

Health and Safety Executive Board		Paper No: HSE/11/48	
Meeting Date:	17 August 2011	FOI Status:	Open
Type of paper:	Above the line	Exemptions:	None
Trim reference:	2011/414408		
Chair of the Office for Nuclear Regulation Report to the HSE Board			

Introduction

1. This paper provides summaries of progress:
 - on ONR's ongoing involvement with events in Fukushima, Japan;
 - of Generic Design Assessment (GDA);
 - of ONR's Operational Delivery Programmes, including operational stakeholder engagement activities and formal enforcement;
 - towards the implementation of the Target Operating Model, including the integration of the Radioactive Materials Transport Team;
 - a financial summary and resources update.

ONR Board

2. Interviews for the two remaining non-executive director posts required to complete the membership of the ONR Board took place on 5 July. The successful candidates attended their first Board meeting on 25 July 2011.
3. The ONR Chairman held his first quarterly meeting with the Minister, Chris Grayling on 13 July. In addition to updating on progress with the creation of the ONR, the Minister was briefed on forthcoming ministerial submissions on consultancy, interim manager succession plans and the renewal of pay flexibility agreements.
4. The ONR Chairman also held quarterly meetings with officials in DECC and discussed the latest developments in Government energy policy, progress with the creation of the ONR and security related issues.

Report on the Fukushima Nuclear Accident

5. ONR continues to work on Fukushima related activities broadly over 2 workstreams: the Secretary of State report; internationally coordinated or initiated activities.
6. The Interim Report to the Secretary of State was published in mid May 2011 as planned. Responses have been received regarding all of the Interim Report recommendations, along with further submissions from a wide variety of sources. This new information, together with information from internationally coordinated or initiated activities, is being assessed as one input to the Final Report to the Secretary of State.
7. Work activities towards the Final Report to the Secretary of State continue to progress adequately against the programme plan. During the first quarter, approximately 350 staff days were recorded against the Fukushima Report cost category.

8. ONR staff played a key role in the development (through WENRA¹) and the agreement (through ENSREG²) of the specification of the EC initiated 'stress test'. ONR staff in the Civil Nuclear Reactors Programme have engaged early with relevant duty holders to gain a common understanding of expectations for this stress test.
9. Although not covered by EC requirements, all UK nuclear facilities will perform such a stress test, as far as is applicable to their facilities, over a more relaxed timescale. ONR staff have engaged all duty holders to varying degrees to clarify expectations within this evolving workstream.
10. The HM Chief Inspector of Nuclear Installations presented to an IAEA Ministerial Conference the findings of the IAEA mission to Fukushima, as well as Chairing one of the Conference's working sessions. Further ONR activity in this area is envisaged over the next month as the IAEA develops its action plan for Member States to learn lessons from Fukushima.
11. All the above activities are generating a significant level of requests for information, presentations and media interviews from a wide range of stakeholders, which is in turn requiring significant effort from ONR staff.
12. As from the 27 June 2011, all of the above has been brought under one programme within ONR in order to coordinate and conduct activities effectively.

Generic Design Assessment

13. As planned, ONR published the GDA Issues and the Quarterly Progress Report summarising the GDA activity on 14 July 2011. Requesting Parties have committed to providing Resolution Plans for all of their GDA Issues by the autumn 2011, including for the Fukushima GDA Issue. However, Westinghouse has recently signalled that they will not assign start dates to their Resolution Plans and will not proceed to address any of the GDA Issues until funding for this work has been secured. ONR will therefore focus on the resolution of the GDA Issues for the UK EPR, the timescale for which depends largely on the work programmes of EDF and AREVA.

Operational Delivery Programmes

14. Reactor 2 at Oldbury ceased power generation on 30 June 2011 as planned. ONR will continue to engage with the Licensee to ensure the appropriate level of safety is maintained at the remaining operational Magnox reactors; one at Oldbury the other at Wylfa.
15. NNB Generation Company has submitted a nuclear site licence application for Hinkley Point C. We will now review this application and carry out a robust assessment of the applicant's organisational capability, arrangements and competence to be a nuclear licence-holder, as well as the adequacy of its technical safety plans.

¹ Western European Nuclear Regulators Association – a “club” of chief European Nuclear regulators focussed on improving nuclear regulation and safety throughout Europe.

² European Nuclear Safety Regulators Group – a body of head nuclear regulators constituted by the European Commission to provide advice.

16. Government Policy for dealing with highly active radioactive waste is through geological disposal. During the period, ONR attended the Geological Disposal Implementation Board chaired by the Energy Minister. ONR is working closely with key stakeholders to respond to the Minister's challenge to accelerate the target programme for waste emplacement by 10 years.
17. Sellafield continues to attract significant Ministerial attention and they are considering how best to respond to Lord Marland's "2015 challenge" to begin the start of retrievals at all four Legacy Ponds and Silos facilities. It is ONR's view that Sellafield are approaching this appropriately, without seeking to compromise safety.
18. The Sellafield Security Enhancement Programme, which is linked closely to the "2015 challenge", is an ambitious, complex and costly programme that DECC wishes to be completed by the end of 2012. ONR is closely monitoring any potential impacts on decommissioning programmes and are in discussion with DECC on these matters.
19. An International Physical Protection Advisory Service (IPPAS) Mission to the UK is due to take place in October. Preparation for this is being taken forward as an ONR-wide responsibility similar to the IRRS mission in 2009.

Formal enforcement

20. An Improvement Notice was issued to Urenco UK Limited, Capenhurst. The licensee was found to have contravened the Ionising Radiations Regulation 1999 and the Management of Health and Safety at Work Regulations 1999 in that it failed to take reasonable steps to ensure all personnel who visited controlled plant areas used the appropriate washing and monitoring facilities prior to leaving the plant. The notice requires improvements to be made by 30 September 2011.
21. ONR is liaising with FOD regarding their investigation into a conventional health and safety event, which occurred at Heysham 2.

Stakeholder engagement

22. A successful one-day workshop was held with a broad cross section of NGO's to determine their views on the ONR openness and transparency agenda. There was also considerable interest in the interim report on Fukushima and GDA
23. The revised Highly Active Liquor Stocks Specification mentioned in last month's report was issued on 9 July. Reaction so far has been muted with little comment from the media and no response from either the Norwegian or Irish Governments. The latter perhaps reflects the degree of prior engagement undertaken to pave the way for the issue of the Specification.
24. A series of meetings between the CEO of licensees and the ONR COO and Programme Directors have commenced to supplement the recent stakeholder survey.

Implementation of the Target Operating Model

25. Staff and Trade Unions were consulted on ONR's new programme structure and the internal management of change process completed with appropriate mitigation put in place.
26. The new Operational Delivery Programmes have been established, each with a DCI/Programme Director to lead
- Civil Nuclear Reactors,
 - Sellafield,
 - Decommissioning, Fuel & Waste
 - Defence
27. The next phase of implementation, which is due to began on 1 August, is a 6 week programme of work over a 3 month period to establish how resources will be deployed across and within programmes. ONR received Ministerial agreement to reengage organisational design specialists to support this.

Integration of Radioactive Materials Transport Team (RMTT) into ONR

28. The Radioactive Materials Transport Team (RMTT) moved into to HSE's ONR offices on 18 July. The legal transfer of RMTT's functions to ONR is subject to Parliamentary approval of the necessary amending legislation. Currently, it is anticipated that this will take place in September.

Financial summary

29. The financial summary for June is provided below.

£000's

IN MONTH TOTAL: JUNE 2011/12					CUMULATIVE TOTAL: APRIL - JUNE 2011/12				FORECASTS 2011/12		
BUDGET LINE	ACTUAL	START YEAR PROFILE	VARIANCE		ACTUAL	START YEAR PROFILE	VARIANCE		START YEAR	LATEST	VARIANCE
			£	%			£	%			
PAYROLL	2,512.3	2,503.4	8.9	100.4	7,484.9	7,428.8	56.0	100.8	30,603.4	30,662.1	58.7
GAE	478.9	606.3	(127.4)	79.0	1,238.4	1,576.6	(338.3)	78.5	6,229.7	5,959.7	(270.0)
PROGRAMME	675.5	940.0	(264.5)	71.9	1,516.9	2,468.3	(951.3)	61.5	10,905.5	9,487.6	(1,417.9)
OVERHEADS & CENTRAL COSTS	827.7	855.2	(27.5)	96.8	2,474.6	2,565.7	(91.1)	96.4	10,206.7	10,262.8	56.1
TOTAL GROSS EXPENDITURE	4,494.5	4,905.0	(410.5)	91.6	12,714.7	14,039.4	(1,324.7)	90.6	57,945.4	56,372.2	(1,573.1)

30. ONR reviewed its budgets as part of the monthly budgetary review process. The only major revision is a £270k payment provision profiled for March 2012 for staff compensation payments related to the Harwell relocation project. Additional costs are expected and will be factored in as soon as they are known.
31. A business case to extend the Cheltenham office to accommodate 70 staff was approved by the Resource Review Panel.

Resources

32. Resource continues to be a challenge. In relation to the ongoing Band 3 inspector recruitment campaign, 23 applications were received and 16 applicants invited for interview. ONR is also pursuing other options such as secondments from the nuclear industry, including from a graduate programme. Formal consultation with ONR and full time Prospect officials has commenced with a view to accelerating recruitment for the challenges of New Build and other growth areas
33. GDA resource, which became available as a result of delays in the Westinghouse programme, has been permanently or temporarily redeployed across other operational programmes.