

Health and Safety Executive Board		Paper No: HSE/11/65	
Meeting Date:	26 October 2011	FOI Status:	Partially closed
Type of paper:	Above the line	Exemptions:	paragraphs 23 and 24 closed: FOI S.35 – formulation of government policy
Trim reference:	2011/536840		
Chair of the Office for Nuclear Regulation Report to the HSE Board			

Summary

1. The Chief Nuclear Inspector's Final Report on events at the Fukushima nuclear plant was provided to the Secretary of State (SoS) for Energy and Climate Change on time, and was presented in Parliament by the SoS on 11 October 2011. At the time of writing, it was too early to give an indication of the response it has received. However, ONR is confident that the Report, will be well received by the UK and world community.
2. Generally, the operational programmes are on target and planned outcomes are being met. However, there are a number of specific issues, which may impact on resources and have the potential to require reprioritisation. These include revised dates for the submission of safety cases; an anticipated safety case from NDA, Radioactive Waste Management Directorate outlining the rationale for various acceleration options; the potential requirement for the Radioactive Materials Transport Team to carry out inspections of Class 7 material; and, the risk of a Security skills shortage. The Chief Operating Officer and his team will ensure these are managed appropriately.
3. Two issues were reported last month, which could have led to formal enforcement action. The first was followed up by EDF's senior management and they are due to provide a response to ONR on 18 October 2011. In relation to the second, involving Low Level Waste Repository, ONR concluded, with reference to the HSE Enforcement Management Model, that an Improvement Notice was not required.
4. Stakeholder engagement and media interest continues to be high on ONR's agenda. Most importantly, the Chief Nuclear Inspector gave evidence to the House of Lords Select Science and Technology Committee of Inquiry into Nuclear Research on 14 September. The evidence appears to have been well received. A note of clarification will be submitted as requested by the HSE CEO.
5. ONR has submitted its Key Performance Measures to HSE for agreement before 30 October, as required by the ONR Framework Document.

Fukushima nuclear accident

Chief Nuclear Inspector's Final Report

6. The Chief Nuclear Inspector's Final Report on events at the Fukushima nuclear plant was provided to the Secretary of State (SoS) for Energy and Climate Change on 30 September 2011, as requested in March 2011, and was presented in Parliament by the SoS on 11 October 2011.
7. An ONR press launch was arranged to coincide with the release of the Final Report to Parliament, and ONR's stakeholders were informed via a press release and e-bulletin following the press launch.
8. As indicated in the interim report, the Final Report is wider, covering all types of nuclear installations in the UK. Both reports link into other work underway or planned which seeks to learn lessons such as the European Council 'Stress Tests'. It does not examine nuclear policy issues it looks at the evidence and facts, as far as they are known, to establish technically based issues that relate to possible improvements in nuclear safety and its regulation in the UK.
9. ONR is confident that this Report, will be well received by the UK and world community, and will be seen as a credit to the professionalism and technical competence of the organisation, its approach to the regulation of the nuclear industry, and commitment to learning and continuous improvement.

European Stress Tests

10. A report on the UK nuclear power plants' progress with the European Stress Tests was sent to the European Commission and to the European Nuclear Safety Regulators Group on 15 September 2011. It was published later the same day on the ONR web pages. The final national report is due by 31 December 2011.

Generic Design Assessment

11. It was reported last month that the Requesting Parties (RPs) who are continuing with the GDA process, had missed some of their early delivery dates. However, activity has increased and they have now provided 190 of the 500 deliverables identified in their Resolution Plans to the GDA Issues, with only a few marginally missing the target dates.
12. It remains ONR's plan to publish all of the GDA Step 4 Technical Assessment Reports in December 2011, together with the Fukushima GDA Issue Resolution Plans, the interim Design Acceptance Confirmations (DAC), and GDA Summary Reports that will support the interim DAC decisions.
13. The GDA Progress Report for Quarter 2 is being prepared and a publication date of 26 October has been chosen to be immediately before the DECC-Chaired Nuclear Development Forum on 27 October. DECC is aware of the timing.

Operational delivery programmes

14. Generally, the operational programmes are on target and planned outcomes are being met. However, there are a number of specific issues, which may impact on resources and have the potential to require reprioritisation. These include revised dates for the submission of safety cases; an anticipated safety case from NDA, Radioactive Waste Management Directorate outlining the rationale for various acceleration options; the potential requirement for the Radioactive Materials Transport Team to carry out inspections of Class 7 material; and, the risk of a Security skills shortage. The Chief Operating Officer and his team will ensure these are managed appropriately.
15. Stakeholder and media interest continues to be managed well, for example, the factual reporting of an event at Sizewell A indicates that ONR's media handling and briefing was appropriate. However, there are a couple of issues to note: ONR is continuing to work with the Press Office regarding the potential media interest arising from recent responses to FOI requests relating to Sellafield; and, complaints regarding information provided by ONR relating to land-use planning issues around Aldermaston are being managed.
16. In addition to general stakeholder engagement, ONR has continued to work closely with the Department of Energy and Climate Change (DECC) in preparation for the forthcoming International Physical Protection Advisory Service (IPPAS) Mission to the UK.

Formal enforcement

17. Last month's report advised that action was being considered in relation to an event at the EDF nuclear power station at Hartlepool, which occurred towards the end of the reporting period, but was not reported by the Licensee until early September. The event is being followed up by the EDF's senior management, and they will be providing a response to ONR on 18 October.
18. It was also reported that enforcement action was being considered regarding Low Level Waste Repository's breaches of Pressure Systems Regulations (LC 15). However, ONR concluded, with reference to the HSE Enforcement Management Model, that an Improvement Notice was not required in this instance.

Stakeholder engagement and media interest

19. The Chief Nuclear Inspector gave evidence to the House of Lords Select Science and Technology Committee of Inquiry into Nuclear Research on 14 September. The Committee launched its inquiry in March 2011 into whether the UK's nuclear research and development capability is sufficient to meet its future energy needs. ONR was one of several organisations invited to submit evidence and had provided a written response prior to the Chief Nuclear Inspector's appearance. A note of clarification will be submitted as requested by the HSE CEO.

20. NuGen, the company proposing a new nuclear power plant in Cumbria signed up to the Regulatory Nuclear Interface Protocol. This marks the start of ONR's formal engagement with the company. Scottish and Southern Energy, part of the NuGen joint venture company announced on 23 September 2011 that it was withdrawing from NuGen. As a result, the remaining companies, IBERDROLA and GDF SUEZ brought their stakes to 50% and reaffirmed their commitment to NuGen.
21. On 19 September 2011, ONR began a 12-week consultation on its proposed approach to the definition of "Bulk Quantities" of radioactive material.
22. As part of ONR's ongoing commitment to greater openness and transparency, ONR published the minutes of the NGO Forum held on 5 July 2011.
-
- 23.
24. .
- ← Closed under Section 35 of FOI

Implementation of the Target Operating Model (TOM)

25. Progress is continuing towards the implementation of the TOM. Five organisational design workshops took place to gather views from a range of staff into the further development of the ONR TOM. An additional supplementary session was held with Business Support staff. Nearly 60 people took part in the sessions, representing a comprehensive cross section of the workforce. Over the course of the next few weeks the operational leadership team will be collating the outputs and reconciling them to recommend the way forward.

Financial summary

The financial summary for September is provided below.

£000's

BUDGET LINE	IN MONTH TOTAL SEPTEMBER 2011		VARIANCE		CUMULATIVE TOTAL APRIL – SEPTEMBER 2011				FORECASTS 2011/12		
	ACTUAL	MIDYEAR PROFILE	£	%	ACTUA L	MIDYEA RPROFI LE	VARIANCE		MIDYEAR	LATEST	VARIANC E
							£	%			
PAYROLL	2,531.4	2,536.7	(5.3)	99.8	15,439.2	15,444.6	(5.3)	100.0	31,093.1	31,206.3	113.2
GAE	631.6	683.6	(52.0)	92.4	2,919.0	2,970.9	(52.0)	98.3	5,884.9	5,884.9	0.0
PROGRAMME	735.6	526.1	209.5	139.8	2,846.7	2,637.1	209.5	107.9	7,529.8	7,529.8	0.0
OVERHEADS & CENTRAL COSTS	826.8	826.8	(0.0)	100.0	4,925.2	4,925.2	(0.0)	100.0	10,208.6	10,208.6	0.0
TOTAL GROSS EXPENDITURE	4,725.3	4,573.1	152.2	103.3	26,130.0	25,977.8	152.2	100.6	54,716.4	54,829.6	113.2

26. Items to note regarding actual spend in September compared to the midyear budget profile are:

- Payroll was underspent by £5.3k as an earlier salary overpayment was credited back to ONR. However, there is a £113K increase in payroll forecast due to the appointment of two external recruits and the transfer of four internal HSE staff to ONR.
- GAE was underspent by £52k. In large part, this is likely to be a profiling issue as fewer attendees than forecast attended training courses during what was a traditional holiday period.
- Programme was overspent by £209.5k. The main contributory factor was ONR's contribution to the NEA database, which was invoiced one month earlier than profiled.

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

Resources

27. In relation to the ongoing recruitment campaign, there have been four offers of posts accepted and two declined. A further 10 interviews are still to take place. The campaign so far has attracted 164 applications.
28. A Ministerial submission seeking permission to recruit 80 nuclear safety inspectors and 16 civil nuclear security inspectors over the next two years was made during the period. ONR has since been asked for some additional information.
29. It was mentioned in the last report that the process to recruit ONR's Chief Operating Officer had commenced. Interviews for the post are due to take place on 18 and 19 October.