

[REDACTED]  
Naval Base Commander  
Lomond Building  
HM Naval Base Clyde  
G84 8HL

[REDACTED]  
**HM Principal Inspector – Nuclear  
Installations**  
Nuclear Directorate  
4S.2 Redgrave Court  
Merton Road  
Bootle  
Merseyside L20 7HS

Tel: [REDACTED]  
Fax: [REDACTED]

*For the attention of:*

[REDACTED]  
SWS Planning & Projects Manager  
RNAD Coulport

18<sup>th</sup> October 2010

**Our Ref:** TRIM 2010/523775  
**Unique No:** CNB 70116N

Dear [REDACTED]

### **SWS ACTIVITIES FUTURE DELIVERY OPTIONS PROJECT (SWSAFDOP)**

Reference:

1. HMNB Clyde - 02.2010-CRB/DNSR – Organisational Change Proposal OCP 2010/02 – Strategic Weapon System Future Delivery, Industry Outsourced Option – dated 15 April 2010

[REDACTED] asked for a written update on NII's deliberations in relation to the SWS Activities Future Delivery Options Project (SWSAFDOP). As you are aware, NII were to consider the proposal for an Industry Outsourced Option from the standpoint of its effect on the sustainability of the current Authorised regulatory regime, post vesting of operations at Coulport to a contracting Alliance. In order to form a view we have had to answer two questions:

1. Are activities that would be Licenceable under the Nuclear Installations Act 1965 (as amended) carried out on the Coulport site.
2. If the answer to Question 1 is yes, will the activities remain demonstrably under the control of MoD after vesting.

In order to answer these questions, a Specialist Inspector and I have considered operations at Coulport, reviewed the site Hazard Identification and Risk Evaluation and Reference 1 and attended a presentation at Coulport to explain the proposal in more detail. Discussions have also been held with DNSR and their Serco support specialists.

In relation to Question 1, it is clear to me that the Coulport site carries out activities that are intended to be Licenced under the Nuclear Installations Act 1965 (as amended), that is, storage of bulk quantities of radioactive materials. Unless such activities are carried out by "the crown" (in this case, MoD), then the law intends that these activities should be regulated through a Nuclear Site Licence.

In relation to Question 2, the demonstration of ongoing MoD control, I provided advice in December 2009 that the project was proceeding "at risk" if a contracting model was followed with a minimalist MoD presence on the site after vesting. From the proposal and our discussions with the project team, it is clear that they have indeed gone for a minimal MoD presence. This has been recognised by your own Change Control Board who identified that the residual MOD organisation is considered to be the absolute minimum that is acceptable. However, taken with the evidence of the Coulport site being part of the wider HM Naval Base Clyde construct and the exercise of MoD control via base-wide functions, together with the precautionary measures that the Change Control Board have required to be in place before vesting, the Specialist Inspector and I have concluded that the proposal is unlikely to prevent the continuation, for the present, of Authorisation as the site regulatory regime. This conclusion has been endorsed by NII's internal due process.

I should, however, advise you that, although the proposal is considered to enable Authorisation to continue at present, this position will be under continuous threat from any future extension of contractor control at Faslane or future reduction in MoD control either at Coulport or in the wider Naval Base. There is a serious risk that any such changes will result in the Alliance-operated Coulport site being in a position where Authorisation is no longer sustainable. In order to prevent the site unintentionally moving into a regime where Licencing becomes necessary, it will be imperative for future HM Naval Base Clyde Organisational Change Proposals to be considered in this context by NII and DNSR.

The contents of this letter have been discussed and agreed with DNSR.

Yours sincerely,

  
**HM Principal Inspector (Nuclear Installations)**

**Copies (by email)**

