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Office for Nuclear Regulation: High Level Strategy

Purpose of the paper

1. The ONR Framework Document requires the ONR Board to submit its first proposals for a high level strategy to the HSE Board by 1 December 2011. To fulfil this requirement a copy of the proposed Strategy (Annex A) was provided to the HSE Chair by the required deadline. This paper is to ask the HSE Board to approve ONR's Strategy for submission to the Minister in conformity with the Framework Document.

Background

2. The ONR Framework Document requires the ONR Board to submit its first proposals for a high level strategy to the HSE Board by 1 December 2011 before it is submitted for approval by the Secretary of State for Work and Pensions and subsequently published on the HSE Website.

Argument

3. In devising its Strategy, the ONR Board considered three options:
 - (a) a detailed strategy, similar to those used quite widely in the public sector to provide specific strategic direction from the Board across the range of ONR's activities;
 - (b) a clear and concise strategy which provides an insight into ONR's journey from agency status to the achievement of the Board's long term vision, expressed through key themes;
 - (c) a replacement for the Plan-on-a-page which would incorporate both the Board's strategic view and ONR's mission in a single document.
4. The ONR Board chose option (b) because articulating the strategy in this relatively simple way enables all stakeholders to see clearly what ONR wants to achieve, providing an exemplar for ONR's openness and transparency agenda. It directs, supports and aligns with the Plan-on-a-page at all three of its levels, which enables programmes of work to be linked through the Plan-on-a-page to specific strategic steps, and therefore for delivery to be monitored using procedures already in place eg, the Chief Operating Officer's monthly performance reviews. The Strategy is also sufficiently flexible to be adapted to the requirements of any future Board created when ONR becomes a Statutory Corporation.

5. In setting its strategy, the Framework Document requires ONR to “consult such persons as it considers appropriate”. The ONR Strategy is built on themes for the future positioning of ONR and the values for which it should be known identified through considerable consultation, both internal and external, carried out in relation to the Plan-on-a-page, the ONR Target Operating Model, stakeholder engagement in preparation for Transition, eg the Stone Report, and the IAEA Integrated Regulatory Review Service Mission. However, as part of its commitment to openness and transparency, ONR also undertook a short consultation to provide a further opportunity to comment on ONR’s direction of travel.
6. The Strategy was submitted for consultation to the HSE Trades Unions, the ONR Advisory Group, an event for CEOs of the nuclear industry, a NGO Forum and the Department for Energy and Climate Change. It was also made available to the public and staff via the HSE website.
7. Responses to the consultation were received from a variety of stakeholders including, NGOs, DECC, the nuclear industry and members of the public. Comments were largely positive, and respondents particularly liked the succinctness and clarity of the Strategy. The draft presented to the HSE Board incorporates those comments that were consistent with the ONR Board’s intentions regarding the content of the document, as expressed during its discussions.

Action

8. In accordance with the ONR Framework Document, the HSE Board is asked to approve the ONR Strategy for submission to the Secretary of State for Work and Pensions and subsequent publication.

Paper clearance

9. This paper was cleared by Les Philpott, SCS, ONR.

Office for Nuclear Regulation –

Universally respected for securing confidence in nuclear safety and security

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Foreword

As Chair of the Office for Nuclear Regulation (ONR), I am pleased to introduce our new Strategy. As required by the ONR Framework Document, under which ONR operates as an agency of the Health and Safety Executive, the Strategy sets out ONR's broad medium to long-term vision. However, it is sufficiently flexible to be adapted to the requirements of any future Board created when ONR becomes a Statutory Corporation.

ONR's purpose as described in our mission statement is *"Securing the protection of people and society from the hazards of the nuclear industry"*. Our core activities to achieve our mission are presented simply in our Plan-on-a-Page (Annex 1). Our vision to be *"Universally respected for securing confidence in nuclear safety and security"* and the Strategy which underpins it is similarly succinct and simple.

It is our intention that the Strategy will inform the ONR Corporate Plan, originally published in August 2011, which will be revised shortly to reflect our strategic direction and recent changes to our organisational structure. In addition, ONR will produce an Operating Plan for 2012/13 to provide more detail about what we aim to deliver during the year. As the nuclear industry world-wide is undergoing rapid change, it is our intention to review our Strategy regularly to ensure it remains relevant to the environment in which we operate.

We want the Strategy to provide all of our stakeholders with an accessible picture of ONR's vision in the light of the future challenges and opportunities of the nuclear sector. In summary, we see ONR's priorities as being to improve our efficiency and effectiveness as a regulator; to lead the nuclear industry towards greater openness and transparency by being an exemplar in this area; and using our international credibility to influence improvement in global nuclear safety and security standards. As you will see, these threads run throughout the Strategy

Establishing ONR as an agency of HSE created an integrated nuclear regulator, encompassing safety, security, safeguards and radioactive materials transport. This was a significant step towards ONR achieving its long term vision and I look forward to further successes in the future.

Nick Baldwin
Chair of ONR

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Strategic context

The nuclear industry, in this country and internationally, is changing rapidly which presents a number of challenges for ONR. These include:

- the assessment of safety cases for potential new nuclear power stations and their potential subsequent licensing, construction, operation and decommissioning;
- the changing requirements of ageing nuclear power reactors and the generating companies' aim to keep them producing electricity;
- the delivery of the decommissioning programme and active management of legacy nuclear plants including high-hazard facilities;
- the drive from the international nuclear industry for greater co-operation between regulators, leading to a convergence and harmonisation of regulatory requirements for new and existing nuclear facilities;
- the need to improve the regulation of civil nuclear security while acquiring the capability to do so;
- the increasingly competitive global nuclear skills market, which affects our ability to recruit the highly-qualified and experienced staff we require, something which is important given that a significant proportion of our existing inspectors are approaching retirement age.

Overlaying all of these challenges is the public and wider society's concern about the safety, security and health impacts of nuclear power, as well as the potential threats from terrorism and radiation risks. This concern was brought into sharp focus by the events at the Fukushima Nuclear Plant in Japan in March 2011. The concerns of the public and society are reflected in changes in their expectations and interests, and their desire for greater openness and transparency.

ONR's Strategy shows how we aim to address each of these challenges.

Our vision

ONR's vision is simple and straightforward – that in all that we do we are:

“Universally respected for securing confidence in nuclear safety and security”.

This means that:

- our work recognises that people want to feel safe and secure from the hazards of the nuclear industry whether they stem from the physical operation of nuclear activities, safeguarding of nuclear material, transport of radioactive materials or the security of nuclear facilities;
- we want everyone, regardless of their views on nuclear power, to feel that we regulate the nuclear industry appropriately and in proportion to the known hazards it presents. We also want to be a trusted source of objective information and advice about the risks and potential consequences of civil nuclear activities;
- we have a positive influence on UK and international nuclear safety and security standards. The hazards presented by nuclear power are possibly more in people's thoughts now than they have been at any time for the last 25 years. ONR has an important job to do to ensure nuclear operators in the UK achieve sustained excellence in nuclear safety and security performance, and to take a leading role in securing global nuclear safety and security;
- as an organisation, our own standards of performance are high and, in carrying out our responsibilities, we are effective and efficient. It is particularly important in the current economic climate that we demonstrate our value to our stakeholders. To achieve high standards of performance ONR must have a full complement of highly competent, committed people at all levels, who feel part of ONR's journey to achieve its vision, and who are proud of the organisation they work for.

Achieving our vision

We will build on our record of accomplishment to achieve our vision through key activities:

- Transforming our organisation;
- Focusing on delivery;
- Influencing nuclear safety and security.

Transforming our organisation – This involves not only changing the legal identity of ONR from a civil service agency to an independent statutory corporation, but also to improving our effectiveness and efficiency by changing our business philosophy. We want to be a modern organisation that is aligned strategically to the environment in which we operate. In transforming what we do, we want our staff to be world leading in their expertise and proud to be recognised for that.

Focusing on delivery - Having a greater impact on nuclear safety and security through the delivery of our outcomes. These include being more open and transparent, in our engagement with all our stakeholders, particularly in the dialogue we have with the public and wider society, those we regulate and our regulatory partners, which we will achieve by working with a presumption of disclosure; changing and improving our working practices to ensure our stakeholders' experience ONR as an integrated and balanced nuclear regulator; influencing the nuclear industry successfully to improve nuclear safety and security; and ensuring the nuclear industry complies with relevant legislation, which includes taking enforcement action that is proportionate, consistent, transparent and independent.

Influencing nuclear safety and security - Build on our existing international reputation to ensure ONR influences the development of nuclear safety and security standards in the UK and around the world. We will influence those we regulate to encourage them to achieve sustained excellence in nuclear safety and security. We will also enable those who will become nuclear regulators in the future to benefit from the expertise we have acquired from 50 years of regulatory experience.

By these means we believe ONR will transform into a modern, more dynamic organisation, which is delivery focused and responsive to the challenges and demands we expect to encounter.

Transforming our organisation

The key to ONR's future success relies on having the right people in the right places, doing the right things. In doing so, we will become the best that we can be and create an organisation that is resilient and fit for the future.

ONR will complete its transition to a statutory corporation as intended by the UK Government¹. This will provide the degree of independence we need to operate more effectively and efficiently while still being accountable to all our stakeholders for our decisions, actions and achievements.

We will put the necessary structure, governance, processes and procedures in place. This includes changing our organisational structure from one where we work in separate Divisions, to a 'delivery-focused' model, in which our work is grouped into programmes that reflect nuclear industry sectors. This will provide greater flexibility enabling resources to be moved quickly in response to changes in demand and priority.

We will become an employer of choice in the nuclear sector by developing a rewards package that will retain existing staff and attract new talent and expertise. This is essential if we are to compete successfully in an increasingly competitive global market for nuclear skills, particularly given that a significant proportion of our existing inspectors are approaching retirement age.

In addition, we will invest in the development of everybody who works for us by providing opportunities for professional and personal development, so they have the skills, knowledge, experience and behaviours required by a delivery focussed, stakeholder centric organisation.

In this way, ONR will achieve a full complement of highly competent, committed people at all levels who feel part of ONR's corporate journey, and are proud of the organisation.

ONR will have a "one organisation" ethos in which we recognise each other's skills, knowledge, expertise and experience, and value the contribution of every person who works for us.

¹ Ministerial Statement by the Minister for Employment, February 2011
<http://www.publications.parliament.uk/pa/cm201011/cmhansrd/cm110208/wmstext/110208m0001.htm#11020828000008>

We will provide a clear purpose and direction to ensure everybody knows what is expected of them, are focused on ONR's goals, and are willing to be held accountable for their part in delivering them.

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Focusing on delivery

ONR has a wide variety of stakeholders including Government; other regulators, national and international; the public; special interest groups; the nuclear industry, and society in the widest sense. We want all our stakeholders to respect, trust and have confidence in ONR as an effective regulator of the nuclear industry, regardless of their view of nuclear power.

To do this ONR will take an open, transparent and honest approach to its engagement with all stakeholders.

ONR has listened, and will continue to listen, to our stakeholders views about what they want from a nuclear regulator. In response to those views, we will seek ways to improve and to deliver more effective and efficient regulation. We will do this by implementing new working practices, developed through our Transformation Programme, which will ensure:

- ONR's resources are allocated to areas of greatest need within a defined regulatory programme to ensure our regulation is proportionate, targeted primarily on those activities giving rise to the most serious risks, or where the hazards are least well controlled; our regulatory decisions are balanced, consistent, transparent, substantiated and evidence-based; and that the programmes are managed in a way that is most efficient and delivers the most effective results.
- We will have an inclusive approach to regulation and operate a policy of presumption of disclosure. We want to lead the nuclear industry in this as we believe success is essential to achieving our vision of securing confidence in nuclear safety and security.
- We have a culture in which everyone is responsible and accountable for delivering to agreed performance levels in line with ONR's vision, mission and corporate priorities.

We want to make continuous performance improvement a way of life in ONR.

Influencing nuclear safety and security

ONR has an international reputation for excellence and a robust regulatory framework which is built on 50 years of experience of regulating nuclear safety. We are recognised by the International Atomic Energy Agency as having a mature, transparent and independent regulatory system, an advanced review process, and highly trained and experienced nuclear inspectors.² We must continue to build on this reputation, to improve our ability to secure nuclear safety and security in the UK and to be a positive influence on the world stage.

ONR will use its reputation and credibility to influence the development of global nuclear safety and security standards by sharing expertise. This will enable the UK Government to fulfill its responsibility to protect its citizens wherever they are in the world. It will also help to secure the protection of the global society from the hazards of the nuclear industry.

We will engage with the UK nuclear industry strategically to influence improvement so that it creates and sustains an excellent safety and security culture, and has the processes and measures in place to demonstrate compliance and assurance.

ONR will work closely with international regulators and other bodies to achieve co-operation, convergence and harmonisation in our approach to international nuclear safety.

To ensure ONR continuously improves its own regulatory effectiveness we will actively seek opportunities to learn from others. To do this we will willingly recognise and adopt best practice wherever we find it.

² IAEA cited in the Ministerial Statement, May 2011
<http://services.parliament.uk/hansard/Lords/ByDate/20110518/writtenministerialstatements/part009.html>

Resources

This Strategy sets out ONR's vision for the medium to long term. The Corporate Plan published in August 2011, which will be revised in the light of the Strategy, shows the resources and budgets for each of our Operational Programmes. Within this strategy and the period of the Corporate Plan, ONR forecast an increase in the number of nuclear inspectors from 220 currently to 250 by 2015/16, and an increase in our budget from £56m to £65m in 2015/16.

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Stay up to date

For more information and advice about nuclear safety and security, visits the ONR website: www.hse.gov.uk/nuclear/

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Plan-on-a-page

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