embed the Leadership Standard across people policies and processes, including in local leadership and management training programmes, induction processes and performance management processes.

We have procured a group 360 assessment tool, with the Leadership Standard underpinned through the competencies within the 360 framework, which will be used across the group to support leadership

and talent initiatives. This has been a great example of cross group collaboration.

The Leadership Standard won a silver award for "People Development Programme of the Year Public Sector" in the Learning Awards 2022. The panel highlighted the collaborative creation process and the impact it is making to support leaders and cultural change in the NDA group.

Through our commitment to developing our people we continue to progress our functional focus on talent. We have developed our 'talking talent' programme to support the development of functional career pathways, identify key skills gaps and encourage greater visibility of our talent across the group. We have worked with eight functions so far, developing our approach and enabling functional leaders across the group to support meaningful careers, share opportunities and allow us to retain and develop our people.

Enabling and supporting greater levels of mobility is key to the successful delivery of our mission and in creating a culture in which our people can thrive. We have increased the number of secondments and permanent moves across the group through the 'talking talent' programme, promoting greater levels of flexibility in terms of remote and hybrid working and in raising the profile of individuals across the group who have had, and are having, successful secondments or movement between the operating companies.

We have also launched a Group Jobs Portal, ensuring that opportunities and vacancies are visible and accessible to everyone across the group.

We are committed to attracting, developing and retaining the right

skills to deliver the mission. We continue to recruit and invest in apprentices and Graduates, as well as attracting new talent, we invest in our existing workforce enabling us to meet the challenges we face in key skills areas such as project management, radiation protection, engineering, specialist nuclear skills and cyber as well as a whole host of other broader and more specialist skills.

Currently we have over 300 graduates and 800 apprentices on programmes across the group in technical, engineering, scientific and professional pathways.

This year will see us focus on skills across the NDA. We will continue our role in national skills leadership for the nuclear sector, working closely with Government, defence and the broader civil nuclear sector to identify areas in which we can collaborate meaningfully on skills and the broader people agenda.

Our commitment to equality, diversity and inclusion

Creating great places to work is a core part of the NDA group's vision. At the heart of this is the development of a culture of respect and inclusion where diversity is embraced, and people can feel included, respected, and able to perform at their best.

We published our equality objectives in the NDA Inclusion Strategy 2025, which sets out our goals, targets and how progress will be measured. The NDA and its operating companies have in place governance to oversee the implementation of annual improvement plans aligned to the strategy.

The NDA group ensures it meets legal obligations as an employer and as a statutory body listed under schedule 19 of the Equality Act 2010. The NDA will be fully compliant with both the general and specific public sector equality duties in exercising

its functions by giving due regard to the need to:

- Eliminate discrimination harassment and victimisation and other conduct prohibited by the Act
- Advance equality of opportunity between people who share a protected characteristic and those who do not
- Foster good relations between people who share a protected characteristic and those who do not

Under the Act, protected characteristics include, age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex, sexual orientation and – for the discrimination element of the duty only – marriage and civil partnership.

The specific duties, set out in The Equality Act 2010 (Specific Duties) Regulations 2011, help public bodies to comply with the general duty by improving the focus and transparency of their activities to meet the duty.

Gender Pay Gap Reporting

In line with our equality duties, in 2021/22 we published our annual gender pay gap data. Within the NDA group, the figures published as at March 2022 showed the overall average gender pay gap (when weighted by employee numbers), when comparing mean pay, to be 12.7% (compared to a national average of 15.4%) and the average median pay gap 12.3%.

We are committed to ensuring we drive down our gender pay gap by 2025 by increasing our representation of women in senior roles and women at all levels across the NDA group. Gender balance is a key area of our strategy and goals for 2025. The NDA and operating companies have been tasked with aligning to strategy measures, targets, and have in place an annual gender pay gap improvement plan (this will include improving gender balance).

People report (continued)

Creating a culture in which our people can thrive

Our diversity and inclusion (D&I) journey has gained further momentum this year as we launched our NDA group Inclusion Strategy 2025. This strategy builds on the positive foundations that have been built since the development of our first strategy in 2018. Since then we have put in place strong group-wide governance through our D&I Council, we've embedded an active and collaborative cross-group D&I Delivery Group, and we've amplified employee voice through establishing group-wide employee networks for gender, race, disability and LGBT+. Over the next five years we want to build on these foundations to ensure the NDA group is a best in sector inclusive employer.

Our NDA group Inclusion Strategy 2025 focuses on five key themes:

Inclusive culture and leadership

Leading inclusively, creating safe environments so people can bring their full selves to work.

Workforce diversity

Building diversity, recruiting and maintaining a workforce that includes people from all backgrounds, bringing different viewpoints and ideas into our business.

Embedding inclusion through the employee lifecycle

Integrating inclusivity, ensuring our employees feel included at every step, so everyone can flourish.

Respect, dignity, and employee voice

Engaging our people, listening, understanding, and acting on what our employees think and feel, so we can build a truly inclusive culture.

Flexibility, agility, and smarter working

Creating an agile culture, developing working arrangements built on mutual trust and business benefit, supporting productivity, employee wellbeing and helping us to attract and keep our talent.

We have set ourselves some stretching diversity goals as part of the strategy, against which we'll measure ourselves and use to report progress over the next five years.

2021/22 D&I successes and highlights

1. Inclusive culture and leadership
Following a stakeholder engagement programme with trade unions, employee networks and senior leaders, we reimagined and published our NDA group Inclusion Strategy 2025 – all operating companies have aligned their D&I plans to the strategy measures and goals and progress is reported via our D&I Council.

We designed and facilitated a series of bespoke inclusive leadership workshops delivered to 120 leaders from the group and will continue to roll this out in 2022/23.

We launched our group-wide Women's Leadership Development Programme (Step up, step across cohorts and senior leader's cohorts) which was facilitated by the Whitehall Industry Group.

The NDA chairs the Equality, Diversity and Inclusion Sub Committee of the Nuclear Skills Strategy Group (NSSG) to drive sector-wide improvements and has shared insights and learning with partners and the Engineering Construction Industry Training Board.

2. Workforce diversity

2021/22 saw us improve the data we hold about our employees. A group-wide inclusion data campaign was delivered which saw our data disclosure figures for employees improve by over 50%. Gathering this inclusion data has helped us to understand the diversity make up of our employees better, measure our progress against our goals in our Inclusion Strategy and helped us to understand differences between workforce groups in terms of representation and outcomes.

We have set aspirational goals to achieve a gender balanced and diverse workforce that represents modern Britain.

All operating companies and the NDA have achieved Disability Confident status level 2, and we will aim to achieve level 3 in 2023.

All operating companies and the NDA have signed the Race at Work charter and are now developing race improvement plans to focus our efforts in 2022/23.

3. Embedding inclusion through the employee lifecycle

We have continued to embed our group-wide fairness and meritocracy principles which outline our collective commitment to current and future employees, ensuring we're aligned with leading recruitment and talent development practice. To support this, we have worked with an external expert organisation to complete a full end to end process of our recruitment lifecycle with a focus on D&I. We have engaged with new starters, hiring managers, resourcing leads / partners, D&I leads and HR teams. In 2022/23 we will implement the recommendations across the group to ensure we are attracting talent from all communities.

4. Respect, dignity, and employee voice

Previous group D&I surveys have informed the development of a new group-wide employee engagement survey which included a focus on D&I. Employee feedback continues to inform our approach 'you said, and we did'.

We have continued to work closely with the trade unions and our employee networks to strengthen employee voice. We now have over 30 networks including five group-wide networks and they are developing knowledge and skills each year through our network training and development programme, coaching and professional development to network executive sponsors, chairs and steering group members.

5. Flexibility, agility, and smarter working

We have continued to embed and bring to life our group-wide 'WE TRUST' flexibility and agility principles. As COVID-19 restrictions have lifted we have continued to maintain operational delivery, encourage and demonstrate the benefits of a more agile way of working through a mix of flexible hours and hybrid office / site and home working.

Throughout the past 12 months we have carefully considered access to sites / offices, operational capability, new technology, enabling teams to stay connected, health and safety, wellbeing, and work life balance.

NDA group roles are advertised under the banner of 'happy to talk flexible working' and we work closely with external partners such as Working Families so we are aware of the latest research and best practice.

6. Annual celebration days

Throughout 2021/22 we have celebrated and highlighted key events from the D&I calendar including International Women's Day, International Day Against Homophobia, Biphobia, Interphobia and Transphobia (IDAHoBiT), Pride month, National Inclusion Week, Black History Month, International Men's Day and International Day of People with Disabilities. We use these events to amplify our message of D&I across the NDA group supporting employees to share their lived experiences, run webinars and training sessions, have 'town hall' discussions, offer opportunities to connect and network and educate our employees.

7. Employee networks

We have five NDA group networks gender balance, race equality, LGBT+, enable (disability), and most recently meno hub (menopause). The networks provide colleagues with valuable support and advice, create development opportunities, and raise awareness of issues and challenges, all of which closely align to our D&I strategic themes and are open to all employees. Our networks influence our people policies, help us to challenge the

status quo, and give us insight into how we need to adapt to give colleagues the support they need to succeed. With so many colleagues working remotely this year, our networks worked creatively to ensure their members felt supported and connected. Using digital tools and new platforms, the networks successfully increased their membership.

8. Disability confident

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

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

People report (continued)

Employee Engagement Survey

This year we launched our group-wide employee engagement survey, via our provider Peakon. It was designed to capture employees' overall perception of engagement, D&I and health and wellbeing. Across the group, we had nearly 60% return rate with some organisations achieving over 90%. In addition, we received over 13,000 comments. NDA and the operating companies have now analysed

the data and feedback, tested and engaged the inputs internally and created action plans based upon the 'You Said, We Did' philosophy.

Areas of strength identified were in:

- Delivery of the mission
- Autonomy
- Environment - both physical environment but also in the availability of tools and resources

Areas requiring focus were in:

- Accomplishment
- Organisational fit
- Diversity
- Diverse recruitment.

Much of the work is well underway to address the areas of focus and all plans across the NDA include these areas as a priority. The plan is to conduct this survey annually supported by pulse surveys in key areas for improvement.

Women's Leadership Development Programme (WLDP)

Our group Inclusion Strategy 2025 seeks to improve the diversity of our workforce as part of our journey to become representative of modern Britain, while aspiring to meet our external commitments to improve gender balance in the sector.

This year saw the launch of a bespoke WLDP designed for the NDA group in partnership with Whitehall Industry Group (WIG). Two cohorts included a senior women's leadership programme and a step up, step across development programme for female middle managers. Both programmes were fully virtual (due to COVID-19 restrictions), and lasted between four to six months including one-on-one coaching sessions. The first two programmes concluded in February 2021 with amazingly positive feedback from the 40 strong cohort.

The WLDP and Leadership Academy are strengthening the leadership talent pipeline. WLDP aims to deliver 80 places (two cohorts per programme) a year on the step up, step across and senior leaders programmes. Our target over the next five years is to provide 450 places.

This women-only programme does not replace existing leadership programmes, it is an additional 'positive action' offering in response to our need to achieve a better gender balance by developing, growing and retaining from within. Nominees are identified from the group utilising the talent frameworks to identify participants. WIG brings together a combination of topics, speakers, theories and practical learning to offer a real diversity of perspectives and insights to common leadership challenges.

Each cohort will be unique, as it draws upon participants' own examples and is expertly facilitated to deliver a dynamic learning environment. The programme provides women with a wider breadth and view of the career opportunities available across the NDA group and aligns with the principles underlying our mobility policy. Each cohort will have the opportunity to learn about the NDA group operating companies whilst building strong internal networks.

Enable Network – Workplace Adjustment Passports

During 2021/22 we have continued to work in partnership with our employee led networks including Gender Balance Disability, LGBT+ and Race Equality. These networks play a vital role in the effort to keep our employees connected and included. In conjunction with their executive sponsors, these employee-led networks are focused on making our workplaces more diverse, encouraging employees to get involved in activities and events to grow and develop and support the organisation on its ED&I journey.

Our group disability network 'Enable' sponsored a group-wide initiative in the introduction of workplace adjustment passports. Workplace adjustment passports are intended to be used by all employees, not just those with recognised disabilities, long term illnesses or caring

responsibilities; they can be used to record any informal agreements that are made between employees and their managers.

Passports are intended to facilitate a discussion with line managers and can be utilised to record any agreed reasonable adjustments, changes to work schedules, role and responsibilities, working environments, provision of specialist technology and other support and assistance as may be required. If employees move roles within the NDA group, then they take the passport with them, and it can help to have the conversation about adjustments in the workplace with new managers.

The most important thing about the passport is that it's owned by the employee; it's for them to share when, and with whom, they want.

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

The NDA remains committed to a partnership working approach with our recognised trade union, Prospect. Regular and constructive Joint Consultation Group (JCG) meetings have taken place throughout the year. Our partnership approach has ensured positive relations have endured during some challenging times, constructive challenge and joint working has continued throughout.

Employee health and wellbeing

The NDA continues to recognise the importance health and wellbeing at work and we have continued to work closely with MIND and our other health partners. This has been important as we continue to emerge from the pandemic, and we adapted to an agile and flexible approach to the work within the NDA.

We took part in the Mind Workplace Index Survey, achieving a Silver Award in June 2021. This provided the NDA with insights into areas for our ongoing future focus in 2021/22 and also for 2022/23. We are also incorporating the recent Peakon engagement survey's wellbeing findings in our plans to ensure that our future plans continue to remain aligned. We are intending to re-enter the Mind Workplace Index awards in early 2023 at the next cycle and this will ensure we monitor and re-validate our progress.

We have developed and are introducing a new Mental Health and Wellbeing Strategy and Plan and this has been supported and approved by the Group Leadership Team. We have identified the three key areas of focus for continued development: Line manager's Mental health and wellbeing support toolkit, core annual wellbeing campaigns focus across the whole of

the NDA group and to ensure that the necessary resources are available for the mental health and wellbeing leads to support and deliver these plans.

This is being co-ordinated and supported via our cross NDA mental health and wellbeing delivery group and supported by our NDA Executive Sponsor and the Head of Mental Health and Wellbeing.

Furthermore, the 2022/23 programme of mental health and wellbeing events has commenced with the 'This is Me' video campaign starting this year's activities.

We continue to closely monitor both short-term and long-term sickness absence and have policies and support mechanisms in place. Our policies have been enhanced to support the additional pressures the pandemic and the extended period of lockdown had on our employees as we emerge into a

People report (continued)

more agile working approach across the NDA. We have also worked closely with our Occupational Health provider to review and improve the access to occupational support, and we are seeing the benefits of this developing relationship and we are trialling Wellness Actions Plan for individual needing support. Our Employee Assistance Provider (EAP) continues to provide support, reflecting the commitment we have to providing a fast and efficient service that meets the needs of our employees. This service provides more options for our employees including immediate counselling support if required.

MIND continues to be an integral part of our additional support provision for our employees requiring help as an alternative option to the EAP. This is further supported by our Mental Health First Aiders across the NDA group who are supported individually by a dedicated counsellor from MIND. We are also looking to develop a Wellbeing Champion role during 2022/23.

Furthermore, MIND continues to support Mental Health and Wellbeing sessions delivered via line manager briefings, departmental tea and talk sessions and wellbeing intranet updates. These group discussions cover various anxieties around the impact of workplace and agile working on the social/ domestic environment and individuals and their families at the NDA as the business emerges from the pandemic. Individual wellbeing coaching sessions were also provided on request.

During the year, the NDA, through the CEO and executive team, has proactively discussed the importance of mental health and wellbeing during staff briefings, with support from MIND. The CEO has promoted a clear message of support for 'family first' throughout the pandemic and as we emerge to the new agile working environment.

The NDA is progressing to become a nationally recognised Menopause Accredited Employer, the NDA has set up a Menopause Steering Group with a dedicated Meno-hub site with access to all across the NDA.

This has developed a programme of events available to raise awareness and education with support from Menopause health professionals for all. The group is setting up a network of Meno Allies who will promote and support this work across the NDA as a whole.

For 2021/22 an average of 4.6 days per employee was lost to sickness absence. This equates to an absence rate of 1.78% and is more than the national average of 3.6 days. An analysis of 2021/22 total absence identifies that mental health contributed to the majority of long-term absences. The national average loss of days due to mental health conditions is at 17.6 days according to the Office for National Statistics. We will continue to work with managers on the importance of dealing with sickness absence and in particular, mental health issues, by providing educational sessions on managing sickness absence to all our managers and employees and continuing to provide advice and tools on mental health issues and how we manage these within the workplace.

Employee turnover

The average length of service is five years and for the year 2021/22 turnover of permanent people was 13.8%. This compares to an average external turnover rate of 14.4% (as per latest CIPD survey).

This information is subject to audit

2021/22 Exit package cost band	Number of compulsory redundancies	Number of other agreed departures	Total number of exit packages by cost band
£0-£25,000	0	0	0
£25,001-£50,000	0	0	0
£50,001 - £100,000	0	0	0
£100,001+	0	0	0
Total no of exit packages	0	0	0

Headcount and employee costs

NDA group staff costs

This information is subject to audit

NDA Group 2022	NDA Authority (a)		NDA Programme		Subsidiaries (b)		Total
	Permanently employed staff	Others	Permanently employed staff	Others	Permanently employed staff	Others	
	£m	£m			£m	£m	
Wages and salaries	20	1	13	1	871	69	975
Social security costs	2	-	2	-	99	-	103
Pension costs	4	-	3	-	180	-	187
Total staff costs	26	1	18	1	1,150	69	1,265

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

- a) NDA Authority people costs are included within administration expenditure (see note five to the accounts). The increase in total spend compared to the previous year was due to further improvements driven by one NDA way of working with the action of increasing our capability and capacity in critical skills areas.
- b) Subsidiary people costs are reported through the 'contractor and subsidiary costs' line in the Financial Statements (see note six to the accounts)
- c) During 2021/22 we reviewed the allocation of resource between admin and programme to more accurately reflect roles supporting the operating companies. This resulted in 128 heads and associated costs being reclassified from admin to programme.

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

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

NDA group	Permanently employed people	Others	Total 2021/22	Total 2020/21
Directly employed - authority (Admin)	211	21	232	323
Directly employed - authority (Estate)	138	20	158	37
Directly employed - subsidiaries	15,415	1,095	16,510	14,583
Total	15,764	1,136	16,900	14,943

a) The total number of permanently employed people has increased this year from 13,977 last year due to the inclusion of Dounreay and LLWR as subsidiary employers.

Of the total NDA permanent and fixed term employees at the end of March 2022, the breakdown by gender is as follows:

	NDA Authority		NDA Programme		Total
	Male	Female	Male	Female	
Chief Executive	1	0	0	0	1
Exec Directors excl. CEO	1	0	0	0	1
Other directors (non-Board)	8	1	1	0	10
Other employees	93	109	91	52	345
Total	103	110	92	52	357

Notes to the Remuneration and People reports

Tax arrangements of public sector appointees

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

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

Our off-payroll appointments at 31 March 2022 for those individuals on more than £245 per day and lasting more than six months (up until the expected end date – not 31 March 2022) are detailed below. There were three new off-payroll workers in the year whose assignments lasted more than six months (between start (after 1 April 2021) up to 31 March 2022 (not end of contract)). No senior management were paid through off payroll arrangement during this reporting period.

Off-payroll contractor engagements as at 31 March 2022, earning £245 per day or greater.

Length of appointment at 31 March 2022	No. of off payroll contractors
Less than 1 year	3
1-2 years	0
2-3 years	1
3-4 years	0
More than 4 years	0
Total of existing off payroll contractors	4

Off-payroll contractor engagements as at 31 March 2022, earning £245 per day or greater.

Number of new engagements, between 1 April 2021 and 31 March 2022	22
Of which...	
Not subject to off-payroll legislation	19
Subject to off-payroll legislation and determined as in-scope of IR35	3
Subject to off-payroll legislation and determined as out-of-scope of IR35	0
No. of engagements reassessed for compliance or assurance purposes during the year	0
Of which: number of engagements that saw a change to IR35 status following review.	0

Consultancy spend in the year was £211,250 (2020/21: £65,000)

Civil Service Pensions

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

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

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

Employees are automatically enrolled into Alpha on appointment to employment at the NDA. This is in line with the auto enrolment rules of the Pensions Act 2008. They do, however, have the ability to opt out of the scheme at any time or elect to join the

defined contribution, 'Partnership Pension' offered under the Civil Service Pension Arrangements.

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

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

Pension detail

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

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

Annual pensionable earnings (full-time equivalent basis)	Alpha and all PCSPS Schemes 2021/22 employee contribution rates
Up to £23,100	4.60%
£23,100-£56,000	5.45%
£56,001-£150,000	7.35%
Over £150,001	8.05%

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

Scheme	% of employees
Alpha	93.4
Nuvos/Premium/Classic	1.8
Partnership	1.3
UKAEA (INS TUPE)	2.6
Opt Out	0.9

Annual pensionable earnings (full-time equivalent basis)	Alpha and all PCSPS Schemes 2021/22 employer contribution rates
Up to £23,000	26.6%
£23,001-£45,500	27.1%
£45,501-£77,000	27.9%
Over £77,001	30.3%

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

Pension benefits are as follows:

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

Notes to the Remuneration and People reports continued

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

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

Executive pensions

This information is subject to audit

	Real increase in pension during the year 2021/22 £000's	Accrued pension at 31 March 2022 £000's	CETV at 31 March 2021 £000's	CETV at 31 March 2022 £000's	Real increase in CETV funded by employer £000's
Mel Zuydam	5-7.5	10-15	128	222	69
David Peattie*	0	0	0	0	0

* Does not participate in the Civil Service Pension arrangements – see page 104

Cash equivalent transfer values

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

The figures include the value of any pension benefit in another scheme or arrangement which the member has transferred to the Civil Service pension arrangements. They also include any additional pension benefit accrued to the member as a result

of their buying additional pension benefits at their own cost. CETVs are worked out in accordance with The Occupational Pension Schemes (Transfer Values) (Amendment) Regulations 2008 and do not take account of any actual or potential reduction to benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are taken.

Real increase in CETV

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

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

Relevant union officials

Relevant union officials	Full-time equivalent employee number
4	349

Percentage of time spent on facility time

Percentage of the working hours spent by relevant union officials, employed during the relevant period, on facility time.

Percentage of time	Number of employees
0%	-
1-50%	4
51-99%	-
100%	-

Percentage of pay bill spent on facility time

Total cost of facility time	£56,523
Total pay bill	£36,164,535
Percentage of the total pay bill spent on facility time, calculated as: (total cost of facility time ÷ total pay bill) x 100	0.2%

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours calculated as (total hours spent on paid trade union activities by relevant union officials during the relevant period ÷ total paid facility time hours) x 100	0.2%
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Health, safety, security, environment and wellbeing report

The effects of COVID-19 were felt across all parts of the NDA group for a second year, with the last 12 months providing a different challenge to the first year. Government guidelines required the organisation to be flexible, responding to restrictions and variations in place to protect people and manage risk, while continuing to deliver our mission.

The safety of our people and sites remained our priority across the NDA group. Despite the number of COVID-19 cases in the UK, we ensured that critical operating plants remained staffed and safely operated.

The roll out of a vaccination programme helped reduce the risk, but NDA operating companies still faced some challenges in ensuring that they maintained critical personnel in place for safety. Restrictions largely ended in March 2022 in the UK, with limited rules remaining in Wales and Scotland. Whilst there are no longer requirements to test, absence as a result of outbreaks is still a risk, particularly where there are critical personnel requirements.

Our total recordable incident rate (TRIR) for the year was 0.33. This represents an increase from last year but remains strong and compares favourably with industry. It reflects the challenge of stepping up work activities increasing productivity as COVID-19 restrictions eased.

Effective working from home was made possible thanks to the early introduction of IT changes. This not only helped to balance COVID-19 risk, but also supported employee work life balance and wellbeing and reduced risks associated with travel.

The wellbeing of our employees continues to be paramount. Our health and wellbeing teams have ensured that appropriate support has been in place and accessible to all staff. Agile working and mental

health programmes have been implemented, enabling us to target further focused health issues such as menopause in the workplace.

A MIND survey has also been carried out and the results and findings are shaping our forthcoming update to our mental health strategy.

An NDA group policy and framework for health, safety and wellbeing, based on key performance indicators (KPIs), is now being established reflecting the transition to a group operating model. The framework will initially focus on the following priority topics for the group: demolition, asbestos, control of contractors, and construction design and management. It will also consider assurance on four further key risk topics: working at height, workplace transport, electrical safety, and lifting equipment and lifting operations. Safety assurance visits to sites also commenced this year.

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

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

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

Last year we developed an Environment Strategy. This seeks to ensure that the NDA mission outcomes, and the journey to deliver them, are sustainable, improving and protecting the environment. This year both a group Sustainability Policy and Carbon Policy were launched. These set the direction for embedding sustainability across the NDA group as we take action to meet Government carbon net zero targets. Work to develop a stand-alone NDA group Environment Policy to further strengthen environmental commitments and direction is nearly complete.

The NDA group has updated environmental key performance indicators, focusing on assets, compliance, audit progress, training, skills and experience. New metrics have also been established to track environmental events. These include a new environmental-total recordable incident rate (e-TRIR) measure aimed at tracking significant environmental events in a similar manner to conventional safety TRIR data. Use of e-TRIR will be reviewed and targets set over the coming year as further data is gathered.

This year has also seen good progress in the development of conventional waste management plans. These will enable a better understanding of wastes generated and the targeting of actions to apply the waste management hierarchy. Progress has also been made to establish a natural capital baseline for all NDA land. This will help us to develop our understanding of the environmental and social value of our land in the future, therefore enabling the targeting of environmental improvements.

A common theme across many of our operating companies has been the challenge of attracting sufficient competent environmental resource. Recruitment processes are continuing and interim arrangements are being identified, whilst a strategic workforce planning project is undertaken.

In the same period, the NDA group has been looking at important safety areas, such as significant incident escalation and investigation policy. This has

resulted in the establishment of a new code, setting out expectations and processes to follow in the event of a significant event.

Operating company

Safety performance

Sellafield Limited

Sellafield's accident rate has gradually risen throughout the year, finishing at 0.37, higher than the 2020/21 rate (0.22). Sellafield investigations found that the majority of accidents have had a root cause related to situational awareness. Communication with the workforce has focused on core human performance tools to reduce error-likely situations. Line managers and senior leaders have been encouraged to increase the amount of time spent in the workplace observing operations and promoting sound safety behaviours.

Early in 2021/22 Sellafield identified shortfalls within one of its criticality detection systems (CIDAS). These shortfalls related to historical modifications which had remained latent before being recognised this year. The shortfalls were categorised as a level one event on the International Nuclear and Radiological Event Scale (INES). This is one of two INES Level 1 events to occur at Sellafield during this year, the second being the fire event which is described below.

Sellafield has had two Nuclear Site Incident Reports (SIRs) this year: the first related to the CIDAS system (detailed above) and the second related to a suspected leak from a ventilation duct.

Sellafield's radiological protection has performed particularly well through 2021/22, with four personal contamination cases greater than the threshold criteria- a reduction from 12 in the previous year. The improvements are reflective of Sellafield's radiological protection strategy which has increased focus at all levels of the organisation.

Asset degradation and fire protection are areas of challenge at Sellafield. Much of its equipment, especially electrical, is old and requires increasing attention to maintain. This includes fire protection systems. Degraded electrical systems give rise to increased risk of fires and electrical contacts. In October 2021 a fire occurred within an active facility when a faulty light fitting caused a fire. There were no injuries, but the facility was shut down for several weeks as a result. This has been reported as an INES Level 1 event.

Sellafield's Fire Protection Improvement Strategy is actively working to improve overall visibility of asset health and fire assessments to ensure timely response to early risk indicators.

Work continues to ensure Sellafield's electrical safety improvement plan is discharged in full. The Office for Nuclear Regulation (ONR) has confirmed that Sellafield satisfactorily closed out the requirements from its improvement notice.

Magnox Limited

As the COVID-19 pandemic progressed, Magnox site operations gradually restarted. By the end of the year, the organisation was challenged with a series of relatively minor TRIR injuries that prompted a focus on site behaviours. The TRIR at the end of 2020/21 was 0.18, and has gradually risen to 0.31, having peaked at 0.39 in P8. The TRIR has remained at or below the corporate target of <0.39. As a result, a start of year stand-down message was issued from the Chief Executive Officer, Chief Operating Officer and EHSS&Q Director, all emphasising a renewed focus on human performance and error avoidance. Presentation of the 2022 Behavioural Programme has also commenced.

Magnox experienced a significant nuclear safety incident during the year, recording an INES 1 event. This related to the spillage of radioactive liquor from a heat exchanger at Winfrith. A number of cultural factors are being addressed as a result, and engagement is taking place with the regulator.

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

The dose to workers from radiation remains at a low level and the nuclear safety metrics have shown good performance throughout the year. ONR's regulation of Magnox sites has generally identified good safety management and continued compliance. This is demonstrated through consistently adequate (green) ratings from site specific licence condition inspections.

A Regulatory Level 4 meeting on the management of lifting operations and lifting equipment (LOLER) has been a focus this year and ONR is satisfied with the progress Magnox is making against its improvement plan.

Regular communications were issued to advise staff of COVID-19 risks and controls. The Business Continuity Group has continued to steer the company response to the pandemic and Government restrictions. This included responding to a notable increase in rising COVID-19 cases across the business which reached a pandemic high during the first week of January. Since then, case rates have steadily declined and the rates within the local communities around the sites have significantly reduced.

Nuclear Waste Services (NWS)

Nuclear Waste Services was established on 31 January 2022 as a trading name for Radioactive Waste Management (RWM) Limited and Low Level Waste Repository (LLWR) Limited.

Radioactive Waste Management (RWM) Limited

Overall, RWM's safety performance for 2021/22 was good, safely maintaining essential operations and successfully managing the implications of the COVID-19 pandemic. There were no Reporting of Injuries, Diseases and Dangerous Occurrences Regulations (RIDDOR) reportable injuries during the year, with the TRIR dropping from 0.43 at the start of 2021/22 to 0.00 at the end.

Low Level Waste Repository (LLWR) Limited

LLWR's TRIR has remained at 0.0 since July 2021, below the corporate target of <0.25. Two significant milestones in safety performance were reached during the year: in November 2021 LLWR reached three million hours worked since the last RIDDOR > 7 day lost time injury (which occurred in February 2018), and in the same month the company also reached one million hours worked since the last lost time injury (which occurred in July 2020).

Overall, LLWR's safety performance was excellent for the year, safely maintaining all essential operations and keeping the site open throughout the ongoing COVID-19 pandemic and alongside a transition to join RWM as part of Nuclear Waste Services subsidiary. Construction work has progressed across the site with large-scale mobilisation of the Repository

Development Programme preliminary works for the encapsulation of LLW in former trenches and Vault 8, taking place with no recordable injuries or incidents.

Dounreay Site Restoration Limited (DSRL)

DSRL's TRIR has risen from 0.04 to 0.07, remaining below the DSRL corporate target of 0.10 and essentially relating to a low number of events. Monitoring is key to guard against complacency going forward.

DSRL has continued to work in line with Scottish COVID-19 guidelines and operate the site as the relevant provisions have allowed. A cautious approach has been taken and a significant proportion of employees continued to work from home, while managing safe operation for those continuing to work on site. On 1 April 2021, DSRL became a subsidiary of the NDA. Due diligence was undertaken, as well as monitoring, to ensure that the transition into NDA ownership did not distract or affect safety performance.

A Speak Up report was received during the year relating to safety culture. DSRL management sought the support of the NDA to carry out an independent review. It concluded that there was no evidence for the claims and concerns, but the NDA took the opportunity to identify improvements for DSRL to take forward.

Nuclear Transport Solutions (NTS)

The newly formed transport business, NTS, comprising Direct Rail Services Ltd (DRS) and International Nuclear Services Ltd (INS), maintained a steady safety performance throughout the year. TRIR closed for the year at 0.33 against a corporate target of 0.64. Both NTS Rail and NTS Shipping have maintained their accredited health and safety management systems in line with ISO standard 45001. NTS Rail has had its Safety Certificate (Office of Rail and Road) renewed for the coming year. NTS Shipping is currently in the process of transitioning to a new ship management contractor and safety management systems are a key focus area. Following an increase in operational incidents within NTS Rail, immediate intervention was taken addressing short and long-term solutions. Current performance has improved, bringing it back in line with previous years' performance. PNTL successfully had a lost time accident-free period between January – December 2021.

Operating company

Environmental performance

In this financial year all our operating companies have made good progress against targets for carbon reduction, water reduction, business mileage reduction and increasing the percentage of waste which is recycled.

Data is still being quality checked but most operating companies met most of the targets and so for example, as a group we have made an approximate 15% reduction in our scope one and two carbon footprint, which compares with a 16% reduction in 2020/21 when there was a larger COVID-19 impact. This represents some positive changes in operational practice and some on-site energy improvements, but other factors such as reduction in some workstreams due to COVID-19 and some energy generation plant outage has had an impact.

Sellafield Limited

Against the challenges of COVID-19 there has been positive environmental management progress at Sellafield. The launch of a new manifesto and enterprise strategy clearly defines the purpose to create a clean and safe environment for future generations and the profile of environment has never been higher. This is further underpinned by a sustainability steering group and a set of sustainability principles and carbon reduction principles. During the year a sustainability portal was successfully launched within the business. This online tool allows the workforce to explore sustainability progress at Sellafield, increasing awareness and engagement.

Sellafield has successfully retained certification to the ISO14001 environmental standard with only minor non-conformances identified.

Access to environmental competent staff has become an increasing challenge across aqueous, aerial and solid waste roles and positions.

Sellafield accounts for 78% of the NDA group's carbon emissions due to its scale and energy needs. Alongside the priority delivery of high hazard risk reduction, Sellafield is seeking to deliver improved environmental outcomes for the site, such as reduction of carbon emissions.

Throughout the COVID-19 pandemic Sellafield continued to work with the Environment Agency (EA) to ensure that risks and priorities continued to be appropriately managed.

The site continued to have environmental events which have been assessed as having minor or no environmental affect. These are subject to investigation by Sellafield and the Environment Agency. At the end of the year, the e-TRIR was 0.04 against a target of 0.12. This data will enable improved comparison of environmental performance in future years as further data is collected.

There is an ongoing leak at one of the facilities on site which has been reported as an INES level 2 incident. This presents no risk to the public or workforce. Both the ONR and the EA are closely involved in the regulation of this event, with the EA issuing a variation to the site permit to include some improvement conditions relating to the leak. Sellafield is placing significant focus on this issue, including a dedicated sub-programme to address the leak.

Magnox Limited

The COVID-19 pandemic continued to impact Magnox but to a lesser extent than the previous year. During the period good progress continued to be made with hazard reduction and environmental performance showed a general improvement.

During 2020/21, Magnox launched a sustainability strategy based around the five key goals of governance, supply chain, employees, community and environment. This year, Magnox has established roadmaps against each of these goals and completed a sustainability culture survey across staff and contractors, alongside a sustainability target zero campaign. A community of trained sustainability coordinators has been established across the fleet. Energy audits have been completed across all the sites, identifying carbon saving opportunities, which will form the basis of carbon reduction in future years.

Over the period there was an improving trend in compliance, although a number of environment events were recorded. One event related to contractor performance for the provision of environmental radiochemical analysis, such as delays in reporting, although this had no negative impact on the environment. This affected a number of sites and is being investigated, with the EA being kept informed of progress. Magnox has worked with the contractor to resolve the issues and continue to maintain a heightened level of contractual supervision.

The availability of environmentally suitably qualified and experienced persons (SQEP) has remained a challenge throughout the year, with some posts being covered by interim arrangements. However, some vacant Head of Environment posts have now been filled, with new staff starting later in the year. Environmental audit performance started the year with a high number of open actions, in part a legacy from an operational pause during the previous year as a result of COVID-19. A significant improvement has been seen during the second half of the year which has been maintained. Magnox retained certification to the ISO14001 standard during the year.

A review by Magnox of its best available technique / best practicable means (BAT/BPM) process was commenced following observations of inconsistencies in quality and feedback from the environmental regulators. Following a number of workshops and focus groups, a series of improvements have been identified and are now being taken forward.

Nuclear Waste Services (NWS)

Nuclear Waste Services was established on 31 January 2022 as a trading name for Radioactive Waste Management (RWM) Ltd and Low Level Waste Repository (LLWR) Ltd.

Radioactive Waste Management (RWM) Limited

RWM maintained good environmental compliance during the year. Over the period RWM issued a sustainability approach and their first sustainability policy which will underpin and steer future improvements in this area.

Work has started on reviewing the competency process and matrix to enable a better understanding of the environmental skills that lie across the business and its various teams that intervene as environmental subject matter experts.

Ongoing conformity to the ISO14001 environmental standard was confirmed in September by Lloyds Register and RWM's certification renewed.

Regulatory engagement continued in preparation for potential future applications for environmental permits and a nuclear site licence.

Low Level Waste Repository (LLWR) Limited

Against the challenges of COVID-19 and alongside a transition to join RWM as part of the Nuclear Waste Services subsidiary, LLWR continued to make good environmental progress in a number of areas. The Repository Development Programme was progressed, which will see an important milestone for environment protection with the start to capping and closure of parts of the facility. Development of the site's environmental safety case, which supports disposal safety, has progressed well, enabled by regular engagement with the EA. LLWR continued successful delivery of waste diversion and safe disposal where diversion isn't possible, with the associated environmental benefits such as carbon saving and metals recycling.

During the period LLWR has implemented a sustainability policy and strategy and included sustainability actions within its improvement plan. In April 2021 LLWR Ltd successfully achieved re-certification to the ISO14001 environmental standard. Although environmental performance

Operating company

Environmental performance (continued)

continues to be good at LLWR, one significant event occurred, with no environmental impact, which involving elevated suspended solids exceeding permitted limits being discharged to sea following exceptional rainfall.

Dounreay Site Restoration Limited (DSRL)

At DSRL, improvements achieved in previous years were largely sustained, with a low number of events. With risks from COVID-19 reducing, work on site and associated regulation by the Scottish Environment Protection Agency (SEPA) returned closer to normal, but with some backlogs in work such as statutory sample analysis.

Substantial work continued in response to regulatory notices received from SEPA in previous years. One was successfully closed in summer 2021 and work continues on a further notice, due for closure in December 2022. In May 2020 an event was notified to SEPA against which the regulator issued a warning letter. This related to very low levels of radioactivity in surface water discharges, due to historic low-level contamination and deposition. DSRL is continuing to work to a plan with SEPA to include appropriate low permit limits for radioactivity in these discharges and to adjust drainage systems. This will ensure clear regulatory control is in place.

An Environment Manager and a Trainee Environmental Advisor have been successfully recruited, but there have been challenges to recruiting experienced Environmental Advisors, which has required contract staff to be used as an interim measure.

During the period, DRSL applied to SEPA for a variation to its Environment Authorisations (Scotland) Regulations 2018 (EASR) permit for the Low Level Waste Disposal Facility. This sought changes to allow greater flexibility in disposal, while easing the demonstration of compliance and a response to this is awaited. DRSL also refined Corporate Radioactive Waste Advisor (CRWA)

arrangements. These were inspected by SEPA and a letter advising the Radioactive Waste Advisor (RWA) Assessment board of the improvements to arrangements for their awareness has been issued.

Nuclear Transport Solutions (NTS)

At NTS, work to reduce carbon emissions have included adapting their shipping operations to reduce fuel use and trialling alternative fuels in their train fleet, both of which have made significant carbon reductions.

Other companies and subsidiaries

Elsewhere, there has been good environmental performance in our businesses NDA Properties Ltd, NDA Archives Ltd and Rutherford Indemnity Ltd. For example, at NDA Archives Ltd significant improvements to energy efficiency have been achieved through adjustments to operation of climate control units used to preserve optimum environmental conditions for documents stored in Nucleus, the Nuclear and Caithness Archive.

Sustainability report

The NDA's mission is to clean up the UK's earliest nuclear sites safely, securely, and cost-effectively. We have a legal, moral and ethical responsibility to deliver our work sustainably with care for our people, communities and the environment, leaving a positive legacy for future generations.

This year both a group-wide Sustainability Policy and Carbon Policy were launched. These set the direction for embedding sustainability across the NDA group and for taking action to meet Government carbon net zero targets. Work to develop a stand-alone NDA group Environment Policy also progressed to further strengthen our commitments in this area. Following a review of all NDA group policies, the Environment Policy Statement was issued incorporating the Carbon Policy. The Sustainability Policy was re-issued as the NDA Group Sustainability Policy Statement.

Carbon net zero

Through our Carbon Policy, issued this year, we are committed to being carbon net zero by 2050. We recognise the urgency of acting and will significantly reduce our emissions over the next 15 years, with some reductions already achieved. To us, carbon net zero means that we will reduce our emissions as much as we can, and we will offset any residual emissions by removing an equivalent amount of greenhouse gases from the atmosphere. We will achieve carbon reduction by delivering our mission, reducing our reliance on fossil fuels, investing in renewable energy and working with the supply chain to secure low carbon goods and services.

In the coming year we will be reviewing how best to implement the recommendations of the Task Force on Climate Related Financial Disclosure and associated Government expectations.

As part of our commitment to environmental sustainability, the NDA participates in the Greening Government Commitments (GGC). GGCs set out the actions Government departments and their agencies will take to reduce their impacts on the environment. The NDA has been part of GGC since the scheme's inception in 2009/10. The targets are set by the Department for Environment, Food and Rural Affairs (Defra) and NDA reports data quarterly through BEIS.

In March 2022, NDA received the final new suite of GGC targets to be delivered by the end of 2024/25. The new baseline year is 2017/18. The headline targets, alongside our performance this year, are given in the table on the next page.

The data remains positively influenced by most of our employees being based at home in 2021/22. While it represents reduced travel and less people in offices, it does not consider the use of energy or other resources by employees working from home.

As we return to greater office occupancy and opportunity for business travel, we will keep the impact on our targets under review. We have secured funding this year from Government under the Public Sector Decarbonisation Fund to replace old gas boilers at our Herdus House office with air source heat pumps. We will deliver this in the coming year. We will also focus on the

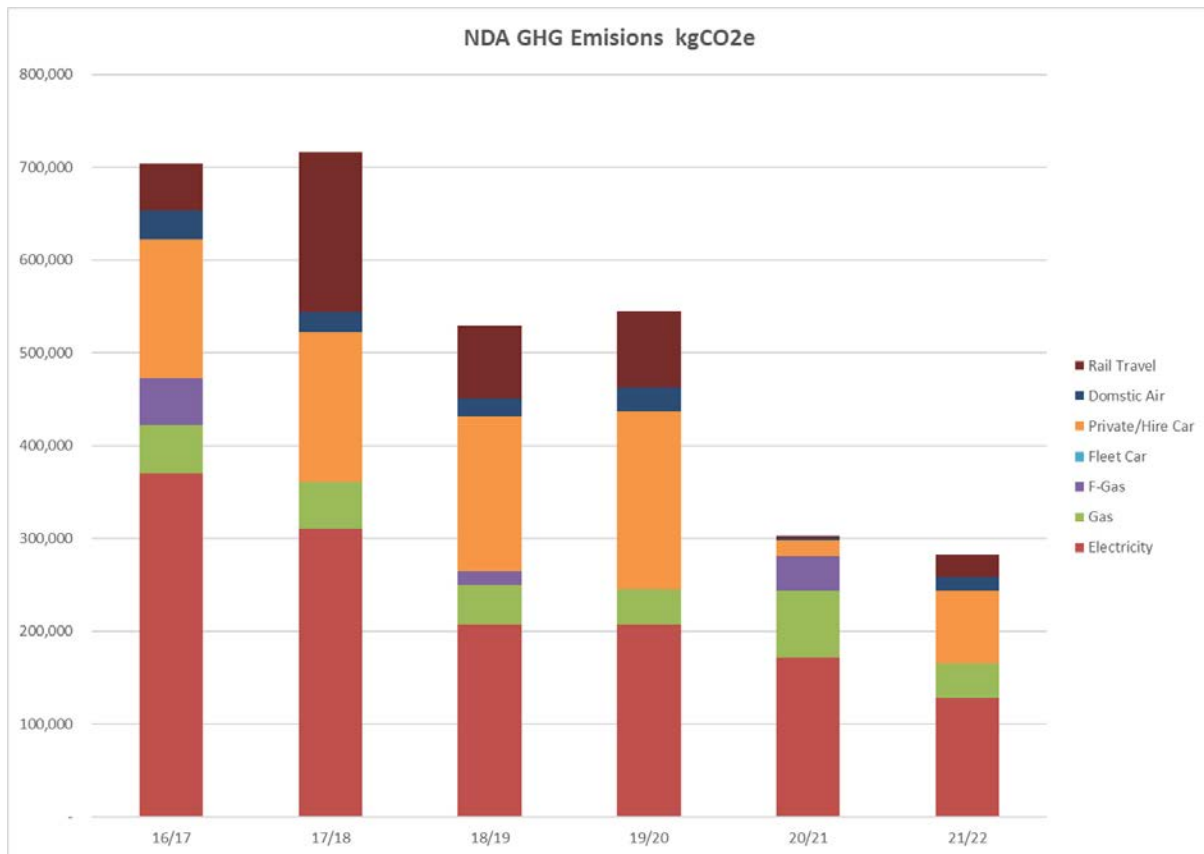
Sustainability report continued

implementation of our updated Travel Policy, which asks people to consider whether there is a need for travel. Where it is necessary, we will encourage the use of trains rather than flying or driving.

GGC target (2024/25)	2021/22 NDA performance
Reduce greenhouse gas emissions by 45%	61%
Reduce direct greenhouse gas emissions by 30%	27%
Reduce greenhouse gas emissions from domestic flights by 30%	29%
Reduce waste generation by 15%	32%
At least 70% of waste to be recycled	76%
Reduce landfill disposal to less than 5% ⁽²⁾	0%
Reduce water use by 8%	77%
Reduce paper use by 50%	85%

² All non-recyclable waste from the NDA is used in an energy from waste plant rather than sending to landfill.

Domestic greenhouse gas emissions for NDA



Overall emissions have reduced from the 2017/18 baseline by 61%. The reasons for this include:

- Reduction in electricity use
- Reduction in business travel
- Reduction in direct emissions

Greenhouse gas emissions:

Under GGC, the following emission sources are considered³:

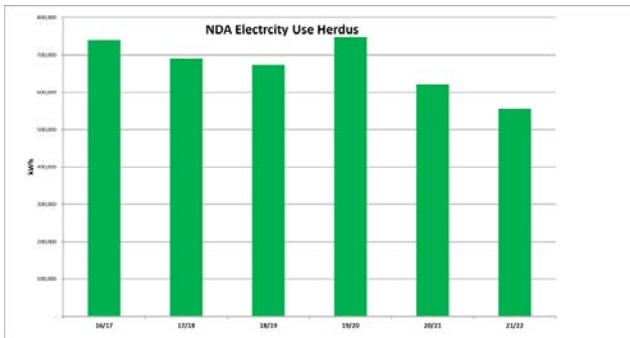
- Scope One: Direct emissions from burning gas and any inadvertent releases of fluorinated gases from refrigeration systems. It also includes emissions from fleet vehicles, but NDA does not have any fleet vehicles

- Scope Two: Indirect emissions from the purchase of electricity.
- Scope Three: Indirect emissions from domestic business travel

³ Scopes one, two and three are defined by the Greenhouse Gas Protocol. For GGC a limited subset of Scope 3 emissions is considered.

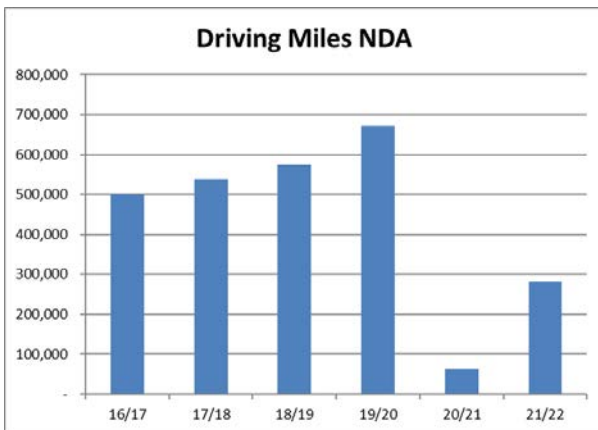
Sustainability report continued

Electricity use in Herdus



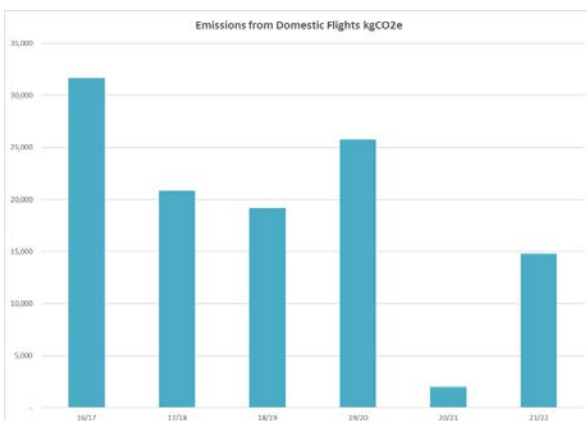
This is affected by reduced office occupancy but also reduced reliance on local IT servers as we make more use of cloud services. We have also started several energy improvements at Herdus House, including replacement of all fluorescent lights with LEDs. Due to COVID-19 protection measures, electric hand dryers were disabled through much of 2021/22 (with paper towels used instead). The figures do not consider the impact on energy use of homeworking. This is a Scope three indirect emission and is not part of GGC.

Business travel - driving miles for the NDA



Due to COVID-19 restrictions, business travel was subdued for much of 2021/22 but showed an increasing trend towards the end of the year. The biggest contribution to emissions comes from driving, including both personal and hire car miles. GGC requires reporting of the details of any hire car loan over five or more days. None of these hires for NDA has been an Ultra-Low Emission Vehicle (ULEV)⁴.

Business travel - Carbon emissions from domestic flights

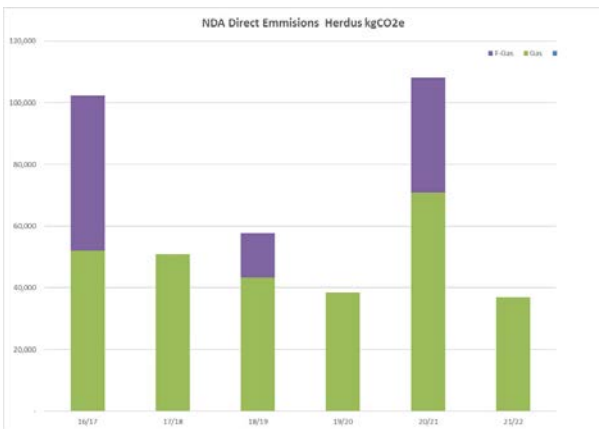


Emissions reduced from the 2017/18 baseline by 29%, which is just under the target of 30%.

In 2022/23, NDA is updating its Travel Policy asking people to consider the travel hierarchy when making their plans. It indicates that air travel is the least preferred option. This may help reduce emissions from business travel.

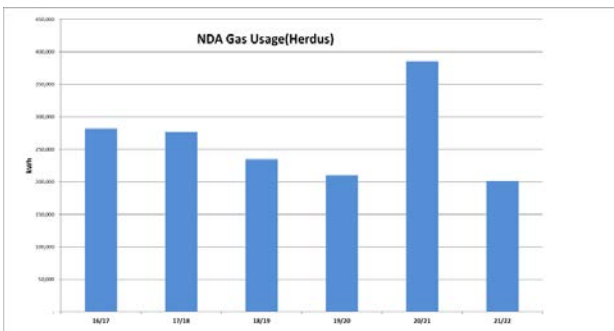
⁴ Government considers ULEV to be those that have emissions < 50g of CO₂ per km.

Direct emissions (Scope 1) for NDA



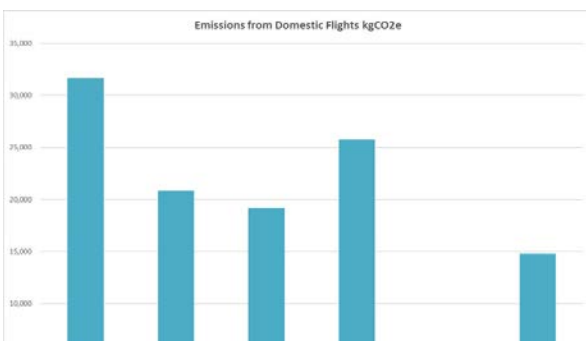
Direct emissions have reduced from the 2017/18 baseline by 27% which is just under the target of 30%.

NDA gas usage (Herdus House)



There were no inadvertent leaks of fluorinated gases in 2021/22. Gas use reduced to normal levels following a high in 2020/21⁵.

Waste



Waste generation has reduced from the 2017/18 baseline by 32%. Waste generation continues to be positively affected by reduced office occupancy. The biggest contributor to waste is paper which has reduced in line with occupancy. Currently 76% of waste generated is recycled. This comprises information communication technology and waste electronic and electrical equipment waste plus dry mixed recyclables (DMR) such as paper, cardboard, cans and plastic. Zero waste currently goes to landfill. Waste which cannot be recycled is sent to a contractor and turned into refuse derived fuel for use in combined heat and power plants. Food waste is sent for anaerobic digestion, a form of composting.

⁵ In 2020/21 this was due to higher levels of ventilation, required for COVID-19 protection, inadvertently resulting in higher gas use.

Sustainability report continued

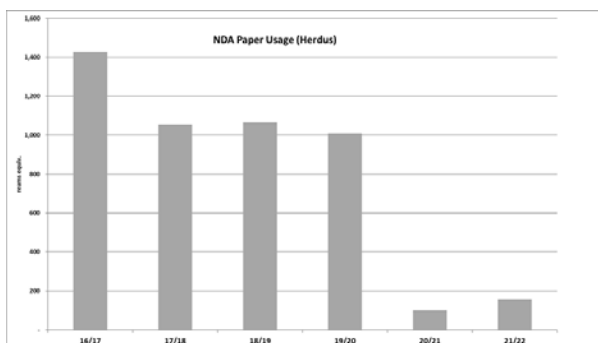
There is a new GGC target for the removal of consumer single use plastic (CSUP). In 2021/22, due to COVID-19 protection measures, CSUP increased in NDA offices. For example, plastic water cups, milk jiggers, coffee sachets, hand sanitisers, wet wipes etc. Towards the end of the year, restrictions were lifted and CSUP stock was not replenished and has been reduced.

ICT and digital

NDA IT made its first report to BEIS under the Sustainable Technology Advice and Reporting (STAR) framework for 2021/22. The report includes the inventory of IT devices plus data on how redundant equipment is reused and/or disposed.

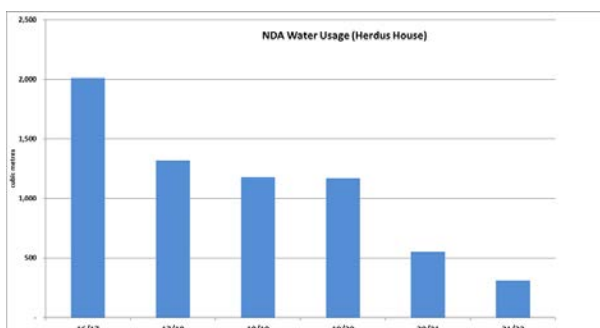
The NDA makes redundant equipment, such as laptops, available to local schools and charities, but where there is sensitive data, the equipment is securely destroyed, and the remnants recycled. Completing the report has highlighted opportunities for improving the collection of data. For example, the reuse of equipment is not captured. Likewise, in 2021/22, NDA offices were refurbished to enhance collaborative working spaces and much of the furniture was replaced. However, the old furniture has been reused in other locations. We need to improve the collection and reporting of this data.

Paper



Paper use has reduced from the 2017/18 baseline by 85%. This continues to be positively affected by reduced office occupancy.

Water



Water use has reduced from the 2017/18 baseline by 77%. This continues to be positively affected by reduced office occupancy. Water use in 2020/21 appears higher than that in 2021/22 due to estimates made at the start of lockdown which overestimated use for 2020/21. Herdus House already has water saving devices in taps and cisterns and uses only high efficiency rated dishwashers. There is an opportunity to install a rainwater harvesting system for grey water. This was investigated in 2021/22 but the cost and complexity of retrofitting such a system was judged to be prohibitively high.

Summary

Area		Actual	Performance against 2024/25 target
Greenhouse gas emissions (GGC Scopes one, two and three)		284 te CO ₂ e	Bettered target
Greenhouse gas emissions from direct emissions (Scope one)		37 te CO ₂ e	Less than target
Greenhouse gas emissions from purchase of electricity (Scope two)		128 te CO ₂ e	No specific target
Greenhouse gas emissions from domestic flights (Scope three)		15 te CO ₂ e	Less than target
Greenhouse gas emissions from all domestic business travel (Scope three)		119 te CO ₂ e	No specific target
Expenditure from travel within GGC scope plus international flights		£403,045	No target
Office energy (electricity plus gas) Herdus House	Amount	757,699 kWh	No target
	Expenditure	£123,272	
Office waste, Herdus House	Generated	13.8 te	Bettered target
	Recycled (DMR)	9.5 te	
	ICT/WEEE	1.0 te	
	Incinerated (with energy recovery)	2.8 te	
	Composted	0.5 te	
	Expenditure	£24,000	
Office paper, Herdus House	Amount (A4 and A3/A5 reams equivalent)	158	Bettered target
Water, Herdus House	Amount	309 m ³	Bettered target
	Expenditure	£8,913	Bettered target

Nature recovery plans

The GGC requirement is to develop and deliver Nature recovery plans for departmental land, estates, development, and operations (aligning with the new duty in the Environment Bill). NDA, and its subsidiary NDA Properties, own over 3,000 hectares of land outside of the nuclear sites. In 2021/22 NDA developed a natural capital baseline of its land and assets. From this work and in collaboration with NDA Properties and NDA group, NDA aims to develop an environmental improvement plan in 2022/23. This plan will meet the requirements of the nature recovery plan where possible.

Climate adaptation plans

The GGC requirement is to develop an organisational climate change adaptation strategy. This headline commitment is broken down into two parts:

- Departments should conduct a climate change risk assessment across their estates and operations to better understand risk and to target areas that need greater resilience
- Departments should develop a climate change adaptation action plan, including existing or planned actions in response to the risks identified

Sustainability report continued

NDA has business continuity and resilience plans. We will review these plans in 2022/23 to ensure climate change risks are managed.

Sustainable procurement

The sustainability networks across the group, as well as within the NDA are actively engaged in embedding sustainability into our ways of working. There are numerous examples where the foundations are being put in place to enable an effective, joined-up consideration of sustainability in decision making. Embedding sustainability in business cases is one such example where it is becoming part of our decision making. Business case templates released in November 2021 included such requirements with a subsequent guidance

note in development to set out more detail. The note incorporates the four NDA sustainability legacies; decommissioning, environmental, socio-economic and cultural, and aligns the requirements from other external guidance, notably the HM Treasury Green Book and Procurement Policy Notes, see below.

NDA Sustainability Legacy	NDA Value Framework	HMT Green Book	Procurement Policy Notes (PPNs)
Socio Economic	Socio Economic Impacts	Productivity & Employment Place Based Impacts	PPN 06/20 Social Value - Covid 19 Recovery - Tackling economic inequality PPN 05/21 National Procurement Policy - New business / jobs / skills
Environment	Environment	Greenhouse Gases Natural capital Climate Change resilience Place Based Impacts	PPN 06/21 Carbon Plans - Bidders for procurements >£5M must have a carbon plan PPN 05/21 National Procurement Policy - Climate change & waste PPN 06/20 Social Value - Fighting Climate Change
Cultural		Public Sector Equality Duty (PSED)	PPN 06/20 Social Value - Equal Opportunity - Wellbeing
Decommissioning	Enabling the mission Risk & Hazard Reduction	Place Based Impacts	PPN05/21 National Procurement Policy - Improving supplier diversity, innovation and resilience

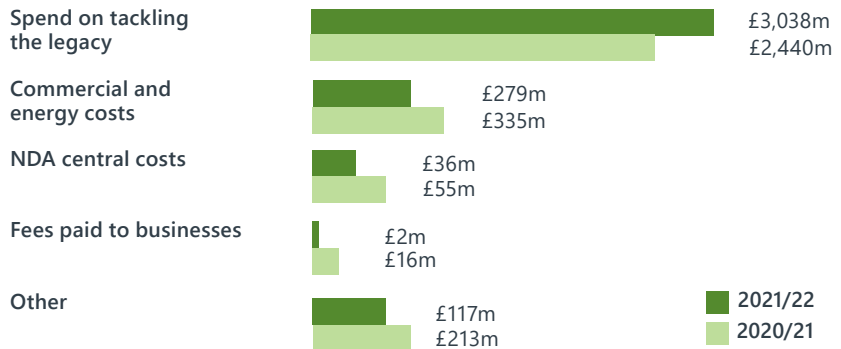


Financial
summary

Financial summary 2021/22

NDA spend on tackling the legacy

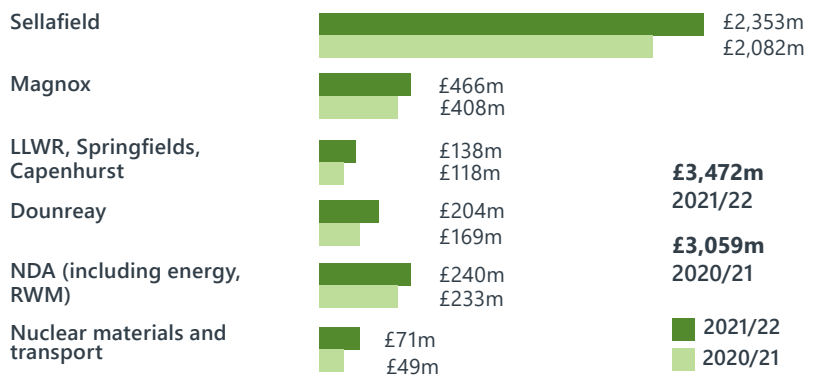
The bulk of the NDA's budget is directed towards tackling the nuclear legacy, by funding the decommissioning carried out by Site Licence Companies. The remainder funds commercial operations, industry-wide costs, fees to Site Licence Companies and the NDA's own running costs.



NDA spend by business

Spend in 2021/22 was £3.472 billion. More than 67% of this was spent at Sellafield, reflecting the priority given to the site.

Expenditure at Sellafield has increased during the NDA's existence and now stands at over £2.3 billion per year.



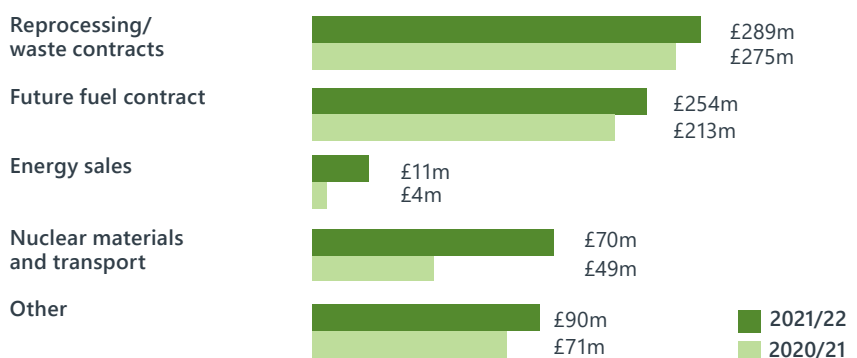
NDA's running costs

The NDA's own running costs reduced to £36 million per year, or approximately 1.1% of overall expenditure, reflecting the NDA's investment in enhanced capability and capacity.



NDA's income

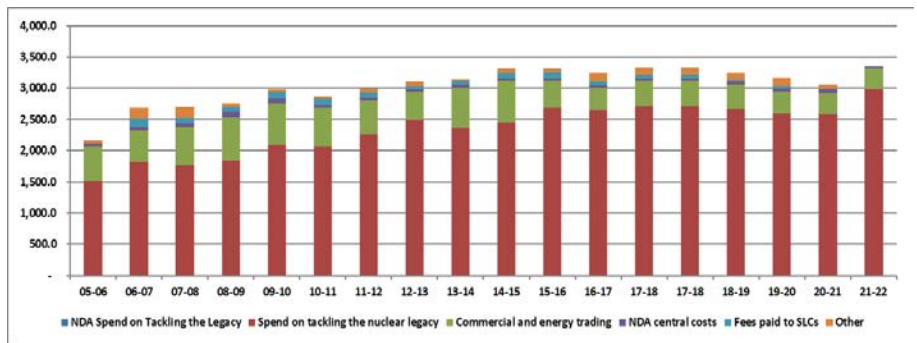
The NDA recognised income of over £0.7 billion in the year, with over £0.5 billion arising from reprocessing and management of spent fuels and waste.



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

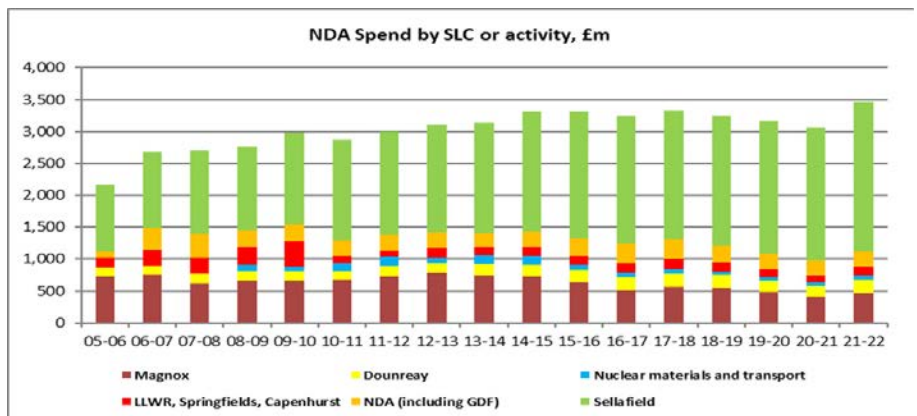
NDA spend on tackling the legacy

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



NDA spend by business

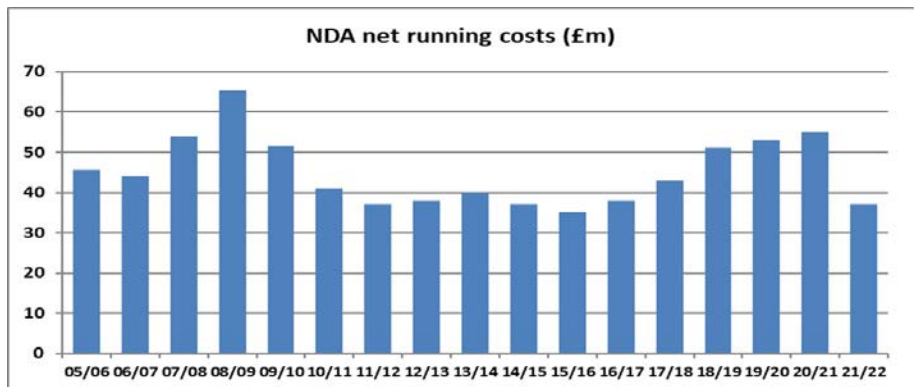
Sellafield has always been the NDA's largest area of spend and has been increasingly prioritised in recent years as funding has been directed towards the estate's highest hazards.



NDA's running costs

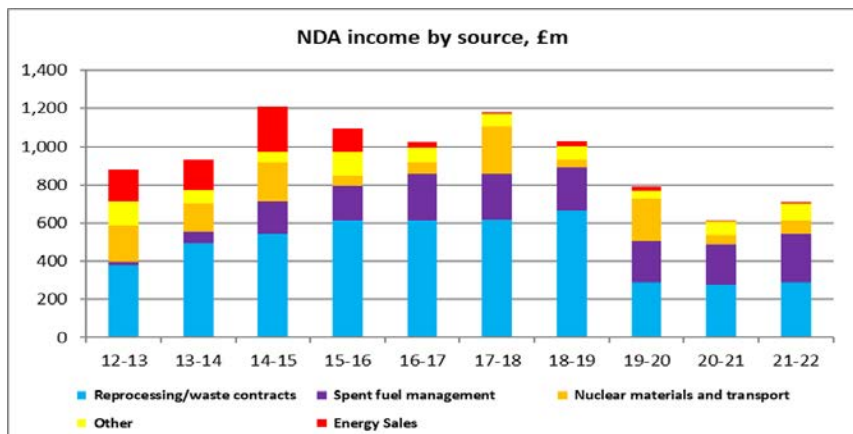
After the early years in establishing the NDA's structure and programme, annual running costs stabilised at below £40 million per year.

In 2019/20 the NDA invested in enhanced capability and capacity in order to ensure the successful delivery of its mission.



NDA's income

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



Nuclear provision

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

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

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

Changes in 2021/22 estimate (Authority)

The discounted nuclear provision at the end of 2020/21 was £135.8 billion. Since then the movements have been:

Release

The value released from the provision in 2021/22, which was previously provided in 2020/21, is £3.2 billion.

Changes in price levels

Before applying changes to discount rates and the cost estimates, the Authority applied an inflationary adjustment to the opening provision balance to up the figure to money values as at the reporting date. This adjustment is the combination of how inflation is assumed to specifically impact each component of the estimate, producing an increase of £6.9 billion or approximately 5% of the opening balance value.

Unwind of discount

The unwinding, by one year, of the discounting applied to the

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

Movement in nuclear provision 2021-22 (£ billion)

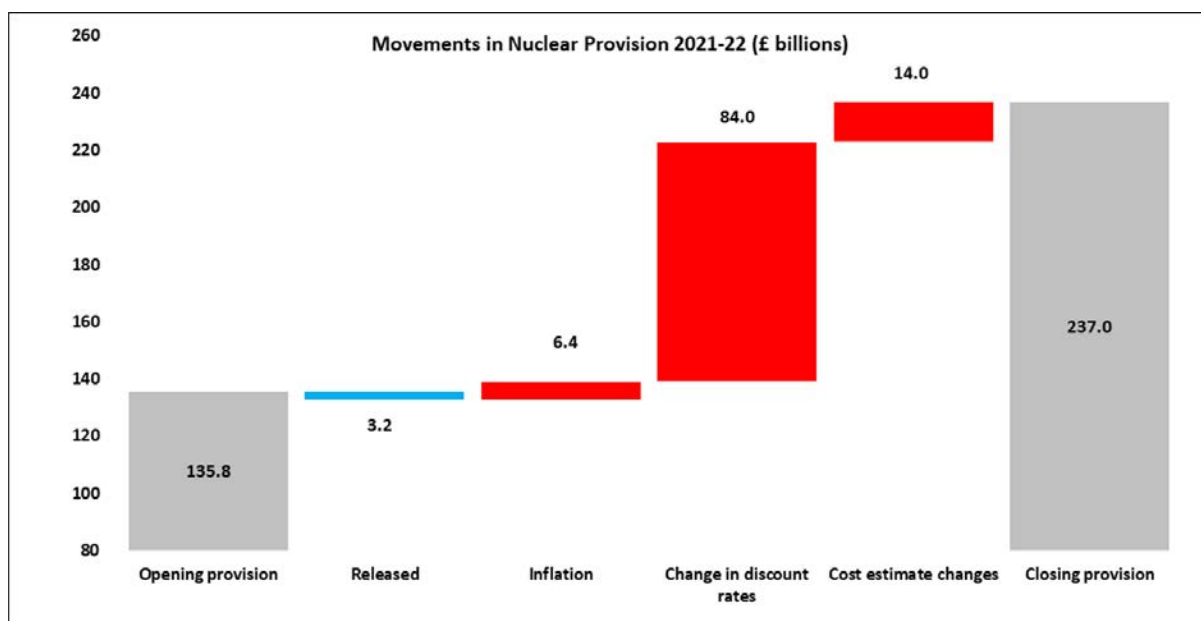


Diagram not to scale

provision in the previous year, resulting in a decrease in the provision of £0.1 billion. This does not change the underlying (undiscounted) cost estimates.

Changes in discount rates

The Authority applied the discount rates published by HM Treasury in December 2021, resulting in an impact of £84.0 billion. This does not change the underlying (undiscounted) cost estimates.

Cost estimate changes

The Authority reviews the cost estimates each year, reflecting changes in the site lifetime plans and other assumptions. Major changes applied in the reporting period included:

- The outcome of a comprehensive review of the

long term cost estimates for the Sellafield site, resulting in a net increase in the nuclear provision of £10,350 million (before inflation and discounting), which in turn included:

- An increase of £4,480 million to reflect the new strategy for the SIXEP (Site Ion Exchange Plant) Waste Management programme
- A net increase of £8,085 million reflecting the change in the estimating assumptions for other programmes and projects
- Changes in the estimate for near term programmes and projects at Sellafield of £280 million.
- The revision of assumptions for long term

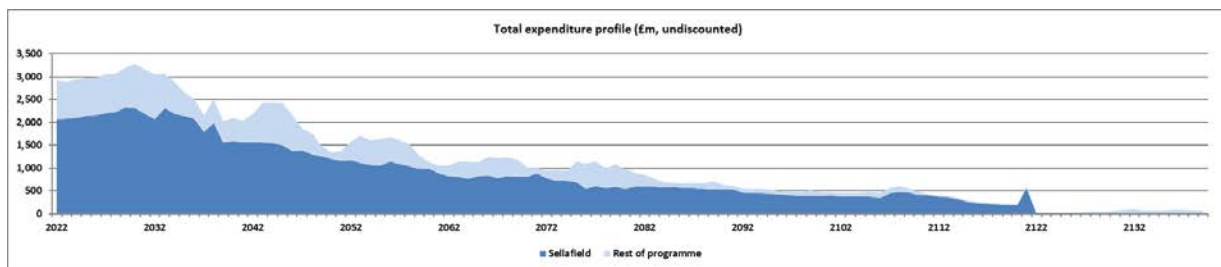
efficiencies in the cost of delivering the lifetime plan, replacing previous generic assumptions with specific initiative based target savings, an overall net impact (reduction in overall cost estimate) of £2,495 million

- A change in the estimate of the Magnox programme, reflecting the proposed rolling decommissioning approach to achieve earlier final site clearance dates for the Magnox sites. The impact of this (before inflation and discounting), was an increase of £1.5 billion.

Closing balance

The above movements bring the 2021/22 Authority estimate to £237.0 billion discounted.

Total expenditure profile (£m, undiscounted)



The graph (above) shows the undiscounted expenditure profile for future years (excluding NDA administrative and other non-programme costs, and some commercial costs) from lifetime cost projections from each of the Site Licence Companies.

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

Nuclear provision continued

	2020/21 un- discounted	2020/21 dis- counted	Movements					Movement dis- counted	2021/22 un- discounted	2021/22 discounted
			Unwind of dis- count	Discount rate change	Released in year	Inflation	Other cost change			
	£m	£m	£m	£m	£m		£m	£m	£m	
Sellafield	96,605	99,276	(53)	64,170	(2,324)	4,041	11,485	77,318	109,622	176,594
Magnox	19,698	20,247	(27)	8,216	(492)	1,362	2,392	11,451	22,789	31,698
Dounreay	2,432	2,617	-	132	(188)	107	-	49	2,344	2,665
LLW Repository	604	631	(5)	522	(27)	27	26	545	623	1,176
Transport	45	45	-	4	-	3	21	28	64	73
Capenhurst	1,477	1,523	(5)	437	(61)	101	110	582	1,590	2,106
Springfields	613	621	(1)	610	(20)	42	-	631	634	1,252
GDF	10,592	10,803	5	9,955	(84)	734	-	10,610	11,227	21,413
Authority	132,066	135,763	(86)	84,046	(3,196)	6,417	14,034	101,214	148,893	236,977
NDA group companies	23	26	-	-	-	1	-	1	24	27
Group Provision Adjustment	(569)	(569)	-	-	-	-	133	133	(286)	(286)
NDA Group	131,520	135,220	(86)	84,046	(3,196)	6,418	14,167	101,348	148,631	236,718

Parliamentary accountability disclosures

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

Regularity of expenditure

The NDA administers its affairs ensuring prudent and economical administration, avoidance of waste and extravagance and it ensures efficient and effective use of all available resources. Adequate controls exist to ensure the propriety and regularity of its finances.

Losses and special payments

The disclosures in this note are in accordance with 'Managing Public Money', and the purpose of this note is to report on losses and special payments of particular interest to Parliament. Total losses during the year were £23,451,322 (2021: £2,575,559).

Type of loss	2022 Total £	2022 Number of cases	2021 Total £	2021 Number of cases
Cash losses	-	-	-	-
Store losses	23,448,578	47,098	2,111,024	40
Losses of pay, allowances and superannuation	26,165	1	-	-
Fruitless payments	59,753	245	83,883	127
Constructive losses	-	-	-	-
Claims waived or abandoned	-	-	-	-
Book-keeping losses	-	-	-	-
Failure to make adequate charges	-	-	-	-
Exchange rate fluctuation losses	(83,164)	12	48,573	1
Special payments	-	-	332,079	1
Total	23,451,322		2,575,559	

Store losses related to obsolescence write-offs of store items on the licensed sites. In 2022 the store losses included the write-off of inventory previously purchased for use by electricity generating sites, and no longer required following the conclusion of generation activity (value £17,324,973) of which one item was valued at £791,655 and another at £798,736.

Special payments in 2021 related to a fine (£320,000) and associated costs (£12,079) paid by Sellafield Limited following a prosecution at Carlisle Magistrates Court in December 2020 in relation to

an incident on 24 April 2020, in which an employee was injured while working on electrical equipment. The prosecution was brought by the Office for Nuclear Regulation (ONR) under Section 2 (1) of the Health and Safety at Work Act.

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

Parliamentary accountability disclosures

Remote contingent liabilities

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

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

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

(b) In November 2019 a novel strain of coronavirus was detected and spread rapidly, leading the World Health Organisation to declare a pandemic on 11 March 2020. The disruption caused by the pandemic has created significant economic uncertainty, and this uncertainty is expected to continue. As a result, an unquantifiable contingent liability is disclosed, relating to potential additional costs resulting from the suspension of projects and

operations at the Authority's sites. In accordance with accounting standards, no contingent assets can be recognised.

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

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



David Peattie
Accounting Officer and
Group Chief Executive Officer

7 July 2022

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

Opinion on financial statements

I have audited the financial statements of the Nuclear Decommissioning Authority and its Group for the year ended 31 March 2022 under the Energy Act 2004. The financial statements comprise the Nuclear Decommissioning Authority and its Group's

- Statement of Financial Position as at 31 March 2022;
- Statement of Comprehensive Net Expenditure, Statement of Cash Flows and Statement of Changes in Taxpayers' Equity for the year then ended; and
- the related notes including the significant accounting policies.

The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law and UK adopted International Accounting Standards.

In my opinion, the financial statements:

- give a true and fair view of the state of the Nuclear Decommissioning Authority and its Group's affairs as at 31 March 2022 and its net expenditure after taxation for the year then ended; and
- have been properly prepared in accordance with the Energy Act 2004 and Secretary of State directions issued thereunder.

Emphasis of matter – nuclear provisions

I draw attention to the disclosures made in notes 3.3(b) and 24 to the financial statements concerning the uncertainties inherent in the nuclear decommissioning provisions. As set out in these notes, given the very long timescales involved and the complexity of the plants and materials being handled, a considerable degree of uncertainty remains over the value of the liability for decommissioning nuclear sites designated by the Secretary of State. Significant changes to the liability could occur as a result of subsequent information and events which are different from the current assumptions adopted by the Authority. My opinion is not modified in respect of this matter.

Opinion on regularity

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

Basis for opinions

I conducted my audit in accordance with International Standards on Auditing (UK) (ISAs UK), applicable law and Practice Note 10 *Audit of Financial Statements and Regularity of Public Sector Bodies in the United Kingdom*. My responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of my report.

Those standards require me and my staff to comply with the Financial Reporting Council's Revised Ethical Standard 2019. I have also elected to apply the ethical standards relevant to listed entities. I am independent of the Nuclear Decommissioning Authority and its Group in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK. My staff and I have fulfilled our other ethical responsibilities in accordance with these requirements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions relating to going concern

In auditing the financial statements, I have concluded that the Nuclear Decommissioning Authority and its Group's use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Nuclear Decommissioning Authority and its Group's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The other information comprises information included in the Annual Report, but does not include the financial statements nor my auditor's report thereafter. The Accounting Officer is responsible for the other information.

My opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in my report, I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated.

If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

Opinion on other matters

In my opinion the part of the Remuneration and People Report to be audited has been properly prepared in accordance with Secretary of State directions issued under the Energy Act 2004.

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

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

Matters on which I report by exception

In the light of the knowledge and understanding of the Nuclear Decommissioning Authority and its Group and its environment obtained in the course of the audit, I have not identified material misstatements in the Performance and Accountability Report.

I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- I have not received all of the information and explanations I require for my audit; or
- adequate accounting records have not been kept by the Nuclear Decommissioning Authority or returns adequate for my audit have not been received from branches not visited by my staff; or
- the financial statements and the parts of the Accountability Report subject to audit are not in agreement with the accounting records and returns; or
- certain disclosures of remuneration specified by HM Treasury's Government Financial Reporting Manual have not been made or parts of the Remuneration and

People Reports to be audited is not in agreement with the accounting records and returns; or

- the Governance Statement does not reflect compliance with HM Treasury's guidance.

Responsibilities of the Authority and Accounting Officer for the financial statements

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

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

Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit and report on the financial statements in accordance with Energy Act 2004.

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

Extent to which the audit was considered capable of detecting non-compliance with laws and regulations including fraud

I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of non-compliance with laws and regulations, including fraud. The extent to which my procedures are capable of detecting non-compliance with laws and regulations, including fraud is detailed below.

Identifying and assessing potential risks related to non-compliance with laws and regulations, including fraud

In identifying and assessing risks of material misstatement in respect of non-compliance with laws and regulations, including fraud, we considered the following:

- the nature of the sector, control environment and operational performance including the design of the Nuclear Decommissioning Authority and its Group's accounting policies, key performance indicators and performance incentives.
- inquiring of management, the Nuclear Decommissioning Authority's head of internal audit and those charged with governance, including obtaining and reviewing supporting documentation relating to the Nuclear Decommissioning Authority and its Group's policies and procedures relating to:
 - o identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - o detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
 - o the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations including the Nuclear Decommissioning Authority and its Group's controls relating to the Nuclear Decommissioning Authority's compliance with the Energy Act 2004, Managing Public Money.
- discussing among the engagement team including significant component audit teams and involving relevant internal and external specialists, including IT audit, nuclear, pensions, property, and legal experts, regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, I considered the opportunities and incentives that may exist within Nuclear Decommissioning Authority and its Group for fraud and identified the greatest potential for fraud in the following areas: revenue recognition, posting of unusual journals, complex transactions, and bias in management estimates. In common with all audits under ISAs (UK), I am also required to perform specific procedures to respond to the risk of management override of controls.

I also obtained an understanding of the Nuclear Decommissioning Authority and its Group's framework of authority as well as other legal and regulatory frameworks in which the Nuclear Decommissioning Authority and its Group operates, focusing on those laws and regulations that had a direct effect on material amounts and disclosures in the financial statements or that had a fundamental effect on the operations of the Nuclear Decommissioning Authority and its Group. The key laws and regulations I considered in this context included Energy Act 2004, Managing Public Money, Employment Law, Pensions Legislation and Tax Legislation.

Audit response to identified risk

As a result of performing the above, the procedures I implemented to respond to identified risks included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described above as having direct effect on the financial statements;
- enquiring of management, the Audit Committee and in-house legal counsel concerning actual and potential litigation and claims;
- reading and reviewing minutes of meetings of those charged with governance and the Board and internal audit reports; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

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

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

Other auditor's responsibilities

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

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

I have no observations to make on these financial statements.

Gareth Davies
Comptroller and Auditor General

11 July 2022

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



Annual accounts



Annual accounts

Statement of Comprehensive Net Expenditure for the year ended 31 March 2022

	note	NDA Group		Authority	
		2022 £m	2021 £m	2022 £m	2021 £m
Expenditure					
Authority administration expenditure	5	36	61	36	61
Programme expenditure	6	3,967	3,230	3,974	3,194
Adjustments to provisions	7	100,356	374	99,998	786
Depreciation and impairment	8	92	77	36	26
		104,451	3,742	104,044	4,067
Income	9	(715)	(627)	(649)	(564)
Net expenditure/(income) before interest and taxation		103,736	3,115	103,395	3,503
Interest receivable	4	(29)	(60)	(1)	(1)
Interest payable	4	4	10	-	-
Net interest payable on defined benefit pension schemes	26	13	3	-	-
Net expenditure/(income) before taxation		103,724	3,068	103,394	3,502
Taxation	10	2	2	2	2
Net expenditure/(income) after taxation for the year		103,726	3,070	103,396	3,504
Other comprehensive expenditure/(income):					
Deficit/(surplus) arising on revaluation of property, plant and equipment	11	(8)	(6)	(1)	-
Net recognised (gain)/loss on defined benefit pension schemes	26	(377)	372	(4)	(3)
Total comprehensive net expenditure/(income) for the year		103,341	3,436	103,391	3,501

The related notes numbered 1 to 30 form part of these financial statements.

Authority refers to the balances within the NDA itself, with NDA Group balances incorporating the Authority and its subsidiaries. Details of the subsidiaries are given in note 12.

Statement of Financial Position

as at 31 March 2022

	note	NDA Group		Authority	
		2022 £m	2021 £m	2022 £m	2021 £m
Property, plant and equipment	11	595	636	295	315
Investments in subsidiaries	12	-	-	259	259
Recoverable contract costs	13	3,070	1,447	3,070	1,447
Finance lease receivables	19	44	43	71	71
Trade and other receivables	20	37	37	40	40
Defined benefit pension scheme asset	26	-	-	14	9
Total non-current assets		3,746	2,163	3,749	2,141
Inventories	15	67	69	17	15
Other investments	18	588	547	-	-
Finance lease receivables	19	1	1	4	4
Trade and other receivables	20	237	211	394	381
Cash and cash equivalents	21	109	199	26	125
Total current assets		1,002	1,027	441	525
Total assets		4,748	3,190	4,190	2,666
Trade and other payables	22	(1,339)	(1,114)	(1,266)	(1,040)
Lease liabilities	23	(24)	(25)	(3)	(1)
Nuclear provisions	24	(3,268)	(3,142)	(3,268)	(3,142)
Other provisions	25	(12)	(14)	(6)	(7)
Total current liabilities		(4,643)	(4,295)	(4,543)	(4,190)
Total assets less current liabilities		105	(1,105)	(353)	(1,524)
Trade and other payables	22	(1,633)	(1,503)	(1,625)	(1,503)
Lease liabilities	23	(55)	(54)	(37)	(29)
Nuclear provisions	24	(233,450)	(132,078)	(233,709)	(132,621)
Other provisions	25	(527)	(105)	(484)	(60)
Defined benefit pension scheme deficit	26	(280)	(576)	-	-
Total non-current liabilities		(235,945)	(134,316)	(235,855)	(134,213)
Net liabilities		(235,840)	(135,421)	(236,208)	(135,737)
Taxpayers' equity					
Revaluation reserve		44	36	6	5
General reserve		(235,886)	(135,459)	(236,214)	(135,742)
Total taxpayers' equity		(235,842)	(135,423)	(236,208)	(135,737)
Non-controlling interests	27	2	2	-	-
Total equity		(235,840)	(135,421)	(236,208)	(135,737)

The financial statements on page 146 to 199 were approved by the Board and authorised for issue by the Accounting Officer on 7 July 2022.

D. Peattie

David Peattie

Accounting Officer and Group Chief Executive Officer. 7 July 2022

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

Statement of Cash Flows

for the year ended 31 March 2022

	Note	NDA Group		Authority	
		2022 £m	2021 £m	2022 £m	2021 £m
Cash flows from operating activities					
Net expenditure after taxation for the year	SoCNE	(103,726)	(3,070)	(103,396)	(3,504)
Adjustments for:					
Interest receivable	4	(29)	(60)	(1)	(1)
Interest payable		4	10	-	-
Net interest payable on defined benefit pension schemes	26	13	3	-	-
Net of pension service costs over cash contributions paid		(9)	51	(1)	(1)
Depreciation of property, plant and equipment	11	83	82	27	31
Impairment of property, plant and equipment	11	8	-	8	-
Revalorisation of advance payments	22	461	61	461	61
Amortisation of recoverable contract costs	13	111	102	111	102
Decrease/(increase) in inventories	15	2	34	(2)	33
Decrease/(increase) in receivables		(26)	132	(13)	131
Increase/(decrease) in payables		(189)	(124)	(186)	(128)
Increase/(decrease) in nuclear provisions impacting net expenditure		99,734	559	99,373	985
Increase/(decrease) in other provisions impacting net expenditure		622	(182)	625	(196)
Net cash outflow from operating activities		(2,941)	(2,402)	(2,994)	(2,487)
Cash flows from investing activities					
Interest received	4	29	60	1	1
Interest paid		(4)	(10)	-	-
Proceeds received on asset disposal		1			
Purchases of property, plant and equipment		(45)	(70)	(14)	(5)
Disposals of property, plant and equipment	11	3	4	-	-
Purchase of investments		(41)	(119)	-	-
Net cash outflow from investing activities		(57)	(135)	(13)	(4)
Cash flow from financing activities					
Grants from parent department	SoCTE	3,401	3,257	3,401	3,257
Surrender of receipts to Consolidated Fund	SoCTE	(493)	(736)	(493)	(736)
Net cash inflow from financing activities		2,908	2,521	2,908	2,521
Net increase/(decrease) in cash and cash equivalents		(90)	(16)	(99)	30
Cash and cash equivalents at beginning of period	21	199	215	125	95
Cash and cash equivalents at end of period		109	199	26	125

Statement of Changes in Taxpayers' Equity for the year ended 31 March 2022

NDA Group	General £m	Revaluation £m	Total £m
Balance at 31 March 2020	(134,586)	30	(134,556)
Deficit arising on revaluation of PPE	-	6	6
Gross grants from parent department	3,257	-	3,257
Amounts surrenderable to Consolidated Fund (a)	(688)	-	(688)
Actuarial gain/(loss) on defined benefit pension schemes	(372)	-	(372)
Net expenditure	(3,070)	-	(3,070)
Balance at 31 March 2021	(135,459)	36	(135,423)
Surplus arising on revaluation of PPE	-	8	8
Gross grants from parent department	3,401	-	3,401
Amounts surrenderable to Consolidated Fund (a)	(481)	-	(481)
Actuarial gain/(loss) on defined benefit pension schemes	377	-	377
Net expenditure	(103,724)	-	(103,724)
Balance at 31 March 2022	(235,886)	44	(235,842)

Authority	General £m	Revaluation £m	Total £m
Balance at 31 March 2020	(134,810)	5	(134,805)
Deficit arising on revaluation of PPE	-	-	-
Gross grants from parent department	3,257	-	3,257
Amounts surrenderable to Consolidated Fund (a)	(688)	-	(688)
Actuarial gain/(loss) on defined benefit pension schemes	3	-	3
Net expenditure	(3,504)	-	(3,504)
Balance at 31 March 2021	(135,742)	5	(135,737)
Surplus arising on revaluation of PPE	-	1	1
Gross grants from parent department	3,401	-	3,401
Amounts surrenderable to Consolidated Fund (a)	(481)	-	(481)
Actuarial gain/(loss) on defined benefit pension schemes	4	-	4
Net expenditure	(103,396)	-	(103,396)
Balance at 31 March 2022	(236,214)	6	(236,208)

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

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

(a) Surrender of receipts to Consolidated Fund of £481 million (2021: £688 million) included £8 million payable as at 31 March 2022 (2021: £20 million at 31 March 2021). The amount paid in cash in the year was £493 million (2021: £736 million).

Notes to the financial statements

for the year ended 31 March 2022

1. General information

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

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

2. Statement of significant accounting policies

2.1 Basis of preparation

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

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

The Consolidated Statement of Financial Position at 31 March 2022 shows net liabilities of £236 billion (2021: £135 billion). This reflects the inclusion of liabilities falling due in future years which, to the extent that they are not to be met from the NDA's other sources of income, may only be met by future grants in aid from the NDA's sponsoring department, BEIS. Under the normal conventions applying

to parliamentary control over income and expenditure, such grants in aid may not be issued in advance of need. Grants in aid for 2022/23, taking into account the amounts required to meet the NDA's liabilities falling due in this year, have already been included in BEIS's estimates, and these have been approved by Parliament. There is no reason to believe that future BEIS sponsorship and future parliamentary approval will not be forthcoming. It has accordingly been considered appropriate to adopt a going concern basis for the preparation of these financial statements.

2.2 Adoption of new and revised Standards

No new or revised standards were adopted during the current or previous year.

The following Standards have been issued but are not yet effective:

IFRS 17 Insurance Contracts

2.3 Basis of consolidation

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

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

2.4 Foreign currencies

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

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

Notes to the financial statements - continued

2. Statement of significant accounting policies (continued)

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

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

2.5 Research and development expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

2.6 Taxation

Please see note 10 and 14 for the taxation and deferred taxation respectively.

VAT is accounted for in that amounts are shown net of VAT except:

- (i) Irrecoverable VAT is charged to profit or loss, and included under the heading relevant to the type of expenditure
- (ii) Irrecoverable VAT on the purchase of an asset is included in the capitalised purchase cost of the asset

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

2.7 Impairment of non-financial assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current

market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

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

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

2.8 Financial instruments

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

2.8 (a) Financial assets

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

Loans and receivables

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

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

Notes to the financial statements - continued

2. Statement of significant accounting policies (continued)

Impairment of financial assets

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

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

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

De-recognition of financial assets

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

2.8 (b) Financial liabilities

Financial liabilities are classified as financial liabilities at amortised cost.

De-recognition of financial liabilities

Financial liabilities are derecognised when, and only when, the Group's obligations are discharged, cancelled or they expire.

2.8 (c) Derivative financial instruments

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

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

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

Embedded derivatives

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

2.9 Provisions

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

2.10 Grants from parent department

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

Notes to the financial statements - continued

3. Critical accounting judgements and key sources of estimation uncertainty

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

Critical judgements in applying the NDA's accounting policies

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

3.1 Income recognition

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

3.1 (a) The expected value of each of the contracts with customers (the transaction price)

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

3.1 (b) The amounts of the transaction price of each contract to be allocated to each of the performance obligations in the contract

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

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

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

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

3.1 (c) The timing of satisfaction of performance obligations

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

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

Notes to the financial statements - continued

3. Critical accounting judgements and key sources of estimation uncertainty (continued)

- Will continue to store spent fuels, waste, products and other materials in line with the respective storage periods contained in each contract, that the associated performance obligation will be satisfied over time, and therefore that the transaction price allocated to these performance obligations will be recognised as revenue evenly over the respective time periods
- Will continue to provide services for the interim storage of wastes produced by spent fuel reprocessing and the subsequent treatment of said wastes, concluding in 2026, that these performance obligations will be satisfied evenly over time, and therefore that the transaction price allocated to these performance obligations will be recognised as revenue evenly over the period to 2026. This judgement assumes and relies upon the continued availability and performance of waste treatment plants at Sellafield and a significant disruption in plant operations and/or change in duration of the remaining waste treatment programme would require the Authority to review and potentially amend its assumptions on the timing of the satisfaction of this performance obligation. For example a significant unplanned temporary halt to operations in a future reporting period may reduce the revenue recognised in that period
- Will continue to receive spent fuel which is not intended for reprocessing, and in doing so will assume title of ownership for said fuel at the point in time when it is received by the Authority, therefore that the transaction price of the contract will be allocated to a single performance obligation, and therefore that the transaction price will be recognised as revenue in proportion to the volume of spent fuel received and taken into ownership in each reporting period, relative to the total volume of spent fuel expected to be received and taken into ownership for the remainder of the duration of the contract

3.1 (d) The costs to fulfil contracts with customers

The Authority has determined the remaining costs of fulfilling each contract, prospectively at the point of application, comprising the following and has applied judgements as described:

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

estimated as described above, are stated at note 13 and will be expensed in each reporting period as they arise. The balances are deemed financial assets under IAS37 and offset against costs provided in the nuclear provision at note 24

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

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

3.2 Leases

The following accounting judgements have been made.

Determining whether a lease exists

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

Determining the lease term of contracts with renewal and termination options

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

3.3 Key Sources of estimation uncertainty

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

3.3 (a) Impairment of property, plant and equipment

Impairment is measured by comparing the carrying value of the asset or cash-generating unit with its recoverable amount. The NDA has therefore reviewed the asset base and all assets are reviewed for evidence of impairment. Given the ageing asset base this calculation has a degree of uncertainty within it.

The carrying amount of property, plant and equipment at the reporting date was £595 million (2021: £636 million).

Notes to the financial statements - continued

3. Critical accounting judgements and key sources of estimation uncertainty (continued)

3.3 (b) Nuclear provisions

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

In preparing the estimate of the cost of decommissioning the designated sites, the NDA has focussed in particular on the first 20 years, which represents £73 billion out of the total £237 billion provision (2021: £60 billion out of £135 billion). In undiscounted terms it represents £64 billion out of a total of £149 billion (2021: £57 billion out of £132 billion).

As part of the preparation of the financial statements, the principal assumptions and sensitivities for the cost estimates have again been updated and reviewed by the NDA executive and, where appropriate, updates to the estimates have been made to reflect changed circumstances and more recent knowledge. The key aspects of the basis of estimate are set out below:

General

The nuclear provision estimate for each reporting segment is based initially on the lifetime plan for each site or programme of work managed within the segment, with specific adjustments as required by the nature of each site or programme to ensure that the estimate is kept up to date and compliant with accounting requirements.

The site lifetime plans and equivalent figures are based on P50 estimates, meaning there is a 50% probability of the outcome being either under or over the estimate. While alternative bases of estimate could be used, the P50 basis is believed by management to produce a representative single point estimate for disclosure in the financial statements. Alternative calculation techniques may produce materially different results.

The nuclear provision estimate is stated in estimate money values as at the reporting date. The site lifetime plans are stated in mid-year money values (namely the September preceding the reporting date). The Authority applies an inflationary adjustment to produce the estimate as at the reporting date. The adjustment is based on the change in price levels specific to each component of the estimate where this is known or can be reasonably estimated, or where this is not available, by reference to published inflation indices.

The nuclear provision estimate is discounted using discount rates published by HM Treasury each year. The Authority applies discounting on a mid-year basis to reflect the nature of its expenditure, namely that it occurs throughout each reporting period rather than at the end of each reporting period.

Sellafield

The key activities of the Sellafield site include concluding reprocessing of spent fuels and associated waste management; retrieving and ensuring safe storage of wastes from legacy facilities; interim storage of spent fuel, wastes and other materials before transfer to the GDF; decommissioning and demolition of facilities; and site management and support activities.

The nuclear provision estimate for Sellafield is based on the site lifetime plan which is updated each year for changes in price levels, other changes in cost estimates and strategic or operational changes. The estimate reflects an estimate of future cost efficiencies to be achieved at the site in future years. The estimate also reflects cost estimate changes which have not yet been applied to the site lifetime plan but are expected to be applied in future (for example plutonium management costs, and recently agreed strategic changes which have not yet resulted in a change to the plan) and accounting changes (for example the exclusion of costs which are not NDA's direct liabilities).

Magnox

Following the conclusion of electricity generation at the Magnox sites and the successful conclusion of the defueling programme the key activities of the sites now include interim storage of wastes before transfer to the GDF; decommissioning and demolition of facilities; and site management and support activities.

The nuclear provision estimate for Magnox is based on management's preferred strategy for decommissioning the sites, in which a rolling decommissioning approach is used to clear each site in sequence, with the last site reaching final site clearance in 2085. In accordance with the Scottish Waste policy the two Magnox sites in Scotland will continue to manage waste locally after this date. For the purposes of the nuclear provision, the liability estimate for the Magnox sites is capped at 2110.

Notes to the financial statements - continued

3. Critical accounting judgements and key sources of estimation uncertainty (continued)

The Magnox segment includes the Dounreay site, which is currently being decommissioned with an interim end state scheduled for 2033. Under previously announced plans, Dounreay will join with Magnox in 2023, subject to regulatory agreement.

Nuclear Waste Services

The activities of the Nuclear Waste Services division include the planning, construction and operation of the Geological Disposal Facility (GDF), the operation of the Low Level Waste Repository (LLWR) and the management of residual liabilities at the former NDA sites of Springfields and Capenhurst. The GDF will be the permanent disposal facility for wastes which are currently held at nuclear licensed sites in England and Wales.

The nuclear provision estimate for Nuclear Waste Services is based on the lifetime cost estimate for the GDF, using generic assumptions as to the location and geological circumstances of the site (the location of which is not yet determined). The estimate also includes the costs of the LLWR which are not otherwise included in other sites' lifetime plans (namely legacy remediation and site decommissioning programmes). The estimate includes the current estimate of future programmes at the Springfields and Capenhurst sites for which NDA retains liability.

Nuclear Transport Solutions

The Nuclear Transport Solutions division manages specific liabilities for the decommissioning of assets currently used in transportation of nuclear materials. The provision estimate is based on current estimates of the future decommissioning costs arising at the end of the assets' respective operating lives.

Key assumptions and uncertainties

In preparing the best estimate of the provision required to settle the NDA obligations, it is recognised that there remains a significant degree of inherent uncertainty in the future cost estimates. Should outcomes differ from assumptions in any of the following areas, this may require a material adjustment to the carrying amount of the nuclear provision and related assets and liabilities.

Key assumptions and resulting uncertainties for the major components of the nuclear provision are set out below:

General

The following key uncertainties apply to all components of the estimate:

- potential changes in the NDA funding profile, requiring the tailoring of expenditure across the estate to ensure the right balance between addressing high risk, hazard and affordability; for example emanating from either economic conditions or changes in funding resulting from the next Government Spending Review.
- the length of time over which the necessary programme of work will be delivered – stretching out to 2137.
- interdependencies between programmes of work both within SLCs and across SLC boundaries.
- uncertainty over future Government policy positions and potential regulatory changes.
- possible technological advances which may occur which could impact the work to be undertaken to decommission and clean up the sites.

Sellafield

The nuclear provision estimate for Sellafield is based on the following key assumptions:

- The conclusion of the reprocessing of spent fuels and treatment of wastes arising from reprocessing at Sellafield by 2030
- The conclusion of the retrieval, packaging and transition to interim storage of wastes from legacy ponds and silos at Sellafield by 2046
- The safe interim storage of wastes at Sellafield and other sites until such time that waste transfers to the Geological Disposal Facility can be concluded. In some cases further treatment of wastes and other material is required before transfer to the facility.
- The availability of a Geological Disposal Facility by 2045 and the transfer of wastes to the facility for final storage by 2120
- The treatment of nuclear materials allowing for final disposition by 2120
- The estimate is based on multiple individual estimates of the costs of programmes, projects and site management which extend into the very long term. The estimate additionally assumes the achievement of efficiencies and other cost savings against these initial cost estimates, currently projected at approximately 17% of the gross initial estimate.

In addition to the above assumptions, HM Government has indicated that the preferred policy for management of plutonium is for reuse. Any final decision is conditional on business case approval for reuse of the material. Following review of the likely costs of the preferred policy, and the credible alternative of storage and disposal in the long-term, a prudent estimate of £10 billion (discounted) has been included within the provision.

Notes to the financial statements - continued

3. Critical accounting judgements and key sources of estimation uncertainty (continued)

The major areas of uncertainty in the estimate for Sellafield are:

- The costs of building, operating and decommissioning facilities may materially differ from those assumed in the estimate.
- The estimate assumes the future achievement of efficiencies and other cost savings which are currently uncertain.
- The date at which the Geological Disposal Facility is available to receive waste, and the rate of transfer of wastes from the sites to the facility, may increase the costs of interim storage on the sites.
- The estimate assumes the development of future technological solutions for waste management and decommissioning, the extent and timing of which are currently uncertain.
- A lack of detailed information on the design of the Legacy Ponds and Silos at Sellafield and the exact quantities and chemical composition of the historical wastes held in them, resulting in potential significant uncertainty in both the process and costs of dealing with these materials

Magnox

The nuclear provision estimate for Magnox is based on the following key assumptions:

- The rolling decommissioning of all Magnox sites with the last site to achieve final site clearance by 2085
- The provision estimate for Magnox is curtailed at 2110, shortly after the final site clearance required in NDA's current mission. On-site waste storage may continue at Scottish sites thereafter at a relatively small (before discounting) annual cost.

The major areas of uncertainty in the estimate for Magnox are:

- The availability of funding to support the rolling decommissioning approach for Magnox sites
- The rate of progress in decommissioning of facilities and variances from the assumed cost of decommissioning

Nuclear Waste Services

The nuclear provision estimate for the GDF is based on the following key assumptions:

- Generic assumptions as to the location and geological circumstances of the facility
- Commencement of the construction of the facility in 2035

- The availability of a Geological Disposal Facility by 2045 and the transfer of wastes to the facility for final storage by 2125

The major areas of uncertainty in the estimate for GDF are:

- The achievement of the assumed operational start date of the facility (of 2045), which may also impact the estimates in other components of the nuclear provision because of the potential additional on-site storage costs.
- The costs of building and operating the facility may materially differ from those assumed in the estimate, due to factors associated with siting and geological conditions, potential delays (see note 24), as well as general variations from current cost.

Notes to the financial statements - continued

4. Operating segments

For management purposes, the NDA is currently organised into various operating units, which are grouped according to activity type. The segmental analysis in the following tables present the net expenditure for each of the continuing operations.

NDA Group 2022	Sellafield £m	Magnox £m	Nuclear Waste Services £m	Nuclear Transport Solutions £m	Corporate £m	Total 2022 £m
Authority administration expenditure	-	-	-	-	36	36
Programme expenditure	2,885	691	197	55	139	3,967
Decommissioning costs charged to nuclear provision	(2,195)	(451)	(188)	203	-	(2,631)
Decommissioning costs charged to other provisions	(81)	-	(2)	-	-	(83)
Nuclear provision increase/(decrease)	79,643	12,179	12,559	(2,015)	-	102,366
Other provisions increase/(decrease)	706	1	(3)	-	-	704
Adjustments to provisions	78,073	11,729	12,366	(1,812)	-	100,356
Depreciation and impairment	40	1	1	49	1	92
Income (a)	(549)	(18)	(2)	(136)	(10)	(715)
Interest payable	2	1	-	1	-	4
Interest receivable (b)	-	-	-	-	(29)	(29)
Net interest payable on defined benefit pension scheme	15	(2)	-	-	-	13
Net expenditure/(income) from continuing operations for the year before taxation	80,466	12,402	12,562	(1,843)	137	103,724

(a) See note 9 for commentary on revenue from contracts.

(b) Includes net gain on investments of £29 million held by Rutherford Indemnity Limited

The basis for accounting for transactions between reportable segments is given in Note 29.

There have been no changes from the prior period to the measurement methods used to determine reported segment net expenditure.

Notes to the financial statements - continued

4. Operating segments (continued)

	Sellafield	Magnox	Nuclear Waste Services	Nuclear Transport Solutions	Corporate	Total 2022
NDA Group 2021	£m	£m	£m	£m	£m	£m
Authority administration expenditure	-	-	-	-	61	61
Programme expenditure	2,265	579	235	39	112	3,230
Decommissioning costs charged to nuclear provision	(2,080)	(885)	(204)	15	3	(3,151)
Decommissioning costs charged to other provisions	(76)	-	(2)	-	-	(78)
Nuclear provision increase/(decrease)	2,708	674	339	1	-	3,722
Other provisions increase/(decrease)	(120)	-	1	-	-	(119)
Adjustments to provisions	432	(211)	134	16	3	374
Depreciation and impairment	29	-	-	47	1	77
Income (a)	(499)	(7)	(2)	(109)	(10)	(627)
Interest payable	3	(1)	-	3	5	10
Interest receivable (b)	-	-	-	(1)	(59)	(60)
Net interest payable on defined benefit pension scheme	12	(9)	-	-	-	3
Net expenditure/(income) from continuing operations for the year before taxation	2,242	351	367	(5)	113	3,068

(a) See note 9 for commentary on revenue from contracts.

(b) Includes net gain on investments of £58 million held by Rutherford Indemnity Limited

The basis for accounting for transactions between reportable segments is given in Note 29.

There have been no changes from the prior period to the measurement methods used to determine reported segment net expenditure.

Geographical information

The NDA Group's income is attributed to countries on the basis of the customer's location, as follows:

NDA Group	2022 £m	2021 £m
United Kingdom	563	476
Japan	136	99
Germany	10	39
Italy	1	8
Other countries	5	5
Total income	715	627

The Group's non-current assets are primarily located or based in the United Kingdom.

Notes to the financial statements - continued

5. Authority administration expenditure

Authority	2022	2021
	£m	£m
Staff costs (see Remuneration Report) (a,b)	28	44
Administration costs	8	17
Auditors' remuneration (c)	-	-
Total Authority administration expenditure	36	61

(a) In the reporting period certain staff costs previously shown as Authority administration expenditure have been reclassified as programme expenditure.

(b) Directors' emoluments are included in the above figures and can be seen in the Remuneration Report on pages 100 to 107.

(c) Auditors' remuneration represents fees payable to the NAO for the audit of the Authority and the NDA Group and amounted to £385,000 (2021: £380,000). No other remuneration has been paid to the NAO.

6. Programme expenditure

Contractor costs are defined as payments to contractors relating to the core NDA programme (work performed on behalf of NDA by contractors) adjusted to eliminate payments made between those contractors. Contractor costs are recognised as an expense under programme expenditure within the Statement of Comprehensive Net Expenditure, in the period to which they relate.

NDA Group & Authority	NDA Group		Authority	
	2022	2021	2022	2021
	£m	£m	£m	£m
Contractor and subsidiary costs (a), (b)	3,310	2,933	3,336	2,889
Amortisation of recoverable contract costs (see note 13)	111	102	111	102
Revalorisation of advance payments (see note 22)	461	61	461	61
Fees payable to SLCs	2	17	2	17
Trading costs	5	3	5	3
Research and development costs	23	10	12	-
Insurance	8	5	13	13
Skills and socio-economic	6	5	6	5
Release of fees previously accrued	(45)	-	(45)	-
Dividend payable to outgoing parent body	19	-	-	-
Dividend payable to minority interest	-	1	-	-
Information governance	15	17	15	17
Cyber security	11	9	11	10
Plutonium management strategy	8	7	8	7
Movements in inventory provisions (c)	3	57	3	57
Group development projects	20	7	20	7
Programme support costs	10	-	10	-
Property management	2	6	2	6
Waste services	13	-	13	-
NTS contract management	4	5	4	5
R&D tax credit relief	(15)	(15)	(15)	(15)
Other costs	(4)	-	2	10
Total Programme expenditure	3,967	3,230	3,974	3,194

(a) Contractor and subsidiary costs shown are after deduction for capitalisation of £4 million (2021: £5 million)

(b) Contractor and subsidiary costs include auditors' remuneration payable for the audit of the NDA subsidiary companies amounting to £513,000 (2021: £336,000)

(c) During the 2020/21 financial year, the application of the accounting policies for the valuation of inventories within the Authority accounts was reviewed. As a result, a one off provisioning charge of £45 million was made in the period (see note 15).

Notes to the financial statements - continued

7. Adjustments to provisions

NDA Group & Authority	NDA Group		Authority	
	2022 £m	2021 £m	2022 £m	2021 £m
Movement in nuclear provisions:				
Provided for in the year (see note 24)	102,447	3,729	102,447	3,729
In-year group provision adjustment (see note 24)	361	(426)	-	-
Unwind of discount (see note 24)	(81)	(7)	(81)	(7)
Release of provision (see note 24)	(2,993)	(2,737)	(2,993)	(2,737)
Total movement in nuclear provisions	99,734	559	99,373	985
Movement in other provisions:				
Provided for in the year (see note 25)	706	(100)	709	(114)
Release from provision (see note 25)	(79)	(80)	(79)	(79)
Unwind of discount (see note 25)	(5)	(5)	(5)	(6)
Total movement in other provisions	622	(185)	625	(199)
Total provisions movement	100,356	374	99,998	786

8. Depreciation and impairments

NDA Group & Authority	NDA Group		Authority	
	2022 £m	2021 £m	2022 £m	2021 £m
Depreciation of property, plant and equipment (see note 11)	83	82	27	31
Impairment of property, plant and equipment (see note 11)	8	-	8	-
Impairment of financial instruments for expected credit loss (see notes 19 and 20)	1	(5)	1	(5)
Total depreciation and impairments	92	77	36	26

Notes to the financial statements - continued

9. Income

Contracts

Income recognition

Contract income is recognised by reference to the stage of completion of the contract activity at the reporting date. Prior to the implementation of IFRS15 the Authority's accounting policy for most spent fuel reprocessing and/or waste management contracts was to measure the stage of completion according to the proportion that contract costs incurred for work performed to date bear to the estimated total contract costs.

In accordance with IFRS 15 the Authority has:

- Identified contracts with customers and the contract price still to be recognised at the reporting date (in accordance with the derogation that allows the Authority to set aside the requirement to retrospectively restate revenues) under each contract
- Determined the performance obligations under each contract
- Determined the relative value of each performance obligation
- Identified the appropriate basis for measuring the fulfilment of each performance obligation and therefore the recognition of revenue arising from each

Note 3 to the financial statements provides information on significant judgements performed by the Authority in applying IFRS 15, as required in order to determine:

- The expected value of each of the contracts with customers (the transaction price)
- The amounts of the transaction price of each contract to be allocated to each of the performance obligations in the contract
- The timing of satisfaction of performance obligations

The table on page 167 provides the following information:

- The extent of revenue recognised from contracts with customers
- Disaggregation of said revenue into categories that depict how the nature, timing and uncertainty of cash flows are affected by economic factors
- The aggregate amount of the transaction price allocated to the performance obligations that are wholly or partially unsatisfied
- Explanation of when the Authority expects to recognise the above transaction price as revenue

Note 13 to the financial statements provides information on recoverable contract costs, which comprise two elements:

- Historic costs incurred prior to the recognition of revenue on each relevant contract, which constitute financial assets for the purposes of IFRS15 and are

charged to the accounts (amortised) in proportion to revenue recognised in each reporting period

- An estimate of the future costs which will be incurred in fulfilling the performance obligations under each contract which are accounted for under IAS37 and constitute a subset of the costs included in the nuclear provision (and are presented as equal and opposite asset balances)

Note 22 to the financial statements provides information on payments on account, which are payments made by customers under long term contracts, in advance of the fulfilment of performance obligations. These balances are contract liabilities under IFRS15.

The Authority will allocate any changes in the transaction price of each contract (including but not limited to the future revalorisation of payments on account balances) to the performance obligations as defined in the initial allocation of the transaction price to performance obligations at 1 April 2018, and in proportion to the allocations made at that time. Where this results in allocation of changes in transaction price to performance obligations already satisfied at the respective reporting date, the resulting allocation to satisfied performance obligations will be recognised as revenue in that reporting period.

Variations in contract work are included to the extent that they have been agreed with the customer.

Treatment of costs

Contract costs are recognised as expenses in the period in which they are incurred.

When it is probable that total contract costs will exceed total contract income, the expected loss is recognised as an expense immediately, being an adjustment to the contract loss provision in notes 7 and 24.

For contracts in progress at the reporting date, where costs still to be incurred exceed amounts received to date, the balance is shown under non-current assets as recoverable contract costs. Where amounts received to date exceed costs still to be incurred the balance is shown under trade and other payables as payments received on account.

Notes to the financial statements - continued

9. Income (continued)

	NDA Group		Authority	
	2022 £m	2021 £m	2022 £m	2021 £m
NDA Group & Authority				
Spent fuel reprocessing and associated waste management	(212)	(187)	(213)	(187)
Spent fuel receipt	(252)	(211)	(252)	(211)
Other contracts for waste and product storage	(71)	(15)	(71)	(15)
Storage and destorage of residues	(8)	(8)	(8)	(8)
Waste substitution (destorage and return of substituted waste)	-	(22)	-	(22)
Revenue from major contracts (continuing)	(543)	(443)	(544)	(443)
Legacy waste management	-	(6)	1	(6)
Transfer of ownership of nuclear materials	-	(43)	-	(43)
Revenue from major contracts (non-recurring)	-	(49)	1	(49)
Transportation of nuclear fuel, waste and materials	(133)	(109)	(71)	(48)
Energy trading	(11)	(5)	(11)	(5)
Sundry	(18)	(14)	(14)	(12)
Admin/non-programme	(8)	(5)	(8)	(5)
Revenue from other contracts	(170)	(133)	(104)	(70)
Revenue from contracts with customers	(713)	(625)	(647)	(562)
Other revenues (rental income)	(2)	(2)	(2)	(2)
Total revenues	(715)	(627)	(649)	(564)

The total revenue from contracts with customers totalled £713 million (2021: £625 million) of which:

- £543 million (2021: £443 million) was recognised on major contracts which will continue beyond the reporting date
- NIL million (2021: £49 million) was recognised on non-recurring major contracts which concluded during the reporting period
- £170 million (2021: £133 million) was recognised on other contracts

Notes to the financial statements - continued

9. Income (continued)

The Authority's major contracts with customers, the main performance obligations remaining on each contract and the factors affecting future cash flows and timing of revenue recognition can be summarised as follows:

Contract type and customer(s)	Main categories of performance obligation	Factors potentially affecting future cash flows and revenue recognition
Spent fuel reprocessing and associated waste management Customer(s): Nuclear energy producers in the UK and overseas	Storage of spent fuel not reprocessed (to 2086)	Overall contract value is materially certain, and timing of recognition is certain (corresponds directly to contracted storage period)
	Interim storage of wastes (expected to continue to 2026)	Overall contract value is materially certain. Revenue is recognised over time, and period of recognition is dependent on future performance of waste management plants
	Storage of treated wastes (to 2038 or 2086 depending on type of material)	Overall contract value is materially certain. Revenue is recognised over time, and period of recognition is dependent on future performance of waste management plants
	Storage of products (to 2086)	Overall contract value is materially certain, and timing of recognition is certain (corresponds directly to contracted storage period)
Spent fuel receipt and management Customer(s): Nuclear energy producers in the UK	Receipt of spent fuel, currently expected to continue until 2031	Overall contract value dependent on volume of spent fuel produced by customer. Timing of revenue recognition dependent on ability of customer to consign spent fuel and on ability of Authority to receive spent fuel
Other contracts for waste and product storage Customer(s): Nuclear operators in the UK, nuclear energy producers overseas	Storage of materials, last contract continuing to 2042	Overall contract value dependent on future price negotiations with customers, occurring at intervals (of one to five years) determined in individual contracts
Storage and destorage of residues Customer(s): Nuclear energy producers overseas	Storage of residues, currently expected to continue until 2025	Contract values may vary according to storage periods required by customers
	Subsequent destorage of residues, currently expected to continue until 2023	Contract values may vary according to storage periods required by customer Timing of revenue recognition dependent on ability of Authority to destore residues and on ability of customer to receive residues
Waste substitution Customer(s): Nuclear energy producers overseas	Destorage and transportation of waste	Contract value is materially certain. Timing of revenue recognition dependent on ability of Authority to destore wastes and on ability of customer to receive wastes
Transportation of nuclear fuel, waste and materials	Transportation of nuclear fuel, waste and materials	Availability of transportation capacity and customer ability and readiness to receive nuclear fuel, waste and materials; customer demand for transportation services
Energy trading	Production of electricity and sales of gas	Performance of electricity producing plants
Sundry	Various including provision of rechargeable services to third parties	Continued demand for services
Admin/non programme	Various	Continued demand for services

Notes to the financial statements - continued

9. Income (continued)

The key uncertainty in the Authority's revenue forecasts is the volume and timing of spent fuel which is received and not intended for reprocessing. There is uncertainty in the overall value of the contract because it is directly related to the volume of spent fuel produced by the customer. There is uncertainty in the timing of revenue recognition in each reporting period because revenue is recognised at the point of receipt of spent fuel, therefore the revenue recognised in each reporting period is directly related to the volume of fuel received in that reporting period. The volume of fuel received is subject to a number of uncertain external factors which are not entirely within the control of the Authority. In addition there is uncertainty in the timing and amounts of revenue arising from legacy waste management contracts.

The table shows the main types of contract, the main areas of performance obligations therein, and for each category:

- The revenue recognised in the reporting period [A]
- The revenue expected to be recognised in future reporting periods (being the aggregate amount allocated to performance obligations that are wholly or partially unsatisfied at the reporting date) [B]
- An indication of when the Authority expects to recognise the remaining contract price

Contract type	Categories of performance obligation	[A] £m	[B] £m	Of which £m:		
				2021-2026	2027-2039	2040-2087
Spent fuel reprocessing and associated waste management	Spent fuel storage	26	747	57	126	564
	Interim storage of wastes	81	292	292	-	-
	Treatment of wastes	60	218	218	-	-
	Storage of treated wastes	8	179	22	48	109
	Storage of products	37	876	92	201	583
Spent fuel receipts	Receipt of spent fuel	252	3,468	2,434	1,034	-
Other storage contracts	Storage of materials	72	906	281	431	194
Storage and destorage of residues	Storage	7	56	56	-	-
	Destorage	-	35	11	24	-
Waste substitution	Destorage	-	55	55	-	-
Legacy waste	Waste management	-	157	157	-	-
Transfer of ownership of materials and flasks	Transfer of ownership	-	-	-	-	-
TOTAL		543	6,989	3,675	1,864	1,450

Notes to the financial statements - continued

10. Tax

NDA Group and Authority	2022 £m	2021 £m
NDA Group net expenditure before tax	103,724	3,068
Deficit on ordinary activities before tax at the UK standard rate of corporation tax of 19% (2021:19%)	19,708	583
Effects of:		
Income and expenditure which is not taxable or tax deductible	(19,433)	(323)
Capital allowances for the year in excess of depreciation	118	117
Unutilised losses	(393)	(377)
Current tax charge for the year	-	-
Controlled foreign company tax	2	2
Deferred tax release	-	-
Total tax charge/(credit)	2	2

The NDA does not pay tax on any profits arising from its activities in relation to decommissioning, and similarly losses are not deductible in relation to decommissioning. Subsidiaries do not pay tax on profits arising as these are offset against the taxable losses of the NDA (note 14).

A deferred tax asset has not been recognised in respect of any non-decommissioning losses incurred by the NDA as the NDA does not anticipate taxable surpluses arising in the foreseeable future.

The NDA is liable for Controlled Foreign Company Tax on the activities of Rutherford Indemnity Limited, the NDA's wholly-owned captive insurance company based in Guernsey.

Notes to the financial statements - continued

11. Property, plant and equipment

Property, plant and equipment includes assets for which the legal title transferred to the Group under Transfer Scheme arrangements pursuant to the Energy Act 2004 and assets subsequently purchased directly by the Group.

Assets on designated nuclear sites are not recognised where the economic element is less than £100,000 and/or is less than 10% of the overall value of the asset are not recognised as property, plant and equipment in the financial statements. These assets are used wholly or primarily to meet the Authority's decommissioning obligations, for which a liability is recognised in the nuclear provision. These assets do not generate cash inflows from commercial customers and are funded instead from Grant-in-aid. Expenditure incurred on purchasing these assets is charged to the nuclear provision and serves to reduce the Authority's long term liabilities.

In line with the accounts direction issued by the Secretary of State for Energy and Climate Change, waste management assets which are recognised as property, plant and equipment are excluded from the FReM requirement to carry PPE at fair value due to lack of reliable and cost effective revaluation methodology. Such waste management assets are therefore carried at cost less accumulated depreciation and any impairment charges.

For property, plant and equipment carried at valuation, revaluations are currently performed on an annual basis to ensure that the carrying amount does not differ materially from that which would be determined using fair values at the reporting date. This includes assets used to support commercial activities, property located outside nuclear licensed site boundaries, and property located inside nuclear licensed site boundaries where a reliable and cost effective revaluation methodology exists. The categories of property, plant and equipment subject to revaluation are land and buildings.

Any accumulated depreciation at the date of revaluation is eliminated and the resulting net amount restated to equal the revalued amount. Any revaluation increase arising is credited to the revaluation reserve, except to the extent that it reverses a revaluation decrease for the same asset previously recognised as an expense, in which case the increase is credited to profit or loss to the extent of the decrease previously charged. A decrease in carrying amount arising on revaluation is charged as

an expense to the extent that it exceeds the balance, if any, held in the revaluation reserve relating to a previous revaluation of that asset.

On the subsequent de-recognition of a revalued asset, the attributable revaluation surplus remaining in the revaluation reserve is transferred directly to the general reserve.

Where economic facilities have been commissioned, the estimated cost of decommissioning the facilities is recognised, to the extent that it is recognised as a provision under IAS 37 'Provisions, Contingent Liabilities and Contingent Assets', as part of the carrying value of the asset and depreciated over the useful life of the asset. All other decommissioning costs are expensed as incurred.

Depreciation is charged so as to write off the cost or valuation of assets, other than assets under construction, to their residual values over their useful lives, using the straight-line method, on the following bases:

Land	Not depreciated
Buildings	10 to 60 years
IT equipment	3 years
Fixtures and fittings	3 to 10 years
Plant and equipment	10 to 30 years
Transport equipment	4 to 14 years

The exceptions to the above are:

- In the depreciation of certain shipping assets which is calculated on a usage, rather than straight-line, basis; and
- In the depreciation of plant and equipment for which the remaining useful commercial life of the assets is less than 10 years (such assets are depreciated over the remaining useful commercial life)

Assets under construction are not depreciated until brought in to use.

Residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

Notes to the financial statements - continued

11. Property, plant and equipment (continued)

	Land £m	Buildings £m	Fixtures and fittings £m	Plant and equipment £m	Transport equipment £m	Assets under construction £m	Right of Use assets (a) £m	Total £m
NDA Group 2022								
Cost or valuation								
At 1 April 2021	15	353	5	4,442	70	29	147	5,061
Revaluations (c)	2	6	-	-	-	-	-	8
Eliminations	-	(3)	(1)	-	-	4	-	-
Additions (e)	-	-	-	1	-	8	36	45
Other reclassifications	-	-	-	1	2	(3)	-	-
Disposals	-	-	-	-	(16)	-	(16)	(32)
Impairments (f)	-	-	-	-	-	(8)	-	(8)
At 31 March 2022	17	356	4	4,444	56	30	167	5,074
Depreciation								
At 1 April 2021	-	(230)	(4)	(4,100)	(39)	4	(56)	(4,425)
Eliminations	-	3	1	-	-	(4)	-	-
Charged in year	-	(1)	-	(45)	(4)	-	(33)	(83)
Disposals	-	-	1	-	15	-	13	29
At 31 March 2022	-	(228)	(2)	(4,145)	(28)	-	(76)	(4,479)
Net book value at 1 April 2021	15	123	1	342	31	33	91	636
Net book value at 31 March 2022	17	128	2	299	28	30	91	595

The net book value of plant and equipment at 31 March 2022 (£299 million) includes £117 million relating to future decommissioning costs. Plant and equipment additions includes: £1 million of capitalised decommissioning costs which are off-set via release from the nuclear provision.

	Land £m	Buildings £m	Fixtures and fittings £m	Plant and equipment £m	Transport equipment £m	Assets under construction £m	Right of Use assets (a) £m	Total £m
NDA Group 2021								
Cost or valuation								
At 1 April 2020	15	346	5	4,451	71	26	93	5,007
Revaluations (c)	-	6	-	-	-	-	-	6
Eliminations	-	-	-	(18)	-	-	-	(18)
Additions (e)	-	-	-	8	-	9	58	75
Other reclassifications	-	2	-	1	3	(6)	-	-
Disposals	-	(1)	-	-	(4)	-	(4)	(9)
Impairments (f)	-	-	-	-	-	-	-	-
At 31 March 2021	15	353	5	4,442	70	29	147	5,061
Depreciation								
At 1 April 2020	-	(229)	(4)	(4,074)	(38)	4	(25)	(4,366)
Eliminations	-	-	-	18	-	-	-	18
Charged in year	-	(1)	-	(44)	(4)	-	(33)	(82)
Disposals	-	-	-	-	3	-	2	5
At 31 March 2021	-	(230)	(4)	(4,100)	(39)	4	(56)	(4,425)
Net book value at 1 April 2020	15	117	1	377	33	30	68	641
Net book value at 31 March 2021	15	123	1	342	31	33	91	636

The net book value of plant and equipment at 31 March 2021 (£342 million) includes £124 million relating to future decommissioning costs. Plant and equipment additions includes: £5 million of capitalised decommissioning costs which are off-set via release from the nuclear provision.

Notes to the financial statements - continued

11. Property, plant and equipment (continued)

	Land £m	Buildings £m	Fixtures and fittings £m	Plant and equipment £m	Transport equipment £m	Assets under construction £m	Right of Use assets (a) £m	Total £m
Authority 2022								
Cost or valuation								
At 1 April 2021	11	293	3	4,144	4	31	-	4,486
Revaluations (c)	2	(1)	-	-	-	-	-	1
Eliminations	-	(3)	-	-	-	-	-	(3)
Additions	-	-	-	-	-	5	9	14
Other reclassifications	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-
Impairments (f)	-	-	-	-	-	(8)	-	(8)
At 31 March 2022	13	289	3	4,144	4	28	9	4,490
Depreciation								
At 1 April 2021	-	(229)	(3)	(3,938)	(2)	-	1	(4,171)
Eliminations	-	3	1	-	-	-	(1)	3
Charged in year	-	(1)	-	(26)	-	-	-	(27)
Disposals	-	-	-	-	-	-	-	-
At 31 March 2022	-	(227)	(2)	(3,964)	(2)	-	-	(4,195)
Net book value at 1 April 2021	11	64	-	206	2	31	1	315
Net book value at 31 March 2022	13	62	1	180	2	28	9	295

The net book value of plant and equipment at 31 March 2022 (£180 million) includes £91 million relating to future decommissioning costs.

	Land £m	Buildings £m	Fixtures and fittings £m	Plant and equipment £m	Transport equipment £m	Assets under construction £m	Right of Use assets (a) £m	Total £m
Authority 2021								
Cost or valuation								
At 1 April 2020	11	293	3	4,162	4	26	1	4,500
Revaluations (c)	-	-	-	-	-	-	-	-
Eliminations	-	-	-	(18)	-	-	-	(18)
Additions	-	-	-	-	-	5	-	5
Other reclassifications	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	(1)	(1)
Impairments (f)	-	-	-	-	-	-	-	-
At 31 March 2021	11	293	3	4,144	4	31	-	4,486
Depreciation								
At 1 April 2020	-	(228)	(3)	(3,926)	(2)	-	-	(4,159)
Eliminations	-	-	-	18	-	-	-	18
Charged in year	-	(1)	-	(30)	-	-	-	(31)
Disposals	-	-	-	-	-	-	1	1
At 31 March 2021	-	(229)	(3)	(3,938)	(2)	-	1	(4,171)
Net book value at 1 April 2020	11	65	-	236	2	26	1	341
Net book value at 31 March 2021	11	64	-	206	2	31	1	315

The net book value of plant and equipment at 31 March 2021 (£206 million) includes £99 million relating to future decommissioning costs.

Notes to the financial statements - continued

11. Property, plant and equipment (continued)

(a) Right of use assets included in property, plant and equipment comprise the following:

NDA Group 2022	Land £m	Buildings £m	Fixtures and fittings £m	Plant and equipment £m	Transport £m	Total £m
Cost or valuation						
Balance at 1 April 2021	-	12	-	16	119	147
Additions	2	17	-	4	13	36
Disposals	-	(2)	-	(1)	(13)	(16)
At 31 March 2022	2	27	-	19	119	167
Depreciation						
At 1 April 2021	-	(3)	-	(6)	(47)	(56)
Depreciation expense	-	(3)	-	(3)	(23)	(29)
Disposals	-	1	-	-	8	9
At 31 March 2022	-	(5)	-	(9)	(62)	(76)
Net book value at 31 March 2021	-	9	-	10	72	91
Net book value at 31 March 2022	2	22	-	10	57	91

NDA Group 2021	Land £m	Buildings £m	Fixtures and fittings £m	Plant and equipment £m	Transport £m	Total £m
Cost or valuation						
Balance at 1 April 2020	-	12	-	11	70	93
Additions	-	4	-	5	49	58
Disposals	-	(4)	-	-	-	(4)
At 31 March 2021	-	12	-	16	119	147
Depreciation						
At 1 April 2020	-	(2)	-	(3)	(20)	(25)
Depreciation expense	-	(3)	-	(3)	(27)	(33)
Disposals	-	2	-	-	-	2
At 31 March 2021	-	(3)	-	(6)	(47)	(56)
Net book value at 31 March 2020	-	10	-	8	50	68
Net book value at 31 March 2021	-	9	-	10	72	91

Notes to the financial statements - continued

11. Property, plant and equipment (continued)

(a) Right of use assets included in property, plant and equipment comprise the following:

	Land £m	Buildings £m	Fixtures and fittings £m	Plant and equipment £m	Transport £m	Total £m
Authority 2022						
Cost or valuation						
Balance at 1 April 2021	-	-	-	-	-	-
Additions	-	9	-	-	-	9
Disposals	-	-	-	-	-	-
At 31 March 2022	-	9	-	-	-	9
Depreciation						
At 1 April 2021	-	-	-	-	-	-
Depreciation expense	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
At 31 March 2022	-	-	-	-	-	-
Net book value at 31 March 2021	-	-	-	-	-	-
Net book value at 31 March 2022	-	9	-	-	-	9

	Land £m	Buildings £m	Fixtures and fittings £m	Plant and equipment £m	Transport £m	Total £m
Authority 2021						
Cost or valuation						
Balance at 1 April 2020	-	1	-	-	-	1
Disposals	-	(1)	-	-	-	(1)
At 31 March 2021	-	-	-	-	-	-
Depreciation						
At 1 April 2020	-	-	-	-	-	-
Depreciation expense	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
At 31 March 2021	-	-	-	-	-	-
Net book value at 31 March 2020	-	-	-	-	-	-
Net book value at 31 March 2021	-	-	-	-	-	-

(b) The NDA accounts for non-waste management assets on nuclear licensed sites, which have an ongoing value in use or realisable value, in accordance with IAS 16 and the requirements of FReM. Assets outside the nuclear licensed site boundaries are revalued in accordance with FReM.

The NDA continues to require subsidiaries to maintain inventories of all property, plant and equipment held on nuclear licensed sites and which are subject to validation and audit.

(c) Land and buildings located outside the nuclear licensed site boundaries, were revalued at 31 March 2022 on the basis of existing use value or market value, as appropriate, by external qualified valuers. The valuations were undertaken in accordance with the Royal Institution of Chartered Surveyors Valuation Standards (6th Edition) by Avison Young Limited Chartered Surveyors. This resulted in a revaluation movement of £8 million during the year (2021: £6 million).

(d) Contracted capital commitments relating to those economic assets expected to be subsequently capitalised, were £5 million (2021: £5 million).

(e) Changes in the estimated future cost of decommissioning, related to commercial property, plant and equipment, are offset by matching changes in the value of the IAS 37 property, plant and equipment asset. An increase of £1 million was recognised in the year (2021: £5 million increase), see note 24.

(f) Impairment charges of £8 million were made during the year on assets at the end of their commercial usage (2021: NIL million)

Notes to the financial statements - continued

12. Investments in subsidiaries

Investments in subsidiaries are stated at cost less, where appropriate, provision for impairment.

Authority	2022 £m	2021 £m
Cost		
At 1 April	259	259
Additions	-	-
At 31 March	259	259
Impairment		
At 1 April	-	-
Reversal	-	-
At 31 March	-	-
Net book value at 1 April	259	259
Net book value at 31 March	259	259

Details of the Authority's subsidiaries at 31 March 2022 are as follows:

Name	Country of incorporation	Nature of business	Proportion of ordinary shares held by NDA %
Sellafield Limited	UK	Operation of nuclear licensed site	100
Magnox Limited	UK	Operation of nuclear licensed sites	100
Dounreay Site Restoration Limited (ii)	UK	Operation of nuclear licensed site	100
Low Level Waste Repository Limited (iii)	UK	Operation of nuclear licensed site	100
Radioactive Waste Management Limited	UK	Development of Geological Disposal Facility	100
International Nuclear Services France SAS (i)	France	Transportation of spent fuel	100
International Nuclear Services Japan KK (i)	Japan	Transportation of spent fuel	100
International Nuclear Services Limited (INS Limited)	UK	Contract management and the transportation of spent fuel, reprocessing products and waste	100
Direct Rail Services Limited	UK	Rail transport services within the UK	100
Pacific Nuclear Transport Limited (i)	UK	Transportation of spent fuel, reprocessing products and waste	72
NDA Archives Limited	UK	Operation of Nucleus – The Nuclear and Caithness Archive	100
NDA Properties Limited	UK	Property management	100
Rutherford Indemnity Limited	Guernsey	Nuclear insurance	100

(i) Ownership through International Nuclear Services Limited

(ii) On 1st April 2021 100% of the issued share capital of Dounreay Site Restoration Limited was acquired by the NDA from Cavendish Fluor Partnership Limited

(iii) On 13th July 2021 100% of the issued share capital of Low Level Waste Repository Limited was acquired by the NDA from UK Nuclear Waste Management Limited

The results of all of the above subsidiaries are included within these consolidated financial statements.

The NDA is a member of Energus, a company limited by guarantee registered in the UK, providing training facilities in support of the nuclear estate. NDA's liability is limited to £10.

The NDA is a member of North Highland Regeneration Fund Limited, a company limited by guarantee registered in Scotland and contributing to socio-economic development in the North Highland region. NDA's liability is limited to £100.

The NDA is a member of Energy Coast West Cumbria Limited, a company limited by guarantee registered in the UK and contributing to the economic regeneration of west Cumbria. NDA's liability is limited to £1.

Notes to the financial statements - continued

13. Recoverable contract costs

The NDA Authority and Group have commercial agreements in place under which some or all of the expenditure required to settle nuclear provisions will be recovered from third parties.

Recoverable contract costs comprise costs which were incurred before the revenue recognition period of each contract and which are amortised each year in line with revenue ('Historic costs' below) and costs which form part of the nuclear provision, which are restated each year for unwinding of discount and other changes in estimate, and released as they occur in each year ('Future costs' below).

NDA Group and Authority	2022 £m	2021 £m
Recoverable contract costs relating to nuclear provisions:		
Gross recoverable contract costs	6,626	4,895
Less applicable payments received on account (note 22)	(3,152)	(3,246)
Less associated contract loss provisions (note 25)	(404)	(202)
Total recoverable contract costs	3,070	1,447

The movements in the gross recoverable contract costs during the year are detailed in the table below:

NDA Group and Authority	2022			2021		
	Historic costs £m	Future costs £m	Total costs £m	Historic costs £m	Future costs £m	Total costs £m
Balance as at 1 April	1,414	3,482	4,896	1,516	3,571	5,087
Increase in year (see note 24)	-	2,050	2,050	-	117	117
Unwind of discount (see note 24)	-	(6)	(6)	-	(8)	(8)
Amortisation (see note 6)	(111)	-	(111)	(102)	-	(102)
Release in year (see note 24)	-	(203)	(203)	-	(199)	(199)
Balance as at 31 March	1,303	5,323	6,626	1,414	3,481	4,895

The historic costs within the above are deemed contract assets under IFRS 15.

The opening balances, amortisation in period and closing balances for each main contract type are:

NDA Group and Authority	Spent fuel reprocessing and associated waste management £m	Spent fuel receipt and management £m	2022 Total £m	Spent fuel reprocessing and associated waste management £m	Spent fuel receipt and management £m	2021 Total £m
Balance as at 1 April	883	531	1,414	955	561	1,516
Amortisation	(75)	(36)	(111)	(72)	(30)	(102)
Balance as at 31 March	808	495	1,303	883	531	1,414

Contract assets under IFRS15 are deemed financial instruments for the purposes of IFRS9 and therefore are ordinarily required to be reviewed for expected credit loss impairment. The above contract asset balances comprise costs which have been previously incurred and are now being amortised in each reporting period. They are not related to or dependent on the future payments still to be made under each contract and therefore a credit loss impairment is not required.

Notes to the financial statements - continued

14. Deferred taxation

Deferred tax liability not recognised

There were no unrecognised deferred tax liabilities at 31 March 2022 or 31 March 2021.

Deferred tax assets not recognised

The following deferred tax assets have not been recognised as the NDA does not anticipate a taxable surplus arising in the foreseeable future:

NDA Group	2022 £m	2021 £m
Tax losses	1,947	1,668
Accelerated capital allowances	636	629
Intangibles	6	6
Short term timing differences	-	-
Deferred tax asset at UK standard rate of Corporation Tax for 2022 of 19% (2021: 19%)	2,589	2,303

15. Inventories

Inventories are stated at the lower of cost and net realisable value. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the weighted average method. Net realisable value represents the estimated selling price less all estimated costs of completion and all costs to be incurred in marketing, selling and distribution.

Reprocessed uranic material is held at nil value, pending development of long term options and cost estimates for disposition of this material, and is disclosed as a contingent liability in note 28.

	NDA Group		Authority	
	2022 £m	2021 £m	2022 £m	2021 £m
Raw materials and consumables	30	24	17	15
Work-in-progress	37	45	-	-
Total inventories	67	69	17	15

The cost of raw materials and consumables recognised as an expense in the year was £61 million in Authority (2021: £42 million) and £67 million in NDA Group (2021: £48 million).

Work-in-progress recognised as an expense in the year in both Authority and NDA Group was £9 million (2021: £1 million).

During the 2020/21 financial year, as a result of a review of the application of the accounting policies for the valuation of inventories within the Authority accounts, a one off provisioning charge of £45 million was made in the period (see note 6).

Notes to the financial statements - continued

16. Financial instruments by category

The accounting classification of each category of financial instruments, and their carrying values, is set out in the following table:

	note	NDA Group		Authority	
		2022 £m	2021 £m	2022 £m	2021 £m
Financial assets at fair value through profit or loss (FVTPL):					
Other investments	18	588	547	-	-
Financial assets (FVTPL)		588	547	-	-
Financial assets at amortised cost:					
Non-current finance lease receivable	19	44	43	71	71
Non-current trade receivables	20	5	5	7	7
Non-current other receivables	20	2	1	3	3
Current trade and other receivables (a)	20	110	86	279	268
Current finance lease receivables	19	1	1	4	4
Cash and cash equivalents	21	109	199	26	125
Total financial assets at amortised cost		271	335	390	478

	note	NDA Group		Authority	
		2022 £m	2021 £m	2022 £m	2021 £m
Financial liabilities at amortised cost:					
Current trade and other payables (b)	22	(607)	(592)	(624)	(589)
Total financial liabilities at amortised cost		(607)	(592)	(624)	(589)

- a) Prepayments and VAT are excluded.
 b) Deferred income and amounts owed to HMRC (in Note 22, other taxes and social security) are excluded

Generally, financial assets and financial liabilities are generated by day-to-day operational activities and are not held to manage the risks facing the NDA in undertaking its activities. Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset and financial liability are disclosed in note 2.8.

The Group has a small number of Euro-denominated contracts which are not significant to the Financial Statements of the Group. This small currency risk is nonetheless still mitigated through the use of forward currency contracts placed with the Government Banking Service. The currency risk arising from overseas operations within the group is negligible. The Group is not exposed to any significant level of interest rate risk due to the absence of any commercial borrowings in its Statement of Financial Position.

The Group is exposed to a low level of price risk in respect of its energy trading operations. This risk is mitigated by the trading strategy employed which stipulates how far ahead of time energy products are purchased and sold. Due to the pricing structure and historical nature of reprocessing contracts, there is no significant exposure to price risk.

There is no significant exposure of the Group to liquidity risk due to the nature of its funding arrangement with BEIS. The NDA is required to place deposit deeds as collateral in respect of certain energy trading costs incurred. The collateral is included within current trade and other receivables in both the Authority and Group Statement of Financial Position. The value at the 31st March 2022 was less than £1 million (2021: less than £1 million). The risk of loss associated with these deposits is considered to be minimal.

In addition to this, a letter of credit is issued by a commercial bank on the NDA's behalf in favour of a certain supplier, with respect to energy trading costs. This does not give rise to a financial asset in the accounts of the NDA Authority or Group.

Notes to the financial statements - continued

17. Financial risk management

The NDA is financed by a combination of Government funding and commercial activities, and as such is not exposed to the degree of financial risk faced by other business entities. Consequently, financial instruments play a more limited role in creating and managing risk than would apply to a non-public sector body. It does however experience some degree of risk due to the variability of commercial income.

The NDA applies for funding as part of the Government Spending Review. This sets the annual expenditure limit net of the NDA's commercial income, derived largely from reprocessing and spent fuel and waste management contracts. The NDA is required to prioritise and allocate funding to deliver the required programme of work within this net limit, whilst mindful of the potential vulnerability of commercial income to plant breakdown. This is achieved through the use of an extensive reporting and control mechanism, which supports a portfolio based approach to managing the opportunities and risks within both the expenditure and commercial income. The approach has enabled the NDA to consistently control net expenditure within the prescribed limits set by the funding regime.

Commodity price risk

Commodity price risk is the risk or uncertainty arising from possible price movements and their impact on the commercial income and therefore ultimately on the funding requirements of the NDA.

The risk to the NDA in relation to electricity prices is not considered to be significant.

Credit risk

Credit risk is the risk that a counterparty will default on its contractual obligations resulting in financial loss to the NDA. This risk is managed through ongoing monitoring of the aging of receivables (for which expected credit loss impairments have been made under IFRS9). The Authority's contracts are almost entirely reprocessing and spent fuel and waste management contracts, for which the NDA is not taking on any new customers.

18. Other investments

	NDA Group		Authority	
	2022	2021	2022	2021
	£m	£m	£m	£m
NDA Group and Authority				
Bank deposits	91	86	-	-
Managed investments	497	461	-	-
Total Other Investments	588	547	-	-

Managed investments comprises of funds held within Rutherford Indemnity Limited in order to allow it to provide insurance for assets across the NDA estate.

19. Finance lease receivables

The NDA Group as lessor

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Where a sub-lease exists an assessment of the 'right of use asset' is undertaken rather than the underlying asset.

Amounts due from lessees under finance leases are recognised as receivables at the amount of the discounted rent receivable. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Authority's net investment outstanding in respect of the leases.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

Notes to the financial statements - continued

19. Finance lease receivables (continued)

	NDA Group		Authority	
	2022 £m	2021 £m	2022 £m	2021 £m
NDA Group and Authority				
Amounts receivable under finance leases:				
Not later than one year	2	2	4	4
Later than one year and not later than five years	6	6	14	13
Later than five years	169	171	195	199
	177	179	213	216
Less: unearned finance income	(130)	(133)	(136)	(139)
Present value of minimum lease payments receivable	47	46	77	77
Less: expected credit loss	(2)	(2)	(2)	(2)
Present value of minimum lease payments receivable after expected credit loss	45	44	75	75
Of which:				
Current	1	1	4	4
Non-current	44	43	71	71
	45	44	75	75
Amounts receivable under finance leases:				
Not later than 1 year	1	1	4	4
Later than 1 year and not later than 5 years	6	6	11	11
Later than 5 years	38	37	60	60
Present value of minimum lease payments receivable	45	44	75	75

The finance lease receivable relates to:

- Land and buildings of the Springfields Fuels operation which was disposed of to Westinghouse Electric UK Holdings Limited by way of a 150 year lease on 1 April 2010. The interest rate inherent in the lease was fixed at the contract date for all of the lease term. The average effective interest rate contracted approximates to 3.50% per annum.
- Certain land and buildings of the Capenhurst site which were disposed of to Urenco UK Limited on 29 November 2012 by way of a combination of freehold and leasehold sales. The interest rate inherent in the lease was fixed at the contract date for all of the lease term. The average effective interest rate contracted approximates to 3.50% per annum.
- The office building at Harwell is leased by the Authority and subsequently leased out to Radioactive Waste Management Limited on a back to back arrangement. This is treated as an inter-group sub-lease and is eliminated in the Group figures. The sub-lease was entered into in July 2019 on an 8 year term.
- Three office buildings leased by the Authority and subsequently leased to Sellafield Limited on a back to back arrangement with a total receivable value of £27 million (2021: £28 million). These leases are for a period of between 1 and 25 years at the transition date.

The finance lease receivable balance is secured over the assets leased. The NDA is not permitted to sell or re-pledge the collateral in the absence of default by the lessee.

The maximum exposure to credit risk of the finance lease receivable is the carrying amount. The Authority has assessed its expected credit loss on finance lease receivables as at the reporting date and determined that all amounts owed by parties outside of the NDA Group are assessed to have an expected credit loss of 5%.

Notes to the financial statements - continued

20. Trade and other receivables

NDA Group and Authority	NDA Group		Authority	
	2022 £m	2021 £m	2022 £m	2021 £m
Non-current:				
Prepayments	30	31	30	30
Trade receivables	5	5	7	7
Other receivables	2	1	3	3
Total non-current trade and other receivables	37	37	40	40
Current:				
Trade receivables	49	44	233	246
Accrued income	54	31	45	18
Other receivables	7	11	1	4
Prepayments	13	15	3	5
VAT	116	111	114	109
	239	212	396	382
Less: provision for expected credit loss	(2)	(1)	(2)	(1)
Current trade and other receivables	237	211	394	381

Non-current other receivables relate to lump sum payments made under early retirement arrangements to individuals working for subsidiaries who have retired early, or who have accepted early retirement, before 31 March 2022. These payments are refundable to the NDA from the appropriate pension scheme at or after the date on which the individual concerned would have reached normal retirement age.

Provision for expected credit loss

The Authority has assessed its expected credit loss on trade and other receivables as at the reporting date as follows:

- Amounts owed by UK Government departments are considered to have no expected credit loss, in accordance with FReM
- Amounts owed by entities in the NDA estate (subsidiaries and site licence companies) are considered to have no expected credit loss, based on the Authority's knowledge of the financial position and future operations of each company
- Amounts owed by all other entities have been subject to a probability weighted assessment based in the outcomes of default and no default.

Amounts past due (following table) include amounts owed by government departments, other NDA estate entities and other entities considered relatively low risk by the NDA, therefore the overall expected credit loss risk for these sums is assessed as being relatively low.

The assessment of expected credit loss on trade and other receivables in the reporting period resulted in an impairment charge of £1 million, see note 8 (2021: Impairment gain of £5 million).

Ageing of current trade receivables:

NDA Group and Authority	NDA Group		Authority	
	2022 £m	2021 £m	2022 £m	2021 £m
Neither impaired or past due	38	36	224	243
Not past due:				
Within 30 days	4	4	2	-
31 to 60 days	-	-	-	-
61 to 90 days	-	1	-	-
91 to 120 days	2	3	2	3
Over 120 days	5	-	5	-
Total	49	44	233	246

Notes to the financial statements - continued

21. Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits with an original maturity of three months or less, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

	2022			2021		Total £m
	Cash £m	Cash equivalents £m	Total £m	Cash £m	Cash equivalents £m	
NDA Group						
Balance as at 1 April	191	8	199	170	45	215
Net change	(89)	(1)	(90)	19	(35)	(16)
Balance as at 31 March	102	7	109	189	10	199

Balances at 31 March were held at:

Commercial banks	57	7	64	45	10	55
Government banking service	45	-	45	144	-	144
Balance as at 31 March	102	7	109	189	10	199

	2021			2020		Total £m
	Cash £m	Cash equivalents £m	Total £m	Cash £m	Cash equivalents £m	
Authority						
Balance as at 1 April	125	-	125	95	-	95
Net change	(99)	-	(99)	30	-	30
Balance as at 31 March	26	-	26	125	-	125

Balances at 31 March were held at:

Commercial banks	-	-	-	-	-	-
Government banking service	26	-	26	125	-	125
Balance as at 31 March	26	-	26	125	-	125

Notes to the financial statements - continued

22. Trade and other payables

	NDA Group		Authority	
	2022 £m	2021 £m	2022 £m	2021 £m
Current:				
Trade payables	137	34	225	109
Receipts to surrender to Consolidated Fund	8	20	8	20
Other payables	31	9	1	-
Accruals	431	529	390	460
	607	592	624	589
Other taxes and social security	86	63	2	2
Payments received on account	643	454	637	447
Deferred income	3	5	3	2
Current trade and other payables	1,339	1,114	1,266	1,040
Non-current:				
Payments received on account	1,625	1,503	1,625	1,503
Other payables	8	-	-	-
Non-current trade and other payables	1,633	1,503	1,625	1,503
	NDA Group		Authority	
	2022 £m	2021 £m	2022 £m	2021 £m
Movements on gross payments received on account:				
Balance at 1 April per accounts	5,203	5,287	5,196	5,281
Revalorisation	461	61	461	61
Cash received	279	300	279	300
Released to income	(523)	(445)	(522)	(446)
Balance at 31 March	5,420	5,203	5,414	5,196
Gross payments on account at 31 March	5,420	5,203	5,414	5,196
Deduction of recoverable contract costs (see note 13)	(3,152)	(3,246)	(3,152)	(3,246)
Net payments received on account at 31 March	2,268	1,957	2,262	1,950
Of which:				
Current	643	454	637	447
Non-current	1,625	1,503	1,625	1,503
	2,268	1,957	2,262	1,950

Trade and other payables and accruals principally comprise amounts outstanding for trade purchases and ongoing costs. The NDA has procedures in place to ensure that all payables are paid within the pre-agreed credit terms.

Payments received on account relate to amounts which customers have paid for the provision of services under long-term contracts. These payments will be recognised as income when the services are provided. Payments received on account are shown net after deduction of any applicable recoverable contract costs (see note 13). Payments on account not yet recognised as revenue are adjusted for inflation each year (known as revalorisation).

Payments on account balances are deemed as contract liabilities under IFRS15.

Notes to the financial statements - continued

23. Lease liabilities

The NDA Group as lessee

For any new contracts entered into on or after 1 April 2019, the Authority considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'. To apply this definition the Authority assesses whether the contract meets three key evaluations which are whether:

- The contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Authority
- The Authority has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract
- The Authority has the right to direct the use of the identified asset throughout the period of use

Measurement and recognition of leases as a lessee

At lease commencement date, the Authority recognises a right-of-use asset and a lease liability on the balance sheet.

The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Authority, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

The Authority depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Authority also assesses the right-of-use asset for impairment when such indicators exist.

At the commencement date, the Authority measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Group's incremental borrowing rate as dictated by HM Treasury.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in fixed payments. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset or profit and loss if the right-of-use asset is already reduced to zero.

The Authority has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognising a right-of-use asset

and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight-line basis over the lease term.

Initial direct costs incurred in negotiating and arranging a lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

The lease term determined by the Authority comprises a non-cancellable period of a lease contract, periods covered by an option to extend the lease if the Authority is reasonably certain not to exercise that option. The Authority has benefitted from the use of hindsight for determining the lease term when considering options to extend and terminate leases.

The Authority has entered into commercial leases for land and buildings; motor vehicles; locomotives / rolling stock; and plant and equipment. With the exception of short term leases and leases of low-value underlying assets, each lease is reflected on the balance sheet as a Right of Use Asset and a Lease Liability. Right of Use assets and the underlying asset class to which they relate are shown at note 11. Variable lease payments which do not depend on an index or a rate are excluded from the initial measurement of the lease liability and asset.

The leases for land and buildings have remaining durations of between one and 25 years.

The leases for motor vehicles have durations up to a period of four years.

The leases for locomotives and rolling stock have remaining durations of between one and five years.

The leases for plant and equipment have durations up to a period of four years.

Each lease generally imposes a restriction that, unless there is a contractual right for the Authority to sublet the asset to another party, the right-of-use asset can only be used by the Authority. Leases are either non-cancellable or may only be cancelled by incurring a termination fee. The Authority is prohibited from selling or pledging the underlying leased assets as security. In general leases dictate that the authority must keep those assets in a good state of repair and return the assets in their original condition at the end of the lease allowing for normal wear and tear. Further, the Authority must insure items of property, plant and equipment and incur maintenance fees on such items in accordance with the lease contracts.

The Authority has leases of land and buildings, vehicles and plant and equipment with lease terms of 12 months or less and leases of office equipment of low value. The Authority applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases as permitted by IFRS16.

Notes to the financial statements - continued

23. Lease liabilities (continued)

The undiscounted maturity analysis of lease liabilities as at 31 March 2022 is as follows:

	NDA Group		Authority	
	2022 £m	2021 £m	2022 £m	2021 £m
Lease liabilities				
Not later than one year	25	26	3	2
Later than one year and not later than five years	46	45	12	7
Later than five years	15	16	32	28
Total cash payments	86	87	47	37
Less amount representing interest	(7)	(8)	(7)	(7)
Present Value of lease liability	79	79	40	30
Of which:				
Current	24	25	3	1
Non-current	55	54	37	29
	79	79	40	30

Depreciation charged on right-of-use assets during the year (also shown at note 11)	33	33	-	-
Expenses relating to short-term leases	(1)	(1)	(1)	(1)
Expenses relating to leases of low-value assets	-	-	-	1
Interest expense on leases liabilities	(1)	(2)	(1)	(1)
Total cash outflow for leases	(28)	(28)	(3)	(4)
of which low value or short term	(1)	(1)	(1)	(1)
Variable lease costs expensed (where not included in the ROUA and lease liability)	-	-	-	-
Income from sub-leasing	8	9	2	3
Gains/losses from sale and leaseback transactions	n/a	n/a	n/a	n/a

Notes to the financial statements - continued

24. Nuclear provisions

The financial statements include provisions for the NDA's obligations in respect of nuclear liabilities, being the costs associated with the nuclear decommissioning of designated sites. These are the licensed nuclear sites designated to the NDA by the Secretary of State under powers provided by the Energy Act 2004 and operated by the SLCs. These provisions are based on the latest assessments of the processes and methods likely to be used in the future, and represent best estimates of the amount required to discharge the relevant obligations. The NDA's obligations are reviewed on a continual basis and provisions are updated accordingly.

Where some or all of the expenditure required to settle a provision is expected to be recovered from a third party, in accordance with IAS 37 'Provisions, Contingent Liabilities and Contingent Assets', the recoverable amount is treated as a non-current asset. Provision charges in the Statement of Comprehensive Net Expenditure are shown net of changes in the amount recoverable from customers. Provision changes are accounted for in the year in which they arise.

The nuclear provision and recoverable balances are expressed at current price levels and discounted in accordance with guidance issued by HM Treasury. In reporting periods up to and including 2017/18 HM Treasury determined a real terms discount rate to be applied in calculating provisions. A real terms rate combines a nominal discount rate and an implied inflation rate.

From 2018/19 onwards guidance issued by HM Treasury determines a nominal discount rate, and recommends (in what is termed a rebuttable presumption) an implied inflation rate based on forecasts of Consumer Price Index (CPI) inflation made by the Office of Budget Responsibility (OBR). Reporting entities are able to select and apply an implied inflation rate which differs from the recommended rate where this can be demonstrated to be clearly more applicable to the underlying nature of the entity's cash flows.

The Authority has determined that, based on inflation experienced in its cash flows in recent years and future expectations, the implied inflation rate recommended by HM Treasury is appropriate for use in calculating its provisions.

The rates applied in the 2021/22 accounts are shown in the table below (rates per annum).

Provision movement expenditure in the Statement of Comprehensive Net Expenditure includes the adjustments necessary to unwind one year's discount and restate the liabilities to current price levels. The movement also includes the adjustments arising from the change in discount rates described above.

	Time period	Nominal discount rate	Implied inflation rate	Real terms discount rate	Equivalent rate in 2020/21
Short term	Year one	0.47%	4.00%	-3.53%	-1.22%
Short term	Year two	0.47%	2.60%	-2.13%	-1.62%
Short term	Years three-five	0.47%	2.00%	-1.53%	-2.02%
Medium term	After five and up to and including ten years	0.70%	2.00%	-1.30%	-1.82%
Long term	After ten and up to and including 40 years	0.95%	2.00%	-1.05%	-1.01%
Very long term	Exceeding 40 years	0.66%	2.00%	-1.34%	-0.01%

Notes to the financial statements - continued

24. Nuclear provisions (continued)

NDA Group and Authority	NDA Group		Authority	
	2022 £m	2021 £m	2022 £m	2021 £m
Balance at 1 April	135,220	134,746	135,763	134,868
Provided for in the year (a), charged to:				
Statement of Comprehensive Net Expenditure (note 7)	102,447	3,729	102,447	3,729
Recoverable contract costs (b) (note 13)	2,050	117	2,050	117
Unwind of discount (c), charged to:				
Statement of Comprehensive Net Expenditure (note 7)	(81)	(7)	(81)	(7)
Recoverable contract costs (b) (note 13)	(6)	(8)	(6)	(8)
Decommissioning costs utilised in year (d) (note 7)	(2,993)	(2,737)	(2,993)	(2,737)
Recoverable contract costs released in year (b) (note 13)	(203)	(199)	(203)	(199)
In-year Group provision adjustment - Sellafield Limited (e) (note 7)	129	(203)	-	-
In-year Group provision adjustment - Magnox Limited (e) (note 7)	217	(223)	-	-
Opening Group provision adjustment - Dounreay Site Restoration Limited (e)	(60)	-	-	-
In-year Group provision adjustment - Dounreay Site Restoration Limited (e) (note 7)	11	-	-	-
Opening Group provision adjustment - Low Level Waste Repository Limited (e)	(18)	-	-	-
In-year Group provision adjustment - Low Level Waste Repository Limited (e) (note 7)	4	-	-	-
Provision changes impacting PPE (f) (note 11)	1	5	-	-
Total change in provision	101,498	474	101,214	895
Balance at 31 March	236,718	135,220	236,977	135,763
Of which:				
Current (nuclear provision)	3,268	3,142	3,268	3,142
Non-current (nuclear provision)	233,450	132,078	233,709	132,621
	236,718	135,220	236,977	135,763

(a) Changes in the cost estimates of discharging the nuclear provision (representing increase or decrease in future decommissioning costs) are charged to the adjustments to provisions in the Statement of Comprehensive Net Expenditure. This charge includes the impact of restating liabilities from March 2021 values to current price levels. The overall increase in the provision was £101,498 million (2021: £474 million increase) of which the Authority estimates that £6,416 million related to changes in price levels (2021: £1,384 million).

The change in discount rates (see table on the previous page) in the current financial year produced an increase of £84,046 million (2021: £697 million increase).

The undiscounted value of the nuclear provision is £149 billion (2021: £132 billion). The effect of applying discounting is £88 billion (2021: £4 billion). The discounted value of the nuclear provision is currently higher than the undiscounted value due to the real terms discount rates being negative (see page 185).

An increase of 0.5% in the discount rate (producing a less negative, or more positive, discount rate) would reduce the provision to £195 billion (2021: £117 billion), whilst a decrease in discount rate of 0.5% (producing a more negative, or less positive, discount rate) would increase the provision to £293 billion (2021: £159 billion).

Critical accounting judgements and key sources of estimation uncertainty relating to the nuclear provision are outlined in note 3.

(b) The NDA has commercial agreements in place under which a portion of the expenditure required to settle certain elements of the nuclear provision are recoverable from third parties. Changes in the future cost estimates of discharging those elements of the nuclear provision are therefore matched by a change in future recoverable contract costs. In accordance with IAS 37, these recoverable amounts are not offset against the Nuclear Provision but are treated as a separate asset. The amount recoverable at 31 March 2022 (NDA Group and Authority) is £5,323 million (2021: £3,481 million) – the 'future costs' balance in note 13.

(c) The discount implicit in recognising nuclear provisions is unwound over the life of the provisions, with the impact of the unwind of one years' discount shown in adjustments to provisions in the Statement of Comprehensive Net Expenditure at £81 million (2021: £7 million) and reflected in the change in value of the recoverable contract costs at £6 million (2021: £8 million).

Notes to the financial statements - continued

(d) A total of £3,196 million (2021: £2,936 million) has been released from the nuclear provision in the year to 31 March, being the amount provided for that year as at 31 March 2021, adjusted for price changes, and of which:

- £2,993 million was released to the Statement of Comprehensive Net Expenditure (2021: £2,737 million).
- £203 million was released against the recoverable contract costs balance (2021: £199 million).

The amount provided for the year is based on an estimate of the Authority's expenditure in fulfilling its decommissioning liabilities in the period. The Authority's total expenditure (described in the Financial Summary section of the Annual Report) totalled £3,472 million (2021: £3,059 million) and differs from the amount provided in the year for the following reasons:

- Certain categories of expenditure including the Authority's running costs, some commercial costs and those costs accounted for in other provisions are excluded from the nuclear provision.
- Actual expenditure on fulfilling the decommissioning liabilities in the year may differ from the initial estimate used in the provision due to variances in cost and schedule.

Further information on the Authority's financial performance in the reporting period is shown in the Financial Review on pages 18 to 19, and in the Financial Summary on pages 135 to 137. Further information on the Group's progress against mission progress targets is shown on pages 29 to 36 and information on performance against activities shown on pages 200 to 238.

Expenditure on fulfilling the Authority's decommissioning liabilities includes the creation of buildings, plant and equipment for use in future periods. The Authority recognises such items as property plant and equipment where they are deemed to generate material economic benefits through their use in income generating activities. The Authority's criteria for recognition and the resulting additions of non-current assets are detailed in note 11. In the reporting period assets which generate material economic benefits were created by the Authority only at the Sellafield site.

In the reporting period expenditure on buildings, plant and equipment at the Sellafield site totalled £670 million (2021: £563 million). Expenditure of buildings, plant and equipment which met the criteria for recognition as non current assets totalled £5 million (2021: £5 million) and is included in the additions in note 11. The remaining £665 million (2021: £558 million) was incurred on buildings, plant and equipment which were created primarily to fulfil the Authority's decommissioning liabilities. This amount was charged to the Statement of Comprehensive Net Expenditure and the estimated cost previously provided was released from the nuclear provision.

Examples of the buildings, plant and equipment created primarily for the fulfilment of the Authority's decommissioning liabilities are contained in Appendix B of the Annual Report and Accounts.

e) An adjustment is made for net pension deficits/surpluses which are already implicitly included in the nuclear provision and so are deducted here. The group provision adjustments made within the reporting period consists of the in-year movements in the respective net pension deficit/surplus at Sellafield Limited and Magnox Limited and the opening balances of the net pension deficit/surplus for Dounreay Site Restoration Limited and Low Level Waste Repository Limited as well as their subsequent in-year movement.

The in-year movement at Sellafield Limited is a decrease in the deficit of £129 million (2021: increase of £203 million).

The in-year movement at Magnox Limited is a decrease in the deficit of £217 million (2021: increase of £223 million).

The in-year movement at Dounreay Site Restoration Limited is a decrease in the deficit of £11 million.

The in-year movement at Low Level Waste Repository Limited is a decrease in the deficit of £4 million.

(f) Changes in the estimated future cost of decommissioning, related to commercial property, plant and equipment, are offset by matching changes in the value of the IAS 37 property, plant and equipment asset. An increase of £1 million was recognised in the year (2021: £5 million increase).

Notes to the financial statements - continued

24. Nuclear provisions (continued)

Analysis of expected timing of discounted cash flows for the NDA Group nuclear provision is as follows:

NDA Group					2022	2021
	Sellafield £m	Waste £m	NWS £m	NTS £m	Total £m	Total £m
Within 1 year	2,340	758	167	-	3,265	3,142
2–5 years	11,149	3,289	754	11	15,203	14,255
6–20 years	38,275	10,925	5,093	89	54,382	42,960
21–50 years	56,718	14,870	5,792	-	77,380	44,919
After 50 years	68,112	4,522	14,140	-	86,774	30,513
	176,594	34,364	25,946	100	237,004	135,789
Deduction in respect of pension deficits (e)					(286)	(569)
Total NDA Group					236,718	135,220
Sensitivity:						
Increase	187,245	3,387	55,059	4		
Reduction	(31,208)	(3,604)	(9,075)	(7)		

The NDA calculates its provision based on management's best estimate of the future costs of the decommissioning programme, which is expected to take until 2137 to complete. The NDA also considers credible risks and opportunities which may increase or decrease the cost estimate, but which are deemed less probable than the best estimate. These are the basis of the sensitivities identified above, and the key sensitivities are as follows:

- Waste activities cover the Geological Disposal Facility (GDF), the Low Level Waste Repository, and activities at the Springfields and Capenhurst sites with the key sensitivities being in the timing and costs of constructing and operating the GDF. The above range from a reduction of £9,075 million to an increase of £55,059 million reflects three separate sensitivities:
 1. The potentially higher costs of constructing and operating the GDF itself, which dependent on the location and construction requirements of the facility, could be up to £51,732 million higher (or £8,662 million lower) than the base case assumption
 2. The impact of the timing of the facility's construction and operations. The current planned date for the facility to receive waste is 2045. NDA has identified a risk that the construction and opening of the facility may be delayed beyond 2045 (see the Governance Statement on page 64). A delay to this date may increase the cost of the facility itself, along with the cost of interim storage of waste at sites across the NDA estate. A delay of a small number of years is considered to be within the overall tolerance of the estimate for GDF construction and waste transfer, and is not considered to have a material impact on the provision estimate
 3. A longer delay of say 20 years could materially impact the provision, by approximately £2,100 million. A delay of 20 years would not necessarily increase the underlying costs of the facility, but would increase the discounted value of the estimate by approximately £1,000 million due to the effect of long-term negative discount rates
- Sellafield represents activities associated with operation of the site, reprocessing and eventual decommissioning, and includes all site overheads. Principal sensitivities are around the cost of delivering the plan, particularly the costs of new construction, decommissioning and post operational clean out (POCO) work in the long-term (beyond the next twenty years). The potential costs range from a £31,208 million reduction against the current estimate, to a £187,245 million increase.
- The programme of work at the Magnox sites and Dounreay includes preparing for interim care and maintenance followed by final site clearance. The main cost risk is in the decommissioning of the Magnox sites for which a 10% variation would increase or decrease costs by £3,170 million. A one year acceleration or deceleration in the interim end state date for Dounreay would decrease or increase costs by £217 million.

Notes to the financial statements - continued

25. Other provisions

	Restructuring (a) 2022	Contract loss (b) 2022	Other (c) 2022	Total 2022	Restructuring 2021	Contract loss 2021	Other 2021	Total 2021
	£m	£m	£m	£m	£m	£m	£m	£m
NDA Group								
Balance at 1 April	67	202	52	321	68	401	37	506
Provided in year	(2)	711	(3)	706	6	(120)	14	(100)
Released in year	(7)	(72)	-	(79)	(7)	(73)	-	(80)
Unwind of discount	(1)	(4)	-	(5)	-	(6)	1	(5)
Balance at 31 March	57	837	49	943	67	202	52	321
Amount deducted from recoverable contract costs (note 13)	-	(404)	-	(404)	-	(202)	-	(202)
Net balance at 31 March	57	433	49	539	67	-	52	119
of which:								
Current				12				14
Non-current				527				105
				539				119
	Restructuring (a) 2022	Contract loss (b) 2022	Other (c) 2022	Total 2022	Restructuring 2021	Contract loss 2021	Other 2021	Total 2021
	£m	£m	£m	£m	£m	£m	£m	£m
Authority								
Balance at 1 April	67	202	-	269	68	400	-	468
Provided in year	(2)	711	-	709	6	(120)	-	(114)
Released in year	(7)	(72)	-	(79)	(7)	(72)	-	(79)
Unwind of discount	(1)	(4)	-	(5)	-	(6)	-	(6)
Balance at 31 March	57	837	-	894	67	202	-	269
Amount deducted from recoverable contract costs (note 13)	-	(404)	-	(404)	-	(202)	-	(202)
Net balance at 31 March	57	433	-	490	67	-	-	67
of which:								
Current				6				7
Non-current				484				60
				490				67

(a) Restructuring provisions have been recognised to cover continuing annual payments to be made under early retirement arrangements to individuals working for subsidiaries who retired early, or had accepted early retirement, before 31 March 2022. These payments continue at least until the date at which the individual would have reached normal retirement age. Lump sums paid to individuals on retirement are held as receivables (included in Note 20), since they are refundable to the NDA from the appropriate pension scheme at or after the date on which the individual concerned would have reached normal retirement age.

(b) Contract loss provisions have been recognised to cover the anticipated shortfall between total income and total expenditure on relevant long-term contracts. The above balances are shown net after deduction from any applicable recoverable contract costs (see note 13). The amount provided in the year for the contract loss provision relates to changes in estimates of the costs of existing contracts.

(c) Includes provisions for potential insurance claims and maintenance requirements.

Notes to the financial statements - continued

26. Retirement benefit schemes

The NDA Group has a range of pension schemes including both defined contribution and defined benefit plans.

Defined contribution schemes

For defined contribution schemes the amount charged to operating costs is the contributions payable in the year. NDA and RWM employees have pension benefits provided through the Civil Service pension arrangements. From 1 April 2015 a new pension scheme for civil servants was introduced – the Civil Servants and Others Pension Scheme or Alpha, which provides benefits on a career average basis with a normal pension age equal to the member's State Pension Age (or 65 if higher, details are described on page 117). Prior to that date, NDA and RWM employees participated in the Principal Civil Service Pension Scheme (PCSPS). Further information on the PCSPS and Alpha pension schemes can be found within the notes to the Remuneration and People Report on pages 116 to 118.

Both Alpha and the PCSPS are unfunded multi-employer defined benefit schemes in which the NDA and RWM are unable to identify their share of the underlying assets and liabilities. The scheme actuary valued the scheme as at 31 March 2016 and details can be found in the resource accounts of the Cabinet Office: Civil Superannuation at <http://www.civilservicepensionscheme.org.uk/about-us/resource-accounts/>. The next actuarial valuation has not yet been completed. In accordance with guidance issued by HM Treasury, the Civil Service pension arrangements are accounted for as a defined contribution scheme in these financial statements.

Direct Rail Services Limited (DRS), International Nuclear Services Limited (INS), Sellafield Limited, Dounreay Site Restoration Limited (DSRL), LLW Repository Limited (LLWR) and Magnox Limited employees joining after the closure date of their respective defined benefit scheme (see below) participate on a defined contribution basis in the Combined Nuclear Pension Plan (CNPP).

A small number of employees transferred to the NDA from INS in 2018 and continue to accrue benefits in the United Kingdom Atomic Energy Authority (UKAEA) Combined Pension Scheme. The NDA is unable to identify their share of the underlying assets and liabilities and NDA's participation in the UKAEA Combined Pension Scheme is accounted for as if they were defined contribution schemes, as permitted under IAS 19.

INS employees participate in the UKAEA Combined Pension Scheme, the CNPP and the Magnox Electric Group section of the Electricity Supply Pension Scheme. Participation in these schemes is in sections with other employers and INS is unable to identify its share of the underlying assets and liabilities. Consequently INS's participation in these schemes is accounted for as if they were defined contribution schemes, as permitted under IAS 19. INS's contributions to these schemes are assessed as part of regular actuarial valuations of those schemes and will vary in line with the funding position of the relevant scheme. Pacific Nuclear Transport Limited (PNTL) participates in the following industry wide defined contribution schemes:

- The ENSIGN Retirement Plan; and
- The Merchant Navy Ratings' Group Personal Pension Plan (MNRGPPP)

The National Employment Savings Trust (NEST) is an auto enrolment scheme set up by the Government. There is a small number of NDA Group employees who have exhausted their participation in their respective pension schemes and have been auto enrolled into NEST.

The total cost charged to expenditure of £32,522,000 (2021: £36,205,000) represents contributions payable to these schemes by the Group at rates specified in the rules of the schemes. No contributions were outstanding at this or the previous year end.

Defined benefit schemes

The Group participates in various pension schemes which are accounted for as defined benefit schemes.

The liability recognised in the statement of financial position is the present value of the defined benefit obligation at the reporting date less the fair value of scheme assets, together with any adjustments for unrecognised past service costs. Any amounts recoverable from third parties are recognised as separate assets.

The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high quality corporate bonds that have terms to maturity approximating to the terms of the related pension liability.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited in other comprehensive income in the period in which they arise. Past service costs are recognised immediately in operating costs to the extent that the benefits are already vested, and otherwise are amortised on a straight-line basis over the average period until the benefits become vested. The interest cost and the expected return on assets are shown as a net amount of interest costs.

Pension scheme assets are recognised to the extent that they are recoverable and pension scheme liabilities are recognised to the extent that they reflect a constructive or legal obligation.

GPS DRS section of the CNPP

DRS participates in the GPS DRS section of the CNPP, a defined benefit (final salary) funded pension scheme. The defined benefit structure was available to all DRS employees until 31 March 2008 when it was closed to new entrants.

Nirex section of the CNPP

The Nirex section of the CNPP is a defined benefit (final salary) funded pension scheme. The Nirex section was closed to new entrants on 1 April 2007 and has no active members.

Notes to the financial statements - continued

26. Retirement benefit schemes (continued)

Closed section of the CNPP

On the disposal of the Springfields Fuels operation the NDA took over direct responsibility of the pension liability within the Springfields Fuels section of the CNPP on 1 April 2010. The Closed section (formerly the Springfields Fuels Section) of the CNPP is a defined benefit (final salary) funded pension scheme. The Closed section was closed to new entrants and further accrual on 31 March 2010.

Sellafield and GPS SLC sections of the CNPP

Sellafield Limited participates in the Sellafield and GPS SLC sections of the CNPP, a defined benefit (final salary) funded pension scheme. The defined benefit structure was available to all Sellafield Limited employees up to 24 November 2008 when it was closed to new entrants.

Magnox section of the CNPP and Magnox Electric Group section of the Electricity Supply Pension Scheme

Magnox Limited participates in the Magnox and GPS SLC sections of the CNPP and the SLC section of the Magnox Electric Group section of the Electricity Supply Pension Scheme which is defined benefit (final salary) funded pension scheme. The defined benefit structure was available to all Magnox Limited employees up to 26 June 2007 (or 1 November 2009 for former employees of Research Sites Restoration Limited) when it was closed to new entrants.

LLWR section of the CNPP

LLW Repository Limited participates in the LLWR section of the CNPP which is defined benefit (final salary) funded pension scheme. The defined benefit structure was available to all LLW Repository Limited employees up to 1 April 2008 when it was closed to new entrants.

DSRL section of the CNPP

DSRL participates in the DSRL section of the CNPP which is defined benefit (final salary) funded pension scheme. The defined benefit structure was available to all DSRL employees up to 1 November 2009 when it was closed to new entrants.

Merchant Navy Officers Pension Fund (MNOFF)

PNTL employees participate in the Merchant Navy Officers Pension Fund (MNOFF). The MNOFF is an industry wide defined benefit (final salary) funded pension scheme. The scheme was closed on 1 November 1996. All costs relating to 'Pacific' vessels are recoverable under contract from customers and hence a recoverable amount is recognised to offset the related pension scheme deficit.

Merchant Navy Ratings Pension Fund (MNRPF)

PNTL employees participate in the Merchant Navy Ratings Pension Fund (MNRPF). The MNRPF is an industry wide defined benefit (final salary) funded pension scheme. The scheme was closed on 31 May 2001. The liabilities of the scheme have been capped at the level of benefits accrued to employees at the closure date, subject to adjustment for future actuarial valuations. All costs relating to 'Pacific' vessels are recoverable under contract from customers and hence a recoverable amount is recognised to offset the related pension scheme deficit.

In relation to the CNPP and Magnox Electric Group section of the Electricity Supply Pension Scheme it is noted that:

- the scheme is sectionalised and individual sections cannot be liable for any other sections' obligations under the rules of the scheme
- there is no agreed allocation of any surplus or deficit should a participating employer withdraw from the scheme or on wind up. In such an event the participating employer's obligations would be subject to negotiation with the scheme trustees in light of the funding position of the scheme at that time
- The aggregate average duration of the CNPP obligation is 25 years (2021: 25 years), although this differs slightly by section. For those sections within NDA Authority, the aggregate average duration is 20 years (2021: 20 years).
- The aggregate average duration of the Magnox Electric Group section of the electricity supply pension scheme obligation is 16 years

In relation to the Merchant Navy schemes, whilst the schemes are sectionalised they operate on a 'last person standing' basis such that a participating employer can become liable for part of the obligations of another participating employer should that employer withdraw from the scheme with underfunded obligations. The average duration of the Merchant Navy schemes obligations is 13 years (2021: 14 years).

Actuarial valuations for the various defined benefit schemes referred to above are performed on a triennial basis with 'roll forward' valuations performed in intervening years. Accordingly the relevant valuations have been updated at 31 March 2022 by independent actuaries using assumptions that are consistent with the requirements of IAS 19 and the results of those calculations have been incorporated in the figures below. Investments have been valued for this purpose at fair value.

Risks associated with the Group's defined benefit schemes
The defined benefit schemes expose the Group to a number of risks such as:

Changes in bond yields

Pension liabilities are calculated using discount rates linked to bond yields which are subject to volatility. In order to mitigate this risk the schemes hold a proportion of their assets in bonds, which provide a hedge against falling bond yields.

Investment risk

Some asset classes such as equities, which are expected to provide higher returns over the long term, are subject to short term volatility and may lead to deficits if assets underperform the discount rate used to calculate future liabilities. The allocation to such assets is monitored to ensure it remains appropriate given the schemes' long-term objectives.

Inflation risk

Since most of the scheme liabilities are indexed in line with price inflation, higher than assumed levels of inflation will increase the liabilities. In order to mitigate this risk the schemes hold a proportion of their assets in index-linked bonds.

Longevity risk

Increases in life expectancy will result in an increase in liabilities.

Notes to the financial statements - continued

26. Retirement benefit schemes (continued)

Other risks

There are a number of other risks involved in sponsoring defined benefit schemes including operational risks and legislative risks. The scheme trustees regularly assess these risks as part of their ongoing governance process.

The Merchant Navy Ratings Pension Fund Trustee became aware in 2018 of legal uncertainties relating to the ill-health early retirement benefits payable from the fund since the early 1990s. It is possible that the issue could result in significant additional benefit liabilities for the fund. The Trustee is seeking directions from the Court. No allowance has been made for the potential liabilities that could possibly arise.

NDA Group

Employee benefit obligations

The amounts recognised in the Statement of Financial Position are as follows:

	2022 £m	2021 £m
Benefit obligations	7,019	6,745
Fair value of scheme assets	(6,820)	(6,177)
Deficit in schemes	199	568
Unrecognised asset under IAS 19 para 64b	81	8
Receivable from third parties	-	-
Net deficit recognised in schemes	280	576

Statement of Comprehensive Net Expenditure

The amounts recognised in the Statement of Comprehensive Net Expenditure are as follows:

	2022 £m	2021 £m
Current service cost	207	160
Past service cost	-	6
Net interest on net defined benefit (DB) assets/liabilities	13	3
Net cost in SoCNE	220	169
Actuarial (gain)/loss	(450)	366
Movement in unrecognised asset under IAS 19 para 64b	73	6
Receivable from third parties	-	-
Actuarial (gain)/loss recognised in OCE	(377)	372

Changes in the present value of the defined benefit obligations

The amounts recognised in the Statement of Financial Position are as follows:

	2022 £m	2021 £m
Opening defined benefit obligation	6,745	5,785
Acquisition of Dounreay Site Restoration Limited	196	-
Acquisition of Low Level Waste Repository Limited	52	-
Current service cost	207	160
Past service cost	-	6
Net interest on scheme liabilities	140	129
Employee contributions	18	17
Actuarial (gain)/loss	(112)	876
Benefits paid	(227)	(228)
Closing defined benefit obligation	7,019	6,745

Notes to the financial statements - continued

26. Retirement benefit schemes (continued)

Changes in the fair value of the scheme assets are as follows:

	2022 £m	2021 £m
Opening fair value of scheme assets	6,177	5,637
Acquisition of Dounreay Site Restoration Limited	136	-
Acquisition of Low Level Waste Repository Limited	34	-
Interest income on scheme assets	127	126
Actuarial gain/(loss)	338	510
Employer contributions	217	115
Employee contributions	18	17
Benefits paid	(227)	(228)
Closing fair value of scheme assets	6,820	6,177

Changes in the value of unrecognised assets under IAS 19 para 64b are as follows:

	2022 £m	2021 £m
Opening value of unrecognised assets	8	2
Movement in unrecognised assets	73	6
Closing value of unrecognised assets	81	8

Estimated expected employer contributions over the next financial year are as follows:

	2022 £m	2021 £m
Contributions including deficit repair payments	136	150

The major categories of plan assets as a percentage of total scheme assets are as follows:

	2022 %	2021 %
Equities	22	21
Property	11	9
Fixed interest gilts	-	-
Index linked gilts	10	7
Corporate bonds	6	11
Hedge funds	-	-
Credit investment	19	9
LDI fund	20	22
Other growth assets	9	20
Cash/other	3	1
Total	100	100

Principal actuarial assumptions at the date of the SOFP (expressed in weighted averages):

	2022 %	2021 %
Discount rate	2.60-2.65	2.00
Future salary increases*	3.30-3.90	0.00-3.15
Rate of increase of pensions in payment	3.45-3.80	2.70
Rate of increase of pensions in deferment	3.20-3.80	2.40-2.70
Retail Price Inflation	3.45-3.80	3.00
Life expectancy for a male pensioner aged 65 (in years)	21.80	21.80
Life expectancy for a male non-pensioner currently aged 45 from age 65 (in years)	22.80	22.80

*for those schemes with members accruing benefits future salary increases for 2022 are assumed to be between 3.30% and 3.80% in the first year, and then between 3.30% and 3.90% thereafter.

Notes to the financial statements - continued

26. Retirement benefit schemes (continued)

Mortality assumption

2022

MNOPF: S3PA (S3PA-H for female spouses), CMI 2020, long term rate of 1.8% p.a., 107% weighting for normal health members and male spouses, 88% for female spouses

MNRPF: S2IA, CMI 2020, long term rate of 1.6% p.a. (weighting 84% for normal health male members, 96% for female spouses)

Magnox Electric: 95%(pensioner)/100% (non-pensioner) of the S2PXA tables with CMI 2020 projections (SK=7.0, A=0.5) and a long term rate of improvement of 1.0% p.a.

All others: 110% S3P SAPS base tables, CMI 2020 projections with a long term trend of 1.25% p.a.

2021

MNOPF: S2PA, CMI19 projections, 1.0% trend (weightings as adopted at the last valuation of the Fund), Sk 7.0 and a 0.0% initial addition

MNRPF: S2IA, CMI19 projections, 1.0% trend (weightings as adopted at the last valuation of the Fund), Sk 7.0 and a 0.0% initial addition

Magnox Electric: 95%(pensioner)/100% (non-pensioner) of the S2PXA tables with CMI 2020 projections (SK=7.0, A=0.5), 1.0% trend

All others: 110% S3P SAPS CMI19 projections, 1.25% trend

	2022	2021
	£m	£m
Experience adjustments on plan liabilities	29	176
Experience adjustments on plan assets	338	510

Sensitivity analysis

Change to	Change in assumption	Impact on DB obligation as at 31.03.22	Change in assumption	Impact on DB obligation as at 31.03.22
Discount rate	Increase by 0.5%	-9.6%	Decrease by 0.5%	11.4%
Rate of salary increase	Increase by 0.5%	2.1%	Decrease by 0.5%	-2.0%
Rate of price inflation	Increase by 0.5%	11.2%	Decrease by 0.5%	-9.5%
Rate of mortality	Increase by 1 year	4.0%		

Notes to the financial statements - continued

26. Retirement benefit schemes (continued)

Authority

Employee benefit obligations

The amounts recognised in the Statement of Financial Position are as follows:

	2022 £m	2021 £m
Benefit obligations	143	143
Fair value of scheme assets	(157)	(152)
Deficit/(surplus) in schemes	(14)	(9)
Receivable from third parties	-	-
Net deficit/(surplus) recognised in schemes	(14)	(9)

Statement of Comprehensive Net Expenditure

The amounts recognised in the Statement of Comprehensive Net Expenditure are as follows:

	2022 £m	2021 £m
Current service cost	-	-
Net interest on net defined benefit assets / liabilities	-	-
Net cost in SoCNE	-	-
Actuarial (gain)/loss	(4)	(3)
Receivable from third parties	-	-
Actuarial (gain)/loss recognised in OCE	(4)	(3)

Changes in the present value of the defined benefit obligations

The amounts recognised in the Statement of Financial Position are as follows:

	2022 £m	2021 £m
Opening defined benefit obligation	143	130
Net interest on scheme liabilities	3	3
Actuarial (gain)/loss	1	15
Benefits paid	(4)	(5)
Closing defined benefit obligation	143	143

Changes in the fair value of the scheme assets are as follows:

	2022 £m	2021 £m
Opening fair value of scheme assets	152	135
Interest income on scheme assets	3	3
Employer contributions	1	1
Actuarial gain/(loss)	5	18
Benefits paid	(4)	(5)
Closing fair value of scheme assets	157	152

Estimated expected employer contributions over the next financial year are as follows:

	2022 £m	2021 £m
Contributions including deficit repair payments	-	1

Notes to the financial statements - continued

26. Retirement benefit schemes (continued)

The major categories of plan assets as a percentage of total scheme assets are as follows:

	2022 %	2021 %
Equities	35	32
Property	8	8
Fixed Interest Gilts	-	-
Index Linked Gilts	34	25
Corporate Bonds	10	21
Credit investments	11	14
Cash	2	-
Total	100	100

Principal actuarial assumptions at the date of the SOFP (expressed in weighted averages):

	2022 £m	2021 £m
Discount rate	2.65	2.00
Future salary increases	0.00	0.00
Rate of increase of pensions in payment	3.60-3.65	2.70
Rate of increase of pensions in deferment	3.20-3.65	2.00-2.70
Retail Price Inflation	3.65-3.80	3.00
Life expectancy for a male pensioner aged 65 (in years)	21.20	21.20
Life expectancy for a male non pensioner currently aged 45 from age 65 (in years)	22.60	22.60

Mortality assumption

2022

Nirex and Closed: 110% S3P SAPS CMI20 projections, 1.25% trend

2021

Nirex and Closed: 110% S2P SAPS CMI19 projections, 1.25% trend

	2022 £m	2021 £m
Experience adjustments on plan liabilities	(2)	10
Experience adjustments on plan assets	5	18

Sensitivity analysis

Change to	Change in assumption	Impact on DB obligation as at 31.03.22	Change in assumption	Impact on DB obligation as at 31.03.22
Discount rate	Increase by 0.5%	-9.3%	Decrease by 0.5%	10.8%
Rate of salary increase	Increase by 0.5%	0.0%	Decrease by 0.5%	0.0%
Rate of price inflation	Increase by 0.5%	10.8%	Decrease by 0.5%	-9.3%
Rate of mortality	Increase by 1 year	3.7%		

Notes to the financial statements - continued

27. Non-controlling interests

NDA Group	2022 £m	2021 £m
At 1 April	2	2
Change in equity of non-controlling interests during year	-	-
At 31 March	2	2

28. Contingent liabilities

Indemnities

Under the transfer scheme of 1 April 2005, the NDA assumes responsibility for all occurrences relating to the designated nuclear sites that took place up to that date.

- a) At 31 March 2022 the NDA held inventories of reprocessed uranic material. These materials are currently held at nil value, due to uncertainty over their future use, which may result in as-yet-unquantified liabilities for the NDA.
- b) Whilst not the lead employer, the NDA is the lead organisation and has ultimate responsibility for certain nuclear industry pension schemes, including the Combined Nuclear Pension Plan, the Magnox section of the ESPS, and the GPS Pension Scheme. Provisions for known deficits are included within nuclear provision. However, movements in financial markets may adversely impact the actuarial valuations of the schemes, resulting in an increase in scheme deficits and consequent increase in the nuclear provision.
- c) In previous reporting periods the Authority maintained a provision for the settlement of health claims payable to former employees in the civil nuclear industry. Claims have reduced to a non-material level in recent years and the future level of remaining claims is expected to be non-material and not able to be accurately forecast. The Authority has therefore discontinued accounting for the provision but recognises the resulting contingent liability.

International Carrier Bond

During 2014/2015 the NDA procured a US Bond on behalf of their subsidiary, International Nuclear Services Limited, in order to meet US law in respect of vessels calling at US ports for commercial purposes. This Bond is required to ensure that all duties, taxes and fees owed to the Federal Government are paid. The Bond would therefore only be called on in the case of non-payment of any of the above, and the total cost would not be expected to exceed \$100,000.

Advanced Gas-cooled Reactor (AGR)

On 23 June 2021 the NDA, Government and EDF Energy entered into new decommissioning arrangements for seven Advanced Gas-cooled Reactor (AGR) stations in which Government has directed NDA to take on the future ownership of the stations for decommissioning. The work will be undertaken by the NDA subsidiary Magnox Limited. The NDA will recognise the estimated future liability in its financial statements for each of the stations at the respective points at which NDA takes ownership. The completion and timing of the transfer of ownership is currently uncertain and contingent on the fulfilment of a number of conditions by the parties involved. The NDA therefore recognises a contingent liability for the future decommissioning costs of the stations. This has been estimated by the current owner of the stations at £16,656 million (undiscounted) in its most recently published financial statements.

Notes to the financial statements - continued

29. Related parties

Government bodies

The NDA is an Executive non departmental government body sponsored by BEIS, which is regarded as a related party. During the year, the NDA has had various material transactions with BEIS and with other entities for which BEIS is regarded as the responsible department. The NDA receives grant financing from BEIS. In the course of its normal business the NDA enters into transactions with Government owned banks. In addition, the NDA has a small number of material transactions with other Government departments and other central Government bodies.

Directors' transactions

During the year, no Board member, key manager or other related party has undertaken any material transactions with the NDA.

Related party transactions

During the year, Group companies entered into the following transactions with related parties:

	Sales of goods to parent		Purchase of goods from parent		Amounts owed by related parties		Amounts owed to related parties	
	2022 £m	2021 £m	2022 £m	2021 £m	2022 £m	2021 £m	2022 £m	2021 £m
Sellafield Limited	(2,357)	(2,076)	17	30	19	-	405	368
Magnox Limited	(466)	(409)	2	1	3	-	86	77
Direct Rail Services Limited	(32)	(33)	1	1	8	7	-	-
INS Limited	(76)	(56)	3	-	155	180	-	5
INS France SAS	-	-	-	-	-	-	-	-
INS Japan KK	-	-	-	-	-	-	-	-
NDA Properties Limited	(1)	(6)	-	-	39	39	-	-
Pacific Nuclear Transport Limited	-	-	1	1	-	-	-	-
Rutherford Indemnity Limited	-	-	-	-	-	-	-	-
Radioactive Waste Management Limited	(80)	(59)	4	3	1	-	2	-
NDA Archives Limited	(6)	(5)	2	2	-	-	1	1
Dounreay Site Restoration Limited	(205)	-	1	-	-	-	32	-
Low Level Waste Repository Limited	(68)	-	-	-	-	-	22	-
	(3,291)	(2,644)	31	38	225	226	548	451

Sales of goods to related parties were made at arm's length prices. The amounts outstanding are unsecured and will be settled in cash. No guarantees have been given or received. No provisions have been made for doubtful debts in respect of the amounts owed by related parties.

Loans to related parties

Amounts owed by Direct Rail Services includes a loan of £7 million which is interest bearing at a fixed percentage above Bank of England base rate. The loan is not repayable until at least 2023.

Amounts owed by NDA Properties Limited includes a loan of £20 million which is interest bearing at a fixed rate, repayable in instalments over twenty five years to 2038. At 31 March 2022 the balance owing was £15 million (2021: £15 million).

Notes to the financial statements - continued

29. Related parties (continued)

Key management compensation

Key management includes executive and non-executive directors together with those members of senior management who form part of the executive team. The compensation paid or payable to key management for employee services is set out below in aggregate for each of the categories specified in IAS 24 'Related Party Disclosures'. Further information about the remuneration of individual directors is provided in the audited part of the Remuneration Report on pages 100 to 107.

Authority	2022 £'000	2021 £'000
Short-term employee benefits	4,718	4,287
Post-employment benefits	472	382
Other long-term benefits	1,476	1,479
Total key management compensations	6,666	6,148

30. Events after the reporting period

- IAS 10 requires the NDA to disclose the date on which the accounts are authorised for issue. The Accounting Officer authorised these Financial Statements on 7 July 2022. The Report of the Comptroller and Auditor General was issued on 11 July 2022 (pages 143-145).
- Low Level Waste Repository Limited acquired 100% of the issued share capital of Nuclear Waste Services Limited, which is a dormant company, on 15 June 2022. The event has no material financial effect on the company.



Performance analysis

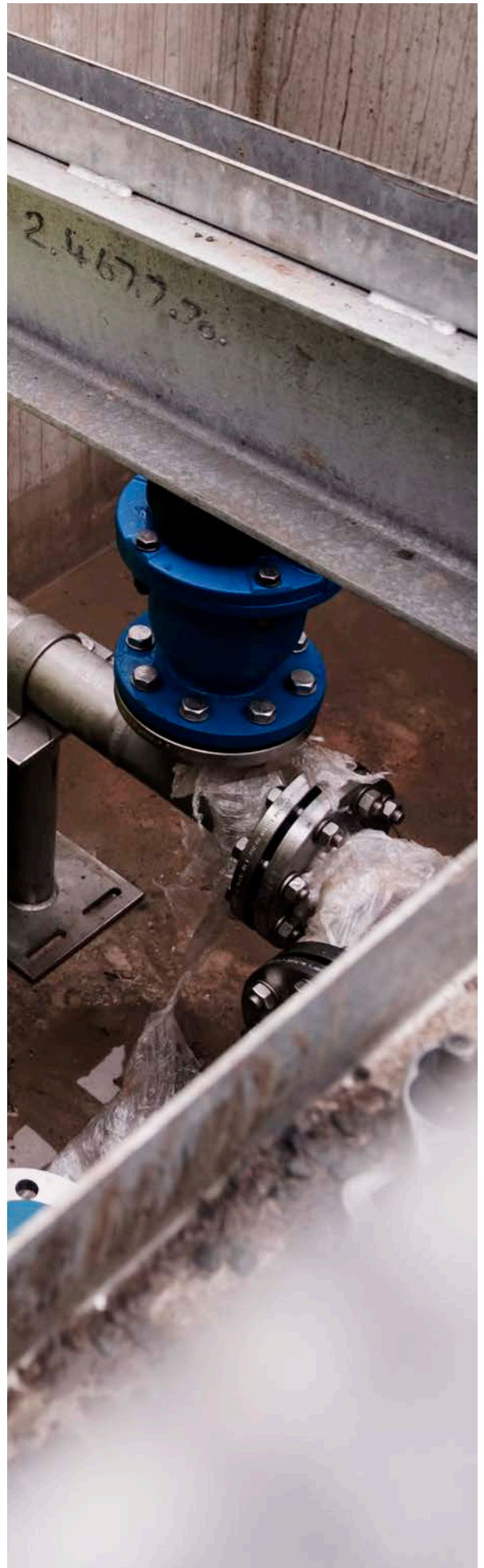
The following section provides a summary as to how each of the organisations in the NDA group has performed in 2021/22 against the key activities and milestones set out in our 2021-24 Business Plan. The performance of Urenco Nuclear Stewardship Ltd and Springfield Fuels Ltd is also included due to their role in decommissioning our sites at Capenhurst and Springfields.

The 'golden thread' from the NDA's 47 strategic outcomes to each of these key activities and milestones is also shown.

In addition to the activities set out in the NDA Business Plan, the top tier of targets for the group to achieve in 2021/22 are reflected in our Group Key Targets.

Progress against these targets is reported to the NDA Board and Government on a monthly basis.

As in previous years, a summary of the performance of the NDA group's major projects (defined as being those very large and complex new construction projects that have received business case approval by Government) is included in Appendix B of this report.



Performance Analysis

NDA Group Key Targets 2021/22

During 2021/22 we had 28 Group Key Targets. These cover group-wide targets, targets specific to our individual businesses and targets specific to the NDA.

Status		Number of targets
Complete	Target achieved	22
Missed	Target missed	6

Status	Operating company	Strategic outcomes	Priority target/detail	Year end status	Commentary
1	Sellafield	31 36 18 B	Combined operational throughput	Missed	Target missed due to poor performance at the facility as a result of COVID-19, asset condition at the plant, and an electrical fault
2	Sellafield	3 4	Delivery of the closure of the Magnox Operating Plan (MOP) End of repro - Intact bulk fuel remaining. Reprocessing of DFR fuel – DFR Skip turnaround rates	Missed	Target missed due to safety concerns around making the fifth shipment of fuel required to achieve this target, and a decision made not to complete the shipment
3	Sellafield	31 33	MSSS Basket of Mmeasures: Operational delivery by 31 March 2022 Numbers of boxes to store	Missed	Target missed due to not having licences to complete the waste retrieval and putting this into boxes before year end
4	Sellafield	CE	Asset Management Each key facility will have aligned and effective maintenance and engineering control centre and plant operations control centre	Complete	
5	Sellafield	CE	Procurement of ICT services (PICTS)	Complete	
6	Sellafield	CE	Demonstrable progress on new capability	Complete	
7	Sellafield	CE	Portfolio, Programme and Project (PIP) Improvements	Complete	
8	Sellafield	CE	Demonstrable progress towards the delivery of the Programme and Project Partners (PPP) critical success factors	Complete	
9	Magnox	31 32 33	Company-wide: Agreed tonnes of ILW retrieved during financial year	Complete	
10	Magnox	42	Company-wide: Agreed metres squared of asbestos remediation during the financial year.	Complete	

Status	Operating company	Strategic outcomes	Priority target/detail	Year end status	Commentary
11	Magnox	CE	Trawsfynydd: Application of variation to the Radioactive Substances Permit to permit in-situ disposal	Complete	
12	Dounreay	33	Dounreay Cementation Plant (DCP) Store Extension 2 – main civils complete D2702	Missed	Target missed due to its challenging nature, adverse weather conditions making it difficult to operate and ongoing COVID-19 challenges with resource.
13	Dounreay	22	Completion of the disposition of remnants exotics fuel - category 1 un-irradiated uranium fuel inventory (HEU)	Complete	
14	RWM	34 39	As part of the GDF Programme, develop Working Groups and progress to the formation of Community Partnerships	Complete	
15	NTS	CE	Deliver excellent customer services for NDA, UK and international customers	Complete	
16	NDA group	CE	Sustainability / working towards net carbon zero NDA BEACON	Complete	
17	NDA group	CE	ED&I – Respect and Inclusion Beacon	Complete	
18	NDA group	CE	Re-imagine Beacon	Complete	
19	NDA group	CE	Leadership Academy Beacon	Complete	
20	NDA	CE	Group structure (waste company)	Complete	
21	NDA	CE	Programme and Project Management Upskilling	Complete	
22	NDA	CE	Project Victory	Complete	
23	NDA	CE	Digital	Complete	
24	NDA	CE	Responses to reviews	Missed	Target missed due to all actions not being signed off as complete at the March 2022 Board
25	NDA	CE	One NDA – Ways of working / Group Operating Framework	Missed	Target missed due to not achieving sign off of the Group Operating Framework by the GLT and all steps necessary to achieve this sign off.
26	NDA	CE	Integrated Waste Management	Complete	
27	NDA	CE	Spending review	Complete	
28	NDA	CE	AGR	Complete	

Performance analysis - Business Plan activities 2021-24

NDA



The NDA is a non-departmental public body created by the Energy Act 2004 to lead the clean-up and decommissioning work at the NDA's 17 sites on behalf of government. NDA is sponsored and funded by the Department for Business, Energy and Industrial Strategy (BEIS).

Key activities	Strategic outcome	Timescale	2021/22 Activities	2021/24 Activities	Comments
Spent Fuels					
Continue to work with EDF Energy and our subsidiaries on the integrated and collaborative delivery programme for the safe and cost-effective defueling of AGR power stations, the AGR Operating Programme		2021-2024		ON TRACK	
Continue to work with our subsidiaries, especially RWM, on the potential disposal of our spent fuels to a GDF		2021-2024		ON TRACK	
Nuclear Materials					
Work with the UK government on a disposition solution that puts the UK's plutonium beyond reach		2021-2024		ON TRACK	
Implement a programme of research and development to mature the credible options for plutonium disposition		2021-2024		ON TRACK	
Support our Safeguards experts across the Group in developing and implementing their plans to meet the new safeguards regulations which come into force when the UK leaves Euratom at the end of the transition period		2021-2024		ACHIEVED	
Integrated Waste Management					
To make more use of a risk informed approach for waste management and to seek solutions that help to optimise the lifecycle of both radioactive and nonradioactive wastes. This risk-informed approach enables wider application of the Waste Hierarchy and allows us to make optimum use of our treatment, storage and disposal infrastructure		2021-2024		ON TRACK	
Work with group businesses to explore alternative disposal options for Higher Activity Waste		2021-2024		ON TRACK	
Site Decommissioning and Remediation					
Ensure that approaches to decommissioning and remediation reflect the changing level and nature of hazards that exist throughout the lifetime of a nuclear installation, and support businesses with developing proportionate arrangements		2021-2024		ON TRACK	

Review the use of Safety and Environmental Detriment scores to determine if and how they might be improved as a consistent means of expressing the level of risk to people and the environment. Seek to develop meaningful indicators for other factors in the value framework as an input to decision-making		2021-2024		ON TRACK	
Work with government, regulators and local communities to ensure that remediation of our sites is safe, sustainable and publicly acceptable, and enables their beneficial reuse as early as possible		2021-2024		ON TRACK	
Facilitate beneficial reuse of wastes generated from demolition activities and land remediation to restore sites where it represents the most sustainable solution		2021-2024		ON TRACK	
Engage with Government and local government to better understand what they need from NDA land and develop our understanding of the controls required to reuse our sites safely where residual contamination is being managed		2021-2024		ON TRACK	
Critical Enablers					
Implement recommendations from the Departmental Review		2021-2022	MISSED		Group Key Target missed for 2021/22 but on schedule to address all recommendations by 2024.
Complete transition to NDA subsidiaries of the two remaining SLC's Dounreay Site Restoration Ltd and Low Level Waste Repository Ltd		2021-2022	ACHIEVED		
Operations as one transport and logistics division commences, bringing together our expert capabilities from DRS and INS into one single division		2021-2022	ACHIEVED		
Implement Strategy 4		2021-2024		ON TRACK	
Develop strategic opportunities that optimise delivery of the mission		2021-2024		ON TRACK	
Embed the key tenets of the Industrial Strategy, including active participation in the Nuclear Sector Deal to help achieve HMG deliverables		2021-2024		ON TRACK	The Industrial Strategy and Nuclear Sector Deal have now been replaced with the British Energy Security Strategy which the NDA continues to support
Provide support to government on nuclear new build decommissioning plans		2021-2024		ON TRACK	
Develop a group-wide accommodation strategy (including welfare, warehousing, transport and logistics) allowing effective re-use of the operational land for construction of new facilities required to deliver the NDA mission and support the UK's Industrial Strategy		2021-2024		ON TRACK	

Performance analysis - NDA continued

Key activities	Strategic outcome	Timescale	2021/22 Activities	2021/24 Activities	Comments
HSSE&W					
Lead in the area of mental health and wellbeing across the NDA group and further enhance the wellbeing community across the group		2021-2024		ON TRACK	
Contribute to sustainability performance and meet Greening Government commitments		2021-2024		ON TRACK	
Having established our group carbon footprint, we will work with our businesses to identify opportunities for carbon reduction and to develop a roadmap for how we will support the government commitment to net zero greenhouse gas emissions for the UK by 2050		2021-2024		ON TRACK	
Security and Resilience					
Implement new ICT infrastructure, software and working practices to allow smarter, flexible working across the NDA		2021-2024		ON TRACK	
Support implementation of forthcoming new nuclear emergency preparedness standards across the NDA group, as part of the UK's implementation of the Basic Safety Standards Directive 2013		2021-2024	ACHIEVED		
Cyber Security					
Enable the group to proactively deter, detect, defend against, recover from and be resilient to both current and evolving cyber threats		2021-2024		ON TRACK	
Research, Development and Innovation					
Work with other nuclear and non-nuclear organisations to encourage and leverage cross-sector investment in RD&I and foster technology transfer between sectors and internationally		2021-2024		ON TRACK	
Lead the promotion and adoption of technology and innovation across the NDA group, developing an environment where innovation can thrive		2021-2024		ON TRACK	
Work collaboratively across the NDA group to embed good practices in Technology and Innovation Management, Technical Assurance, Radioactive Waste Inventory and Materials and Samples Management		2021-2024		ON TRACK	
People					
Implement our strategic people delivery plan to enable resource planning, skills development and flexibility and mobility across the group		2021-2024		ON TRACK	
Develop a one NDA Leadership Academy to future proof our leadership capability to deliver the mission		2021-2022	ACHIEVED		

Key activities	Strategic outcome	Timescale	2021/22 Activities	2021/24 Activities	Comments
People contd					
Lead the strategic diversity and inclusion agenda across the NDA group ensuring effective governance and oversight to drive one NDA inclusion and support our vision to create great places to work		2021-2024		ON TRACK	
Implement Government led reforms of public sector pensions across the NDA group		2021-2024		ON TRACK	
Asset Management					
Work with our businesses to mature and deliver asset management and continuous improvement capability and performance to support mission delivery at best value for money		2021-2024		ON TRACK	
Supply Chain					
Support small and medium enterprise organisations by increasing overall spend with them in line with Government growth agenda		2021-2022	ACHIEVED		
Implement and exercise amendments to UK procurement and supply chain regulations as a result of the UK leaving the European Union		2021-2024		ON TRACK	
Socio-Economics					
Implement the group Socio-Economic Strategy outlining opportunities for the wider economy and supporting the government's economic policy such as the levelling up agenda		2021-2024		ON TRACK	
International Relations					
International support, sharing knowledge and expertise in decommissioning and clean-up activities		2021-2024		ON TRACK	
Regulatory Engagement					
Continue working with regulators and government to determine institutional controls appropriate to restoration of nuclear sites		2021-2024		ON TRACK	

Performance analysis - Site Licence Companies

Sellafield Limited



Sellafield Limited is an NDA subsidiary, responsible for operating and decommissioning Europe's largest and most complex nuclear site. This includes cleaning up nuclear facilities and safeguarding nuclear fuel, materials and waste.

Key activities	Strategic outcome	Timescale	2021/22 Activities	2021/24 Activities	Comments
Spent Fuels					
All spent fuels discharged from the operating Advanced Gas-Cooled Reactor (AGR) power stations and defueling of all Magnox power stations reactors are sent to Sellafield for management. The receipt of AGR fuels will continue until the end of the AGR electricity programme, whilst all the Magnox fuel has now been received at Sellafield. The management of AGR fuel under contracts with EDF Energy provides a significant income stream to NDA.					
Spent Magnox Fuel					
First Generation Magnox Storage Pond Complete the capability to export all fuel for interim storage	2	2022-2023		BEHIND TARGET	Impacted by delays to permissioning and commissioning of zeolite route and still some regulatory challenges with respect to safety case for storage of fuel in self shielded boxes.
Complete Magnox reprocessing and continued interim storage in FHP for any remnant fuel	3 4	2021-2022	MISSED		COVID-19 impacts, and asset resilience issues have delayed reprocessing operations. The completion of Magnox reprocessing is now scheduled for July 2022
Spent Oxide Fuel					
Enhance capacity to receive/ manage and interim store AGR spent fuel from EDF Energy, to support bulk defueling	6 9	2021-2024		ON TRACK	
Spent Exotic Fuel					
Continue to receive Dounreay spent exotic fuel to be reprocessed or stored, and develop alternative capability for receipt and management of remaining spent exotic fuels from Dounreay	12 14	2021-2024		BEHIND TARGET	Further inventory information required to support transport case and Sellafield receipt of remaining Dounreay fuel. Increasing scope on transport and storage requirements due to nature of fuel.
Nuclear Materials					
Sellafield is the custodian of the majority of the UK's inventory of separated plutonium which is held in safe and secure storage.					
Plutonium					
Continue the safe and secure storage of plutonium by developing the capability to repack/retreat plutonium in line with UK policy	18 19	2021-2024		ON TRACK	
Uranics					
Support future decommissioning by implementing plans for consolidated storage of Sellafield uranics	22 24	2021-2024		ON TRACK	

Key activities	Strategic outcome	Timescale	2021/22 Activities	2021/24 Activities	Comments
Integrated Waste Management					
The various activities across the site produce wastes in many forms. These require varying degrees of treatment and onward processing. The site continues to focus on safe, efficient management of these wastes, including: the conversion of Highly Active Liquor (HAL) into passively safe vitrified waste; the return of vitrified material overseas; and the management of on-site intermediate and low level wastes. The areas of principal focus are the redundant Legacy Ponds and Silos facilities, made up of the Pile Fuel Storage Pond, Pile Fuel Cladding Silo, First Generation Magnox Storage Pond and Magnox Swarf Storage Silo. These facilities supported the development of the nuclear programme in the UK from the early 1950s. Subsequently, they supported electricity generation from the fleet of Magnox power stations. The programmes include the removal of nuclear fuel, sludge and solid material which require the provision of equipment to retrieve the various wastes and then treat and store them. This process needs to take into account the role of integrated waste management in achieving hazard reduction and long-term safety, security and environmental protection requirements.					
Low level waste					
Continue to generate savings and preserve capacity at the Low Level Waste Repository by enhancing capability to divert waste to LLWR and the supply chain	27	2021-2024		ON TRACK	
Intermediate level waste					
Support the NDA's strategy by continuing the programmes to receive and treat waste materials from Harwell and AWE Aldermaston	32	2021-2024		ON TRACK	
Support future waste treatment through implementing the capability to actively demonstrate characterisation, size reduction and decommissioning	32	2021-2024		ON TRACK	
Support risk reduction by developing additional capability for treatment of intermediate level liquid wastes and storage of by-products	32	2021-2024		ON TRACK	
Support future decommissioning through optimisation of future storage and treatment arrangements	32 33	2021-2022	MISSED		There is currently insufficient waste storage and treatment capacity/capability within the higher activity waste system to meet the site's aspirations for broad front decommissioning. A detailed capability study is underway which is scheduled to complete in Q1 22/23.
Pile Fuel Storage Pond					
Progress waste retrieval by having waste skips either exported or ready to export	31	2021-2024		ON TRACK	
Demonstrate pond dewatering capability through completion of the bay dewatering trials	31	2021-2023		ON TRACK	
First Generation Magnox Storage Pond (FGMSP)					
Support risk reduction from FGMSP through continued removal of fuel and waste from the facility	31	2021-2024		ON TRACK	
Magnox Swarf Storage Silo (MSSS)					
Commence retrievals from MSSS		2022-2023		ON TRACK	
Progress the capability required for bulk retrievals	31	2021-2024		BEHIND TARGET	Current timescales for Box Encapsulation Plant which is required to support bulk retrievals is plant available in range 2025 to 2027.

Performance analysis - Site Licence Companies

Key activities	Strategic Outcome	Timescale	2021/22 Activities	2021/24 Activities	Comments
High level waste					
Continue the programme to repatriate overseas-owned vitrified waste to its country of origin	38	2021-2024		BEHIND TARGET	Delays with Japanese returns due to design issues. Other country returns proceeding to plan.
Support reprocessing plant decommissioning by establishing the capability and commencing processing of High Active Post Operational Clean Out of solids through the vitrification plant	36	2021-2024		BEHIND TARGET	COVID-19 impacts, and asset resilience issues have delayed reprocessing operations into 2022 with similar impacts on vitrification. POCO of Magnox Reprocessing now scheduled for late 2022/early 2023.
Site Decommissioning and Remediation					
Decommissioning and demolition					
Complete decommissioning and demolition of the upper diffuser section of the Windscale Pile Chimney Number 1	42 43	2021-2023		ACHIEVED	
Establish decommissioning capability by implementing the alpha and beta gamma decommissioning programmes	43	2021-2022	ACHIEVED		
Commence post operational clean-out (POCO) of Magnox Reprocessing Plant	42	2021-2022	MISSED		COVID-19 impacts, and asset resilience issues have delayed reprocessing operations into 2022 with POCO to commence once operations have completed
Critical Enablers					
A number of key enabling activities require specific focus, ranging from infrastructure refurbishment or replacement projects, through to key change programmes which aim to improve operational delivery and efficiency on site.					
Continue the Sellafield transformation to support future business requirements including the development and embedding of a value-led culture		2021-2024		ON TRACK	
Develop and embed the long-term partnership with the supply chain		2021-2024		ON TRACK	
Progress the transformation of project delivery on site and continue to embed the Programme and Project Partnership		2021-2024		ON TRACK	
Support small and medium enterprise organisations by targeting overall spend with them in line with the government growth agenda		2021-2024		ON TRACK	Was behind target but through delivery of a recovery plan during the latter half of FY 21/22 the position has been recovered with SL on target to meet Government SME spend target.

Key activities	Strategic outcome	Timescale	2021/22 Activities	2021/24 Activities	Comments
Critical Enablers					
Continue the Sellafield security enhancement programme		2021-2024		ON TRACK	
Continue with improvements to the site utilities infrastructure and new Steam Generating Plant		2021-2024		DEFERRED	Project de-scoped due to improved asset strategy.
Continue the programme to ensure the analytical services capability is available to support the mission		2021-2024		BEHIND TARGET	Plan to deliver the full business case to Sellafield Limited Investment Review Panel by the end of 2024 is still on target, delayed from 31 March 2024 due to impact of COVID-19.
Embed the key tenets of the Industrial Strategy, including the Nuclear Sector Deal		2021-2024		ON TRACK	The Industrial Strategy and Nuclear Sector Deal have now been replaced with the British Energy Security Strategy which the NDA continues to support
Working to embed the capability to proactively protect, detect, respond and recover against current and evolving cyber threats		2021-2024		ACHIEVED	
Manage and deliver asset management and continuous improvement capability and performance to support mission delivery		2021-2024		ON TRACK	
Regulatory Control					
Ensure discharges are in line with UK discharge strategy		2021-2024		ON TRACK	
Reduce environmental risk (including retrieval and treatment of legacy wastes, reduction of HAL stocks)		2021-2024		BEHIND TARGET	Delays in reduction of HAL stocks due to COVID-19 impact on staffing levels, vitrification equipment failures and extended line outages.

Performance analysis - Site Licence Companies

Magnox Limited



Magnox is an NDA subsidiary, responsible for 12 nuclear sites across the UK: Berkeley, Bradwell, Chapelcross, Dungeness A, Harwell, Hinkley Point A, Hunterson A, Oldbury, Sizewell A, Trawsfynydd, Winfrith and Wylfa. Magnox also generates electricity at the Maentwrog hydroelectric plant.

Key activities	Strategic outcome	Timescale	2021/22 Activities	2021/24 Activities	Comments
Integrated Waste Management					
Low level waste					
Delivery of the Magnox elements of the estate-wide low level waste management plan, including diversion to alternative treatment including development of updated Integrated Waste Strategy	26 27 28 29	2021-2024		ON TRACK	
Intermediate level waste					
Progress activities to retrieve, treat and store ILW	31 32 33	2021-2024		ON TRACK	
Continue to pursue opportunities to consolidate ILW to interim stores		2021-2024		BEHIND TARGET	Overall progress good but some elements behind target
Nuclear Materials					
Uranics					
Continue the programme for the transfer of nuclear materials	22	2021-2024		ON TRACK	
Regulatory permissioning in support of the transfer of nuclear materials between sites	22	2021-2024		ON TRACK	
Site Decommissioning and Remediation					
Decommissioning and demolition					
Continue estate decommissioning and demolition activities in line with individual site strategies	42 43	2021-2024		BEHIND TARGET	Overall progress good but some elements behind target
Continue reactor decommissioning	43	2021-2024		BEHIND TARGET	Overall progress good but some elements behind target
Asbestos management – Continued focus on the major risk of asbestos including production of an optimised, underpinned strategy for asbestos	42	2021-2024		ON TRACK	
Continue development of site specific strategies as part of a rolling programme of decommissioning	42	2021-2024		ON TRACK	

Key activities	Strategic outcome	Timescale	2021/22 Activities	2021/24 Activities	Comments
De-designate or reuse					
Continue working with regulators to ensure appropriately scaled management arrangements and permissioning for interim states and interim end states are determined and agreed	44	2021-2024		ON TARGET	
Develop interim state approaches, utilising revised management arrangements	44	2021-2024		ON TARGET	
Monitor management and maintenance arrangements for sites in care and maintenance	44	2021-2024		ON TARGET	
Progress land de-designation and release to support re-use	47	2021-2024		ON TARGET	
Provide support to nuclear new build	47	2021-2024		ON TARGET	
Critical Enablers					
Support Government in activities to deliver preparations for decommissioning the Advanced Gas-cooled Reactor fleet		2021-2024		ON TARGET	
Continue delivery of the 'sift and lift' programme to rationalise all Magnox records and transfer as appropriate to NDA Archive in Wick		2021-2024		BEHIND TARGET	The activity has been impacted by resource availability (COVID-19 impacts)
Support small and medium enterprise organisations by increasing overall spend with them in line with Government growth agenda		2021-2024		ON TARGET	
Continue the enhancement of cyber capability		2021-2024		ON TARGET	
Mature and deliver Asset Management and Continuous Improvement capability and performance to support mission delivery		2021-2024		ON TARGET	
Progress development of workforce capability and skills for decommissioning in Magnox and the supply chain		2021-2024		ON TARGET	

Performance analysis - Site Licence Companies

Berkeley

Key activities	Strategic Outcome	Timescale	2021/22 Activities	2021/24 Activities	Comments
Integrated Waste Management					
Intermediate level waste					
New build – complete design and build of remaining ILW retrieval plant	31	2021-2023		BEHIND TARGET	This activity has been impacted by COVID-19 (inc. supply chain) and first of a kind technical challenges.
Progress activities to retrieve, treat and store ILW	31 32 33	2021-2024		BEHIND TARGET	This activity has been impacted by COVID-19 (inc. supply chain) and MILWEP plant commissioning behind schedule.
Progress encapsulation of ILW packages	32	2021-2024		BEHIND TARGET	This activity has been impacted by COVID-19 (inc. supply chain) and MILWEP plant commissioning behind schedule.
Site Decommissioning and Remediation					
Decommissioning and demolition					
Decommissioning (including asbestos removal) and demolition activities ongoing in preparation for the site's deferral period	42 43	2021-2024		BEHIND TARGET	This activity is a summary of the other targets contained in this section.
Commence and progress the asbestos and plant removal from the Blower Houses.	42 43	2021-2024		BEHIND TARGET	This activity has been impacted by prolonged procurement timescales but there are opportunities to recover

Bradwell in care and maintenance

Key activities	Strategic Outcome	Timescale	2021/22 Activities	2021/24 Activities	Comments
Site Decommissioning and Remediation					
De-designate and reuse					
Ongoing management of site during care and maintenance period	44	2021-2024		ON TRACK	

Chapelcross

Key activities	Strategic Outcome	Timescale	2021/22 Activities	2021/24 Activities	Comments
Integrated Waste Management					
Intermediate level waste					
New build - complete active commissioning of the Modular Active Effluent Treatment Plant	32	2021-2022	ACHIEVED		
Progress activities to retrieve, treat and store ILW wastes	31 32 33	2021-2024		ON TRACK	
New build - complete design and build of ILW Encapsulation facility	32	2021-2022	MISSED		The activity has been impacted by resource availability (inc. supply chain/ COVID-19 impacts); forecast to complete in early 2022-23.
Operation of Interim Storage Facility	33	2021-2024		ON TRACK	
Site Decommissioning and Remediation					
Decommissioning and demolition					
Preparations for pond draining and stabilisation	42	2021-2024		BEHIND TARGET	Impacted by inter-dependencies with other plant on site.
Decommissioning (including asbestos removal) and demolition activities in preparation for entry into care and maintenance	42 43	2021-2024		BEHIND TARGET	This activity is a summary of the other targets contained in this section.
Prepare and execute land remediation activities	46	2021-2023		BEHIND TARGET	This activity has been impacted by Magnox re-baselining the overall delivery plan.
Commence and progress turbine hall asbestos removal.	42	2022-2024		DEFERRED	The activity has been impacted by resource availability (inc. supply chain/COVID-19 impacts) and consciously deferred.

Performance analysis - Site Licence Companies

Dungeness A

Key activities	Strategic Outcome	Timescale	2021/22 Activities	2021/24 Activities	Comments
Integrated Waste Management					
Low level waste					
Progress activities supporting consolidated ILW storage	33	2021-2024		ON TRACK	
Intermediate level waste					
Progress activities to retrieve, treat and store ILW wastes	31 32 33	2021-2024		BEHIND TARGET	This activity has been impacted by resource (inc. supply chain / COVID-19 impacts) and technical issues.
Site Decommissioning and Remediation					
Decommissioning and demolition					
Decommissioning (including asbestos removal) and demolition activities in preparation for the site's deferral period	42 43	2021-2024		BEHIND TARGET	This activity is a summary of the other targets contained in this section.
Preparatory works for Safe Store Project	42	2021-2024		BEHIND TARGET	This activity has been impacted by plant issues but opportunities to recover.
Complete the current asbestos removal programme within the reactor buildings	43	2021-2024		BEHIND TARGET	Currently behind schedule but opportunities to recover.
Complete ponds stabilisation	42	2021-2022	ACHIEVED		

Harwell

Key activities	Strategic Outcome	Timescale	2021/22 Activities	2021/24 Activities	Comments
Nuclear Materials					
Uranics					
Continue the programme for the transfer of nuclear materials	22	2021-2024		ON TRACK	
Integrated Waste Management					
Intermediate level waste					
Progress activities to retrieve, treat and store ILW	31 32 33	2021-2024		ON TRACK	
Site Decommissioning and Remediation					
Decommissioning and demolition					
Decommissioning (including asbestos removal) and demolition activities	42 43	2021-2024		BEHIND TARGET	This activity is a summary of the other targets contained in this section.
Continue preparations for decommissioning of Radium Chemistry Laboratory facilities (B220)	42	2021-2024		BEHIND TARGET	This activity has been impacted by resource availability (inc. supply chain/ COVID-19 impacts) but there are opportunities to recover.
Decommissioning, demolition, land remediation, reinstatement and delicensing of the Liquid Effluent Treatment Plant (LETP)	42 43 46	2021-2024		BEHIND TARGET	Physical works now complete and now progressing with de-licensing process. The activity has been impacted by the need for additional excavations, but there are opportunities to recover.
Prepare, commence, and progress the decommissioning of the British Experimental Pile Zero reactor (BEPO)	42	2021-2024		BEHIND TARGET	This activity has been impacted by Magnox re-baselining the overall delivery plan.
Prepare, commence, and progress the decommissioning of the Solid Waste Complex facility (B462)	42	2023-2024		DEFERRED	This activity has been impacted by the Rolling Programme of Decommissioning Strategy.
Prepare and commence the decommissioning of the Active Waste Handling facility (B459).	42	2021-2024		BEHIND TARGET	This activity has been impacted by resource availability (inc. supply chain/COVID-19 impacts) but there are opportunities to recover
De-designate or re-use					
Continue incremental release of land to the Harwell campus through targeted demolitions, remediation and clearance of land tracts	47	2021-2024		ON TRACK	

Performance analysis - Site Licence Companies

Hinkley Point A

Key activities	Strategic Outcome	Timescale	2021/22 Activities	2021/24 Activities	Comments
Integrated Waste Management					
Low level waste					
New build - completion of active commissioning of the Modular Active Effluent Treatment Plant	28	2021-2022	MISSED		This activity has been impacted by resource availability (inc. supply chain/ COVID-19 impacts) and by Magnox re-baselining the overall delivery plan. Now forecast to complete in early 2022/23
Intermediate level waste					
Progress activities to retrieve, treat and store ILW	31 32 33	2021-2024		ON TRACK	
New Build - Complete Design and Build of ILW Encapsulation facility	32	2021-2022	MISSED		This activity has been impacted by resource availability (inc. supply chain/ COVID-19 impacts). Now forecast to complete early 2022/23
Site Decommissioning and Remediation					
Decommissioning and demolition					
Decommissioning (including asbestos removal) and demolition activities in preparation for the site's deferral period	42 43	2021-2024		ON TRACK	
Continue asbestos removal from the reactor building complex	42	2021-2024		ON TRACK	
Complete the decommissioning of the turbine hall	42	2021-2023		DEFERRED	This activity has been impacted by the rolling programme of decommissioning strategy
Commence the decommissioning of the Active Effluent Treatment facilities	42	2021-2024		BEHIND TARGET	This activity has been impacted by resource availability (inc. supply chain/ COVID-19 impacts) but there are opportunities to recover

Hunterston A

Key activities	Strategic Outcome	Timescale	2021/22 Activities	2021/24 Activities	Comments
Integrated Waste Management					
Intermediate level waste					
Progress activities to retrieve, treat and store ILW	31 32 33	2021-2024		ON TRACK	
Continue complete solid active waste bunker retrieval operations excluding post operational clean out	31	2021-2022	ACHIEVED		
New build – commissioning of the solid ILW encapsulation plant	32	2021-2024		BEHIND TARGET	This activity has been impacted by technical and resource issues (including supply chain /COVID-19 impacts).
Site Decommissioning and Remediation					
Decommissioning and demolition					
Decommissioning (including asbestos removal) and demolition activities in preparation for the site's deferral period	42 43	2021-2024		ON TRACK	
Continue the decommissioning of the Active Effluent Treatment facilities	42	2021-2024		BEHIND TARGET	This activity has been impacted by technical issues.
Commence the re-cladding of the reactor building	42	2021-2024		DEFERRED	This activity has been deferred whilst an assessment of the value for money case is made.
Commence the deplanting of the cooling pond overbuilding	43	2021-2024		BEHIND TARGET	This activity has been impacted by technical issues.

Performance Analysis - Site Licence Companies

Oldbury

Key Activities	Strategic Outcome	Timescale	2021/22 Activities	2021/24 Activities	Comments
Integrated Waste Management					
Intermediate level waste					
Progress activities supporting consolidated ILW storage	33	2021-2024		BEHIND TARGET	An assessment of strategic storage requirements underway.
Progress activities to retrieve, treat and store ILW	31 32 33	2021-2024		BEHIND TARGET	This activity has been impacted by resource availability (inc. supply chain/ COVID-19 impacts).
Site Decommissioning and Remediation					
Decommissioning and demolition					
Decommissioning (including asbestos removal) and demolition activities in preparation for the site's deferral period	42 43	2021-2024		ON TRACK	
Commence and progress the decommissioning of the Active Effluent Treatment facilities.	42	2021-2024		ON TRACK	
Commence and progress the asbestos removal, deplant and demolition of the Turbine Hall.	42 42	2021-2024		BEHIND TARGET	This activity has been impacted by resource availability (inc. supply chain/ COVID-19 impacts) but there are opportunities to recover.
Commence the asbestos removal from the Reactor Building		2021-2024		ON TRACK	

Sizewell A

Key Activities	Strategic Outcome	Timescale	2021/22 Activities	2021/24 Activities	Comments
Integrated Waste Management					
Intermediate level waste					
Progress activities to support consolidation of ILW storage	33	2021-2024		BEHIND TARGET	Assessment of strategic storage requirements underway.
Progress activities to retrieve, treat and store ILW	31 32 33	2021-2024		BEHIND TARGET	This activity has been impacted by resource availability (inc. supply chain/COVID-19 impacts).
Commence and progress ILW retrieval enabling works	31	2021-2024		BEHIND TARGET	This activity has been impacted by resource availability (inc. supply chain/COVID-19 impacts).
Site Decommissioning and Remediation					
Decommissioning and demolition					
Decommissioning (including asbestos removal) and demolition activities in preparation for the site's deferral period	42 43	2021-2024		BEHIND TARGET	This activity is a summary of the other targets contained in this section.
Commence and progress the decommissioning of the Active Effluent Treatment facilities	42	2021-2024		BEHIND TARGET	This activity has been impacted by resource availability (inc. supply chain/COVID-19 impacts).
Commence and progress the asbestos removal, deplant and demolition of the Turbine Hall	42	2021-2024		ON TRACK	
Commence the asbestos removal from the Reactor Building	42	2021-2024		DEFERRED	This activity has been impacted by the Rolling Programme of Decommissioning Strategy and a value for money assessment.
Complete the Cooling Ponds stabilisation	42	2021-2022	MISSED		This activity has been impacted by resource availability (inc. supply chain/COVID-19 impacts).

Performance analysis - Site Licence Companies

Trawsfynydd

Key Activities	Strategic Outcome	Timescale	2021/22 Activities	2021/24 Activities	Comments
Integrated Waste Management					
Intermediate level waste					
Continue and complete ILW retrievals and encapsulation	31 33	2021-2023		ON TRACK	
Progress activities to retrieve, treat and store ILW	31 32 33	2021-2024		ON TRACK	
Site Decommissioning and Remediation					
Decommissioning and demolition					
Decommissioning (including asbestos removal) and demolition activities in preparation for the site's deferral period	42 43	2021-2024		ON TRACK	
Continue reactor height reduction preparations	43	2021-2024		ON TRACK	
Decommissioning and demolition of the Ponds complex facility	42	2021-2024		ON TRACK	

Winfrith

Key Activities	Strategic Outcome	Timescale	2021/22 Activities	2021/24 Activities	Comments
Integrated Waste Management					
Low level waste					
Continue and complete shipments of LLW drums to LLWR	28	2021-2024		BEHIND TARGET	This activity has been impacted by technical issues and resource availability (supply chain/ COVID-19 impacts).
Site Decommissioning and Remediation					
Decommissioning and demolition					
Continue DRAGON reactor decommissioning, including the construction and installation of the Core Segmentation equipment	42	2021-2024		BEHIND TARGET	This activity has been impacted by technical issues but there are opportunities to recover.
Continue SGHWR decommissioning, including the construction and installation of the Core Segmentation equipment	42	2021-2024		ON TARGET	
Preparatory works for the removal of the discharge pipelines	42	2021-2024		ON TARGET	
Complete the removal of active drains	42	2021-2022	DEFERRED		This activity has been impacted by resource availability (inc. supply chain/COVID-19 impacts) and therefore the activity has been reprioritised.
Continue land remediation activities and end state development	46	2021-2024		ON TARGET	
Decommissioning (including asbestos removal) and demolition activities	42 43	2021-2024		BEHIND TARGET	This activity is a summary of the other targets contained in this section; with many of the elements on target.

Performance analysis - Site Licence Companies

Wylfa

Key activities	Strategic Outcome	Timescale	2021/22 Activities	2021/24 Activities	Comments
Integrated Waste Management					
Intermediate level waste					
Prepare for ILW retrievals and packaging	31	2021-2024		BEHIND TARGET	This activity has been impacted by resource availability (inc. supply chain/COVID-19 impacts) but there are opportunities to recover.
Progress activities to retrieve, treat and store ILW	31 32 33	2021-2024		BEHIND TARGET	This activity has been impacted by resource availability (inc. supply chain/COVID-19 impacts).
Site Decommissioning and Remediation					
Decommissioning and demolition					
Prepare for decommissioning (including asbestos removal) and demolition for the site's deferral period	42 43	2021-2024		BEHIND TARGET	This activity is a summary of the other targets contained in this section.
Continue asbestos removal from turbine hall	42	2021-2024		BEHIND TARGET	This activity has been impacted by resource availability (inc. supply chain) but there are opportunities to recover.
Commence and progress asbestos removal from the reactor building	42	2021-2024		DEFERRED	This activity has been impacted by the rolling programme of decommissioning strategy and a value for money assessment.
Prepare and install a replacement electrical overlay scheme	42	2021-2024		BEHIND TARGET	This activity has been impacted by prolonged procurement timescales but there are opportunities to recover.

Performance analysis - Site Licence Companies

Dounreay Site Restoration Limited



Dounreay Site Restoration Limited (DSRL) is responsible for cleaning up and decommissioning the Dounreay site in the north of Scotland. It also operates a Low Level Waste (LLW) disposal facility to deal with waste from the site. DSRL was owned by Parent Body Organisation, Cavendish Dounreay Partnership Limited, up to 31 March 2021 and became a wholly-owned subsidiary of the NDA from 1 April 2021.

Key activities	Strategic Outcome	Timescale	2021/22 Activities	2021/24 Activities	Comments
Spent Fuels					
Spent exotic fuel					
Continue removal of Breeder Fuel elements from DFR	11	2021-2022	MISSED		DRSL has decoupled breeder defuel operations from Sellafield. We are now mitigating asset risk and reconfiguring process equipment. Which will enable resumption of defuel activities in 2022.
Complete delivery of all in reactor DFR Breeder Fuel to Sellafield	12	2021-2023		BEHIND TARGET	Wet shipments to Sellafield paused due to COVID-19 and process line outages at Sellafield. Decisions taken in conjunction with NDA strategy team are that future Breeder shipments will be delivered suitable for dry storage at Sellafield.
Complete delivery of all fuels from DFR	12	2021-2023		BEHIND TARGET	The pause of fuel receipt and reprocessing at Sellafield due to COVID-19 has caused delay. Any elements which will not be reprocessed are to be packaged and delivered to Sellafield for dry storage. Dry storage is dependent on the availability of the receipt facility at Sellafield and the transport flask safety report.

Performance analysis - Site Licence Companies

Dounreay Site Restoration Limited continued

Key activities	Strategic Outcome	Timescale	2021/22 Activities	2021/24 Activities	Comments
Nuclear Materials					
Continue consolidation of remaining unirradiated exotics material (remnants)	22	2021-2023		ON TRACK	
Integrated Waste Management					
Low level waste					
Continued transfer of LLW to LLW vault	27	2021-2024		ON TRACK	
Complete design and build of D3110 Waste Treatment Plant	28	2022-2023		BEHIND TARGET	Subsequent to re setting our waste validation and consignment arrangements (waste characterisation and fingerprint data which led to a hiatus in operations). The site will re-open the waste route and continue against the target
Intermediate level waste					
Complete construction of Dounreay Cementation Plant (DCP) Store Extension Construction	32	2021-2022	MISSED		Current project forecast completion date is March 2023 after factoring in changes for COVID-19 and weather. The schedule shows commencement of inactive commissioning in the third quarter. We have commenced integration of the project delivery and operations teams in order to expedite the handover period
PFR Raffinate immobilisation complete	32	2022-2023		BEHIND TARGET	Completion of this activity is dependent on completion of DCP store extension, hence knock-on delay

Key activities	Strategic Outcome	Timescale	2021/22 Activities	2021/24 Activities	Comments
Site Decommissioning and Remediation					
Decommissioning and demolition					
Dounreay Material Test Reactor Building complex decontamination complete	42	2021-2023		BEHIND TARGET	Completion date now 2024. Decommissioning work has uncovered higher than anticipated levels of tritium. A recovery plan is in place and is being monitored
PFR – Removal of Sodium Disposal Plant Equipment (not tanks)	43	2021-2022	MISSED		Revised detail programme following COVID-19 delay, with equipment removal now expected to be underway in 2023
PFR - complete reactor vessel residual Na treatment operations - turn reactor vessel atmosphere from nitrogen to air		2022-2023		ON TRACK	
Dounreay Material Test Reactor structures demolished		2022-2023		BEHIND TARGET	Completion date now 2024. Recovery plan is in place and is being monitored
De-designate or re-use					
NDA and regulatory permissioning in support of the interim end state definition and arrangements for Dounreay	44	2021-2024		ON TRACK	
Critical Enablers					
Support small and medium enterprise (SME) organisations by measuring and reporting overall spend with them in-line with government growth agenda		2021-2024		ON TRACK	

Performance analysis - Site Licence Companies

Low Level Waste Repository Limited



Low Level Waste Repository (LLWR) Limited manages and operates the UK's low level waste repository in west Cumbria, providing safe, permanent disposal for a range of radioactive wastes. It's also responsible for delivering the UK's national low level waste programme and associated waste management services. LLWR was owned by Parent Body Organisation, Nuclear Waste Management Limited, up to 11 July 2021 and became a wholly owned subsidiary of the NDA from 12 July 2021. It is part of Nuclear Waste Services.

Key activities	Strategic Outcome	Timescale	2021/22 Activities	2021/24 Activities	Comments
Integrated Waste Management					
Low level waste					
Deliver the national LLW Programme to optimise LLW Strategy implementation. Work with consigning SLCs to improve waste forecast and inventory and continue segregated waste, treatment and disposal services	26 27 28 29	2021-2024		ON TRACK	
Intermediate level waste					
Work with NDA to support innovation in approaches to waste management of IWM	32 33 34	2021-2024		ON TRACK	
Type B packaging capability to support NDA and MOD customers	33	2021-2024		ON TRACK	
Site Decommissioning and Remediation					
Site End State Gate B paper delivered		2021-2024		ON TRACK	
New build and operations					
Enabling works for phased construction of the final cap for trenches 1 to 7 and Vault 8	41	2021-2024		BEHIND TARGET	Significant progress has been made with the site enabling works at LLWR ahead of construction of the final cap but issues with ground conditions and issues associated with the site's former use as a Royal Ordnance Factory have led to delays that mean it will no longer be possible to complete the enabling work in line with the 2021/22 target

Key activities	Strategic Outcome	Timescale	2021/22 Activities	2021/24 Activities	Comments
Critical Enablers					
Support hazard reduction across the NDA group		2021-2024		ON TRACK	
Deliver the LLW packaging and transport services		2021-2024		ON TRACK	
Manage and operate LLWR safely to provide an effective UK disposal service		2021-2024		ON TRACK	
Consider options to further optimise operations at the LLWR		2021-2024		ON TRACK	
Continue to pursue overall cost savings in delivery of the Lifetime Plan		2021-2024		ON TRACK	
Support small and medium enterprise organisations by targeting overall spend with them in line with the government growth agenda		2021-2024		ON TRACK	
Active participation in forums such as the North West Nuclear Arc to help achieve HMG key deliverables		2021-2024		ON TRACK	
Manage the existing LLWR Management and Operations contract through to completion and transition to new ownership arrangements		2021-2024		ACHIEVED	
Deliver the LLWR Transformation Programme and actively support the development of One NDA		2021-2024		ON TRACK	
Mature and deliver asset management and continuous improvement capability and performance to support mission delivery		2021-2024		ON TRACK	
Regulatory control					
Contribute to sustainability performance under the Greening Government Commitments (GGC)		2021-2024		ON TRACK	

Performance analysis - Site Licence Companies

Radioactive Waste Management



Radioactive Waste Management (RWM) Limited is an NDA subsidiary, responsible for delivering a geological disposal facility in the UK, on behalf of the NDA. This includes finding a suitable site with a willing community to host this permanent and safe solution for managing radioactive waste. It is part of Nuclear Waste Services.

Key activities	Strategic Outcome	Timescale	2021/22 Activities	2021/24 Activities	Comments
Integrated Waste Management					
Intermediate and high level waste					
Implement Government policy on geological disposal of higher activity waste	34 39	2021-2024		ON TRACK	
Through activity and enabling partners - work proactively with waste producers, planning for and delivering waste management solutions	34 38	2021-2024		ON TRACK	
Through activity and enabling partners - deliver a robust technical programme, support the GDF programme and waste management	34 39	2021-2024		ON TRACK	
Critical Enablers					
Develop RWM into a high performing delivery organisation		2021-2024		ON TRACK	
Continue to work with each community to provide information and help develop a detailed community vision		2021-2024		ON TRACK	
Work in partnership with communities to evaluate potential sites for a GDF		2021-2024		ON TRACK	
Design studies for specific sites, initial safety analyses, and environmental and economic assessments to help establish whether sites could be suitable		2021-2024		ON TRACK	

Nuclear Transport Solutions



Established in 2021, Nuclear Transport Solutions (NTS) is a centre of excellence and a strategic UK capability for the transport of radioactive and other critical materials.

Delivering our mission relies on being able to transport radioactive materials and other freight safely and sustainably. NTS supports this by transporting spent nuclear fuel from UK power stations to Sellafield, returning reprocessed products to customers overseas, and providing packaging and licensing solutions to the NDA group.

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

NTS operates Direct Rail Services (DRS) and Pacific Nuclear Transport Limited (PNTL) to deliver rail and shipping services for customers, building on decades of experience of providing safe, secure and reliable transport solutions.

Key activities	Strategic Outcome	Timescale	2021/22 Activities	2021/24 Activities	Comments
Spent Fuels					
Support AGR fuel movements by rail for EDF Energy from stations to Sellafield, including preparations for the AGR defueling programme.	6	2021-2024		ON TRACK	
Nuclear Materials - Plutonium and Uranics					
Support national nuclear material rail movements for Harwell, Winfrith and DSRL	17 22	2021-2024		ON TRACK	
Integrated Waste Management - High Level Waste					
Continue to deliver important international transports of vitrified High Level Waste (HLW) and conditioned Intermediate Level Waste (ILW)	36 37	2021-2024		ON TRACK	
Critical Enablers					
Develop a comprehensive overview of projected nuclear and critical non-nuclear transports, identifying opportunities to deliver more efficient and environmentally sustainable solutions to the NDA's transport requirements		2021-2024		ON TRACK	
Seek opportunities for new business within nuclear shipping, rail, packaging and design by providing transport enabling solutions to UK and international markets		2021-2024		ON TRACK	

Performance analysis - Site Licence Companies

Nuclear Transport Solutions continued

Key activities	Strategic Outcome	Timescale	2021/22 Activities	2021/24 Activities	Comments
Critical Enablers					
Undertake appropriate non-nuclear business to maintain and enhance the skills and capabilities required to support the core nuclear mission		2021-2024		ON TRACK	
Maintain and operate a fleet of specialist transport assets which meet the highest standards of quality, safety and security in order to support NDA operations		2021-2024		ON TRACK	
Attract and retain the necessary skills, capability and diversity of talent to deliver business in a safe, secure and reliable manner		2021-2024		ON TRACK	
Support the discharge of NDA obligations with respect to MOD nuclear rail transportation		2021-2024		ON TRACK	
Continue to deliver NDA's contractual obligations for transport of mixed oxide (MOX) fuel from France to Japan		2021-2024		ON TRACK	
Undertake a series of transformation activities that bring transport capabilities together into a single division that is efficient, commercially competitive and self-funding		2021-2024		ON TRACK	

Performance analysis - Other businesses that support the NDA mission

NDA Archives Limited

NDA Archives Limited is an NDA subsidiary, responsible for Nucleus (the Nuclear and Caithness Archives). The facility is operated by a commercial partner and provides long-term records management and archiving services for the NDA group.

Key activities	Strategic Outcome	Timescale	2021/22 Activities	2021/24 Activities	Comments
Critical Enablers					
Develop NDA group Digital Preservation and Digitisation policies		2021-2022	DEFERRED		Core principles have been established through productive engagement with subject matter experts (DPC). Additional scope (issues to be addressed) means that work will extend into 2022-2023.
Mature and implement the NDA Group Heritage Guidelines		2021-2022	ACHIEVED		
Development of the Hub and Spokes delivery model – centralised inventory and management with dispersed, off-site storage where appropriate		2021-2023		ON TRACK	
Magnox collection sift completed and ready for accession		2021-2024		ON TRACK	
Sellafield offsite collection sift completed and ready for accession		2021-2024		ON TRACK	
Capacity management planning		2021-2024		ON TRACK	
Re-competition of the commercial partner contract		2022-2023		ON TRACK	

Performance analysis - Other businesses that support the NDA mission

NDA Properties Limited

NDA Properties Limited is an NDA subsidiary, holding and managing the majority of the non-nuclear property assets within the NDA group.

Key activities	Strategic Outcome	Timescale	2021/22 Activities	2021/24 Activities	Comments
Critical Enablers					
Effective and efficient management and assurance of retained landholding consisting of 1,203 hectares across 92 properties		2021-2024		ON TRACK	
Effective management and close out of the Landlord's Essential Works Programme, including property portfolio projects for repair work (CAPEX) and improved preventative on-going repair and maintenance		2021-2022	MISSED		Essential works will not be complete by March 2022 due to resource constraints within NDA procurement team. Listed Building applications continue to cause delay
Review and deliver progressive environmental stewardship across the portfolio estate		2021-2024		ON TRACK	
Effective management of Hinton House including collaborative partnership working with Sellafield Ltd to align with the award on the next generation Facilities Management contract		2021-2023		ON TRACK	
Strategic transfer of land and property from NDAPL to NDA to facilitate and enhance operational activities and objectives		2021-2022	DEFERRED		On hold as transfer of NDA Properties Limited assets to Government Property Agency currently being discussed
Proactively dispose/release surplus assets no longer required by the NDA group or wider parts of government, including those that have high socio-economic value		2021-2024		ON TRACK	
To engage and collaborate with NDA group and stakeholders to target carbon net zero objectives		2021-2024		ON TRACK	

Rutherford Indemnity Limited

Rutherford Indemnity Limited provides insurance cover for the NDA group. It has a particular focus on nuclear liability cover and the provision of support for changes to insurance requirements. The company is a wholly-owned NDA subsidiary, managed for the NDA by Marsh Captive Management Services, and has no direct employees.

Key activities	Strategic Outcome	Timescale	2021/22 Activities	2021/24 Activities	Comments
Critical Enablers					
Provide optimal insurance coverage to the NDA to support its NDA group-wide insurance programme and exploit opportunities to reduce overall cost of insurance risk		2021-2024		ON TRACK	
Explore all avenues to develop potential innovative solutions to the increased financial security or insurance requirement resulting from the Nuclear Installations (Liability For Damage) Order 2016 and to respond to demands for new or additional policy or cover required from January 2022		2021-2024	ACHIEVED		
Continue to deliver the target return on the investment portfolio, protecting Rutherford's ability to offer insurance on a cost-effective basis, maintaining liquidity in order to be able to respond promptly to a major loss		2021-2024		ON TRACK	
Continue to use a prudent proportion of Rutherford's assets to support infrastructure investment within the NDA group		2021-2024		ON TRACK	
Assist with the NDA group insurance broker tender to ensure all outsourced activities improve efficiency and are aligned to support NDA group Insurance Strategy		2021-2024		ON TRACK	
Develop and implement comprehensive major incident claims management solution		2021-2024	DEFERRED		System will be delivered by 2023.
Procure Third Party Administrator to implement NDA-controlled nuclear liability claims handling administration		2021-2024	DEFERRED		Contract will be placed by 2023.

Performance analysis - Other businesses that support the NDA mission

Energus

ENERGUS.

Energus is an NDA subsidiary offering a range of training, education and business support services geared towards providing and enhancing skills within both the local and national nuclear workforce.

Key activities	Strategic Outcome	Timescale	2021/22 Activities	2021/24 Activities	Comments
Critical Enablers					
Continue to work closely with the NDA and stakeholders across the nuclear sector to upskill and develop the workforce of today and tomorrow		2021-2024		ON TRACK	
Continue to manage and facilitate a number of training opportunities for the NDA group and wider nuclear sector; including nuclear graduates, cyber security graduates and apprentices and other bespoke programmes to support the NDA People Strategy		2021-2024		ON TRACK	
Continue to work in partnership with the National Cyber Security Centre (NCSC) and NDA Cyber Security Resilience (CSR) to deliver a pipeline of cyber security young talent into the sector. Deliver CyberFirst and be the venue of choice for Cyber Security training in the North West		2021-2024		ON TRACK	
Continue to be a Cumbrian venue of choice for the NDA group's events, conferences and delivery of training and education.		2021-2024		ON TRACK	

Springfields Fuels Limited

Owned by Westinghouse Electric UK Holdings Limited

Springfields is a nuclear fuel manufacturing site and is located near Preston in Lancashire. The site is operated by Springfields Fuels Ltd (SFL) and is used to manufacture a range of fuel products for UK and international customers, the processing of historic uranic residues and decommissioning of redundant facilities.

From April 2010, the NDA permanently transferred ownership of the company to Westinghouse Electric including the freedom to invest for the future under the terms of a new 150-year lease. SFL is contracted to provide decommissioning and clean-up services to the NDA to address historic liabilities.

Key activities	Strategic Outcome	Timescale	2021/22 Activities	2021/24 Activities	Comments
Nuclear Materials - Uranics					
Continue to appropriately manage, care and maintain NDA stock of uranic materials	23 25	2021-2024		ON TRACK	
Site Decommissioning and Remediation					
Deommissioning and demolition					
Complete post operational clean out of the Residues Recovery Plant	42	2021-2023		ON TRACK	
Continue decommissioning of the Magnox Island	42	2021-2023		BEHIND TARGET	Delayed due to difficulties within the SFL supply chain. Recovery plans are being implemented.

Performance analysis - Other businesses that support the NDA mission

Capenhurst

Owned by: URENCO

The NDA Capenhurst site is located near Ellesmere Port in Cheshire.

In 2012, the site was transferred to URENCO, owners of the adjacent licensed site, and was amalgamated into a single nuclear licensed site. As part of this transfer, URENCO established Urenco Nuclear Stewardship (UNS), formerly known as Capenhurst Nuclear Services, to provide responsible management of uranic materials and carry out remediation work on behalf of the NDA.

UNS manages a large proportion of the NDA's uranic inventory and also provides broader decommissioning and demolition works for redundant facilities, in order to reduce liability and optimise space utilisation on site.

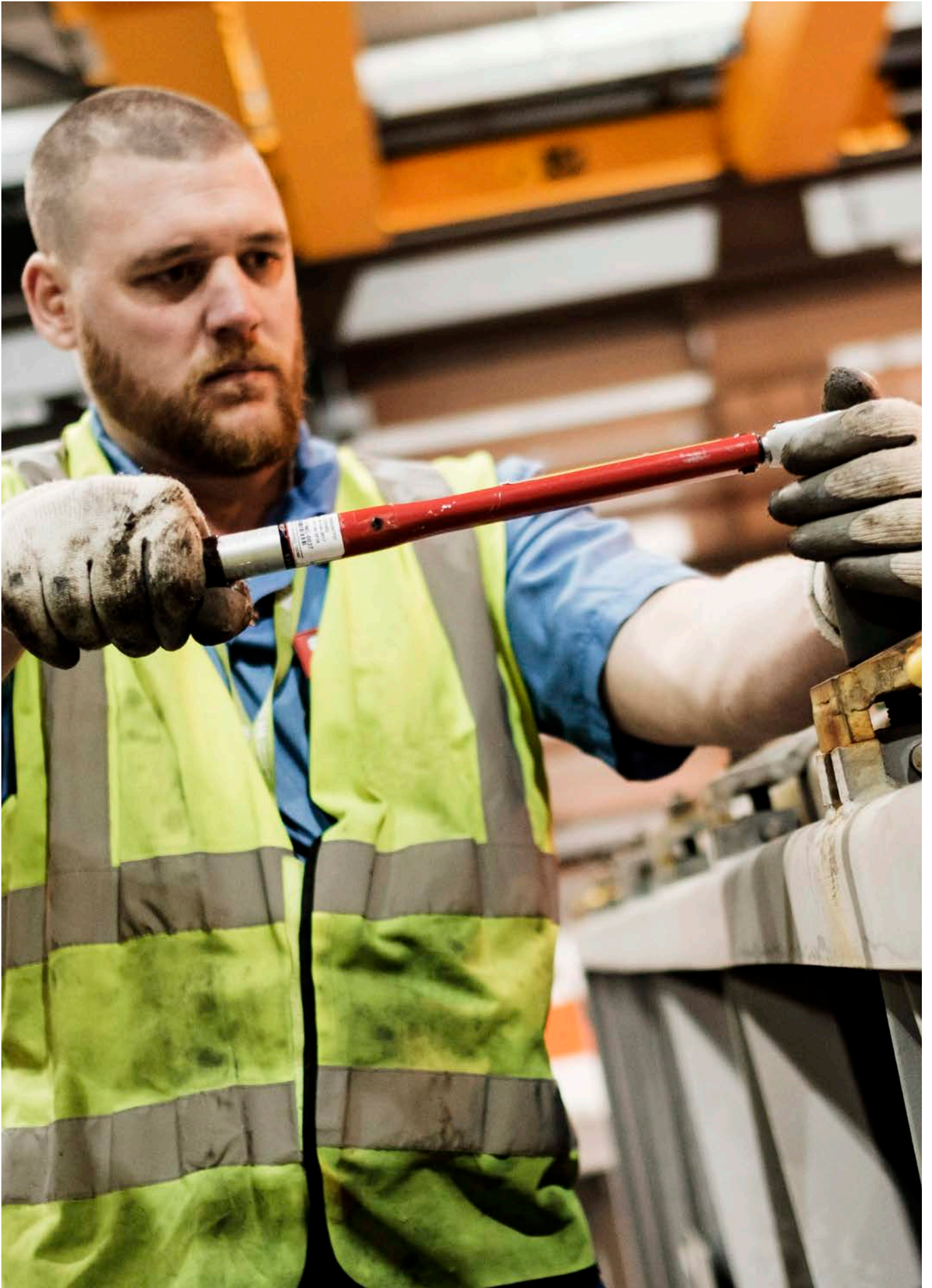
Key activities	Strategic Outcome	Timescale	2021/22 Activities	2021/24 Activities	Comments
Site Decommissioning and Remediation					
Deommissioning and demolition					
Continue decommissioning and demolition of key facilities	42 43	2021-2024		ON TRACK	
Nuclear Materials					
Continue the safe storage and management of uranic materials, including uranium hexafluoride tails prior to processing through the Tails Management Facility	23 24 25	2021-2024		ON TRACK	



David Peattie

Accounting Officer and Group Chief Executive Officer

7 July 2022



Glossary and abbreviations

A&RAC	Audit and Risk Assurance Committee	NTS	Nuclear Transport Solutions
AGR	Advanced Gas-cooled Reactor	OHI	Organisational Health Index
BEIS	Department for Business Energy and Industrial Strategy	ONR	Office for Nuclear Regulation
BEP	Box Encapsulation Plant	OpCo	Operating Company
C&AG	Comptroller and Auditor General	P&PC	Programmes and Projects Committee
CETV	Cash Equivalent Transfer Value	PAC	Public Accounts Committee
CEO	Chief Executive Officer	PBO	Parent Body Organisation
CFO	Chief Financial Officer	PCSPS	Principal Civil Service Pension Scheme
CPS	Combined Pension Scheme	PFCS	Pile Fuel Cladding Silo
DRS	Direct Rail Services Ltd	PFSP	Pile Fuel Storage Pond
DSRL	Dounreay Site Restoration Ltd	PNTL	Pacific Nuclear Transport Ltd
EA	Environment Agency	PPP	Programme and Projects Partners
EAP	Employee Assistance Programme	R&D	Research and Development
ED&I	Equality, Diversity and Inclusion	REMCO	Remuneration Committee
FGMSP	First Generation Magnox Storage Pond	RIDDOR	Reporting of Injuries, Diseases and Dangerous Occurrences Regulations
GDF	Geological Disposal Facility	RWM	Radioactive Waste Management Ltd
GLT	Group Leadership Team	SEP	Silo Emptying Plant
GSR	Group Strategic Risks	SEPA	Scottish Environment Protection Agency
HAL	Highly Active Liquor	SFL	Springfields Fuels Ltd
HLW	High Level Waste	SGHWR	Steam Generating Heavy Water Reactor
HMG	Her Majesty's Government	SIRO	Senior Information Risk Owner
HSE	Health and Safety Executive	SLC	Site Licence Company
HSSE	Health, Safety, Security and Environment Committee	SME	Small and Medium-sized Enterprises
IAS	International Accounting Standards	STEM	Science, Technology, Engineering and Mathematics
ICT	Information Communications Technology	STIP	Short-Term Incentive Plan
IFF	Integrated Financial Framework	THORP	Thermal Oxide Reprocessing Plant
IFRS	International Financial Reporting Standards	TRIR	Total Recordable Incident Rate
ILW	Intermediate Level Waste	UKGI	UK Government Investments
INES	International Nuclear and Radiological Event Scale		
INS	International Nuclear Services Ltd		
IWM	Integrated Waste Management		
JCG	Joint Consultation Group		
LLW	Low Level Waste		
LLWR	Low Level Waste Repository Ltd		
LTIP	Long-Term Incentive Plan		
M&A	Mergers and Acquisitions		
MOX	Mixed Oxide Fuel		
MSSS	Magnox Swarf Storage Silo		
NAO	National Audit Office		
NDA	Nuclear Decommissioning Authority		
NDPB	Non-Departmental Public Body		
NED	Non-Executive Board Director		
NOMCO	Nominations Committee		

Glossary and abbreviations

Care and maintenance	When a Magnox reactor site is kept in a state of Care and Maintenance, it is made safe for a planned period of quiescence, after which decommissioning activities will commence.	NDA estate	The businesses that support the NDA mission – Sellafield, Magnox, DSRL, LLWR, DRS, INS, RWM, NDA Archives, NDA Properties, Rutherford Indemnity, Energen, Springfield's Fuels Ltd and URENCO Nuclear Stewardship Ltd.
End state	Condition of a nuclear site (including the land, structures and infrastructure) following completion of decommissioning and clean-up activities, and any controls to be applied during its subsequent use.	NDA group	This is the group of businesses included in the statutory accounts. These are NDA, Sellafield, Magnox, DSRL, LLWR, INS (including subsidiaries PNTL, INS Japan, INS France SAS), DRS, RWM, NDA Archives, NDA Properties and Rutherford Indemnity. LLWR and RWM have combined to become Nuclear Waste Services (NWS).
Interim state	An interim state describes the condition of a site or facility (including land) at specific points en-route to the site end state. It is a natural milestone or decision point in the decommissioning and remediation programme that typically represents a significant reduction in risk or hazard. An interim state does not automatically infer a period of quiescence; it can be followed by continuous or deferred decommissioning.	One NDA	A way of working more effectively and efficiently to maximise the opportunities within the group of businesses.
Interim end state	An interim end state is a specific type of interim state. It marks the end of all physical works. No more active remediation will take place to achieve the site end state, i.e. further remediation will be passive for example as a consequence of radioactive decay or natural attenuation of contamination.		
NDA authority	This is used to describe the Non-Departmental Public Body created under the Energy Act and the performance of which is reported in this document.		

Useful links and documentation

- Nuclear Decommissioning Authority
(<https://www.gov.uk/government/organisations/nuclear-decommissioning-authority>)
- Department for Business, Energy and Industrial Strategy
(<https://www.gov.uk/government/organisations/department-for-business-energy-and-industrial-strategy>)
- Sellafield Ltd (www.gov.uk/government/organisations/sellafield-ltd)
- Magnox Ltd (www.gov.uk/government/organisations/magnox-ltd)
- Dounreay Ltd (www.gov.uk/government/organisations/dounreay)
- Capenhurst Nuclear Services Ltd (<https://www.urencocom/>)
- Springfields Fuels Ltd (<https://www.westinghousenuclear.com/>)
- Nuclear Waste Services (<https://www.gov.uk/government/organisations/nuclear-waste-services>)
- Nuclear Transport Solutions (<https://nucleartransportsolutions.com/>)

Useful documentation

- The NDA group Sustainability Strategy 2022 - GOV.UK (www.gov.uk/nda)
 - NDA's response to the Magnox Inquiry and Departmental review (www.gov.uk/nda)
 - NDA Strategy - March 2021 (www.gov.uk/nda)
 - NDA Business Plan 2020 to 2023 and NDA Business Plan 2021 to 2024 (www.gov.uk/nda)
 - NDA Mid-Year Performance Report 2020 to 2021 (www.gov.uk/nda)
 - NDA Research and Development 5 year plan: 2019 to 2024 (www.gov.uk/nda)
 - NDA Direct Research Portfolio (DRP) Projects: Quarterly Update – Oct 2019 (www.gov.uk/nda)
 - Nuclear Decommissioning: attracting and retaining skills (brochure) Nov 2016 (www.gov.uk/nda)
 - NDA Corporate Centre: gender pay gap report, 2020 (www.gov.uk/nda)
 - Register of Director's Interests and associated procedure (www.gov.uk/nda)
 - NDA sustainability report April 2020 to March 2021: (www.gov.uk/nda)
-

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Appendix A - NDA group - Summary of events confirmed as INES1 or higher during 2021/22

Site	Event Description	Final rating and duty holders comments on the event
INES 2 events		
Sellafield Ltd	<p>Leak from Magnox Swarf Storage Silo at the Sellafield site</p> <p>NB This event began in 2019 and was reported in that year, however the leak is continuing, and it is considered appropriate to report as an ongoing, not new, INES level 2 in this year</p>	<p>Currently this presents no risk to the public or workforce. Both the ONR and the EA are closely involved in the regulation of, and investigation into, this event, with the EA issuing a variation to the site permit to include some improvement conditions relating to the leak and the ONR raising a level 2 regulatory issue. Sellafield is placing significant focus on this issue and are addressing it through a dedicated sub-programme</p> <p>This incident was rated as an INES Level 2</p>
INES 1 events		
Sellafield Ltd	Shortfalls within one of its criticality detection systems (CIDAS)	<p>These shortfalls related to historical modifications which had remained latent before being recognised this year.</p> <p>The incident was rated as an INES Level 1</p>
Magnox Ltd	Spillage of radioactive liquor from a heat exchanger at Winfrith	<p>A number of cultural factors are being addressed as a result, and engagement with the regulator is underway</p> <p>The incident was rated as an INES Level 1</p>
Sellafield Ltd	Small fire in building	<p>A number of operational improvements have been implemented and recovery work carried out including repairs to electrical cables.</p> <p>The incident was rated as an INES Level 1</p>

Process notes

- It is the Site Licence Company's duty to report and investigate events on the site, to take action to control risks, and prevent recurrence. However, the NDA takes the safety of people working with radiation seriously and we have, working with the Site Licence Companies concerned, reviewed all of the above. We were content that Site Licence Companies had carried out a proper investigation and learned from what happened.
- The International Nuclear and Radiological Event Scale (INES) is a tool for communicating the safety significance of nuclear and radiological events to the public. Events are rated at seven levels. A level 1 INES event is rated as an anomaly.
- Events are given a provisional INES rating by the Site Licence Company
- The provisionally rated event is referred to the National Officer (an ONR Inspector), who decides the final rating reported to IAEA
- The latest information on INES events can be found at <https://www-news.iaea.org/>

Appendix B - major projects cost and schedule

Major projects within the NDA group are defined as being those projects with a business case that has been approved by Government. For each of these projects, the table below provides the project whole life costs and end dates from the original HM Treasury-approved business case (on a 'P80' basis), the current HM Treasury-approved business case (P80 values), the current forecasts, and any changes to these forecasts this year.

Project name	Year started	Original HMT approved business case cost (£m)	Current business case cost (£m)	Estimated cost as at Mar 2022 (£m)	Change in forecast cost this year (£m)	Original HMT approved business case project end date	Current business case project end date	Forecast project end date as at Mar 2022	Change in forecast end date this year
Sellafield Limited									
Bulk Sludge and Fuel Retrievals	2004	229.0	400.0	340.0 (Complete)	0.0	Dec 2012	Mar 2020	April 2021 (complete)	0 mths
Current status and reasons for changes to project cost and/or end date from original HMT approved business case.									
Increases in cost and schedule compared to original HMT approved business case 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 equipment has now been handed over to operations and the project is complete.									
Chimney De-commissioning Phase 2F	2012	122.6	122.6	118.5	+3.5	May 2029	May 2029	Jul 2028	0 mths
Current status and reasons for changes to project cost and/or end date from original HMT approved business case.									
The demolition of the diffuser section of the chimney has now been completed, which has retired the seismic risk associated with the chimney. Some cost challenges have been experienced due to COVID-19 delays, market-driven cost increases in steelwork and commodities, and additional scope required to manage unforeseen asset conditions. The project continues to drive opportunities to manage these cost pressures.									
Box Encapsulation Plant Product Store Direct Import Facility	2013	215.4	446.4	458.9	+4.4	Dec 2018	Apr 2023	May 2023	0 mths
Current status and reasons for changes to project cost and/or end date from original HMT approved business case.									
Delays to the completion of detailed design scope led to increased design and supervision costs, delaying procurements, and creating inefficiency in construction activities on site. Sellafield took full control of the project in 2019/20 and following further performance issues with the pipework subcontractor the contract with them was terminated and the remaining mechanical and electrical installation activities were consolidated under a single contractor to address performance issues. As a result of this and the impact of COVID-19 pandemic the project had to be re-sanctioned in September 2021. In year changes in cost driven by continued impact of COVID-19 on commissioning and associated engineering support activities. All construction activities are now complete, and the facility is in the final stages of commissioning and system cycle demonstrations as part of handover to operations.									
SEP Solid Waste Storage Retrievals	2007	759.2	871.0	916.9	+5.4	Jan 2023	Sep 2023	Aug 2026	+7mths
Current status and reasons for changes to project cost and/or end date from original HMT approved business case									
Cost and schedule increases are as a result of contractor performance issues in the manufacture and works testing of the Silo Emptying Plant (SEP) machines, and the complex working arrangements around the facility. The understanding of this, and the learning from SEP 2 commissioning, is being factored into the forward plan for the SEP 1 and SEP 3 machines and the overall strategy, cost, and schedule for completing the project is being reviewed. Start of waste retrievals using SEP 3 is also contingent on BEP availability, the delivery of which has slipped to July 2026 and is driving out the end date for this project. Cost and schedule increases in year are a result of the ongoing impact of COVID-19 and close out of issues identified during commissioning. The first retrieval machine (SEP 2) is expected to commence active operations in Q1 2022/23 with the first package of waste being retrieved and the second retrieval machine (SEP1) is expected to be mechanically installed by the end of 2022/23.									

Appendix B - major projects cost and schedule

Project/ programme	Year initiated	Estimated cost at initiation (£m)	Current business case cost (£m)	Estimated cost Mar 2020(£m)	Estimated cost Mar 2020 (£m)variance	Estimated end date at initiation	Current business case end date	Estimated end date Mar 2020	2019/20 estimated schedule variance
Box Encapsulation Plant	2014	615.0	887.0	1,316.0	-11.0	Jan 2021	Jun 2023	Jul 2026	+2 mths
Current status and reasons for changes to project cost and/or end date from original HMT approved business case Variances in the early stages of the project were due to changes in scope and design along with different commercial arrangements than had been originally envisaged. The current scope also reflects changes associated with the alternative intermediate level waste strategy. The project has experienced significant delivery issues and following Sellafield and NDA executive intervention action has been taken to address these and the project is now delivering in line with its revised forecasts. However, the cost and schedule forecast exceed business case approvals and a request for additional funding is being made to Government. The reduction in forecasts costs this year reflects the success of the improvement actions put in place by the NDA, Sellafield and contractor executives with the project achieving all in year milestones in line with the contractors agreed performance schedule. Schedule increase reflects the continued impact of COVID-19 beyond the initial planning assumption of June 2021.									
SIXEP Continuity Plant	2014	498.0	1,182.0	947.2	+344.9	Feb 2026	Feb 2033	Jan 2031	+24 mths
Current status and reasons for changes to project cost and/or end date from original HMT approved business case As the project has matured through the concept and preliminary design stages the increased scope definition has enabled a more accurate and definitive estimate to be developed based on measured quantities. Since March 2020 the project has progressed to schedule on site construction activities, however these activities have been offset by COVID-19 delays on valve prototype development which is on critical path. This delay resulted in a five-month schedule variance and additional cost of £28.1m, however current progress on valve manufacture is positive with supplier in contract and performing well. The project achieved HMT approval of its Full Business Case (FBC) in December 2021 and is in its construction phase. The project is currently performing well against the FBC dates and is forecasting to be delivered in January 2031 ahead of its business case end date of February 2033.									
Sellafield Product and Residue Store Retreatment Plant	2015	885.0	1,673.0	1,258.2	+115.9	Mar 2027	Mar 2032	Aug 2029	+6 mths
Current status and reasons for changes to project cost and/or end date from original HMT approved business case The project achieved HMT approval of its Full Business Case (FBC) in July 2021 and is in its construction phase. The project is currently performing well against the FBC dates and is forecasting to be delivered in August 2029 ahead of its business case end date of March 2032 with supply chain identified and most contracts in place. The development of the FBC was informed by more robust market informed data and assurance of the forward schedule by the Programme and Project Partners (PPP) which resulted in a significant cost and schedule variance from the original HMT approved business case. This cost and schedule increase has been heavily assured and benchmarked and is captured within the FBC. On site construction activities during 2021/22 have progressed well, delivering in line with its COVID-19 impacted cost and schedule.									
Electrical Supply New Construction	2016	238.0	238.0	324.3	-1.0	Mar 2023	Mar 2023	Nov 2026	0 mths
Current status and reasons for changes to project cost and/or end date from original HMT approved business case Cost and schedule variance from the original approved HMT business case is due to immature scope and design in the original business case leading to an understatement of cost and schedule. The current project forecast has been aligned to the estimates and schedule assured by Sellafield Limited in December 2020. This takes into account the impacts of COVID-19 as well as the improved scope and design definition. Further independent assurance was undertaken by the NDA in the form of an IPA style review. The project will submit the Full Business Case to the NDA Group Investment Committee in July 2022.									
Replacement Analytical Project	2016	878.0	878.0	668.9	+9.6	Feb 2029	Feb 2029	Nov 2028	+7 mths
Current status and reasons for changes to project cost and/or end date from original HMT approved business case Cost and schedule increases primarily associated with maturity of scope and estimate since Outline Business Case along with COVID-19 impact (£23m), annual indexation and resource shortfall related delays. Project delivery continues in line with COVID-19 forecasts. Delays to the critical path are being analysed with plans for recovery also in development. Following a 'cold eyes review' of the project, plans have been developed to address some of the project shortcomings with additional resources being provided by the PPP partnership including a new Head of Projects and a series of optimisation activities is ongoing. In P12 the project underwent an Assurance of Action Plan in response to a red Delivery Confidence Assessment from an IPA Gate Zero Review in late 2021, with five out of six of the findings closed.									

Project/ Programme	Year initiated	Estimated cost at initiation (£m)	Current business case cost (£m)	Estimated cost Mar 2020(£m)	Estimated cost Mar 2020 (£m)variance	Estimated end date at initiation	Current business case end date	Estimated end date Mar 2020	2019/20 estimated schedule variance
Magnox Limited									
Steam Generating Heavy Water Reactor (SGHWR)	2015	266.0	266.0	247.3	+23.4	Mar 2035	Mar 2035	Mar 2034	+3 mths
Current status and reasons for changes to project cost and/or end date from original HMT approved business case.									
The project achieved HMT approval of its Full Business Case (FBC) in September 2021. The project is currently within the FBC dates and is forecasting to be delivered in March 2034 ahead of its business case end date of March 2035. In terms of cost the project is forecasting to be delivered within its business case end cost of 266.0m. In year forecast increases have resulted from inflation, the Detailed Design and Build (DD&B) subcontract and additional cost to deliver the ILW Encapsulation Plant, Project offices and clean-up of primary containment.									
RWM Limited									
GDF Community Engagement & Site Evaluation (Project 2)	2018	66.9	66.9	61.1	-0.9	Dec 2024	Apr 2026	Jan 2026	+6 mths
Main reasons for changes to project cost and/or end date from original HMT approved business case to March 2022.									
Significant progress has been made on this, despite constraints of COVID-19. Much of the underpinning process, structure and procedure for siting is now in place. Confidence in finding a willing community continues to increase with three Community Partnerships now formed in West Cumbria and a working group progressing towards Community Partnership in East Lindsey. There is a pipeline of further potential communities, and some showing promising prospects, although discussions are at a very early stage. Budget variance is primarily due to slower than anticipated progression of communities to form Working Groups and move to Community Partnerships, however this should change in future periods as site evaluation activity is planned to significantly increase. There are fewer Working Groups and Community Partnerships being formed than assumed in the budget, however costs to run them are slightly higher than initially estimated.									

