

DSG

File



cc: David Pascale

10 DOWNING STREET

From the Private Secretary

4 June 1984

Dear John,

SELLAFIELD

The Prime Minister saw over the weekend your Secretary of State's minute of 31 May about Sellafield.

The Prime Minister fully accepts the importance of restoring public confidence in Sellafield. But her initial reaction is that this objective is best secured by improving the operation of the plant and the competence of BNFL, rather than by special treatment for the Sellafield area.

As you know, policy towards Sellafield is to be considered further by Ministers in the light of a paper which your Department is now preparing (my letter to you of 17 May refers). The Prime Minister would be content for your Secretary of State to include in that paper any specific proposals he may wish to put forward, building on the approach set out in his minute.

I am sending copies of this letter to the Private Secretaries to members of the Cabinet, to Murdo Maclean (Chief Whip's Office), and to Richard Hatfield (Cabinet Office).

Yours ever,  
David

David Barclay

John Ballard, Esq.,  
Department of the Environment.

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The Environment Secretary's minute is far from clear. Agree response on these lines?

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MR BARCLAY

Yes  
1 June 1984DMS  
1/6  
SELLAFIELD

Public confidence has been severely shaken following recent events at Sellafield. Unless we take positive steps to improve the situation, our whole nuclear programme could be jeopardised.

However, the only way of restoring public confidence is by improving the operation of the plant, in cleaning up the beaches and in a careful assessment of whether re-processing on the current scale is necessary. BNFL have manifestly failed to carry out their responsibilities and we must make it clear that this will not be tolerated. The restructured Board must deliver an environmentally acceptable plant.

The Prime Minister's recent environmental meeting recognised this problem and commissioned an urgent paper on the range of options available. This paper should be considered as soon as possible.

We do not support Patrick Jenkin's proposals for a "Sellafield dimension" in Government policies. Public confidence will not be restored by offers of compensation nor by granting the Sellafield area special status which would also distort our whole approach to regional policy.

Nevertheless, the paper is muddled and it is unclear what is actually being proposed. The references to public money are ominous but there could be a case for better co-ordination of our existing policies.

We recommend that the Prime Minister should respond to the Secretary of State.

- Recognising the need to restore confidence in Sellafield.
- Giving an initial reaction that this is best achieved by improving the operation of the plant and the competence of BNFL rather than by special treatment for the Sellafield area.
- Inviting him to develop any specific proposals he may have in mind in the options paper for Sellafield. This paper should be available for Ministerial discussion before the Summer recess.

DLP.

DAVID PASCALL

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DATAAI

u/s  
CCB/

PRIME MINISTER

SELLAFIELD

Sellafield is likely to attract increasing attention, rather than less, in view of Sir Douglas Black's report on cancer incidence (due early in July), various international meetings and the possible prosecution of BNFL over the incident last November. Continued operation of the present reprocessing plant is necessary for the spent fuel from magnox power stations, quite apart from military requirements, and there is also the plant now being built for oxide fuel, predominantly from profitable overseas contracts. In addition, there will be large quantities of waste in store at Sellafield for the foreseeable future, and new facilities will have to be built for them. It is not inconceivable that we may want to develop new storage facilities there if no acceptable final disposal site is found elsewhere. Thus continued public acceptance of the Sellafield site is vital.

One essential part of any strategy for achieving that acceptance is that further reductions in discharges of radioactivity from Sellafield must be made, and officials are urgently considering this. Peter Walker is also taking steps to strengthen the board of BNFL. However it is also essential that the Government should demonstrate clearly through its actions that we understand the pressures on this part of West Cumbria which derive from being the home of the largest plant of its kind in Europe. These pressures will, of course, be deliberately increased by opponents of nuclear power. The two Yorkshire TV programmes show how the local people can expect to be treated by the media, and local confidence has certainly been shaken recently.

The French, and to some degree the Americans, overcome such

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feelings by a deliberate policy of giving some tangible compensation to the areas around nuclear installations. Whether or not it is justifiable to do that for a nuclear power station, Sellafield is obviously in a category of its own in this respect, and I believe we now have to adopt that kind of policy for it. Of course, there is considerable direct benefit in terms of BNFL investment and employment, and the company has undertaken some minor community schemes and is considering what part it could play in promoting small businesses. But a more comprehensive approach is required, with the Government itself involved.

I understand the Department of Energy are studying the general principle of reduced electricity prices in areas around nuclear installations, and that study could be speeded up. However, it is also essential that all Departments should avoid in present circumstances actions that would have a significant adverse effect on West Cumbria (for example, fears have been expressed to us about possible loss of assisted area status, although I understand that is not contemplated), and should look for positive actions which will improve confidence. I am considering what more can be done within my own Department's programmes. The Workington Enterprise Zone with the £12m reclamation scheme for Workington Ironworks provides a solid basis.

I realise that an initiative of this kind will give rise to awkward questions of priorities and warnings about precedents. I certainly do not envisage that any expenditure should be undertaken by the Government which, under the polluter pays principle, should properly fall to the company. However, we should, I believe, recognise the danger to the country of a loss of confidence in nuclear installations of the kind which has occurred in the USA, and spend a little money to

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keep this one vital community, which still fundamentally wants to be supportive, from feeling disregarded or disadvantaged. The risks the other way seem to me serious: Sellafield could be the Achilles heel of our whole nuclear programme.

It would be counter-productive for individual measures to be linked publicly with the difficulties over the Sellafield plant. However if the principle of a 'Sellafield dimension' in Government policies commends itself to you, I shall arrange for my officials to monitor the overall response, in conjunction with other Departments, so that inadvertent 'own goals' are avoided, and so that, where feasible, positive action is taken to provide some counter balance to the pressures I have described.

I am copying this minute to the Members of Cabinet, to John Wakeham and to Sir Robert Armstrong.

P.J.

P J

31 May 1984