

PP

Annual Report

YEAR FIVE: APRIL 2023 -MARCH 2024





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Introduction

Welcome to the latest annual report on the performance of the Programme and Project Partners (PPP), which is delivering most (not all) of our major infrastructure projects.

This report reflects on the fifth year of the partnership, for the period April 2023 to March 2024, bringing you an impartial and evidence-based overview of the partnership's performance across all aspects of delivery.

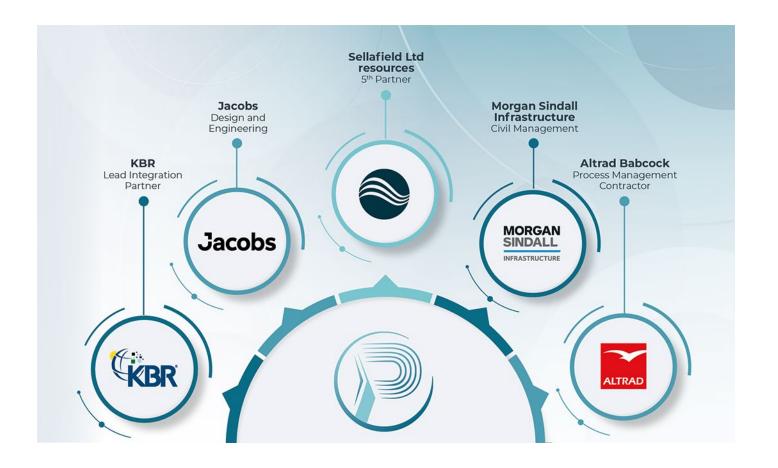
The PPP brings together four delivery Partners to work collaboratively to deliver approximately £7 billion (2019/2020) worth of projects that will treat and store nuclear materials to enable the decommissioning and remediation of legacy facilities.

The partnership comprises KBR as the project services provider, Jacobs Clean Energy Ltd as the design and engineering provider, Morgan Sindall as the civil construction management provider and Altrad Babcock (formerly Doosan Babcock) as the process construction management provider. Sellafield Ltd's role in the model is two-fold:

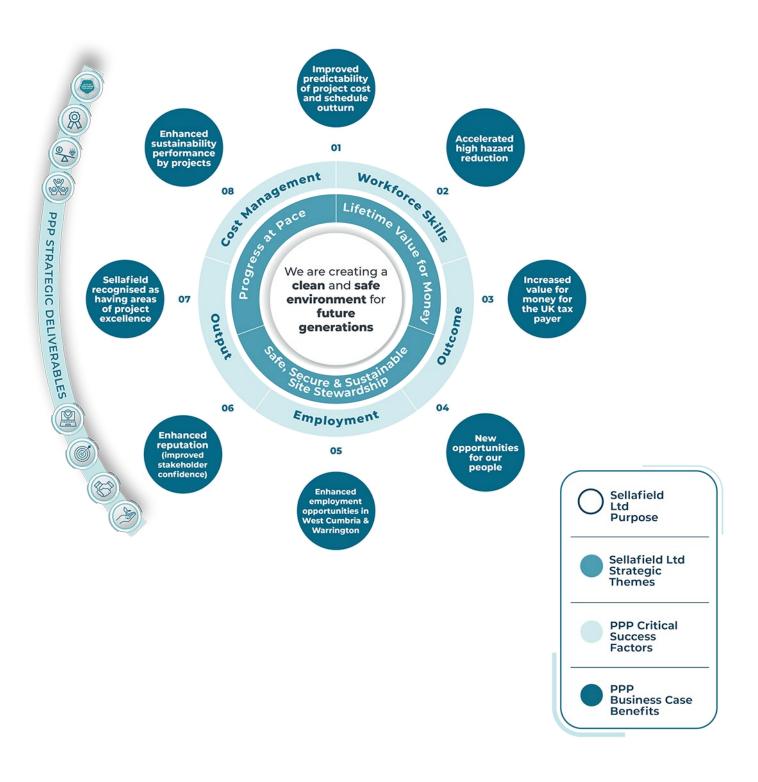
- To enable and oversee PPP delivery as an Intelligent Client organisation.
- To deploy capability and capacity into the partnership through delivery roles as a 'Fifth Partner' working for, and on behalf of, the Partners.

E7bn

WORTH OF PROJECTS THAT WILL TREAT
AND STORE NUCLEAR MATERIALS



Sellafield Ltd procured the PPP model to transform project delivery, and as part of this, a framework of benefits was presented in the Full Business Case (FBC) that would serve as evidence of that transformation. The below shows how the eight Benefits align to Sellafield Ltd's purpose and strategic themes.



Performance Summary 2023-24

The PPP has continued the trend of strong performance from year four and remains on track to deliver the Full Business Case benefits.

Year five has seen continued green confidence assessments for the two largest projects from the Infrastructure and Projects Authority – recognised to be a relatively rare rating. Whilst these projects are still several years away from being completed, this assessment indicates "successful delivery of the project on time, budget and quality appears highly likely".

More broadly, the maturity of the partnership continues to grow. Having largely achieved operational value in most areas in year four there is evidence the focus has shifted to realising strategic value. This strategic focus can be evidenced by the release of the PPP Strategy in July 2023 that is now in the process of being embedded across the partnership to enable accelerated delivery and realisation of the eight business case benefits, while creating wider value to the taxpayer, our communities and industry.

Safety and wellbeing continues to be a significant focus, and the PPP partnership has continued to maintain the high standards and behaviours. Year four saw the continued maturity of the Health, Safety and Wellbeing Hub, now in its second year, bringing benefit not just to PPP projects, but the wider Sellafield Ltd business.

Benefits realisation continued to increase and strengthen, £1.3b has been validated and £450m delivered and realised.

This year wasn't without its challenges, from Industrial Relations issues to high inflation to the complexities in generating stability and maturity in front-end requirements.

The end of year five saw Sellafield Ltd bring the Replacement Analytical Project (RAP) to a strategic pause, a programmatic decision based on the changing needs of the site's mission.

While the project has faced challenges in recent years, the interventions and reviews initiated, and the way the PPP model is structured, allowed the partnership to start their sixth year contributing to the successful mobilisation of more than 400 people into other roles to deliver key priorities for both PPP and for Sellafield Ltd more widely.

Inclusion remained a strong focus for the partnership, receiving recognition from Government at their Project Delivery Awards as winner of the 'Diversity and Inclusion' category.

The Key Delivery Partners continued to become embedded in projects teams, while bringing smaller businesses on board by awarding Tier 3 SME frameworks.

Overall, the PPP model has contributed significantly to strong project performance with external reviews identifying a strong internal culture that is adding value to Sellafield Ltd and leading to better outcomes.

Sellafield Ltd and the Partnership shows how to help enable and assist at the front end of projects. Recognising the greatest potential to add value is at the start, the Partnership has a role to play in supporting and collaborating with Programme teams with 'end in mind' information.





Foreword

I am delighted to introduce this year's PPP Annual Report.

There is much to be proud of, as the achievements section in this report shows. Be under no illusion, those achievements are not easy wins, they are the result of a huge amount of work from a lot of people not only across the partnership but also across Sellafield Ltd, the Nuclear Decommissioning Authority and Government.

The complexity of what we deliver and where we deliver it is not something many in the major projects sector contend with and our people are making it happen every day.

This year we saw the power of collaboration in action.

It is easy to collaborate when things are going well, the true test is when you face challenges. This year saw the strategic pause of the Replacement Analytical Project (RAP) which could have seen us all revert to the old 'transactional' ways.

Instead, what we saw was all five organisations working together on a 'people first' strategy – supporting staff both on RAP, in the partnership and in the Sellafield Ltd programme.

The result was hundreds of people moved quickly and transparently into new roles for both their benefit and that of PPP and Sellafield Ltd. Having seen a number of large demobilisations of people over the years this was the best I've ever been involved in and that is down to the professionalism of our people.

I will say it every year, health, safety and wellbeing remains my top focus, and I've been pleased to be part of the Health, Safety and Wellbeing Hub's continued maturity.

There is still work to do, but we are implementing standards at a level and pace never seen before on Sellafield projects. That the Hub is seen as a valued enabler for all Sellafield projects demonstrates the value PPP can add to Sellafield Ltd beyond the projects it directly delivers.

I am extremely proud of the achievements made by our partners in year five and I am excited to see the partnership take hold of some new projects in the coming year.

And I want more. I believe the partnership can leverage their strong performance to date to provide even more value for Sellafield Ltd.

I want more vision and leadership from the partners and more integration with each other and with Sellafield Ltd.

I believe the partnership can do more to support Sellafield Ltd's Programmes and Senior Responsible Owners (SRO) as they define the front-end requirements for projects.

I also believe they can do more to support Sellafield Ltd as it develops its approach to measuring benefits realisation and cost avoidance based on the strong methodology it has for quantifying PPP benefits. These are just two examples, there are many more we should be considering.

We must continue to deliver on the commitments we have made and earn the trust placed in us to execute a vast and complex infrastructure programme, and I'm glad we're doing it together.

Andy Sharples

Executive Projects Director for Sellafield Ltd





Response from the Partnership

Last year I spoke about the steps we've taken as PPP, together with Sellafield Ltd, to deliver one of the most exciting and complex infrastructure programmes in the UK.

For me, year five has shown a real change in the pace that we are growing and maturing as a partnership.

This means we can never rest on our laurels and this year has seen us mature the Health, Safety and Wellbeing Hub, to drive behaviours, standards, and innovations that will help us be knowingly safe and protect us from harm.

While we have naturally dealt with some challenges during year five, there have been many achievements and some real high points in our delivery.

I'm immensely excited about the continued project delivery progress we're seeing on the Sellafield site, as the Sellafield Product and Residue Store Retreatment Plant (SRP) becomes weathertight, the Site Ion Exchange Effluent Plant (SIXEP) Continuity Plant (SCP) passes its half-way point, the Box Encapsulation Plant Product Store (BEPPS2) starts works on site, and enabling projects like the Intermediate Level Waste – East Zone (ILW-EZ) paving the way for future facilities on site.

A personal highlight is the way our people have responded to the decision by Sellafield Ltd to bring the Replacement Analytical Project to a strategic pause. Our Partners, Client and supply colleagues exhibited our 'people first' approach by helping 422 colleagues into new and exciting roles across the PPP and Sellafield. This is something I'll reflect on for years to come.

Our award-winning internship scheme continues to be embraced by our long-term supply partners, who are following our lead to provide early career opportunities to people from the local community.

I'm also personally proud of our progress around Inclusion, and the recognition we have received from Government on our efforts to ensure everyone feels valued, accepted and psychologically safe. There is always more we can do here, which is why I am investing further in Inclusion training for our teams in the coming year.

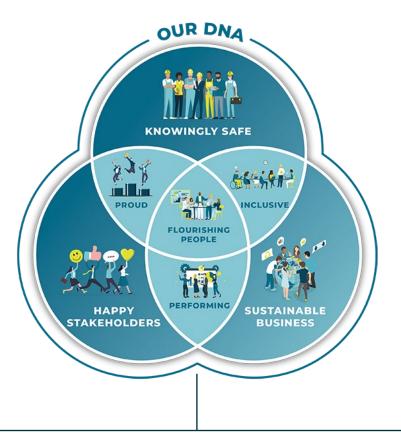
Seeing so many smaller businesses become a valued part of PPP has also been a personal highlight, giving me confidence about our ability to positively impact our communities.

As I look forward to the next year, I am particularly excited about the new generation of projects coming through. I am delighted that Sellafield Ltd has already enabled us to embed PPP resources into three pipeline projects, recognising the power and value of adopting the PPP way during the earliest possible stages of a project.

For all these reasons, I remain immensely proud and excited to be leading this partnership, and that will only grow as we continue to deliver our purpose over the next 15 years.

Duncan Elliott

Managing Director, Programme and Project Partners (PPP)



"We launched and embedded our PPP Strategy during 2023, and at the heart of this is something we refer to as our 'DNA'.

This is the set of principles we hold dear as most important in 'how' we deliver the strategy, I guess you might call it the PPP Way.

At the centre of this DNA is people, who are key to our success. My priority is to ensure that no harm comes to anyone working with or in the PPP team and that everyone goes home safe and supported, every day."

Duncan Elliott





Achievements



IMPROVED PREDICTABILITY OF PROJECT COST AND SCHEDULE OUTTURN

ON TRACK TO ACHIEVE COST AND SCHEDULE OUTTURNS



SRP and SCP on track to achieve Full Business Case cost and schedule outturns – compared to historic 30% overruns. B3

IMPROVED PREDICTABILITY OF PROJECT COST AND SCHEDULE OUTTURN

£1.3bn



£1.3 billion has been validated and £447 million delivered and realised.



ACCELERATED HIGH HAZARD REDUCTION

KEY DELIVERY PARTNERS EMBEDDED



Key Delivery Partners now embedded across projects early in the lifecycle to accelerate performance.

STRATEGY AND DNA



Launched and embedded the PPP Strategy and DNA.



NEW OPPORTUNITIES FOR SELLAFIELD LTD AND ITS PEOPLE

4



The 4 Golden Rules for safety were adopted by the wider Sellafield Ltd enterprise.

142



142 Sellafield people working on PPP, leading to new opportunities in single-focused delivery teams working towards the same goals.



ENHANCED EMPLOYMENT OPPORTUNITIES IN WEST CUMBRIA AND WARRINGTON

52%



Workforce 52% directly employed, early talent 10% of new hires, 56% local hires to Cumbria & Warrington).

PROJECT CONTROLS ACADEMY



4 people have gone through the first PPP Project Controls academy launched in 2023 and are now deployed onto major projects.

165



165 suppliers working in PPP of which 52% are small and medium enterprises (SMEs).

500



Recruiting an average of 500 people per year.



ENHANCED REPUTATION (IMPROVED STAKEHOLDER CONFIDENCE)

DIVERSITY AND INCLUSION AWARD



PPP won the Diversity and Inclusion Award at the Government Project Delivery Awards.

AWARD WINNERS



PPP won 2022 & 2023 Institute for Collaborative Working's Supply Chain Award, & 2024 Government Project Delivery Award for Diversity & Inclusion.

MOST INCLUSIVE EMPLOYERS



Embedding a culture, which achieved us a place in the UK's top 35 most inclusive Employers.





SELLAFIELD RECOGNISED AS HAVING AREAS OF PROJECT EXCELLENCE

GROWN THE PPP SUPPLY CHAIN



Grown the PPP supply chain by awarding the first SME Frameworks via our key delivery partners.

GREEN



IPA "GREEN" Delivery Confidence Assessments for largest projects SRP and SCP, NDA "GREEN" for BEPPS2.



ENHANCED SUSTAINABILITY PERFORMANCE BY PROJECTS





6 new standards were rolled out by the Health, Safety and Wellbeing Hub.

COMMITMENTS PLEDGED



Low Carbon Construction commitments pledged.

2,300+



2,300+ hours invested in community projects during 2023/2024.

300



300 local children improving literacy through PPP Chapter One reading programme.

£50M+



£50M in social value was delivered in year five through PPP engagement with local employees, volunteering and local supply chain spend.

Challenges

Key external and internal challenges that had to be navigated by Sellafield Ltd and the PPP partnership, during year five include;

External



Capacity and capability

Providing the required levels of resourcing for design, engineering, manufacture, construction, commissioning and pre-operations, has been, and remains a significant concern, principally because of demand from other major projects including in the nuclear and defence sectors.



High inflation

While the Consumer Prices Index (CPI) has steadied, with an increase of 3.2% over the past 12 months, the high inflationary pressures on the Sellafield Ltd budget remain. This continues to be a focus area for the Client, who are working with the PPP Partners and the broader Sellafield Ltd organisation to achieve efficiencies and drive maximum value for money.



Construction labour

Linked to capacity and capability challenges, the UK is currently seeing high levels of wage inflation across all construction job roles.



Stakeholder landscape

Due to the large and complex programme PPP is delivering for Sellafield Ltd, it relies on the support and participation of a wide range of stakeholders external to PPP and Sellafield Ltd. The Client and PPP must continue to invest and focus on transparent stakeholder engagement as a priority.



Internal



Integration to support transition of pipeline projects

PPP has made strong gains in the performance of its projects. The Client expects strong portfolio performance going forward and this will require a stronger integration with the Sellafield Ltd programme community to support current projects and the transition of future pipeline projects.



Replacement Analytical Project

RAP was strategically paused in April 2024. The challenge, and opportunity, will be to ensure PPP brings its collective expertise to new solutions for Sellafield's analytical programme and to future projects.



Common data environment

Progress in delivering the Common Data Environment (CDE) has been slower than expected due to the constraints of the Sellafield Ltd security environment. This has resulted in bespoke solutions being pursued by the projects which will need to be addressed as the PPP portfolio approach matures.



PPP Culture

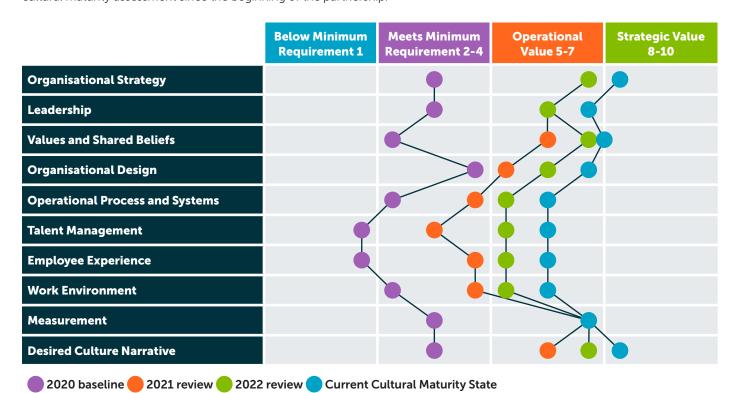
The PPP Culture is underpinned by collaborative behaviours, with a prioritised focus around inclusion. This has been further underpinned and embedded during 2024 through the establishment of the PPP Strategy and DNA.

Cultural Maturity has continued to develop during year five of the partnership, following achievement of the Investors in Diversity accreditation (April 2023), showing a steady increase over all ten cultural levers independently assessed as part of the Annual Cultural Maturity Review.

Benefits of this work are being realised by the partnership, with three cultural levers now moving into strategic value, further evidencing the momentum around cultural shift and high performance.

2021 PPP Cultural Maturity Assessment Results

The table below shows the progress made across all areas of the cultural maturity assessment since the beginning of the partnership.





Several key enabling activities have supported this step change;

1

The focus on inclusion in PPP, has yielded tangible, measurable improvements in cultural maturity over the last two years.

2

The PPP People Forum, with senior leadership sponsorship, provides a collective voice, to escalate and shape the inclusion agenda. It has paved the way for greater connectivity between the partners and the partner employee networks, with examples of best practice being identified, refined, then distributed back into those organisations to the benefit of all.

3

The FREDIE (fairness, respect, equality, diversity, inclusion and engagement) framework continues to permeate the partnership. This was initially focused on partner policies and employment conditions, but now evolving into the PPP way of working, reflected in the inclusive communications strategy, the creation of the PPP Development Hub and the Health Safety and Wellbeing Hub.

4

The PPP Thank a Colleague scheme launched and embedded to increase recognition and pride amongst the workforce, and drive forward the employee experience cultural lever.

The scheme celebrated its first anniversary in May 2024, with almost 500 submissions raised across PPP.

5

The PPP People Team has been refreshed, with a new leadership and organisational structure that encompasses learning and development, resourcing, culture, and inclusion.

6

Looking forward to year six, a new cultural baseline will focus on the incremental steps needed to move further into strategic value.

To sustain the trajectory of continuous improvement around cultural maturity and inclusion, the partnership will invest further in inclusive leadership behavioural training. This combined with a transition towards a more proactive and agile approach to cultural monitoring, will support the partnership to identify and respond promptly to emerging cultural themes.

Health, Safety & Wellbeing

Based on the Safety Energy score, health and safety performance has shown an overall improvement across the programme during 2023/24. Whilst exceeding SL targets in some areas, performance remains better than typical national construction accident data.

This has been supported by the continuing maturity of the Health, Safety and Wellbeing Hub, formed in 2022.

The Hub brings together Sellafield Supply Chain partners to collaboratively agree and embed best practice, applying learning and expertise from across the UK infrastructure construction industry in order to meet the vision of being knowingly safe.

The Hub has continued to evolve and mature during 2023/24, expanding the membership to involve more Key Delivery Partners (KDPs) and other large construction companies. The Hub leads the development and implementation of health, safety and wellbeing standards alongside facilitating the delivery of improvements, such as increased leadership tours and engagement of the workforce via safety circles.



As a result, at the 2023/24 Sellafield Ltd Wave Awards, the PDD Health, Safety and Wellbeing Hub won the 'Exemplify proactive, safety, security and sustainability' award.

New standards issued during 2023/24 covered:

- Mental Health and Wellbeing
- Supervisor Competency and Development
- Critical Worker Medicals
- Site Segregation and Barriers
- PDD Major Projects Safety Energy
- Mobile Elevating Work Platforms (MEWPs)

Proactive engagement campaigns facilitated by the Hub in 2023/24:

- Suicide awareness and prevention
- Road safety
- 'Boots On, Switch On' campaign in response to trends
- Airborne contaminants, including a COSHH training programme
- 'Safe Close (December), Safe Start' (January)

Golden Rules developed by the Hub are embedded on all major projects and have been rolled out across the wider Sellafield Ltd Enterprise.



The table below shows the comparison between the related Projects, Programme and Enterprise safety performance metrics against the overall target.

	PPP	PDD	SL	SL Target
Recordable Injury Frequency Rate	0.36	0.38	0.37	0.28
Lost Time Accident (LTA) Frequency Rate	0.27	0.26	0.25	0.15
RIDDOR Reportable Frequency Rate	0.11	0.10	0.07	0.04

^{*}PDD – Project Delivery Directorate at Sellafield Ltd, SL – Sellafield Ltd company wide

As shown in the PPP Highlights infogram below, 93% of days worked across PPP in 2023-2024 were classed as Zero Harm days where no first aid was administered to any worker, however there were five RIDDOR reportable injurious accidents recorded in PPP during 2023/24; two occurred due to slips/trips on the same level; two due to falling objects and one due to an individual being struck by a moving object.

Each accident has been fully investigated resulting in corrective action being taken to prevent a recurrence and the sharing of wider learning across the Projects. One action identified the development of a new Health, Safety and Wellbeing Hub standard relating to workplace exclusion/site segregation zones during working at height and lifting operations.









98%

Safety Energy across our projects was 98% 93%

We achieved 93% Zero Harm Days

381

We recognised 381 people for Zero Harm achievements

364

Our leadership completed 364 activities



One of our proactive engagement campaigns facilitated by the Hub in 2023/24. 'Boots On, Switch On'



95%

We fed back to 95% of our observations/ Closed 93%



6,319

6,319 observations/ Courage to Care conversations



500

We logged, trended and issued 500 items of LFE

Project safety reaches new heights

One of the ways that our Health, Safety and Wellbeing Hub can continually improve safety at Sellafield is by learning from what is happening elsewhere in our sector, and beyond.

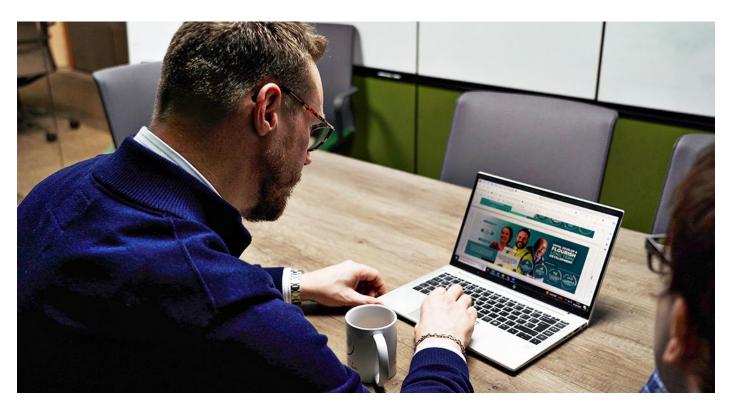
Following a fatality during the build of Everton Football Club's new stadium in September 2023, three people working as part of the Projects and Programme Partners wanted to make sure that the same thing didn't happen at Sellafield.

Jack Tomlinson, EHS Improvement Manager, Mark Atkinson CMIOSH, Senior Safety Advisor and Karl Hine, Senior SHE Advisor at Severfield Nuclear and Infrastructure, took a collaborative approach through our Health, Wellbeing and Safety Hub to bring in an improved Mobile Elevated Working Platform standard for the site.

Launched in February 2024, more than 70% of all Mobile Elevated Working Platforms within major projects on the site have been exchanged or upgraded for versions with electronic secondary guarding. These are potentially lifesaving features.







Environment

The PPP is facilitating an improved environmental mindset within project delivery with an increased involvement in studies and early programme planning.

Overall, 2023/24 has seen varied environmental performance, with some clear evidence of sustained achievements. For example, 0 (zero) environmental Sellafield Incident Reports (SIRs) were raised within PPP and this data contributed to the overall Sellafield Ltd Environment Events Rate (e-TRIR) of 0.02 against a target set at $\leq\!0.12$.

However, 2023/24 has also seen an indicative increasing trend in environmental events on the project construction sites, predominantly in the final quarter of the financial year and associated with leaks/spills, resulting in assurance activities that have, where required, led to reactive Client intervention.

The Project Delivery Directorate (PDD) response has been really positive, with the learning taken from the events and corrective and/or preventative action put in place to reduce the potential for future recurrence.

2023/24 has also seen a continuation in embedding environmental sustainability within PPP operations, with the development of an Environmental Hub on the PPP SharePoint page, the introduction of a PPP Low Carbon Construction Strategy, PPP Fuel Free Site Strategy, the implementation of a lighting tower standard and the development of an approach to sustainability opportunities decision-making, building on the PPP Sustainability Opportunities Registers.



Security

Collaborative working and focus on improvement have led to a successful year for PPP Security, resulting in increased compliance and collaborative change.

A successful Personnel Security Regulatory Intervention by the Office for Nuclear Regulation (ONR) was undertaken and given a "GREEN" rating, noting significant improvement over the last two years in supply chain management and the Vetting process.

These Regulatory observations were supported by the Project Assurance Framework (PAF) findings which identified a significant step change in Security performance, from Level 1 to Level 2 across all Pillars.

Other highlights include:

- Development and delivery of an information management training programme, resulting in a significant fall in regulatory breaches, adverse events and incidents.
- Collaborative development of a PPP risk-managed Baseline Personnel Security Standard (BPSS) authorisation process, enabling demonstrable control over the extended supply chain whilst also facilitating schedule and cost improvements.
- Collaborative development of a more efficient BPSS process, enabling more effective and efficient onboarding of KDP resource.

Assurance activities carried out against the implementation of the Physical Protection System (PPS) Framework has identified some gaps and a lack of ownership in the underpinning processes required by the Framework.

Encouraging evidence of PPS implementation plans being included in schedules and additional focus by the Intelligent Customer (Security) team will aim to ensure effective PPS compliant design in year six.

Quality

PPP Quality performance over 2023/24 has continued to be very good. Completion of Performance Assurance Framework (PAF), actions and improvements have been driven through the well-established Quality Transformation Plan, alongside the improvement activities based on feedback from the 2022/23 PPP Annual Review of Quality.

PPP Quality began delivering strategic value this year at programme level mainly in three PAF areas; Leadership, Management and Culture and Supply Chain. The Quality transformation plan outturn completion score was 91%.

Highlights include:

- The establishment of the PPP Supply Chain Quality Hub which aims to increase collaboration with key suppliers and deliver joint improvements.
- The PPP Nuclear Safety Forum whose objective is to further develop Nuclear Safety Culture.

PPP Quality's risk-based approach to oversight and assurance was scrutinised by Lloyds Register of Quality Assurance as part of Sellafield Ltd's ISO 9001 surveillance visit resulting in no adverse findings being raised in this area. The PPP IC (Quality) team provided assurance against project KPIs such as the completion of five universal vessels for the SCP project. Within the projects, 91% of planned assurance activities were completed during 2023/24.

THE CURRENT QUALITY TRANSFORMATION PLAN OUTTURN COMPLETION SCORE IS

91%



Supply Chain

The maturity of PPP Supply Chain arrangements has continued on the positive trend of year five, with our Key Delivery Partners (KDPs) becoming embedded across the early stages of projects within a wider sphere of disciplines. This approach enables earlier identification of benefits, opportunities and their ownership into the key construction phases.

Some of the things we'll be looking for more of in the coming year are;

- Key Delivery Partners bringing new ways of working to newer or pipeline projects.
- A higher number of long term contracts being awarded to small and medium enterprises (SMEs).
- A higher level of collaborative accountability and collective delivery on social impact and sustainability.

Headlines



Four North-West companies became the first smaller suppliers to join PPP. Shepley Engineers, PPS Electrical Process Pipework Services and Alpha Engineering, will provide heating, ventilation, and air conditioning (HVAC) services via framework agreements of up to 16 years.

167

suppliers currently working on PPP.

52%

are Small and Medium-sized Enterprises.





Other SME frameworks were also awarded, allowing local firms like William King Construction to expand training schemes and employ more people.



Eight KDPs are in place (*ninth and tenth awarded after reporting year-end) with specific contractual obligations commitments to Cumbrian SMEs.



PPP won the 'Supply Chain' award at the prestigious Institute for Collaborative Working Awards, for the second consecutive year. 100%

A Social Impact Key Performance Indicator (KPI) is embedded into 100% of PPP contracts (where the value is over £100,000).



The first tier 3 frameworks have also been awarded by the KDPs, growing and broadening the PPP eco-system to include SMEs across the North-West region.

In the first weeks of year six, the tenth and final KDP was onboarded, and focus will shift to successfully integrate the full suite of long-term partners and SMEs into the working culture that the model promotes, to bring about mutual value and success.

PPP supply chain map

The PPP eco-system has grown and broadened during year five as tier 3 frameworks were awarded to small and medium businesses throughout the North-West.



Realisation of the PPP Benefits

Further development of the benefits management software, Amplify, during year five has enhanced the reporting of measurable improvements (Benefits, Critical Success Factors, and Success Factors) that have been identified, validated, and realised.

Year five saw PPP identify that the £700 million savings target promised to Government would be exceeded based on the value of the measurable improvements at £1.55 billion, of which £1.3 billion has been validated with the Client (£1.1 billion at end of year four) and £447 million delivered and realised which places us ahead of schedule for the realised value by over three years.

£700MTHE INITIAL SAVINGS TARGET

PROMISED TO THE GOVERNMENT.

E1.3bn

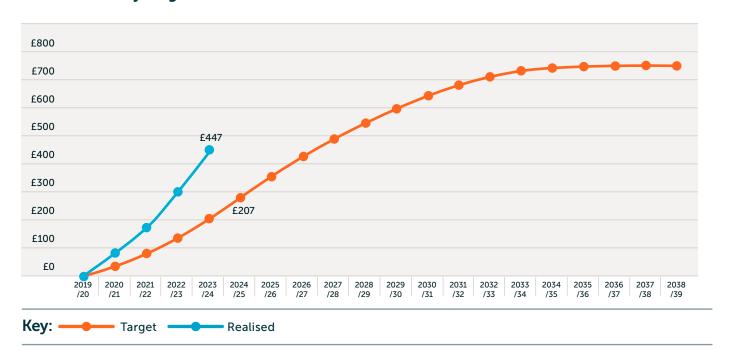
THE PORTION OF THE IMPROVEMENTS VALIDATED WITH THE CLIENT.

£447M

THE AMOUNT DELIVERED AND REALIZED TO DATE.



Value for Money Target vs Realised (£M)



The anticipated Benefits of the PPP model, are below;



Improved predictability of Project Cost and Schedule Outturn



Enhanced employment opportunities for Project Personnel in West Cumbria & Warrington (Socio-Economic)



Accelerated High Hazard Reduction



Enhanced reputation (Improved Stakeholder Confidence)



Increased Value for Money (VfM) for the UK Tax Payer



Sellafield recognised as having areas of Project Excellence within Infrastructure and Projects Authority (IPA), our supply chain and Government



New opportunities for Sellafield Ltd, the Partners and their people



Enhanced Sustainability Performance by projects increases social value and decreases environmental impact



Improved predictability of Project Cost and Schedule Outturn

To achieve this measure each project completed by the PPP must be accepted by the Validation Panel as to its completion within a + (plus) / - (minus) of 10% of the Major Project Total Price and completion date.

The projects track several variances through the life of the project and where opportunities or risks arise this provides areas where they can align improvements to and allows any deviations to be addressed by the project team to remain on target.

Project RAG status at period 12 Sellafield Product and Residue Store Retreatment Plant (SRP) and SIXEP Continuity Plant (SCP) achieved Benefit 1, both SRP and SCP have both maintained IPA "GREEN" Delivery Confidence Assessments from the Infrastructure and Projects Authority (IPA), indicating that the collaboration across multiple teams and organisations brought by the PPP model is working.

The image below reflects the status of the projects in period 12.







The enhanced collaboration brought by the PPP model is increasing productivity and innovation, with the PPP Way enabling acceleration of high hazard reduction at the Sellafield site.

CASE STUDY

Sellafield Coordination Centre

The Sellafield site is about to embark on a period of significant construction growth as defined in the Sellafield Ltd Enterprise Strategy issued in December 2020. To deliver this increased volume of activity, safely and securely, PPP has been maturing a platform called the Sellafield Coordination Centre (SCC).

The purpose of the SCC is to provide a centralised capability that will allow Sellafield to have better visibility of the demands for requests and services that are common across the site (e.g. available land, accommodation, utilities etc.) irrespective of where this demand originates.

This capability will utilise digital views of Sellafield's future demands and services to assess, plan, and escalate impacts towards the high hazard reduction mission within a proactive manner, ensuring the best outcome for the enterprise. 2023/24 has seen a significant development of the capability, with mapping of strategic waste routes, all current and future crane locations, and process and governance documents to be embedded into the SL Management system. 94% of the critical data from across the Enterprise has been sourced, with over 577 stakeholders engaged to support the continued implementation alongside aspects such as a training portal to support use of the digital platform.

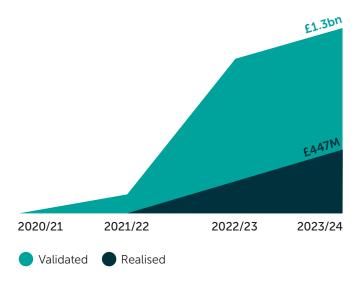




Benefit 3 is the primary measure of PPP's ability to deliver double-digit savings over its life.

At the end of year five, the validated benefits verified through the panel increased the level from £1.1 billion at the end of year four to over £1.3 billion, with realised benefits £253 million ahead of expectations.

In year five the PPP benefits team, together with the Client, has strengthened the validation process. An example of this has been a successful independent review from the Independent Performance Assurance Group (IPAG) on realised benefits made possible by the continued auditing from the Client Finance Team.



CASE STUDY

Avoidance of Engineer Procure Construct (EPC) Procurement

The PPP model saves an estimated £11.7M in procurement costs.

The PPP model avoids the need for Sellafield Ltd to conduct a regulated procurement to appoint an EPC contractor to deliver each major project from a value transition point (typically around detail design gate) to project completion.

This avoids cost and inefficiency in project delivery caused by the need to:

- Prepare detailed works information to support an EPC procurement
- 2. Conduct a large scale (>£100M) regulated procurement for an EPC contractor
- Slow-down project delivery while the EPC procurement is completed
- 4. Mobilise and mature an EPC contractor
- 5. Transition a design to an EPC contractor, who has not been engaged in design development, to implement

The overall saving through not having to procure and mobilise an EPC contractor on each project under the PPP model has been calculated by adding the direct saving made by item 1 and item 2.

EPC avoidance saving has been estimated as £11.7M based on a direct saving of £2.5M for each of the five projects and an assumption that a minimum of a further 3 projects will be delivered under the PPP model.

EPC AVOIDANCE SAVING HAS BEEN ESTIMATED AS

£11.7M



New opportunities for Sellafield Ltd and its people

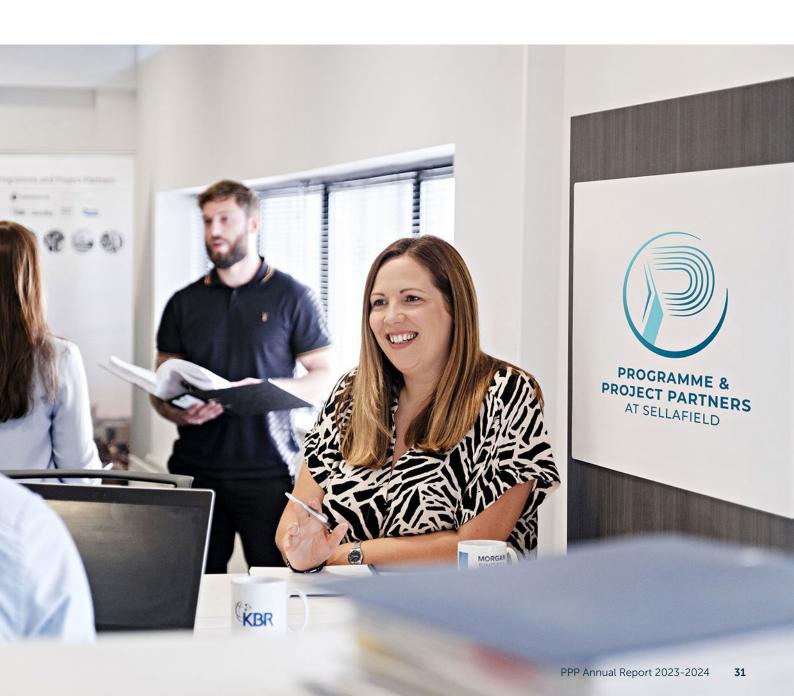
The PPP model has produced a successful integration of resources from Lot Partners and Sellafield Ltd 5th Partner into Aligned Delivery Teams (ADTs).

The pre-PPP model would have seen these Sellafield Ltd employees in a client-side oversight and management role with people on people marking across the different capabilities.

The ADTs now include these essential skills, leading to new opportunities for the Sellafield Ltd employees in a single-focused delivery team working towards the same goals. AT THE END OF YEAR FIVE, THERE WERE

142

SELLAFIELD LTD. PEOPLE ARE INTEGRATED AND WORKING WITHIN PPP AS PART OF THE 5TH PARTNER COMMUNITY.





Measuring the number of Full Time Equivalent (FTE) of PPP Lot Partner (including 5th partner) staff that live in the West Cumbria and Warrington areas.

As at March 2023, PPP employed:











Grace's Story:

Grace joined PPP through the internship scheme in September 2023 and is currently on placement on the SIXEP Continuity Plant project, with longer-term aspirations of applying for the Nuclear Science Degree Apprenticeship at Sellafield. Grace said:

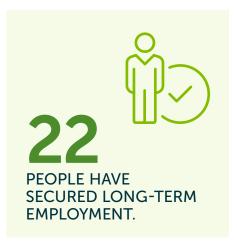
"PPP offers a diverse range of roles across multiple companies and partners. This has allowed me to initially be placed in a support role that suited my skills and strengths, whilst also allowing room for career development in more specialist skills and areas of interest, like engineering."

The PPP internship scheme was created in 2020 to invest in the development of local people and provide first-class early career opportunities to those who have previously struggled to find sustained, quality employment.

So far it has helped:







200 DISADVANTAGE



DISADVANTAGED PEOPLE WILL BE SUPPORTED INTO EMPLOYMENT THROUGH THE PPP INTERNSHIP SCHEME OVER ITS LIFETIME.





Benefits 6 and 7 reflect PPP's commitment to help enhance stakeholder confidence and trust in Sellafield Ltd's ability to deliver excellent infrastructure projects.

> **Investors in Diversity** accreditation from National Centre for Diversity (April 2023)

Institute of Collaborative Working (ICW) Award for the second consecutive year for Supply Chain **Collaboration (December 2023)**

PPP listed within the Top 100 Inclusive Places to Work, debuting at no.35 (National Centre for

Diversity, January 2024)

Government Project Delivery Award for Diversity and Inclusion (February 2024)



The partnership has continued to gain positive national recognition throughout year five across multiple areas, demonstrated by awards and accreditations.



Sellafield recognised as having areas of Project Excellence

Permanent Secretary Special Shoutout

Jeremy Pocklington who is the Permanent Secretary for The Department for Energy Security and Net Zero (DESNZ), has recognised the Sellafield Projects team in his weekly round-up, having seen the team become a finalist in 2 cross-government Project Delivery Awards for their 4D modelling work on SRP and for PPP's achievements in Inclusion, two awards PPP have then gone on to win.

This week I would like to give a special shout out to...

Our Sellafield Programme team for being shortlisted for two cross-government 2024 Project Delivery Awards: 'Diversity and Inclusion Award' and 'Infrastructure and Project of the Year'!



From carbon reduction and employment to supply chain development and social impact for our communities, sustainability is now embedded in the PPP Way of delivering infrastructure.

Social Impact during 2023/24

To provide consistency, PPP has aligned to the Sellafield TOM's (Themes / Outcomes / Measures) values, which represent a social value activity represented as Number [quantity] x GB Pounds [social value proxy] = GB Pounds [Calculated Social Value].

- £58m in social value was delivered in year five through PPP engagement with local employees, volunteering and local supply chain spend.
- Two of the first framework awards offered to small and medium enterprises (SMEs).
- Social Impact commitments embedded in 95% of contracts over £100k.
- 12 long-term unemployed individuals taken on by PPP.
- 2,300+ hours invested in community projects.
- Over 10,000 volunteering hours pledged by our partners and supply chain.

Chapter One

More than 300 local primary school children supported via an award-winning online reading programme, Chapter One, supported by 313 volunteers from across our partnership and supply chain. Together, they completed 3,709 sessions and a total of 1605 hours of additional reading, demonstrably enhancing the literacy of local children.

300 LOCAL PRIMARY SCHOOL CHILDREN

3,709 SESSIONS

1,605
HOURS OF ADDITIONAL READING





Sustainable Construction

Reducing Sellafield's carbon footprint and enhancing the environment is part of the PPP strategy, contributing to Net Zero by 2038. Below are the steps taken during year five.



Fuel Free Initiative established by PPP

Our fuel free initiative, set up in 2023, seeks to make fundamental improvements to what types of plant and equipment we use across our projects to support our net zero target, contributing to a cleaner and more sustainable future.



Low Carbon Construction Commitments agreed by PPP

PPP has agreed to help deliver Sellafield's low carbon construction commitments, made in March 2024 to set out their ambition to be a leader in low carbon construction. These align to industry standards to ensure they are benchmarking against, and learning from, other infrastructure projects.



Sellafield Concrete and Cementitious Strategy developed by PPP

PPP's Major Projects will pour $500,000 \text{ m}^3$ of concrete. Therefore, PPP and Sellafield must investigate concrete innovation and reduce the associated carbon footprint and environmental impact where possible.

This year, we collaboratively developed the Sellafield Concrete and Cementitious Strategy which provides a lookahead at the concrete opportunities across Sellafield and the wider NDA estate and areas to make sustainable improvements.

Key Targets

Key Targets are agreed between Sellafield Ltd and the Nuclear Decommissioning Authority (NDA) as the key areas of performance that will be measured in-year. In 2023/24 the two Key Targets in relation to PPP were:

Programme and Project Partners (PPP) Benefit Realisation

Strategic Driver: Progress at pace.

Achieved: Stretch (4 out of 4 criteria achieved spanning resource management, supply chain performance, benefit realisation and opportunity realisation in project define phase).

Schedule Adherence – SIXEP Continuity Plant (SCP), Sellafield Product and Residue Store Retreatment Plant (SRP) (and Box Encapsulation Plant (BEP) being delivered separately to PPP)

Strategic Driver: Progress at pace.

Achieved: Threshold (One project delivering in P50 range, one project delivered outside but recoverable, one within P80. No projects outside P80).



Key Performance Indicators (KPIs)

Sellafield Ltd and the PPP Partners agree on KPIs for the PPP to measure in-year performance.

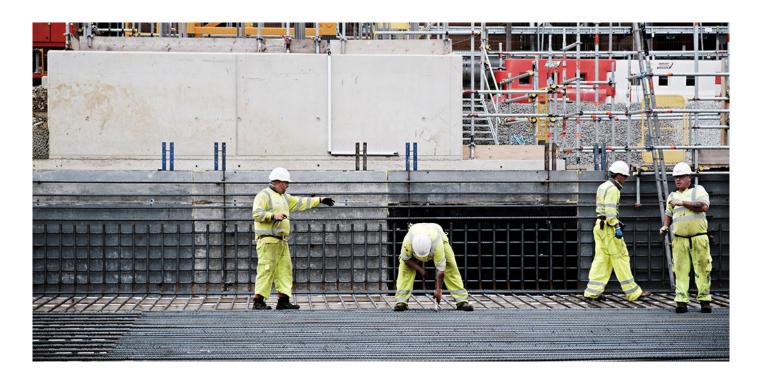
The KPIs were proposed by the Lot Partners and agreed upon by the Client through a collaborative process focused on project-specific targets, alongside strategic and behavioural objectives.

Eighteen of the twenty KPIs were fully achieved by the Lot Partners in year four, with one KPI partially achieved, and one not achieved.

This meant the achievement of over 94.2% of the available Contract Specific Profit (CSP) weighted on the KPIs.

In 2023/24 the KPIs comprised the following areas:

Topic Area	Lot	Description	Date
Supply Chain Performance and Delivery Excellence	1	To showcase Supply Chain Performance and Delivery excellence through the creation of a monthly reporting dashboard that measures onboarding, integration, risk, and benefit identification of the KDPs	Achieved
LSS1 Outline Business Case	1	Deliver the assurance strategy and "get to gate" schedule for production of cost estimate, schedule and risk model output to achieve successful Outline Business Case approval	Achieved
Resource Management	1	Drawing the best and most diverse talent from Lot 1 into PPP and supplementing the influence of the integrator in PPP major project delivery	Achieved
PPP Estimating Benchmarking	1	Preparation of an updated set of PPP benchmarks for use on PPP Project estimates based on estimates prepared, PPP actuals obtained from PPP Projects via Project Control Managers and information obtained from the PPP KDPs	Achieved
Implementation of Full Object Management on a Major Project	2	Drive the broader deployment of object management across the portfolio	Achieved
Implement Project Wise Digital Workflows on SCP	2	Realise the benefit of digitisation of the work in a common Electronic Document Management System (EDMS) driving efficiency via accessibility, visibility and inter-operability	Achieved
RAP design progression towards Full Business Case gate	2	To demonstrate progress towards reaching the Full Business Case to schedule and with sufficient design maturity	Partially Achieved
BEPPS2 Sustainability Plan Update	2	Capture changes in Sustainability Benefits for BEPPS 2 in a Sustainability Plan	Achieved
SRP 400 Series Gloveboxes	3	Enable the follow-on activities of Glovebox System 400 assembly and testing	Achieved
Intermediate Level Waste (ILW) East Zone (EZ) Phase 1 Calder/ RBLA Traffic Model and Trial	3	Validate key assumption of moving 600m³ of spoil per day (60 return trips to D1)	Achieved



Topic Area	Lot	Description	Date
SRP Roof Trusses	3	To enable the follow-on activities of ring beam and then roof slab	Not Achieved
BEPPS2 Opportunities	3	Demonstrate the BEPPS2 project is on track to narrowing the cost and schedule funnel	Achieved
Advanced Work-package Management	4	Introduction, training, and utilisation of the AVEVA Enterprise Resource Management (ERM) software on SCP	Achieved
Universal Vessels	4	To complete the fabrication of the 5 Universal Vessels for SCP	Achieved
LOF Crane Steelwork Completion	4	Complete installation of LOF Crane Steelwork (Runway Beams)	Achieved
Bulk Storage Tank (BST) Cell Initial Floor Finish Completion	4	Complete installation of the BST Cell Initial Floor Finish	Achieved
Quality Management Aspects	All	Establish relationships with PPP supply chain partners, inclusive of KDP and Goods Services suppliers, which enables programme level 'readiness' for quality management aspects of Major Project delivery and which provides the platform for supply chain reachback and sharing and embedding Learning from experience (LFE)	Achieved
Resource Management	All	Establishing one of the country's best places of work, drawing and retraining the best and most diverse talent across the partnership and beyond	Achieved
Business Case Benefits	All	PPP is clearly demonstrating progress against Benefit 8 (business case benefit) for both sustainability and social impact	Achieved
Cultural Maturity Assessment	All	Establishing the PPP as one the country's best places to work	Achieved

Performance Assurance Framework (PAF)

The Performance Assurance Framework (PAF) for the PPP helps the Client and partnership to assess and drive performance. It is a collaborative and structured scoring process covering eight workstreams and using a scale agreed by all five parties within PPP, to provide an objective assessment of Sellafield Ltd, the Client and PPP performance by using evidence per project.

Year five saw the completion of the fourth PAF Assurance Cycle which concluded that most workstreams have now achieved operational value, with Quality, Security and Health and Safety progressing on the journey to strategic value.

Year six will focus on the continuing journey to strategic value across the workstreams, through stronger integration with Sellafield as new pipeline projects transition to PPP.

The process is independently verified by Turner and Townsend (T&T), who also provide a view on how performance compares to the benchmark of other major projects and programmes such as Heathrow and Crossrail.



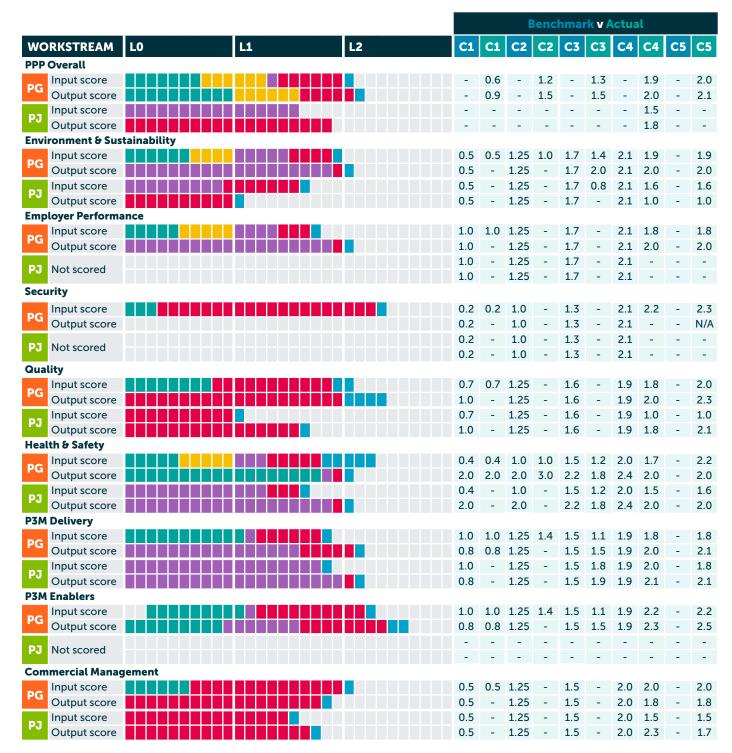




PAF Scores Progression

The comparison of progress against the agreed benchmark scores is summarised below. Guidance in interpreting the contents of the table is provided in the legend as follows:

Scoring Cycle Progress Cycle 1 - 2019/20 Cycle 2 - 2020/21 Cycle 3 - 2021/22 Cycle 4 - 2022/23 Cycle 5 - 2023/24 Scoring Level Achieved PG Programme Level Scores PJ Project Level Scores C4 Cycle Benchmark Score C5 Cycle Actual Score



Note: PPP Projects were included for the first time in Cycle 3 in relevant workstreams (PPP Overall, Environment & Sustainability, Quality, Health & Safety and P3M Delivery). Benchmarks apply at programme level only.

Inflight Projects

The PPP partnership is accountable for delivering five of the major projects critical to Sellafield Ltd's purpose;

- Sellafield Product and Residue Store Retreatment Plant (SRP)
- Site Ion Exchange Effluent Plant (SIXEP) Continuity Plant (SCP)
- Replacement Analytical Project (RAP)*
- Box Encapsulation Plant Product Store 2 (BEPPS2)
- 5 Lightly Shielded Store (LSS1)

Year five has seen strong performance in project delivery for most projects, and a range of issues and risks occurring within all projects. This reinforces that individual achievements are not to be confused with overall success of the PPP programme.

*naused in March 2024

In addition, the Partners are supporting the delivery of a further three pipeline projects expected to transition across to PPP, including the SIXEP Waste Management Receipt Facility (SWMRF), Special Nuclear Materials (SNM) Future Storage and the Sludge Handling and Export Plant (SHEP).

Sellafield Product and Residue Store Retreatment Plant (SRP)

The SRP project continues to deliver in line with its Major Project Baseline (MPB) and Full Business Case (FBC).

The Infrastructure and Projects Authority (IPA) completed its annual independent 'Gate 0' project assurance review in February 2024, affording the project a Delivery Confidence Assessment (DCA) Rating of "GREEN" and identifying four areas of good practice: the PPP model, use of BIM 4D planning, use of leading-edge project controls methods and early engagement with future operators.

Civil construction works has progressed despite experiencing challenges relating to roof installation activities.

Key focus is on the project transitioning from the completion of the civil construction/steelwork installation to architectural fit out and MEICA installation.

This work includes the Key Delivery Partners (KDPs) NG Bailey and Balfour Beatty Kilpatrick (BBK), an indication that our multi-organisation delivery teams are integrating and starting the mobilisation.

Glovebox systems progressed well in manufacture along with the electrical panels ϑ control system. Enabling offsite commissioning will commence to de-risk the system integration ϑ operability prior to delivery for site installation.

The project continues to be the pioneer for Sellafield on the use of Building Information Modelling (BIM) and 4D planning, which is now used to provide line of sight/co-ordination, integration of KDP installation programmes, fire safety during construction and a virtual reality model of the completed facility to assist with future operations.

Due to the delivery challenges references above, Key Adjustment Events are being processed to drawdown contingency from P50 and the project schedule optimisation team are realising improvements to the forward schedule. The Client is developing proposals for drawdown of limited contingency from P80 for external impacts.

Enabling and preparatory work carried out during 2023/24 allowed the 11 roof trusses to be successfully fitted just a few weeks into 2024/25, allowing the next phase of roof construction to commence towards making the facility weathertight.



Site Ion Exchange Effluent Plant (SIXEP) Continuity Plant (SCP)

The SCP project continues to deliver in line with its Major Project Baseline (MPB) and Full Business Case (FBC).

This project has had a year of significant and visible steps forward, starting with the completion of Project Wide Objective 2 (PWO2) that saw the service building made weathertight. This allowed the installation of HVAC Air Handling Units into the 26m level of the building, ahead of schedule.

Another significant milestone was achieved in the manufacturing phase, with completion of all 53 tanks and vessels for the project.

The project team continued to manage challenges relating to the manufacture and supply of two high integrity gantry cranes to be used for both construction and operational phases.

The cranes are being manufactured by a Spanish supplier, who were experiencing financial difficulty followed by devastating flash floods.

PPP and Sellafield representatives worked with the supplier to progress the cranes towards mechanical completion and the first crane was successfully installed in April 2024.

SCP is now 51% complete.

The Infrastructure and Projects Authority (IPA) completed its annual independent 'Gate 0' project assurance review in May 2024, affording the project a Delivery Confidence Assessment (DCA) Rating of "GREEN" and identifying 7 areas of best practice.

"The project continues to show examples of innovation and industry best practice."





Replacement Analytical Project (RAP)

In March 2024, the Sellafield Ltd Chief Executive Officer took the decision to place the Replacement Analytical Project (RAP) into an immediate strategic pause.

A review had highlighted that the short-term and long-term analytical capability needs of the site have changed and the pause was enacted to allow potential alternative solutions to be assessed.

The intent following the pause was to bring RAP work to a controlled and safe pause and to mobilise the vast majority of the RAP team onto other Sellafield Ltd and PPP projects by the end of June 2024, with a small caretaker team being retained beyond that to finalise information and sub-contracts.

By June 2024, 422 members of the RAP workforce had successfully been mobilised onto other projects via a structured process that responded to wider Sellafield site priorities, as a result of a redeployment exercise led by PPP.

Ahead of the decision to pause in March 2024, it was recognised that the partnership made significant progress during 2023/24 towards maturing the project in readiness for a planned Full Business Case submission during 2025/26.

The project had been working to a revised internal deterministic baseline since March 23. This baseline was supported at Government level by the DESNZ Project Investment Committee in April 2023, giving authorisation for the project to continue to FBC and giving a platform for delivery in 2023/24.

Box Encapsulation Plant Product Store 2 (BEPPS2)

In September 2023, BEPPS2's Outline Business Case (OBC) was approved by HM Treasury. This gave the project the sanction to deliver the define stage scope of detail design, risk reduction, opportunity realisation, project planning, site enabling works – including bulk excavations – and committing to a contract for the building's concrete slab construction up to a mid-stage hold point.

This year the project steadily rebuilt the team size, having reduced the size of the project team during 2022/23 in response to programme prioritisation.

PPP Annual Report 2023-2024

The BEPPS2 project has made strong progress in design and safety case development, project definition and moved on to site establishment through 2023/24, therefore working well towards the next stage gate planned for 2026/27 when the Full Business Case (FBC) will be submitted for governance.

The Preliminary Design multi discipline design review (MDDR) was held in May 2023 and a successful outcome was achieved, confirming the preliminary design as a sound basis for further detail definition.

Key delivery partner (KDP) contracts have been awarded during 2023/24 for early contractor involvement (ECI) to the design of the key reinforced concrete and structural steelwork packages. Further KDP contracts have been set up to develop the designs and plans for the site enabling works





Lightly Shielded Store (LSS1)

The LSS1 project started to remobilise in August 2023, following a pause enacted by Sellafield Ltd in March 2022. To remobilise, Sanction approval was granted by the Nuclear Decommissioning Authority (NDA) to complete the Appraise and Select phase and progress the Outline Business Case (OBC) to His Majesty's Treasury (HMT) for approval.

The requirements of the project have been revisited during the project pause. Value management work has enabled the concept design for a single viable option to be frozen in April 2023, and the scope of the project to be frozen in July 2023. In July 2023 LSS1 was sanctioned an additional £14.054 million (cumulative £25.71 million) to enable the project to progress through the Appraise and Select stage with resource ramp up, early contractor engagement with Key Delivery Partners (KDPs) and development of the 'Get to Gate' schedule for the Outline Business Case (OBC) to His Majesty's Treasury (HMT) approval.

This process has been a great success for PPP and enabled the programme to make the decision to restart the project and increase the resource profile from August 2023.

Having the partnership in place has resulted in an optimised project that makes better use of the land identified, without the need for a third independent project in the future.

The Pipeline

Sellafield Ltd's future pipeline has seven potential projects. The majority of these are still in the very early studies phase of the project lifecycle. This means that a need has been identified, however, how it will be addressed and by when is yet to be defined.

The nature of the pipeline is therefore dynamic and, as studies mature, it inevitably changes. It is likely new projects will be added as business need arises, and some are under consideration. The estimates are also indicative and, for the majority, were considered some time ago therefore, as with the scope, these are likely to change as the programme matures.



Regular engagement with pipeline programmes and studies leads has led to a step change in understanding of the pipeline projects.

The Major Projects Strategic Forum was established in 2023 with attendance from Senior Responsible Owners, Projects Delivery Director, the Head of PPP Client, Heads of Value Streams, Enterprise Portfolio Office, Site Strategy, PPP Leads and other key stakeholders.

This Forum meets quarterly and provides an enterprise-wide strategic overview of the major projects ensuring these are delivered in an optimum way. It also supports maintaining a robust PPP major projects pipeline to support more informed decision-making.

This Forum provides further confidence in the pipeline PPP and Sellafield Ltd resource requirements and provides a platform to understand site priorities and associated funding requirements for major projects.

Transition of Projects from Sellafield Ltd to PPP

Transition is not a single point in time, but is a process where PPP is gradually embedded into the programme (before the project is launched) and provides opportunities to help shape the project.

Integrating PPP resources and capabilities into the early stages of the project lifecycle, ahead of the formal transfer of delivery to PPP, leads to greater input from the Partners into the project delivery strategy, readiness to deliver and the development of PPP culture, resulting in a more seamless transition. This is critical to ensure the benefits of the PPP model are maximised.

A key element of managing the transition to PPP is to ensure risk and uncertainties are minimised to as low as reasonably acceptable for the maturity of the project prior to a contractual transition. Year five has shown that alignment of delivery of enabling works i.e. land clearance, does not support the timeline for delivery of some of our future major projects. Project Delivery Directorate are working with the enterprise to mitigate these risks.

The next three projects due to transition into PPP are:

SIXEP Waste Management
Receipt Facility (SWMRF)

This facility will enable continued
abatement of effluents arising from
Sellafield's high-hazard reduction
operations through the provision of
extended storage capacity for the
secondary solid waste arisings from this effluent abatement.
Between the existing SIXEP facility and the in-delivery
(by PPP) SIXEP Continuity Plant (SCP), there is insufficient
remaining capacity to store all their future waste arisings
from effluent abatement. Based on current predictions,
SWMRF will be required in 2037 when existing storage will
be exhausted until waste treatment becomes available.



Sellafield Nuclear Materials Future Storage The Sellafield Product and Residue Store Re-Treatment Plant (SRP) project, already being delivered by PPP, provides the

being delivered by PPP, provides the capability to retreat and repackage existing plutonium material and place it in a '100-year' package which meets the conditions for acceptance

year package which meets the conditions for acceptance into the Sellafield Product and Residue Store (SPRS). However, as it stands SPRS does not have sufficient storage for all packages post SRP treatment.

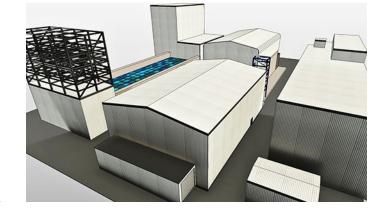
SPRS has the capacity to hold approximately 9,000 100-year cans. Once all civil plutonium stocks have been repackaged into 100-year cans there will be approximately 28,000 cans requiring long-term storage. This leaves a shortfall in the available storage capacity of approximately 19,000 can spaces. Current understanding of waste storage requirements indicates a requirement date of 2034.

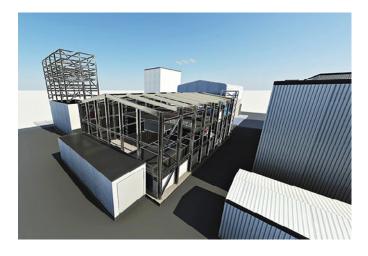


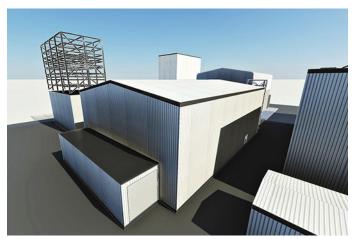
Sludge Handling and Export Plant (SHEP)

This facility provides the capability to containerise legacy pumpable intermediate-level wastes, currently buffer stored in SPP1 (Sludge Packaging Plant) to facilitate ongoing, safe interim storage in a finalised waste form until geological disposal is available.

Based on technical retrieval and remobilisation risks of retention of these wastes in SPP1 over a longer term there is a key strategic Programme driver to make this capability available at the earliest opportunity – currently forecast 2032.









Sellafield Ltd

Sellafield Ltd continues to evolve as a Client organisation for the delivery of major projects.

The Client organisation continues to improve in performance and is well-positioned to effectively performance manage PPP delivery going forwards. The Client has responded well to the challenge of a broader remit covering legacy (non-PPP) major projects in addition to the transition and future projects and is driving greater consistency in delivery.

Client management of the PPP arrangements were assessed in early 2024 by Sellafield Ltd's independent Internal Audit function which resulted in a "GREEN" outcome. Concluding "there were no control weaknesses identified in the PPP governance framework controls / arrangements established to govern the delivery of operations across PPP".

It has facilitated much stronger governance and assurance, while allowing more effective programmatic decisions, improvements and learning to be embedded across the whole portfolio (PPP and non-PPP delivered).

Client commercial processes are well established, and performance is demonstrated through consistent on-time payment to the PPP Partners and robust control of scope and change.



Specific successes for the PPP Client during the fifth year of the PPP model include:

- 1 Enabling the LSS1 project to progress through the Appraise and Select stage, with resource ramp up, early contractor engagement with Key Delivery Partners (KDPs) and development of the 'Get to Gate' schedule for the Outline Business Case (OBC) to His Majesty's Treasury (HMT) approval.
- Leading the finalisation of BEPPS2's Outline Business Case (OBC), which was approved by HMT in September 2023. A step-change from previous business cases, which have been project-led.
- Facilitating external assurance of the major projects bringing a consistent approach to two Infrastructure and Project Authority (IPA) reviews of PPP projects, both given "GREEN" Delivery Confidence Assessments.
- Supporting the strategic pause of the Replacement Analytical Project (RAP) and (into year five) mobilisation of resources across PPP and Sellafield Ltd.
- Leading some key engagements across industry to facilitate and embed learning on and maturing the PPP model engagement carried out with Highways England, HS2, Heathrow, Anglian Water, National Grid.
- Hosting Sellafield Ltd's first 'Major Projects Showcase', which brought 600 members of our workforce and stakeholder community together to exchange insights and share learning.
- Jointly with PPP, winning the Institute for Collaborative Working award (for the second year in a row) recognising the relationship between the four partners and Sellafield Ltd.
- Made significant year on year gains on the annual PPP cultural maturity assessment undertaken by Deloitte for the Client.

The Client leadership has been refreshed in the latter part of the year and broadened to three 'co-Heads of' the Client, accountable for Strategy, Performance and Delivery, to meet the needs of the expanded project portfolio, and the anticipated transition of pipeline projects into PPP.

Intelligent Customer Assurance

PPP Intelligent Customer arrangements continued to mature during 2023/24 and are judged by ONR to set the standard both within Sellafield Ltd and further afield throughout the Nuclear Industry.

The Intelligent Customer Capability has remained steady with all functions represented by Suitably Qualified and Experienced Personnel (SQEP) with 96% of those identified to undertake the Intelligent Customer role successfully demonstrating their competence via assessment.

As the arrangements continue to mature and a more collaborative approach to undertaking Intelligent Customer assurance develops, the assurance programme has been optimised, leading to a reduction in the amount of assurance activities undertaken, which will contribute to efficiencies generated in year six.

Key findings and observations from Intelligent Customer assurance activities undertaken during 2023/24 were:

- Inconsistent approach to EHS&Q Arrangements, management of resource shortfalls and use of learning opportunities from Operating Experience.
- Some areas of non-compliance with management system requirements.
- Non-adherence to SL event reporting and corrective action process.
- Decreased communication/engagement between some Projects and the IC functions.

Areas of Good Practice recognised by the Intelligent Customer during 2023/24:

- Introduction of PPP Golden Rules across the Enterprise.
- Improved Quality of information from Lot Partners.
- Introduction of the Supply Chain Quality Hub.
- Introduction of the Nuclear Safety Culture Forum.

IC Focus Areas for 2024/25:



Standardisation of EHSSQ arrangements across Construction activities



Improved Procedural adherence/ verification/compliance



Improved understanding of Corrective Action Process



Improved communication routes between IC and Projects



Continued focus on resource considering capability, capacity and competence as a whole

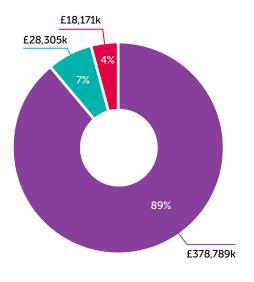


Continued focus on improving understanding of Nuclear Safety and Nuclear Safety Culture

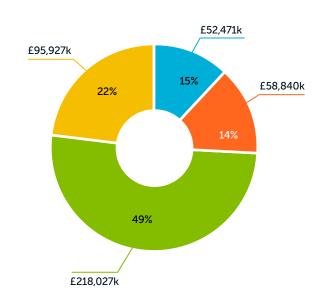
PPP Financial Analysis

Years three through to five have seen a continual increase in construction related spend (87% in year four), compared with the initial two years of the partnership which were focused on mobilisation and transition of projects (54% in year two). This reflects a ramp up in activity on the two flagship projects, SRP and SCP, as they progress through the construction phase at pace.

Where the money was spent (April 23-March 24)



With whom (April 23-March 24)



Key: ■ Major Projects ■ SWPDI ■ PPP Services

Key: ■ KBR ■ Jacobs ■ Morgan Sindall ■ Altrad Babcock



PPP Supply Chain Payment Performance

	FY 2020/21	FY 2021/22	FY 2022/23	FY 2023/24	Average
KBR	58.3%	79.0%	92.6%	82.8%	78.2%
Jacobs	79.5%	94.1%	94.9%	97.7%	91.6%
Morgan Sindall	55.8%	83.4%	93.3%	91.9%	81.1%
Altrad Babcock	15.1%	63.0%	76.1%	46.6%	50.2%

KPI Performance

	Contract	Achieved
KBR	2.40%	2.40%
Jacobs	2.40%	2.20%
Morgan Sindall	3.20%	2.72%
Altrad Babcock	2.00%	2.00%

Key Projects

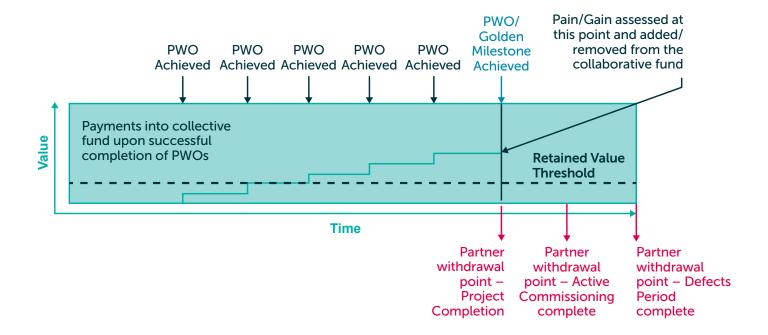
	PPP Services	PCCS	SCP	SRP	RAP	BEPPS 2	LSS1
KBR	•	•	•	•	•	•	•
Jacobs	•		•	•	•	•	•
Morgan Sindall	•		•	•	•	•	•
Altrad Babcock	•		•		•		



This enables payment into the fund of the weighted value of the PWO awaiting achievement of Project Completion, which is the first point at which the fund can pay out.

During year five, the second PWO for the SIXEP Continuity Plant (SCP) was achieved, bringing the amount residing in AIF to £21.4 million. This is inclusive of interest payments accrued since 2022.

The first payment from the AIF is currently forecasted to occur in 2029 following the successful completion of SRP, noting ongoing project performance will determine the magnitude of the payment.





Year Six Look Ahead

Two Sellafield
Ltd Key Targets
are focused on the
performance of the PPP and
the broader portfolio of major
projects. These targets relate
to schedule adherence and to
the realisation of benefits
from the PPP and are
summarised here.

1

Schedule Adherence
on three major
projects, two of which –
SIXEP Continuity Plant (SCP)
and Sellafield Product and
Residue Store Retreatment
Plant (SRP) – are
delivered by PPP.

Additionally, one of the three Sellafield Ltd operating plan milestones relating to major project delivery will be delivered by PPP:

SRP: Package 188/196 Group 400 Control Panel Suite completed manufacture and ready for onward transit to integrated Works Testing (IWT) location by 03/10/2024

- Off-site IWT of the Glovebox contained retreatment and repacking lines is a fundamental part of the SRP project strategy to mitigate potential delays during installation and commissioning.
- Each element of the Glovebox equipment is 'bench tested and then tested as a whole unit through Factory Acceptance Testing (FAT). However it is first test with the final Control Panels at IWT.
- IWT of the Glovebox systems is currently on the projects critical path and completion of this milestone is a predecessor to commencement of that scope. The 400 line is forecast to be the first line to start IWT.

The Key Targets and Operating Plan Milestones reflect the importance of major project delivery to the overall Sellafield mission and will ensure appropriate leadership focus.

Programme and Project
Partners (PPP) Benefits
Realisation focusing on the
following areas:

Culture
Carbon in Construction
Value for Money (VfM)
Benefits Realisation

Key Performance Indicators (KPIs)

KPIs have been agreed for the PPP for upcoming year, giving the Partners the opportunity to earn in-year profit through their own individual performance as well as through collaboration across the partnership.

This is reflected by each Partner having four individual KPIs and contributing to the delivery of four shared KPIs.

The KPIs are shown in the table below:

Topic Area	Lot	Description	Date
PPP Benefits	1	PPP demonstrating progress against Benefit 3 – Value for Money	31/03/2025
Progressive Assurance (LSS1)	1	Completion of PPP Progressive Assurance process to allow for submission to the Sellafield Project Execution Review	31/10/2025
4D Visualisation	1	Develop an in-house PPP 4D visualisation capability	31/12/2024
PPP Sustainability (Carbon)	1	PPP demonstrating progress against Benefit 8 – Sustainability	31/03/2025
Implementation of Object Management (LSS1)	2	Implement Object Management on LSS1, such that it supports project execution leading to OBC Sanction	31/03/2025
Design and Engineering – Resource Planning – Strategy	2	Delivery of Lot 2 Engineering Resource Strategy and Lot 2 Supply Chain Strategy, inclusive of delivering an Engineering Service partnership	31/03/2025
Implementation of System Thinking (SWMRF)	2	Implement Systems Thinking and associated Requirements Management onto SWMRF to support Outline Requirement Specification to Project Functional Specification development	31/03/2025
Reinforced Concrete detailed design packs issued to KDP (BEPPS2)	2	Demonstrating the value for money by engaging with KDPs during design by mitigating risks/realising opportunities to drive 'narrowing the funnel' for FBC submission	23/08/2024
Zone 3 and 4 Top Scrape and Zone 3 Bulk Excavation (ILW EZ)	3	Support the successful handover of the LSS1 construction plot ready for LSS1 to commence excavations and installation of foundations	10/10/2024
Group 400 Control Panel Suite (SRP)	3	Complete manufacture on Group 400 Control Panel Suite, tested, released and packaged ready for onward transit to IWT location	12/07/2024
Risk Management (BEPPS2)	3	Demonstrate proactive risk management throughout the project Define stage	31/03/2025
KDP ECI Contract Placement (LSS1)	3	Key Delivery Partners embedded into the project to support Define stage	31/03/2025

Topic Area	Lot	Description	Date
LOF Crane Installed (SCP)	4	Complete installation of LOF Crane on to Crane Rails	20/06/2024
Readiness to start pipework installation (SCP)	4	Readiness to start pipework installation in the Effluent Treatment Cell (ETC)	20/12/2024
Programme Approach to Commissioning Management	4	Demonstration that the base level arrangements are in place to support a programmatic approach to Commissioning	31/03/2025
Completion of Trial No3 (SWMRF)	4	Completion of Trial 3 – Mobilisation Equipment to support the SWMRF Appraise and Select Phase	31/03/2025
Social Impact	All	Continuation of Social Impact by PPP Partners through corporate volunteering and KDP Engagement	31/03/2025
Cost and Mutual Assurance Strategy Implementation	All	Demonstrate commitment to undertaking Mutual Assurance of the Lot Partners	15/11/2024
PPP Way – Standardisation of EHS	All	Development of a standardisation of EHS construction approach and methodology, consistently applied by both PPP Principal Contractors which will be implemented on SCP, SRP, ILW EZ and BEPPS 2 (where applicable)	31/12/2024
Cultural Maturity	All	Continue to establish PPP as one of the best places to work as evidenced by a continued overall improvement in the annual cultural maturity assessment results	31/01/2025

One of the main focuses for the Client in year six will be facilitating a closer relationship between the Sellafield Ltd programme community and PPP, to collaboratively address the challenges presented in preparing and progressing pipeline projects that are due to transition to the partnership for delivery.

This integrated approach will bring the collective expertise much earlier in the lifecycle and is a huge opportunity to accelerate safe performance of new projects. Inflationary pressures on the Sellafield Ltd budget remain and continue to be a focus area for the Client, who are working with the PPP Partners and the broader Sellafield Ltd organisation to achieve efficiencies and drive maximum value for money.

Throughout the upcoming year, the PPP client organisation will continue the proactive performance management ethos that was embedded in previous years as Client for the legacy projects in addition to the transition and future projects.

Recognising the increased challenge presented by the pipeline projects that are due to transition to PPP, the Client will embed a revised structure to ensure focus on delivery can be maintained.

Continuous improvement opportunities will be sought to optimise delivery of the Client role and other supporting functions to better support project delivery.

To support this, several focus areas are planned throughout the sixth year of PPP delivery:

Continued focus on enabling PPP delivery through the removal of barriers to performance that exist within Sellafield.

Ensuring interfaces between PPP projects and the broader Sellafield Ltd organisation are effectively managed.

Continued focus on direct engagement with projects and the PPP leadership team.

Optimising the pipeline of future PPP projects to enable Sellafield Ltd to make strategic choices to deliver best value.

Implement pre-approval of PPP sub-contracts to enable accelerated delivery by the Partners.

Striving to ensure that Sellafield's Key Targets and the PPP Partner KPIs are successfully delivered throughout the year.

Facilitating the deployment of a Common Data Environment (CDE) to enable collaborative project delivery.

Improving the PPP's Employee Value Proposition with the aim of being one of the top performing 'best places to work'.

Expand 'one team' cultural development activities more widely through the Key Delivery Partners (KDP) and supply chain.

Next year will also see Sellafield Ltd undertake the second three-yearly review of the PPP contract incentivisation model. Given the longevity of the contract, it was always recognised that ongoing reviews to ensure the integrity and robustness of the PPP contract incentivisation model would be required, this obligation in the contract was termed the "triennial review".



Glossary of Terms

Acronym	Description
ADT	Aligned Delivery Team
AIF	Aligned Incentive Fund
B1	Benefit 1: Improved Predictability of Cost and Schedule Outturn
B2	Benefit 2: Accelerated Hazard Reduction
В3	Benefit 3: Increased Value for Money for the UK Taxpayer
B4	Benefit 4: New Opportunities for Sellafield Ltd and its People
B5	Benefit 5: Enhanced Employment Opportunities for Project Personnel
B6	Benefit 6: Enhanced Reputation (Improved Stakeholder Confidence)
B7	Benefit 7: Sellafield Ltd Recognised as having areas of Project Excellence
B8	Benefit 8: Enhanced Sustainability Performance
ВЕР	Box Encapsulation Plant
BEPPS2	Box Encapsulation Plant Product Store 2
ВІМ	Building Information Modelling
BPSS	Baseline Personnel Security Standard
BST	Bulk Storage Tank
CDE	Common Data Environment
СМІОЅН	Chartered Member of Institute of Occupational Health and Safety
СОЅНН	Control of Substances Hazardous to Health
СРІ	Consumer Price Index
CSP	Contract Specific Profit
DCA	Delivery Confidence Assessment
DESNZ	Department for Energy Security and Net Zero

ECI	Early Contractor Involvement
EDMS	Electronic Document Management System
EHSSQ	Environment, Health, Safety, Security and Quality
EPC	Engineer Procure Construct
ERM	Enterprise Resource Management
FAT	Factory Acceptance Testing
FBC	Full Business Case
FREDIE	Fairness, Respect, Equality, Diversity, Inclusion and Engagement
FTE	Full Time Equivalent
HMG	His Majesty's Government
НМТ	His Majesty's Treasury
HVAC	Heating, Ventilation and Air-Conditioning
IC	Intelligent Customer
ICW	Institute of Collaborative Working
ILWEZ	Intermediate Level Waste East Zone
IPA	Infrastructure and Projects Authority
IPAG	Independent Project Assurance Group
IWT	Integrated Works Testing
KDP	Key Delivery Partner
KPI	Key Performance Indicator
LFE	Learning from Experience
LOF	Lower Operating Floor

Glossary of Terms (Cont.)

LSS1	Lightly Shielded Store 1
MDDR	Multi-Discipline Design Review
MEICA	Mechanical. Electrical, Instrumentation, Control and Automation
MEWP	Mobile Elevated Working Platform
MPB	Major Project Baseline
MPTP	Major Project Total Price
NDA	Nuclear Decommissioning Authority
OBC	Outline Business Case
OE	Operational Experience
ONR	Office for Nuclear Regulation
PAF	Performance Assurance Framework
PCCS	Project Controls and Commercial Services
PDD	Project Delivery Directorate
PPP	Programme and Project Partners
PPS	Physical Protection System
PWO	Project-wide Objective
RAP	Replacement Analytical Project
RBLA	Royal British Legion Access
RIDDOR	Reporting of Injuries, Diseases and Dangerous Occurrences Regulations
SCP	SIXEP Continuity Plant
SHEP	Sludge Handling and Export Plant
SIR	Sellafield Incident Report
SIXEP	Site Ion Exchange Effluent Plant

SL	Sellafield Ltd
SME	Small and Medium Enterprises
SNM	Special Nuclear Materials
SNMFS	Special Nuclear Materials Future Storage
SPP	Sludge Packing Plant
SPRS	Sellafield Product and Residue Store
SQEP	Suitably Qualified and Experienced Person
SRO	Senior Responsible Owner
SRP	Sellafield Product and Residue Store Retreatment Plant
SWMRF	SIXEP Waste Management Receipt Facility
SWPDI	Site-wide Project Delivery Improvements
Т&Т	Turner & Townsend
TOMs	Themes, Outcomes, measures
VfM	Value for Money

