

Health and Safety Executive Board		Paper No: HSE/11/77	
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Chair of the Office for Nuclear Regulation Report to the HSE Board			

Summary

1. The stress tests of nuclear power plants, required by the European Council following the events in Fukushima, progressed well. ONR received stress test reports from all relevant Licensees by the required date of 31 October.
2. All of the operational programmes are generally on target with some significant achievements delivered. These include, a joint regulatory response to the generic Disposal System Safety Case; ONR/NNB Genco workshops, aimed at creating a “no surprise culture” between the regulator and the potential licensee; and, the joint safety and security response provided on the Sellafield Security Challenge process. No new formal enforcement action was required this month. Licensees to whom Improvement Notices have been issued previously are making progress.
3. Delivery of ONR’s transition and transformation activities are also broadly on target. Two notable milestones were achieved. The legal instructions to Parliamentary Council were provided by the required deadline and, the Impact Assessment on the creation of the statutory Office for Nuclear Regulation (ONR), written by Department of Energy and Climate Change (DECC) officials in close collaboration with ONR, was cleared by DECC’s chief economist for submission to the Regulatory Policy Committee (RPC). A response is expected towards the end of the November.
4. International engagement was high on the agenda this month. ONR led the International Atomic Energy Agency’s (IAEA) Integrated Regulatory Review Service Mission to Slovenia and the Chief Inspector visited Jordan to advise the country's Prime Minister on nuclear safety. In addition, the International Physical Protection Advisory Service (IPPAS) Mission to the UK took place to assess civil nuclear security arrangements following a commitment made in advance of President Obama’s Nuclear Security Summit in April 2010. The outcome of the Mission was positive.

Fukushima nuclear accident

Chief Nuclear Inspector’s final report

5. Since the presentation of the Chief Nuclear Inspector’s Final Report to Parliament and its publication online, ONR has received many requests for presentations from a variety of stakeholders. To manage stakeholder interest

five regional stakeholder events will be held, the first of which will be on 12 December.

European Stress Tests

6. The stress tests of nuclear power plants required by the European Council are progressing well. ONR received stress test reports from all relevant Licensees by the required date of 31 October. These will be reviewed by ONR and a UK national report prepared for submission to the European Council by the end of the year. All of the national reports will be subject to a cross-European peer review process. The UK (ONR) will provide the team leader for one of the three areas to be peer reviewed.

Generic Design Assessment

7. The only resolution plans that have not yet been agreed are those necessary to address the Fukushima GDA Issue. Now that the HM Chief Inspector's report on Fukushima has been published, the Requesting Parties will progress with the development of their resolution plans to demonstrate how they will address the lessons learnt. If the resolution plans are judged to be credible, ONR will consider, for each reactor design, provision of an interim Design Acceptance Confirmation (DAC) and interim Statement of Design Acceptability (SoDA). ONR expects to be in a position to do this by the end of 2011.
8. The GDA Progress Report for Quarter 2 was published on 26 October as planned.

Operational delivery programmes

9. Generally, the operational programmes are on target and planned outcomes are being met. The most significant achievements during the period included:
 - a joint regulatory response to the generic Disposal System Safety Case;
 - the success of the International Physical Protection Advisory Service (IPPAS) Mission to the UK. This Mission was centred on Sellafield but also visited the International Nuclear Services (INS) at Barrow;
 - the joint ONR/NNB Genco workshops, aimed at creating a "no surprise culture" between the regulator and the potential licensee;
 - successful joint working between safety and security teams enabling a single ONR response to be provided on the Sellafield Security Challenge process.

Formal enforcement

10. There are no new formal enforcement actions this month.

11. Regarding formal enforcement action reported previously, the Berkeley Approved Dosimetry Service (ADS) action plan to address the issues covered by the Improvement Notice was completed by the required date of 31 October 2011. The duty holder has been invited to re-submit an application for re-approval of the service. The Improvement Notice issued to URENCO was extended to November 2011 to allow actions to be closed out.

Stakeholder engagement and media interest

12. The Chief Nuclear Inspector visited Jordan on 25 October to advise the country's Prime Minister on nuclear safety. Technical discussions were held with officials, as well as a public forum, in which the importance of raising safety standards at nuclear sites was stressed.
13. ONR led an international team of senior nuclear safety regulators and IAEA staff on an IAEA Integrated Regulatory Review Service (IRRS) mission to Slovenia. The mission, conducted at the request of the Slovenian Government, assessed how the Slovenian regulator oversees nuclear facilities against relevant IAEA requirements, standards and guidance.
14. The UK Joint Convention in Spent Fuel Report was submitted to the IAEA secretariat before the 14 October deadline. Once DECC has agreed to publication, it will be made available to the public through the HSE website.
15. The ONR and the nuclear industry senior representatives' conference was held on 14 November, involving more than 40 of the UK industry's senior managers together with ONR representatives. The conference considered implications for the UK nuclear industry from the Japanese earthquake and tsunami. Other topics discussed included the importance of openness and transparency and how to promote safety culture across the nuclear industry supply chain. ONR also held its second NGO forum on 17 November. Again, topics of particular interest included openness and transparency, and the final Fukushima report. Both events were successful and provided opportunities for consultation on ONR's Vision and Strategy.
16. As part of its ongoing commitment to greater openness and transparency, ONR published its second quarterly report covering key developments in each of the regulatory programmes and, highlighting ongoing internal changes. It also launched a short consultation on the ONR Board's Vision and Strategy via the HSE website, provided information on the statutory outages that are taking place at nuclear power plants currently, and published eight Quarterly Local Liaison Committee Reports.

Transition to the statutory Office for Nuclear Regulation

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Implementation of the Target Operating Model (TOM)

19. Following staff consultation on the Target Operating Model, the Operations Team has developed a proposed structure for delivery of specialist services into the operational programmes, which also provides assurance and balance to the Chief Inspector with respect to regulatory decision-making.

Transfer of the Radioactive Materials Transport Team (RMTT)

20. The Radioactive Materials Transport Team (RMTT) transfer from the Department for Transport to ONR was completed on 24 October 2011 as part of the Carriage of Dangerous Goods (CDG) Amendment Regulations coming into force.

Financial summary

The financial summary for October is provided below.

£000's

IN MONTH TOTAL OCTOBER 2011				CUMULATIVE TOTAL APRIL – OCTOBER 2011				FORECASTS 2011/12			
BUDGET LINE	ACTUAL	MIDYEAR PROFILE	VARIANCE		ACTUAL	MIDYE RPROFI LE	VARIANCE		MIDYEAR	LATEST	VARIANC E
			£	%			£	%			
PAYROLL	3,371.6	3,401.1	(29.5)	-0.9	18,810.9	18,840.4	(29.5)	-0.2	32,706.3	32,705.8	(0.5)
GAE	560.5	709.8	(149.3)	21.0	3,479.4	3,628.7	(149.3)	-4.1	6,107.4	6,107.4	0.0
PROGRAMME	616.1	624.8	(8.7)	1.4	3,462.8	3,471.5	(8.7)	-0.3	7,561.0	7,561.0	0.0
OVERHEADS & CENTRAL COSTS	851.6	910.5	(58.9)	6.5	5,776.8	5,835.7	(58.9)	-1.0	10,356.6	10,356.6	0.0
TOTAL GROSS EXPENDITURE	5,399.9	5,646.2	(246.4)	4.4	31,529.9	31,776.3	(246.4)	-0.8	56,731.3	56,730.7	(0.5)

21. The mid-year forecast was adjusted to include the transfer of the Radioactive Materials Transport Team from Department for Transport to ONR on 24 October 2011. This resulted in a £1.99m increase in the total expenditure forecast of which, £1.5m relates to payroll.

22. Items to note regarding actual spend in October compared to the revised midyear budget profile are:

- Payroll was underspent in month by £29.5k as security staff bonus payments were not paid as profiled in October.
- GAE was underspent by £149.3k. The main contributory factor was a £100k IT underspend relating to the engagement of Refit and Nimbus contractors, who were not engaged as expected. The forecast remains unchanged pending the outcome of a review to re-evaluate the external support requirement of Nimbus project.
- Programme was underspent £8.5k overall.

HSE Overhead and Central costs

23. Items to note are:

- Previously and at start year ONR-Finance calculated an overhead charge for inclusion in regulatory income forecasts only, with no forecast necessary for expenditure. In period 2 (May) this changed with HSE Finance opting to charge overheads and central service costs to ONR monthly.
- An assessment of the £803.8k charged in period 07 (October), the sixth month in which charges have been levied.
- October's actual expenditure and latest forecast is a soft charge calculated by HSE Finance based on the total number of staff in post in ONR (including non-chargeable and temporary staff) by location.

24. ONR and HSE Finance are continuing to meet to discuss the assumptions on which the overhead charge is based and this dialogue will continue until agreement is reached on the elements that should be included in charges.

Resources

25. In relation to the on-going Band 3 recruitment campaign, 175 applications were received, 30 interviews have been held, and four offers accepted.

26. Ministerial approval was given for ONR to recruit 40 nuclear safety inspectors and 8 nuclear security inspectors in 2012/13 and 2013/14, 96 in total. Approval to advertise these posts nationally is now being sought with a view to starting the recruitment campaign in January 2012.

27. Plans continue to be developed to explore alternative recruitment options.

28. One offer of employment has been accepted following the Programme Manager and Programme Planner recruitment campaign. A Ministerial Submission is now being prepared to request the use of recruitment search agents to fill the remaining three Programme Manager posts and one Programme Planner post.

29. Following a Civil Service trawl, ONR has secured a new Head of Human Resources. He will join ONR in the New Year, on loan from the Department for Education where he is currently the Head of Resource and Workforce Strategy. This is to replace the current interim Head of HR, who will be leaving shortly having made substantial progress on moving ONR towards its new status and 'holding the reins' prior to ONR finding a replacement from within the Civil Service.