

Health and Safety Executive Board		Paper No: HSE/12/60	
Meeting Date:	22 August 2012	FOI Status:	Open:
Type of paper:	Above the line	Exemptions:	
Trim reference:	2012/321096		
<b>Chair of the Office for Nuclear Regulation Report to the HSE Board</b>			

## Summary

### Finance

1. The setting of challenging financial management targets and development of better financial competencies continues to be taken forward. Targets were issued based on the agreed re-profiled budget, requiring budget holders to deliver the 2012/13 outturn within +/- 1% of budget. Discussions with Programme Directors are scheduled to identify priorities for the remainder of the financial year.

### Resources

2. Resourcing continues to be a significant risk for ONR. A resourcing strategy is being developed as a priority for consideration by the ONR Board, incorporating more innovative approaches to bring in, and bring on, nuclear specialists from different backgrounds and at different levels than at present.
3. A reassessment of Nuclear Safety vacancies following the recent recruitment exercise and a review of the position with regard to new build and other areas of activity has reduced the number of currently identified vacancies from 71 to 41. An evaluation of recent Nuclear Safety recruitment exercises is being carried out to identify improvements before further advertising in autumn 2012.
4. A further Programme Manager has been selected, reducing to three the number of vacancies in this specialism, which is seen as key for ONR's future business development; the remaining roles have been reviewed and revised. These will be re-advertised via an agency, subject to ministerial agreement being given to proceed.
5. ONR will participate in an HSE-wide career review exercise for Business Support staff in Bootle, and London-based administrative staff, which is planned for later in 2012.

### Reward Management Strategy

6. ONR has provided confirmation of its priorities for the limited changes to remuneration possible under the HSE 2012 pay remit.

### Security

7. To meet the recommendations of the Internal Audit of information security and the review commissioned by HSE following the loss of the memory stick, ONR will put a high-level plan to its Audit Committee on 21 September 2012. The aim of the plan is to

increase significantly the level of assurance in relation to information security. The plan will also include aspects required for ONR's own security arrangements on vesting.

8. The investigation into a lost laptop was concluded in conjunction with HSE's Information Assurance and Security Team (IAST) and HR. The investigation identified no loss of sensitive material and no compromise of security controls. Appropriate action has been taken by the line manager and the conclusions have been reported back to IAST.

### **Openness and transparency, and stakeholder engagement**

9. ONR has published a number of key documents within the month, including the ONR Annual Review and the Quarter 1 edition of ONR Quarterly News.
10. ONR's press office responded to eight media requests within the month, equating to 13% of all media calls recorded by the HSE HQ press office. The enquiries focused on a range of topics: ONR's assessment of aircraft crash risk to Dungeness nuclear power stations and also the reported problems with the Olkiluoto plant in Finland and any potential impact they could have on GDA.
11. The ONR communications team supported ONR's Emergency Planning and Response Team on a proposed public consultation about off-site emergency arrangements for Sizewell and are contributing to multi-agency group on this issue.
12. The ONR Communications Team continued to provide support to the Nuclear Emergency Planning and Liaison Group (NEPLG) communications working group. It chaired a meeting of a task group on 18 July, which focused on enhancing communications functions in emergency exercises.
13. The Operational Programmes continue to engage effectively with a variety of stakeholders. Highlights include the ONR-organised meeting of all UK licensee human factors staff, designed to facilitate the exchange of experience and promote the sharing of good practice; structured discussions on nuclear safety governance and internal challenge with Magnox Ltd board members; and, continued work with the Environment Agency (EA) on the avoidance of dual regulation.
14. ONR has also continued to share its expertise on the global stage, with The Radioactive Materials Transport Programme representing the UK/ONR at the IAEA Transport Safety Standards Committee meeting, contributing to the review of Regulations for the Safe Transport of Radioactive Material.

### **Communication**

15. Three successful "Coffee with Nick Baldwin" sessions have been undertaken for ONR staff at Bootle, Cheltenham and Rose Court. The sessions were all well attended and generated positive feedback from staff on the opportunity they presented for an informal briefing on the key issues affecting ONR along with the chance to raise any questions.

### **Management, Audit and Assurance Arrangements**

16. The ONR Business Assurance function has undertaken three audits to date. Intervention Reports and Licence Instruments audits both confirmed Adequate Assurance, with a number of recommendations for improvement identified. The audit of Project Assessment Reports (PARS) is underway.

## **Preparation for Statutory Corporation and the ONR Change Programme**

17. The Essentials for Vesting Project has been set up to deliver the range of business products required before ONR can become a statutory corporation. The SRO is in place, terms of reference and a project plan were agreed, and the newly established Corporate Programme Management Office is providing project support.
18. Other preparatory activities that have taken place, include a two day visit to ONR by representatives from DECC for a briefing on nuclear safety regulation. Presentations on the full range of regulatory activities were provided on the first day and on the second, performance management, business assurance and change activities were described and discussed. The briefing was greatly appreciated and provides an excellent start to a series of interactions with DECC, which will culminate in an annual report from the Chief Nuclear Inspector to the Secretary of State in May/June 2013.
19. To ensure ONR learns important lessons for vesting at the earliest possible juncture, we will continue to engage with HSE's Chief Executive, in order to benefit from his experience of the process with the Food Standards Agency (FSA). ONR's Chief Operating Officer is visiting the Water Services Regulation Authority (OFWAT) in August to obtain an overview of an independent regulator. I also met with Anna Walker the Chair of the Office for Rail Regulation (ORR) to discuss her experience of chairing the Board of an independent regulator that has been in operation for a number of years.
20. ONR has also begun developing its sponsorship relationship with DWP.
21. Key communications to staff have emphasised the importance of implementing the new ONR Operating Model by April 2013. These include: three cross ONR manager workshops, the first of which was held on 6 August; a larger feedback session that will be held on 12<sup>th</sup> September; and the alerting of staff to intranet pages for each change programme workstream. In addition, the ONR Change Champions will hold a "market stall" presentation to the ONR Board on 25<sup>th</sup> September and subsequently to all ONR staff.

## **Operational Delivery**

22. The Operational Delivery Programmes are generally on track. ONR's focus on delivery has been highlighted by its progress towards meeting the key milestone of the publication of the Chief Inspector's Fukushima Implementation Report, which remains on track. All programmes are reporting that they are on schedule to deliver their contributions to this work. Additionally, a significant long-standing decommissioning milestone has been achieved at the RSRL Winfrith site. The completion of this work forms part of a wider initiative to improve ONR's permissioning performance at Decommissioning, Fuel and Waste (DFW) sites.
23. Ample evidence has been demonstrated of ONR's commitment to its strategic objective of engaging with the UK nuclear industry to influence improvement. Examples include influencing HM Treasury on funding for future decommissioning programmes and leading agreement on a range of cross-regulatory performance criteria at Sellafield.

## Key performance indicators

24. ONR's report on its key performance indicators for Quarter 1 is provided at Annex 1. The Board will wish to note that:
- 76% of inspections planned for Q1 12/13 were completed, a marginal improvement on the 2011/12 average of 73% but a significant increase on the Q4 position (58%). This is a shortfall against the 80% target. However, this is usual for Q1 as intervention plans for the year are firmed up;
  - Timely completion of Intervention reports remains at a low level (58%), although there is a marginal improvement on Q4 (50%) and the 2011/12 average (53%). All programmes took management action to improve this situation as a matter of urgency and indicative data for July suggests this has begun to take effect with an improvement in the completion rate to 74%;
  - Performance in relation to the publication of Project Assessment Reports Executive Summaries is poor with only 13% published on time, a significant reduction in comparison to the 2011/12 average of 77%. Programmes have reported the shortfall is due to slow turnaround times by licensees and work to address this is underway;
  - Performance has also slipped with regard to timely publication of LLC/SSG reports with 55% achieved. This is a reduction of 24% against the 2011/12 average and 39% against Q4 2011/12. This quarter forms part of a longer-term downward trend, in which the previously reported Q4 2011/12 improvements "buck the trend". Action is being taken to identify where delays are occurring.
25. As mentioned in the HSE Board paper, which sought approval of ONR's initial set of KPIs, it was ONR's intention to review and refine its performance indicators. This work is due to start shortly.

**ONR Key Performance Indicators**

**2 April to 1 July 2012**

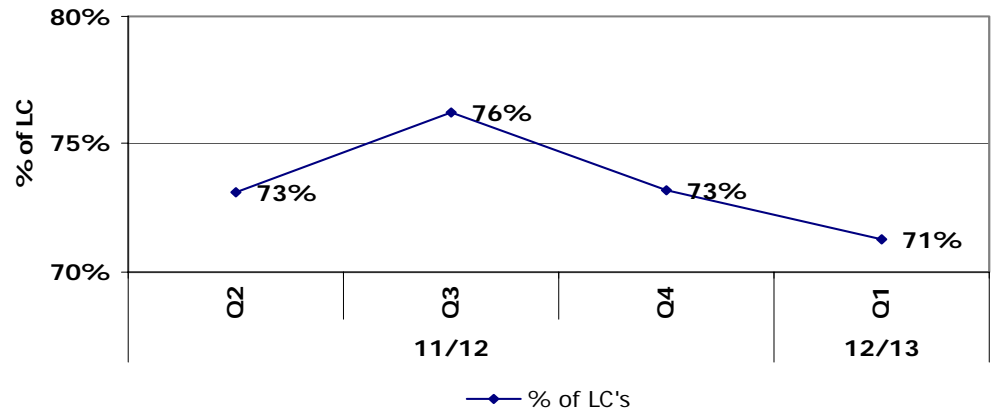
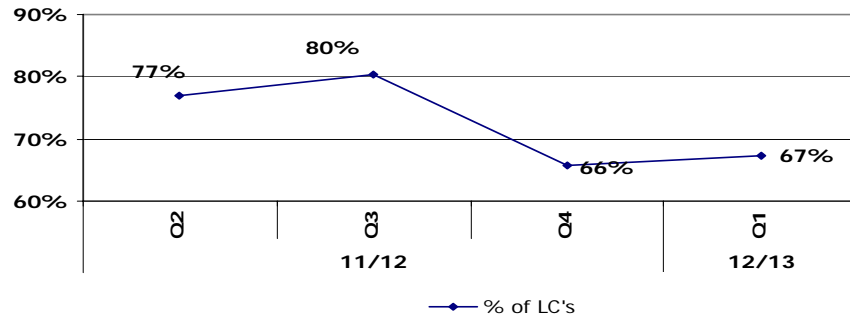
## Outcomes

**A Nuclear Industry that has a culture of continuous improvement and sustained excellence in operations**

**A Nuclear Industry that controls its hazards effectively**

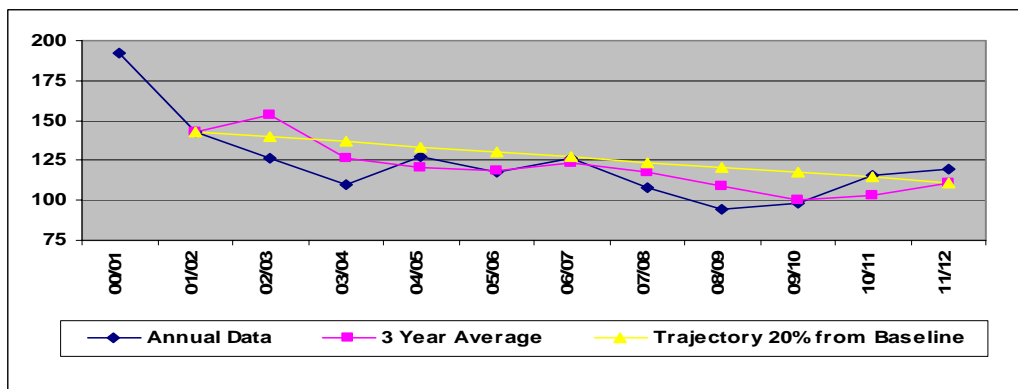
**(1) % Licence Conditions related to continuous improvement<sup>1</sup> rated "Adequate" or better**

**(2) % Licence Conditions related to control of hazards<sup>2</sup> rated "Adequate" or better.**



**A Nuclear Industry that controls its hazards effectively**

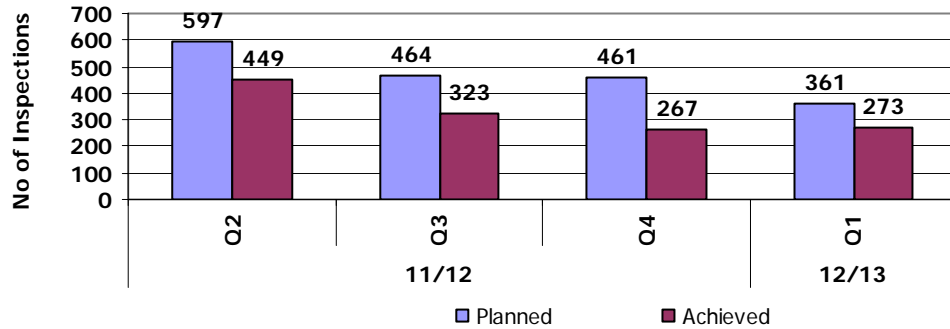
**(3) Number of events reported by licensees, which are judged to have the potential to challenge a nuclear safety system.**



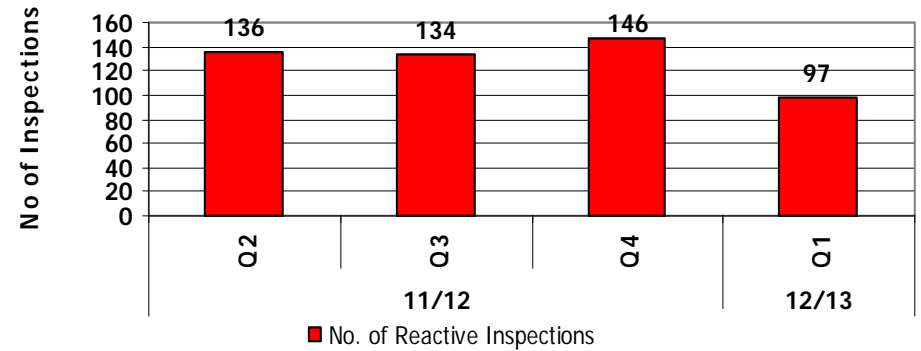
<sup>1</sup> Licence Conditions 12, 19, 26, 36 provide a snapshot, which informs the regulatory review process

<sup>2</sup> Licence Conditions 7, 20, 21, 22, 23, 24, 28 provide a snapshot, which informs the regulatory review process

**(4) No. Planned Inspections Completed**



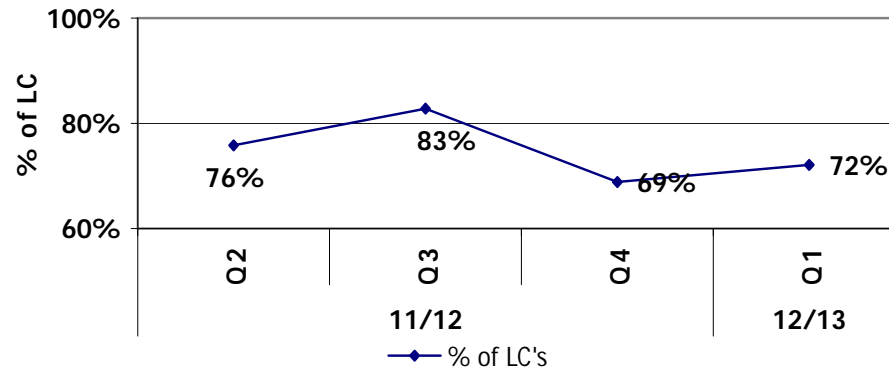
**(5) No. Unplanned and Reactive Inspections Completed**



76% of inspections planned were completed, a marginal improvement on the 2011/12 average of 73% but a significant increase on the Q4 position (58%). The number of inspections is broadly in line with Q4 but a reduction in comparison to the 2011/12 average of 380. This represents a minor shortfall to the 80% target.

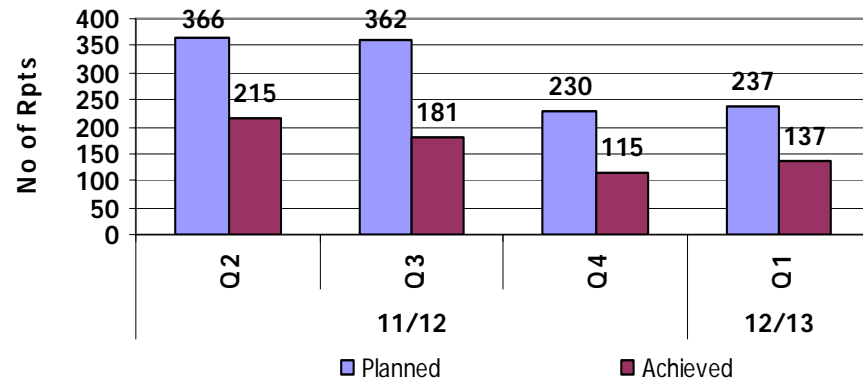
Unplanned/reactive inspections have reduced by 34% in comparison to Q4 and 30% on the 2011/12 average. The total Planned and Reactive Inspections (370) are also 10% lower than Q4 (413) and 29% lower than the 2011/12 average.

**(6) % Non Cornerstone Licence Conditions rated 'Adequate' or better**



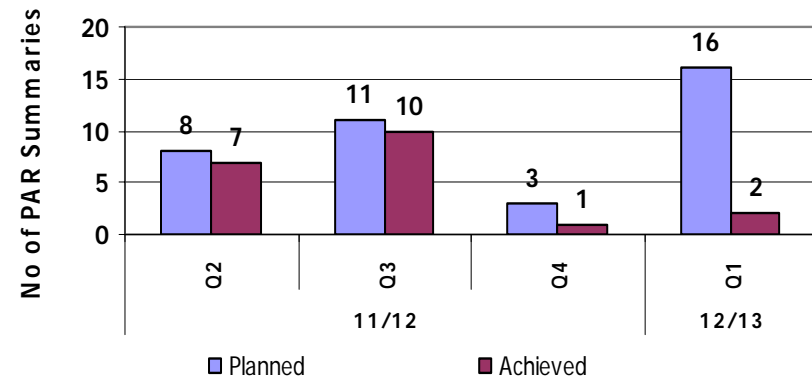
## Engage Our Stakeholders

### (7) Intervention Reports Produced on time



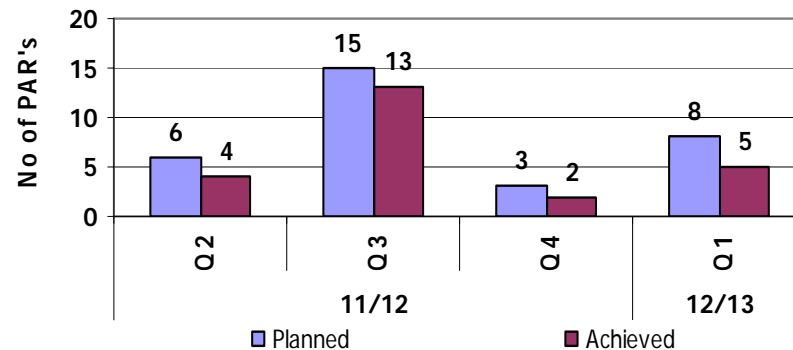
Timely completion of Intervention reports remains at a low level (**58%**), however with a marginal improvement on **Q4 (50%)** and the **2011/12 average (53%)**. The number of intervention reports completed in quarter has marginally increased since **Q4 (137 – 115)** but is down on the **2011/12 average of 157**. All programmes report management action is in place to improve this situation as a matter of urgency. [Out of Quarter Information](#): Indicative data for July suggests this management action has had an effect with an improvement in the completion rate to 74%.

### (8) Project Assessment Report Exec Summaries published on time



Performance with PAR Exec Summaries is also poor with only **13%** published on time, which is a significant reduction in comparison to the **2011/12 average of 77%**. Programmes have reported the shortfall is down to the turnaround times of licensees and work to address this is underway.

### (9) Full Project Assessment Reports published on time

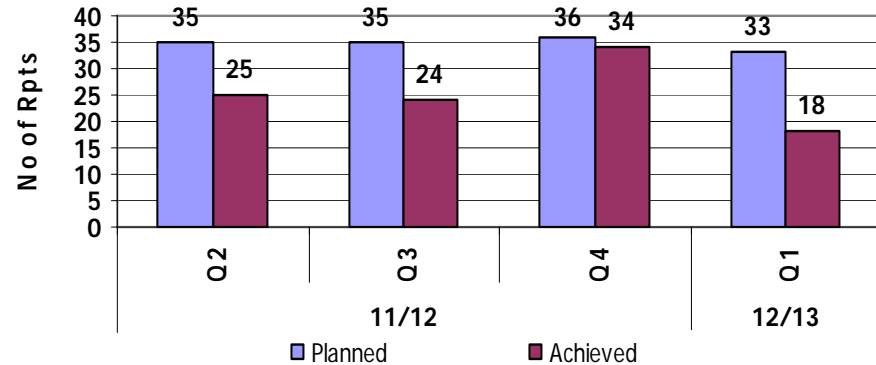


**63%** of Full Project Assessment Reports have been published on time, which compares to **76%** for **11/12** as a whole. It is however, broadly in line with the **Q1** figure for last year (**60%**).



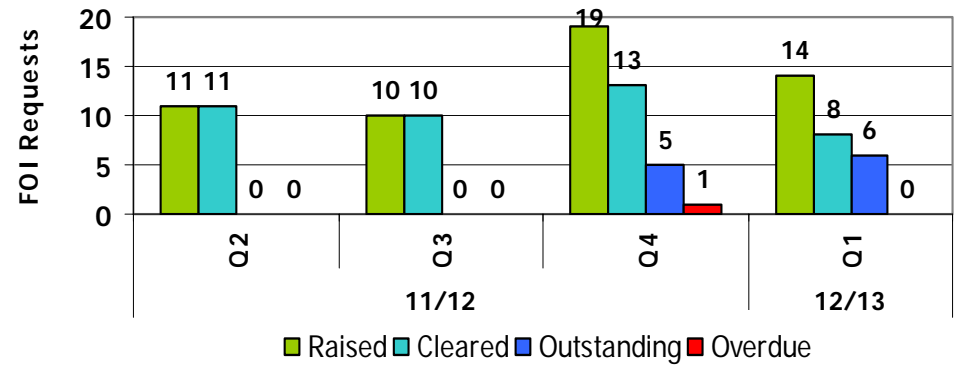
## Engage Our Stakeholders

### (10) Local Liaison Committee/Site Stakeholder Group Reports published on time



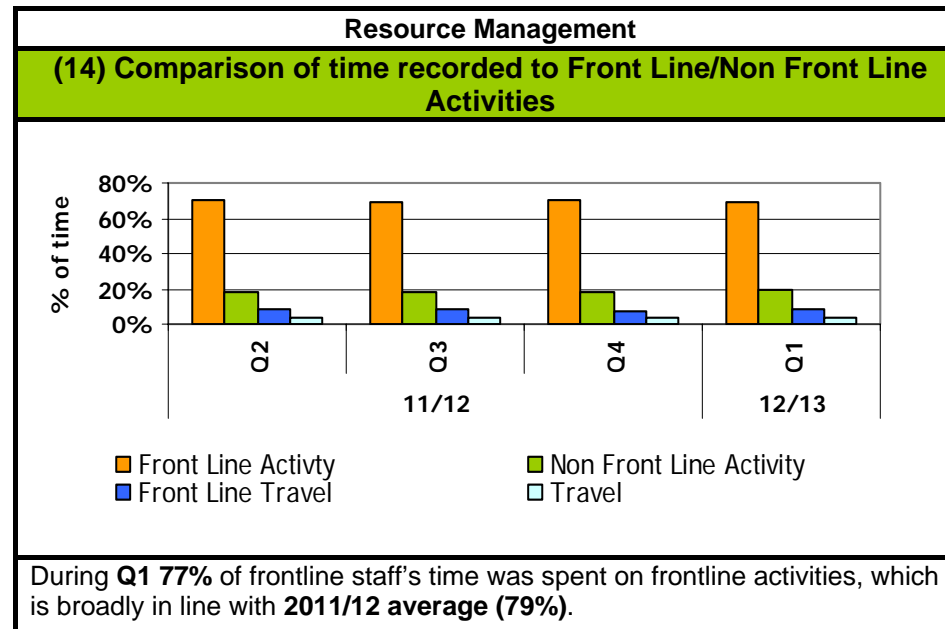
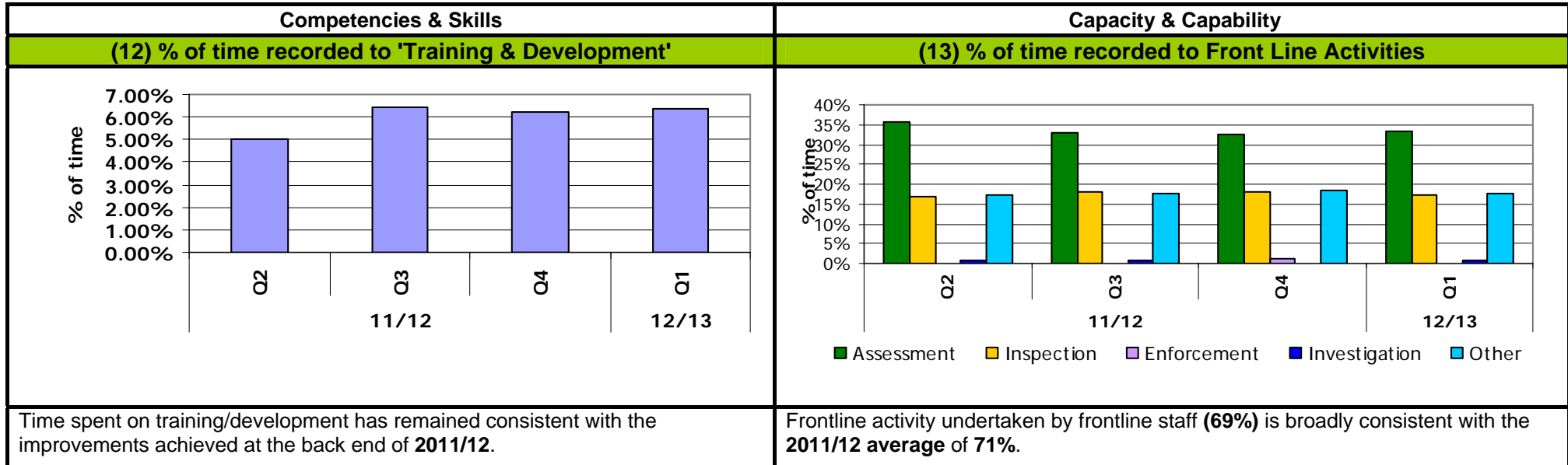
Performance has slipped with regards to timely publication of LLC/SSG reports with **55%** achieved. This is a reduction of **24%** against the **2011/12** average and **39%** against **Q4 2011/12**. This quarter forms part of a longer term downward trend, in which the previously reported **Q4 2011/12** improvements “buck the trend”

### (11) Responses to FOI requests



FOI performance is broadly in line with previous quarters. Of the outstanding requests One has an extended deadline due to the complexity of the request, another put on hold pending receipt of a refined request and the rest all have deadline outside of the quarter.

## Performance Enablers



**Performance Enablers**

Knowledge Management	Improvement & Change																												
<b>(15) Replacements for retirees identified 6 month before due date (Not available at present)</b>	<b>(16) Audit Recommendations Cleared</b>																												
	<table border="1"> <caption>Audit Recommendations Status</caption> <thead> <tr> <th>Period</th> <th>Quarter</th> <th>Raised</th> <th>Cleared</th> <th>Outstanding</th> <th>Overdue</th> </tr> </thead> <tbody> <tr> <td rowspan="2">11/12</td> <td>O2</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> </tr> <tr> <td>O3</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> </tr> <tr> <td rowspan="2">12/13</td> <td>O4</td> <td>30</td> <td>0</td> <td>30</td> <td>0</td> </tr> <tr> <td>O1</td> <td>30</td> <td>0</td> <td>30</td> <td>30</td> </tr> </tbody> </table>	Period	Quarter	Raised	Cleared	Outstanding	Overdue	11/12	O2	0	0	0	0	O3	0	0	0	0	12/13	O4	30	0	30	0	O1	30	0	30	30
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	<p>A Business Assurance Compliance Manager is in the process of taking up post and will become responsible for facilitating the implementation of recommendations arising from BA audits. The majority, (around three quarters) of these recommendations are expected to be cleared in the next quarter.</p>																												