

Health and Safety Executive Board		Paper No: HSE/12/76	
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Chair of the Office for Nuclear Regulation Report to the HSE Board			

Summary

Finance

1. A revised draft ONR budget has been submitted to HSE, reflecting a range of efficiencies and budget adjustments in a number of key areas. The training and conference budget was reduced by £355,000 following searching reviews of training plans. Similarly, the budget line for Nuclear Safety Studies (Extramural Research) was reduced by £421,000.
2. Payroll has increased by £333,000, which includes revisions to new recruit start dates, extensions to a number of HSE attachments and the creation of new posts not in the start of the year recruitment plan. Despite a previously reported underspend on Nuclear Safety Studies with HSL, the forecast has returned to near the start of year budget with additional contracts awarded to support ONR's transition to a statutory corporation. We have also had positive discussions with HSL about further specialist support for ONR in that context.
3. The ONR Finance Director will present the draft revised budget to the ONR Board for approval at its October meeting.

Resources

4. Recruitment of nuclear safety inspectors continues to be challenging with only 17 posts filled from the latest recruitment campaign, showing no improvement on the 2010 and 2011 campaigns, and with continuing difficulties particularly in attracting quality candidates in areas such as Control and Instrumentation, Civil Engineering and Human Factors. Proposed future changes of approach to try to improve recruitment rates include, targeting advertising at a different and wider range of media to fit with "harder to fill" specialisms. Continuous (open-ended) recruitment for 15 specialist areas will be launched via the HSE and Civil Service jobs websites in September, with wider media advertising scheduled to start at the end of October 2012.
5. Formal consultation with ONR staff and HSE Trade Unions has commenced in relation to the options being considered for the ONR staff transfer scheme needed to facilitate the transfer of staff into the new body. All ONR staff have been invited to attend one of a number of sessions that

are being held across all ONR offices explaining the background, consultation arrangements and the options being considered. Copies of the presentation and combined questions and answers generated by the sessions will be circulated to staff when all sessions are complete.

6. Work continues to progress on the development of the Shared Services offering, with HSE colleagues. The ONR Finance and HR teams have been involved in workshops to better understand the new system and to capture ONR's business requirements.

Reward Management Strategy

7. ONR have provided thorough responses and supporting data to HSE (and Hays re: their benchmarking work) in support of developing the ONR elements of the 2012 pay Remit. The business case for use of non-consolidated funds is due to go to DWP imminently and we await a further update on the issue of further data from Hays to HSE with regards to the potential case for pay investment in nuclear safety.

Openness and transparency

8. ONR's openness agenda is positively impacting on the wider industry, as its influence has resulted in one of its licensees publishing online, a summary of one of their safety cases. This is particularly significant as it represents the first time a licensee has proactively done this.
9. The latest Generic Design Assessment (GDA) quarterly progress report has been published. It provides an overview of progress covering April to June 2012 as well as details on the closure of two more issues for one of the designs. The report has already led to an ONR interview with *New Civil Engineer* magazine.
10. The Health Protection Agency (HPA) published this month, the ONR-commissioned review of accidents and incidents involving the transport of radioactive materials in the UK in 2011. ONR has publicised the report through its website.
11. ONR has also taken on board suggestions from its recent website survey and launched new sections on its website this month to ensure it is both more user-friendly and easier to find inspectors' reports and key guidance documents. Additionally, the ONR web-pages covering the arrangements in the event of a nuclear emergency have been updated to explain our role and provide links to other organisations. This also includes a link to the calendar of emergency exercises currently planned up to 2015.
12. ONR is also currently considering the merits of a request from *Energy and Environmental Management* magazine to write an editorial piece in a special edition on nuclear energy.

International Work

13. ONR played a significant role at the recent TopFuel conference building on our reputation for technical expertise within the international fuel expert community. The event was chaired by ONR and the welcome address given by the Sellafield Programme Director. The conference is held annually and provides an opportunity for experts to meet and discuss the latest research on improving the design and safety of nuclear fuel. The conference comes to Europe approximately every four years and last came to the UK in 1984.
14. ONR's Director of Regulatory Policy, Strategy and Assurance was filmed for a video on the International Atomic Energy Authority (IAEA) Fukushima Action Plan that will be used at the IAEA General Conference in September. This presented an excellent opportunity for ONR to promote improvements in safety and to re-iterate its mission and values to the international community.
15. ONR committed a team of experienced nuclear inspectors, to represent the UK at an Extraordinary Meeting of the Convention on Nuclear Safety in August. The Fukushima Implementation Report will reflect its conclusions and actions arising. Additionally ONR has hosted visits from the Malayan and Japanese regulators.
16. ONR has prepared for the European Nuclear Safety Regulators Group (ENSREG) 'fact-finding mission' to Sizewell B. An external communications plan in place ready for the publication of the results of this visit, along with visits to other nuclear sites across Europe, later this year.

Stakeholder Engagement

17. Plans are progressing for the Hinkley Point engagement forum, which is due to be held at the end of September. This will allow the communities neighbouring Hinkley A and B to hear from inspectors with responsibility for regulating the security and safety at the existing plants and also about the Hinkley Point C licence application.
18. There continues to be engagement at a senior level with the Department of Energy and Climate Change (DECC) and the Nuclear Decommissioning Authority (NDA) on the issue of Materials Consolidation.

ONR Change Programme and Essentials for Vesting

19. The outcomes of five internal audits and one "critical friend" review of ONR's change management, corporate governance and financial management systems were very encouraging. An oral report will be provided to the September ONR Audit Committee.
20. The Essentials for Vesting (EfV) Project, which is critical to our vesting as a statutory corporation has now been assigned a Project Manager. The

project team has commenced its work to deliver the project's workstreams, for which a detailed project plan has been developed. Progress reports will be made to the ONR Board to provide assurance of delivery of this important work.

21. Key work at present within the Change Programme workstreams includes the development of the following; an ONR people-survey for later in 2012, a scoping of what can be done to improve our people management and the exploration of options for a leadership action plan.
22. The three previously reported cross-ONR manager briefing workshops were held in early August. The feedback and comment from those who attended the workshop is being used to update communications for staff. A further workshop with the Trade Unions (TUs) is planned for September as well as a feedback session covering the August workshops.
23. The ONR Corporate Programme Management Office (CPMO) is continuing to develop the process and procedures necessary for the full implementation of programmatic working by April 2013. The standardising of reporting performance and risk through programmatic dashboards and risk registers both remain on-track for delivery in October, with extensive discussions having already been held with programme representatives.

Communications

24. The latest "Coffee with Nick Baldwin" session is scheduled for the end of September in Redgrave Court. The session will be open to both ONR and HSE staff.

Legislative change

25. → ←

Ministerial appointments

26. In addition to the replacement of Chris Grayling by Mark Hoban as Employment Minister, the Board may wish to note ministerial changes at DECC. John Hayes replaced Charles Hendry as the Energy Minister and Baroness Verma has replaced Lord Marland as the Parliamentary Under Secretary.

Operational Delivery

27. The measures that were recently put in place to improve the timely submission of Intervention Reports continue to have a positive impact on performance. The percentage of Intervention Reports completed within deadline in August is 25% ahead of the Quarter 1 figure (78% versus 53%). ONR recognises there is still work to be undertaken to improve this performance further and has work in train to take this forward. Similarly, work will also be undertaken with regards to Inspections to ensure that

performance is equally strong in this area. With regards to the delivery of work from their operating plans, programme reports indicate they are on-track with little slippage of milestones.

28. Investigations commenced at the beginning of September into Sellafield's potential non-compliance with the Pressure Systems Safety Regulations (PSSR) at the Thermal Oxide Reprocessing (THORP) Plant.
29. The project to report on implementation of the recommendations from the Chief Inspector's Report on Fukushima remains on target for publication in late October/November. An initial skeleton draft has already been produced.