

Health and Safety Executive Board		Paper No: HSE/11/26	
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Chair of the Office for Nuclear Regulation Report to the HSE Board			

Report on the Fukushima Nuclear Accident

1. On 14 March 2011, the Secretary of State for Energy and Climate Change asked Dr Mike Weightman, as HM Chief Nuclear Inspector to provide a report to the Government on the implications of the events at the Fukushima nuclear plant in Japan and the lessons to be learned for the UK nuclear industry. The interim report was provided to Ministers on 15 May 2011 and was published on 18 May following a written statement from the Secretary of State to the House of Commons. A press briefing was also held to allow Dr Weightman to explain the findings and take questions from journalists. The final report is scheduled for mid September.
2. The interim report focuses on the implications of the events on operational nuclear power plants. It specifically excludes the Generic Design Assessment, as this poses no immediate risk; and, the UK's nuclear energy policy, which is the responsibility of the Department for Energy and Climate Change. The scope of the final report will be defined when the full facts of the events are available.
3. Contributions to the report were sought widely, with submissions invited from key stakeholders and by global invitation. This allowed anyone with information to provide a submission. So far, the global invitation has attracted 70 contributions.
4. A Technical Advisory Panel of independent nuclear experts has provided comments on the technical aspects of the interim report.
5. The report will draw conclusions and provide recommendations not only for the nuclear industry but also for ONR.
6. In addition to the production of the report, Dr Weightman is leading a fact-finding mission to Japan on behalf of the IAEA and, ONR is heavily involved in proposing and defining criteria for stress tests of all European nuclear plants, as required by the European Union.

Generic Design Assessment and the impact of events in Japan

7. Events in Japan had a detrimental impact on ONR's ability to deliver the GDA by the deadline of June 2011. The intention had been to complete the work necessary to make decisions on whether to provide interim Design Acceptance Confirmations and to publish the supporting technical assessment reports, GDA Issues and Resolution Plans. However, it was decided that conclusions should not be drawn in June to enable the findings in Dr Weightman's report be taken into account. It remains ONR's intention to publish the GDA Issues and the Requesting Parties' Resolution Plans in summer 2011.

8. It is important to ensure the findings of the report on events in Japan are known, before Design Acceptance Confirmations are issued.

Sellafield

9. The revision of the Highly Active Liquor Stocks Specification will be issued shortly, with a higher level of buffer stocks allowing accelerated reprocessing and hazard reduction. The opportunity was taken during a joint visit to Norway with DECC, NDA and Sellafield, to advise the Norwegian government of ONR's intentions regarding the Specification, other nation states were also informed. A significant change in strategy has been agreed with DECC and the licensee enabling the Specification limits and stock levels to be made available to the public.
10. An Improvement Notice was issued in relation to the Magnox Swarf Storage Silo following a loss of hydrogen monitoring event on 24 August 2010. This was closed recently. However, the importance of future compliance has been emphasised strongly and any further contravention will result in robust enforcement action.

Update on Transformation

11. In 2010/11, ONR began an ambitious Transformation Programme, aimed at improving regulatory effectiveness, operational effectiveness and the openness and transparency with which stakeholders are engaged. The 2010/11 phase of the Programme has been closed out. Achievements from the first phase include revised processes to provide greater openness and transparency of ONR's decision making eg, the publication of Project Assessment Reports Executive Summaries and, creating the foundations to improve the way in which ONR works eg, the completion of an in-depth review of ONR's knowledge management.
12. The Transformation Steering Group has identified topic areas for inclusion in the next phase of the Programme. Focus will be on the implementation of new procedures developed in the first phase, and also on improving regulatory effectiveness, work which had to be postponed in phase one. Work packages, for which scopes were not written in the first phase of the Programme, will be scoped when resource is made available.

The ONR Board

13. The ONR Board was established on 1 April and will hold its inaugural meeting on 20 June. The ONR Framework Document provides for the Board to have five non-executive members and up to four executives. It stipulated two non-executive appointments (an HSE Board member and the HSE Deputy Chief Executive, Paul Kenny and Kevin Myers respectively), and Nick Baldwin was appointed Chair from 1 April 2011. Therefore, there are two non-executive vacancies and arrangements, agreed with Judith Hackitt, are in progress to make appointments to these two posts. Mike Weightman and Jon Seddon are executive Board members; further executive appointments will be made after the two non-executive vacancies have been filled. Les Philpott has been appointed Secretary of the ONR.

Restructuring ONR

14. Work has begun on the restructuring ONR from a Divisional structure, to an “industry-centric” model, which aligns programmes more closely to different aspects of the nuclear industry.

Stakeholder engagement

15. Between May and July, the Chair and Chief Operating Officer of ONR will undertake a programme of stakeholder visits to licensees, other duty holders, potential licensees and other key representatives from the nuclear environment, to meet senior heads and discuss current issues.
16. The consultation on amendments to Licence Conditions (17 & 36) to fully implement the Nuclear Safety Directive 2009/71/Euratom is due to be launched in mid May. A key point is to make explicit the requirement to provide and maintain financial resources by the licensee,
17. The licensee survey on interactions and relationships with ONR scheduled for issue in mid May has been deferred to mid June because both the consultation, described above, and licensee survey are targeting the same senior heads for their views.
18. The first European Nuclear Safety Regulators (ENSREG) 'Nuclear Safety in Europe' conference will take place on 28-29 June in Brussels. Dr Weightman will give a presentation on 'Challenges and perspectives'. ONR, on behalf of ENSREG, has invited 44 senior industry officials to attend the event.
19. An Non Governmental Organisation (NGO) Forum will be held on 5th July in London involving a cross section of national and regional NGOs. Attendance is by invitation only. The event will focus on the Fukushima interim report and NGO's expectations of a regulator, allowing opportunity for open discussion.

Financial summary

20. ONR has a total budget of c. £60m, 98% of which is recovered from the nuclear industry.
21. The financial summary for April 2011/12 is provided in Annex 1. Items to note are:
 - Payroll – The latest payroll forecast is 4% higher than at the start of the year due mainly to several new recruits taking up post earlier than expected.
 - Overseas Travel and Subsistence – Actual spend was 52% lower than the start year profile. This results from the restrictions placed on class of travel and, the impact of the number of public holidays in the period, both on available working time, and expenses claims being made and processed.
 - Training – Actual spend was 61% lower than the start year profile. This was mainly due to an under-spend on ONR's essential training. The Learning and Development Team are reviewing the plan.

- Staff substitutes and contractors – Actual spend was 15% lower than the start year profile because fewer days were worked in the period than were originally planned. Specifically, in relation to GDA interim managers.
- Nuclear Safety Studies – The 49% variance in spend against the start year profile is due to several factors. These include, higher than anticipated costs which occurred in March (10/11) against a contract that had been profiled in April (11/12); a number of invoices expected in April that were not received; and, slower than anticipated progress on some contracts because project officer resource was redirected to ONR's response to events in Japan.

Annex 1

Financial Summary

£000'S

APRIL 2011/12 - PERIOD 1 BUDGETS					CUMULATIVE TOTALS: APRIL				FORECASTS	
BUDGET LINE	ACTUAL	START YEAR PROFILE	VARIANCE		ACTUAL	START YEAR PROFILE	VARIANCE		START YEAR FORECAST	LATEST FORECAST
			£	%			£	%		
PAYROLL TOTAL	2,459.5	2,453.1	6.4	100	2,459.5	2,453.1	6.4	100	30,603.4	30,724.5
UK T&S	109.8	135.3	(25.5)	81	109.8	135.3	(25.5)	81	1,836.9	1,836.9
OVERSEAS T&S	27.5	57.8	(30.3)	48	27.5	57.8	(30.3)	48	754.9	754.9
T&S TOTAL	137.3	193.1	(55.8)	71	137.3	193.1	(55.8)	71	2,591.8	2,591.8
TRAINING	24.1	61.9	(37.7)	39	24.1	61.9	(37.7)	39	750.9	750.9
OTHER	20.1	31.0	(10.9)	65	20.1	31.0	(10.9)	65	258.0	258.0
TOTAL STAFF COSTS	44.3	92.9	(48.6)	48	44.3	92.9	(48.6)	48	1,008.9	1,008.9
IT	0.0	0.0	0.0		0.0	0.0	0.0		415.0	415.0
STAFF SUBS/CONS	150.3	177.5	(27.2)	85	150.3	177.5	(27.2)	85	2,142.2	2,142.2
OTHER	5.2	4.9	0.3	106	5.2	4.9	0.3	106	71.9	71.9
TOTAL NON STAFF	155.5	182.4	(26.9)	85	155.5	182.4	(26.9)	85	2,629.1	2,629.1
TOTAL GAE	337.1	468.4	(131.3)	72	337.1	468.4	(131.3)	72	6,229.7	6,229.7
NSR	0.0	0.0	0.0		0.0	0.0	0.0		400.0	400.0
NSS	271.6	537.5	(265.9)	51	271.6	537.5	(265.9)	51	9,226.9	9,226.9
ILW EA/SEPA	0.0	0.0	0.0		0.0	0.0	0.0		200.0	200.0
DVA	45.2	45.0	0.2	100	45.2	45.0	0.2	100	550.3	550.3
PUBLICITY	8.2	7.5	0.7	109	8.2	7.5	0.7	109	130.0	130.0
SECONDMENTS OUT	17.8	20.3	(2.5)	88	17.8	20.3	(2.5)	88	384.8	384.8
OTHER	0.0	0.0	0.0		0.0	0.0	0.0		13.5	13.5
TOTAL PROG	342.8	610.4	(267.5)	56	342.8	610.4	(267.5)	56	10,905.5	10,905.5
TOTAL GROSS EXPENDITURE	3,139.4	3,531.8	(392.5)	89	3,139.4	3,531.8	(392.5)	89	47,738.7	47,859.7