

Health and Safety Executive Board		Paper No: HSE/12/05	
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Chair of the Office for Nuclear Regulation Report to the HSE Board			

Summary

1. The report on the stress tests undertaken at UK nuclear power stations, following events at Fukushima, was completed by the end of 2011 as required and published on 4 January 2012. In addition, the progress report on stress tests of non power plant licensed nuclear installations in the UK was published on 6 December as planned.
2. All of the operational programmes are generally on target with some significant achievements delivered. These include: Consents being issued for the restart of Sizewell B, Heysham II Reactor 8 and Hinkley reactor 4 following the completion of Statutory Outages; a successful workshop held to ensure clarity and alignment within ONR, Sellafield and the Nuclear Decommissioning Authority regarding the planned security improvements at Sellafield; and valuable international engagement by the Decommissioning Fuel and Waste Programme.
3. In addition, Interim Design Acceptance Confirmations (DAC) and Interim Statements of Design Acceptability (SoDA) were issued Requesting Parties on 14 December 2011 as expected.
4. → ←
5. ONR's high level strategy received Ministerial approval on 19 December 2011 and was published on 13 January 2013

Fukushima nuclear accident

Chief Nuclear Inspector's final report

6. Stakeholder interest in the Chief Nuclear Inspector's final report on the Fukushima nuclear accident continued. ONR made presentations to a range of stakeholder groups including to the nuclear industry, regulatory partners and academia. The first regional community briefing took place in Bristol on 12 December. ONR continues to review the engagement techniques it is using to ensure they meet the needs of stakeholders and that lessons learned from events in Japan are communicated as widely and as effectively as possible.

European Stress Tests

7. The report on the stress tests undertaken at UK nuclear power stations, following events at Fukushima, was completed by the end of 2011 as required and published on 4 January 2012. The reassessments revealed no fundamental weaknesses and the report confirms that UK sites have identified and made improvements to enhance safety by learning from events in Japan. As part of ONR's commitment to influence greater openness and transparency in the nuclear industry, Licensees were encouraged to publish their reports on their websites. As a result, redacted copies of all reports are now available.
8. A European Council Board will oversee the peer review of the national reports, which will seek to identify examples of good practice. The Board has eight members, two of whom are representatives from ONR. Technical specialists to support the peer review have been identified.
9. The progress report on stress tests of non power plant licensed nuclear installations in the UK was published on 6 December as planned. The report confirmed that all nuclear installations within scope have initiated appropriate stress tests. The Licensees completed the tests and submitted the results to ONR by the end of the year as required. A final report, including ONR's independent review of the results of the stress tests, is due to be published in Spring 2012.

Generic Design Assessment

10. Interim Design Acceptance Confirmations (DAC) and Interim Statements of Design Acceptability (SoDA) were issued to EDF and Areva on 14 December 2011 as expected. In addition, reports for each design summarising the basis of the decisions, together with technical assessment reports, and documents explaining how the designers plan to resolve issues identified in the Chief Nuclear Inspector's report on the Fukushima accident, were published. Neither reactor can be built in the UK until these remaining issues are resolved. There has been little press coverage following publication of the documents.

Operational delivery programmes

11. Generally, the operational programmes are on target and planned outcomes are being met.
12. Key achievements since the last report include:
 - the issue of Consents for the restart of Sizewell B, Heysham II Reactor 8 and Hinkley reactor 4 following the completion of Statutory Outages;
 - a successful workshop held to ensure clarity and alignment within ONR, Sellafield and the Nuclear Decommissioning Authority regarding the planned security improvements at Sellafield.

- valuable international engagement in relation to both the development of safety reference levels for disposal facilities, and the underground disposal of intermediate level waste.

Formal enforcement

13. No formal enforcement action was required during the period. However, a leak of a small amount of very low activity pond water was investigated. The event was considered in the light of the HSE Enforcement Management Model and as a result, a letter was written to the Licensee as the enforcement outcome. A Project Assessment Report regarding this will be produced and made available on the HSE website.
14. It was previously reported that an Improvement Notice had been issued to Berkley. All actions required are now complete.

Stakeholder engagement and media interest

15. As expected, ONR provided its final response to the eight Freedom of Information requests, received from the same journalist, about an incident at the Sellafield nuclear complex in Cumbria on August 2010. Press coverage is anticipated but at the time of writing no related enquiries had been received
16. The nuclear materials balance figures for 2010/11 showing the difference between the nuclear material recorded as held in the UK and the inventory measured at periodic physical stock takes were published as planned. The figures follow the trend in previous years and there was no evidence that they reflect real losses or gains of nuclear material.
17. The public consultation on ONR's interpretation of 'bulk quantities' of radioactive matter ended on 12 December 2011. The consultation, which ran for 12 weeks, outlined ONR's proposed approach to the definition of 'bulk quantities' of radioactive matter. Responses are now being considered.
18. Guidance on Management of Higher Activity Waste on Nuclear Sites provided jointly by ONR, the Environment Agency and Scottish Environmental Protection Agency was modified to take into account comments received from stakeholders. The updated version was published on the HSE website.

Transition to the statutory Office for Nuclear Regulation

19. → ←

ONR's high level strategy

20. ONR's high level strategy, which was agreed at the last HSE Board meeting, received Ministerial approval on 19 December 2011 and was published on 13 January 2013. Feedback to respondents to the short consultation is being prepared.

Financial summary

21. The financial summary for December is provided below.

IN MONTH TOTAL DECEMBER 2011					CUMULATIVE TOTAL APRIL – DECEMBER 2011				FORECASTS 2011/12		
BUDGET LINE	ACTUAL	MIDYEAR PROFILE	VARIANCE		ACTUAL	MIDYE RPROFI LE	VARIANCE		MIDYEAR	LATEST	VARIAN CE
			£	%			£	%			
PAYROLL	2,645.8	2,706.3	(60.5)	-2.2	24,206.5	24,258.4	(51.9)	-0.2	32,706.3	32,620.8	(85.5)
GAE	593.7	498.0	95.8	19.2	4,563.4	4,629.6	(66.2)	-1.4	6,107.4	6,404.7	297.3
PROGRAMME	486.3	629.5	(143.2)	-22.7	4,375.9	4,785.9	(410.0)	-8.6	7,561.0	7,011.2	(549.8)
OVERHEADS & CENTRAL COSTS	866.9	873.8	(6.9)	-0.8	7,510.5	7,597.4	(86.9)	-1.1	10,356.6	10,458.9	102.3
TOTAL GROSS EXPENDITURE	4,592.7	4,707.6	(114.9)	-2.4	40,656.4	41,271.3	(614.9)	-1.5	56,731.3	56,495.6	(235.7)

22. Items to note regarding actual spend in December compared to the midyear budget profile are:

- Payroll was underspent in month by £60.5k largely due to an overdue payment of the Civil Nuclear Security 2011 team bonus and the impact of the industrial action on 30 November 2011.
- GAE was overspent by £95.8k. This was mainly due to an overspend of £57k on travel and subsistence largely resulting from the number of new recruits, reprioritisation of workplans and transfer of GDA inspectors to the Civil Nuclear Reactor and Sellafield Programmes, which led to an increase in visits to UK sites. In addition, there was an IT Specialist Services overspend of £70.8k related to invoices for the Nimbus/How2 project being recharged to ONR by HSE Business Services Division. Training and Conferences was underspent by £42.1k because attendance at training events had not been as profiled in ONR's 2011/12 Training Plan, as amended at midyear.
- Programme budget was underspent overall by £133.8k and there are a couple of large variances in individual budget lines in relation to Nuclear Safety Studies (NSS) and Defence Vetting Agency (DVA).

NSS was underspent by £155.4k because a number of contracts were either cancelled or delayed, final invoices were overdue, and some invoices received were for lower than profiled amounts. Programme Directors revised NSS plans during December and consequently the January forecast to year-end, submitted to HSE Finance on 10 January, was revised down by £672.5k. Defence Vetting Agency was overspent by £38.5k as the problems identified earlier in the year regarding the vetting database were resolved resulting in the backlog of applications being cleared.

HSE Overhead and Central costs

23. December's actual expenditure and latest forecast is a soft charge calculated by HSE Finance based on the total number of staff in post in ONR (including non chargeable and temporary staff) by location. A summary of HSE's charges is provided in Annex 1.
24. ONR and HSE Finance are continuing to meet to discuss the assumptions on which the overhead charge is based.

Resources

25. Recruitment and retention forecasts were reviewed at mid year based on headcount. As at 31 December 2011, ONR had 446 staff.

Annex 1

HSE costs charged to ONR

£000s

BUDGET LINE	IN MONTH TOTAL DECEMBER 2011				CUMULATIVE TOTAL APRIL - DECEMBER 2011				FORECASTS 2011/12		
	ACTUAL	MIDYEAR PROFIL E	VARIANCE		ACTUAL	MIDYE ARPR OFIL E	VARIANCE		MIDYEA R	LATEST	VARIANC E
			£	%			£	%			
CORPORATE SERVICES:	221.4	233.2	(11.8)	-5.1	1,953.3	1,997.3	(44.1)	-2.2	2,734.9	2,668.5	(66.5)
HUMAN RESOURCES (HR)	49.7	54.3	(4.5)	-8.3	444.1	464.4	(20.4)	-4.4	636.2	600.1	(36.2)
BUSINESS SUPPORT DIRECTORATE (BSD)	58.8	60.1	(1.3)	-2.1	513.9	515.0	(1.1)	-0.2	704.7	709.2	4.5
INTERNAL AUDIT	6.4	6.4	(0.0)	-0.5	55.7	55.1	0.5	0.9	75.5	77.2	1.7
PLANNING, FINANCE, & PROCUREMENT DIRECTORATE (PFPD)	34.5	38.5	(4.0)	-10.5	310.3	330.0	(19.6)	-6.0	451.7	415.5	(36.3)
SECRETARIAT	11.7	12.1	(0.3)	-2.8	102.5	103.2	(0.7)	-0.6	141.4	141.1	(0.2)
COMMUNICATION DELIVERY SERVICE (CDS)	33.5	34.0	(0.6)	-1.7	291.5	291.2	0.3	0.1	398.9	402.8	3.9
COMMUNICATIONS DIRECTORATE (COMMS)	16.3	16.6	(0.3)	-1.6	142.0	141.8	0.3	0.2	194.2	196.3	2.1
DEPUTY CHIEF EXECUTIVE OFFICE (DCEO)	10.5	11.3	(0.8)	-7.1	93.2	96.6	(3.5)	-3.6	132.4	126.3	(6.0)
ESTATES ADVISORS	0.1	0.1	0.0	7.9	0.7	0.7	0.0	5.2	0.9	1.0	0.1
OFFICE SERVICES	10.2	8.8	1.4	15.7	82.7	72.9	9.9	13.5	100.8	122.8	22.0
IT	234.4	227.4	7.0	3.1	2,012.4	1,947.0	65.4	3.4	2,667.0	2,822.9	156.0
OTHER CHARGES	17.3	17.6	(0.3)	-1.8	150.6	150.6	(0.0)	0.0	206.4	208.0	1.6
ACCOMMODATION	280.8	294.1	(13.3)	-4.5	2,473.0	2,518.2	(45.2)	-1.8	3,452.9	3,401.7	(51.2)
POOLED ASSETS (INC BUILDINGS)	26.4	28.2	(1.8)	-6.5	216.4	225.3	(8.9)	-3.9	313.6	293.8	(19.8)
TELECOMS	12.2	9.6	2.7	27.7	98.6	82.0	16.6	20.2	112.3	147.3	34.9
TOTAL	802.8	819.0	(16.2)	-2.0	6,987.7	6,994.0	(6.3)	-0.1	9,588.9	9,666.0	77.1
COST OF CAPITAL	0.0	0.0	0.0		0.0	0.0	0.0		0.0	0.0	0.0
HEALTH SURVEILLANCE COSTS	0.8	0.7	0.1	10.9	7.1	7.0	0.1	1.5	9.0	9.0	0.0
HR RECRUITMENT & ADVERTISING	10.2	0.0	10.2		37.3	122.2	(84.9)	-69.5	122.2	146.6	24.4
PPE COSTS	1.2	0.9	0.3	30.2	13.7	11.7	2.0	16.8	14.5	14.5	0.0
ESTATE COSTS	23.0	25.3	(2.3)	-9.1	205.4	199.7	5.7	2.9	275.5	275.5	0.0
IMU LIBRARY BUDGET	4.2	5.9	(1.8)	-29.8	22.9	32.2	(9.3)	-28.9	50.0	50.0	0.0
IMU GENERAL COSTS	16.7	16.0	0.7	4.3	158.1	152.1	6.1	4.0	200.0	200.0	0.0
RESEARCH PROCUREMENT COSTS	7.5	5.5	2.1	37.9	73.3	73.9	(0.6)	-0.8	90.3	90.3	0.0
EMERGENCY PLANNING UNIT	0.6	0.5	0.0	8.8	5.0	4.6	0.3	6.8	6.3	7.0	0.7
TOTAL	64.0	54.8	9.2	16.9	522.8	603.4	(80.6)	-13.4	767.7	792.9	25.2
PFPD OVERHEAD COSTS	866.8	873.8	(6.9)	-0.8	7,510.5	7,597.4	(86.9)	-1.1	10,356.6	10,458.9	102.3