

This Report will be made public on 11 April 2023

Report Number **C/22/111**

To: Cabinet
Date: 19 April 2023
Status: Non key decision
Responsible Officer: Ewan Green - Director of Place
Kirsty Roberts -
Cabinet Member: Councillor David Monk - Leader of the Council
Councillor David Godfrey - Cabinet Member for
Housing and Special Projects
Councillor David Wimble - Cabinet Member for the
District Economy

**SUBJECT: EXPLORING POTENTIAL FOR NEW NUCLEAR TECHNOLOGIES
AT DUNGENESS**

SUMMARY: This report sets out the current position and next phase of work to explore suitability of and commercial interest in specific proposals for new nuclear technologies at Dungeness. The report has been developed in partnership with Kent County Council.

REASONS FOR RECOMMENDATIONS:

The Department for Energy Security & Net Zero (DESNZ, formerly BEIS) is moving from a centralised list of potential nuclear sites to a more responsive site approval process. This changes the route for approving new nuclear activities at Dungeness and has implications for the Councils' role in progressing future site options.

Cabinet agreement is sought to establish a governance approach with Kent County Council that will support progress in relation to determining the new nuclear opportunities at Dungeness.

RECOMMENDATIONS:

1. To receive and note report C/22/111.
2. Note the updated position in respect of Dungeness and the potential deployment of new nuclear technologies.
3. Agree the governance approach detailed in section 2 of the report and that the Council establish a joint Steering Committee with Kent County Council.
4. Agree the next steps and actions outlined in section 2 of the report.
5. Note that the outcome of the next stages of work will be reported to Cabinet in due course.

1. BACKGROUND

- 1.1 Clean nuclear technology is an increasingly important part of the UK's energy mix. The UK government has committed to reducing its emissions to net zero by 2050 and clean nuclear power could play an important role in helping to meet this goal.
- 1.2 Dungeness has been a nuclear site for sixty years, it has the grid connections, the water, the workforce, the space is essentially a brownfield site. Through joint working KCC and FHDC have engaged with Rolls Royce, other Small Medium Reactor (SMR) and Advanced Modular Reactor providers, EDF, Natural England and the Nuclear Industry Authority (NIA), with the aim of bringing forward a proposition for Dungeness to generate power as quickly as possible.
- 1.3 Partnership working has been ongoing with Kent County Council (KCC) to bring forward opportunities to secure a nuclear power generation future for Dungeness. This has included liaison with Damian Collins MP. So far, the joint efforts have been focused on supporting the case for Dungeness to be included on the Government's National Policy Statement for new nuclear sites above 1GW. Dungeness wasn't previously included on the list of appropriate sites to host a gigawatt nuclear plant.
- 1.4 A key part of ongoing work has been to clarify the position of Government Departments and agencies and commercial operators to understand the case that needs to be developed for new nuclear at Dungeness.
- 1.5 The partners have engaged with the Department for Energy Security & Net Zero (DESNZ) and the NDA to understand what the new site strategy will mean for new nuclear at Dungeness, the process by which sites will receive regulatory approval and government expectations around the role LAs will play. Key points which support this are outlined below.
- 1.6 **National Policy:** There is a firm commitment to nuclear through the Government's 2020 Energy White Paper and Net Zero Strategy with further funding to support the development of SMRs announced in the Spring Budget. Reflecting this, there is an intention to consult on a new siting criteria (National Policy Statement EN-7) later this year. Proposed changes to the government policy position are to remove the current site listing strategy and replace this by giving developers, LAs and landowners' ability to engage directly with government. The process is still unclear but it seems that business cases will be considered for credible nuclear site proposals (whether existing nuclear or new sites), which will remove barriers for a wider range of sites to be considered.
- 1.7 **Kent County Council Policy:** is currently in the process of reviewing its Minerals and Waste Local Plan (KMWLP) 2023-38 which contains policy CSW187 dealing with the potential storage of waste at the Dungeness site.
- 1.8 **Folkestone & Hythe District Council Policy:** - The Core Strategy Review, adopted in 2022, considers the future of the Dungeness site in Policy SS1: District Spatial Strategy. The policy recognises that redevelopment plans for

the site may come forward during the plan period (to 2037) and allows for the council to work in partnership with stakeholders to develop an Area Action Plan for the site to set out proposals for the site. This policy was developed as a result of representations from the Nuclear Decommissioning Agency and Magnox during the public examination of the plan.

- 1.9 **Site:** While at 17 acres Dungeness A is seen as a small site it has the major benefits of grid connections and cheap access to water, together with a skilled workforce and a generally supportive community.
- 1.10 **Decommissioning:** Existing nuclear sites will move from EDF into the control of the Nuclear Decommissioning Authority when de-fuelling is complete. Dungeness B will probably be the last of these as de-fuelling is expected to take longer than others due to its complex nature. All systems at Dungeness B are still in place although generation has ceased. Decommissioning of Dungeness A is now under way. The decommissioning timeline is to some extent dependant on future site use(i.e.) if the NDA felt there was a credible nuclear future for the Dungeness site the decommissioning process could potentially be prioritised and accelerated to some extent.
- 1.11 **Environment:** The Dungeness site is outside, but tightly enclosed on all sides by the Dungeness, Romney Marsh and Rye Bay Site of Special Scientific Interest (SSSI), a national environmental designation. Areas closely surrounding the site and further inland are protected as a Special Area of Conservation (SAC) at national and European level. Areas of the shore close to the site are designated as a Special Protection Area (SPA) for their value for bird life. Areas close to the site, along the shore and further inland are protected under the Ramsar convention as wetlands of international importance. The area therefore enjoys strong environment protection and the loss of shingle outside of the current footprint would be an issue. However, Natural England indicate that no assumptions should be made and they remain keen to work closely with us on specific proposals for the site. The Environment Agency has also significantly improved the flood defences for the site.
- 1.12 **Commercial interest:** Rolls-Royce have made their own site strategy assessment and have identified Trawsfynydd, Sellafield, Wylfa and Oldbury as priorities to host SMRs. These are predominantly greenfield or cleared brownfield sites with clear ownership. There are a number of technology vendors interested in the Dungeness site, timing of decommissioning, clear ownership and having a clear process in place to move through regulatory approvals are key to commercial prioritisation.
- 1.13 **Local Engagement:** Magnox are in the early stages of planning a 'Big Conversation' with the communities immediately surrounding their sites, including Dungeness. This will focus on future site use and how Magnox can support maximising benefits for existing communities.
- 1.14 Technology vendors have already started to widen their search for sites. EDF report strong interest from a range of companies in Dungeness and

scoping conversations with technology vendors to understand range of potential future uses for the site is the key next step.

2. PARTNERSHIP ARRANGEMENTS AND NEXT STEPS

- 2.1 In order to continue to progress the opportunity for Dungeness and ensure that the current momentum is maintained it is recommended that a joint KCC and FHDC Steering Committee is established (as outlined in the Appendix). FHDC Membership of the Committee will require to be reconfirmed following the May 2023 District Council Election.
- 2.2. Strong commercial interest and a credible nuclear future for the site are the key drivers for Government decision making around how they are prioritising regulatory approvals. As Government work through their site selection process the next key step is to continue to progress soft market testing alongside KCC in order to develop a small number of credible, high-level proposals for the site.

Actions required to get develop proposals for Dungeness are:

- Work with partners and site operators to set some high-level criteria around site use, scale and potential for the site.
 - Work with EDF (landowner) and interested technology vendors to develop high level proposals for Dungeness site.
 - Continue high level discussions around potential technologies that could be sited at Dungeness with technology vendors and use to develop a small number of high-level proposals for the site alongside KCC
 - Use these high-level proposals to test assumptions around environmental restrictions; phasing of new nuclear on site alongside decommissioning activity; community engagement and support; economic impact and commercial viability internally and with a range of partners.
 - Work with Government department and agencies to understand what the process would be to progress these proposals for the site through regulatory approvals.
- 2.3 The outcome from the above will reported to the Steering Committee and to Cabinet in due course for further consideration. It is intended this work will move the proposition for the future of Dungeness forward and result in a clear strategy and actions required. At that stage the partners will have to give consideration to the significant resources, technical capacity and governance requirements that would be needed should proposals for the deployment of SMR's / AMR's for Dungeness come forward.

3. RISK MANAGEMENT ISSUES

3.1 A summary of the perceived risks follows:

Perceived risk	Seriousness	Likelihood	Preventative action
Opportunity for the deployment of new nuclear energy at Dungeness is missed.	Medium	Medium	Partnership working across key partners to undertake soft market testing and develop proposition.
Not set up to manage locally led procurement, risk not progressing project	Medium	Medium	Work with Government to understand process and explore funding options to support technically complex project.

7. LEGAL/FINANCIAL AND OTHER CONTROLS/POLICY MATTERS

7.1 Legal Officer's Comments (NM)

There are no legal implications arising directly from this report.

7.2 Finance Officer's Comments (JS)

Whilst at this early stage there is no clear quantum for the financial implications arising out of the proposals, there may be a small financial resource requirement to progress through the initial stages as per the recommendations in this report. If such costs are to be incurred, a budget will need to be identified. There may also be additional future financial implications attached to personnel capacity, namely whether additional personnel may be required as the project progresses; any additional personnel requirements will result in costs being incurred and a suitable budget would also need to be identified for the allocation of those costs. More clarity around the financial implications, including potential funding sources and allocation between the joint parties, will however need to be provided once this item has progressed further.

7.3 Diversities and Equalities Implications (GE)

There are no equality and diversity issues directly arising from this report.

7.4 Climate Change Implications (OF)

There are no climate impacts arising from this report, however proposal and subsequent project as a result of this report will need to be subject to climate impact assessment.

8. CONTACT OFFICERS AND BACKGROUND DOCUMENTS

Councillors with any questions arising out of this report should contact the following officer prior to the meeting:

Kirsty Roberts Chief Officer, East Kent Leadership Group

Telephone: 07858685693

Email: kirsty.roberts@folkestone-hythe.gov.uk

Appendix

Governance: Dungeness Steering Committee: Terms of Reference

As interest in future site usage grows we need to evolve our governance arrangements to maintain momentum for this work. Proposed high level TOR and membership for project governance:

Purpose: To secure a nuclear future for Dungeness through the hosting of Small Modular Reactors or Advanced Modular Reactors creating and retaining skilled jobs locally and powering our Kent economy.

Key responsibilities:

- To work with Government to ensure Dungeness is included in the new list of national nuclear sites following planned consultation.
- To work with current nuclear operators and landowners EDF and with other reputable manufacturers or operators of small modular reactors to promote the Dungeness site and with Natural England to safeguard the unique Dungeness environment.
- To build an evidence base for new nuclear being sited at Dungeness.
- To develop the case for Dungeness as part of a co-ordinated and wider Nuclear Kent energy campaign.

Meeting frequency: Bimonthly, alternating between virtual and in-person.

Membership:

- Cllr David Robey, KCC (Chair)
- Cllr Tony Hills, KCC (Vice Chair)
- Cllr Roger Gough, KCC Leader
- Derek Murphy, KCC Cabinet Member for Economic Development
- Susan Carey, KCC Cabinet Member for the Environment
- Damian Collins MP
- FHDC Leader
- Two FHDC Cabinet Members

Officer support for the Steering Committee will include:

Folkestone and Hythe:

- Director of Place
- Chief Officer, Economic Development
- Romney Marsh Partnership Lead Specialist
- Chief Officer, East Kent Leadership Group

KCC:

- Director, Economic Development
- Development Strategy Manager
- Staff Officer, Economic Development Portfolio