

Health and Safety Executive Board		Paper No: HSE/12/47	
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<b>Chair of the Office for Nuclear Regulation Report to the HSE Board</b>			

## Summary

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2. The programmes are generally on track, programme achievements this month include Dungeness A reactors remaining on target for fuel free verification by mid-June. A number of ONR interventions have resulted either in significant safety improvements (e.g. fire safety on ships) or have brought dutyholders work back on track (e.g. Long Term Periodic Reviews at Sellafield).
3. Successful stakeholder engagement continues across all of the Programmes. Highlights include: the presentation of several papers at the 13<sup>th</sup> International Congress of the International Radiation Protection Association; the launch of the UK's report to the 4<sup>th</sup> review meeting of the joint convention on the safety of spent fuel management and radioactive waste management and lastly the 3<sup>rd</sup> NGO forum where discussions were held covering Fukushima, GDA progress and the impact of stress tests.
4. John Jenkins has joined ONR as Chief Operating Officer. He will oversee the delivery of ONR's programmes and becomes an executive member of the ONR Board and a senior member of its Executive Management Team.

## Fukushima nuclear accident

5. ONR's report on its assessment of the stress tests of non nuclear power generating facilities was published. The tests, carried out at the request of the Chief Nuclear Inspector following the Fukushima nuclear accident were in addition to the stress tests of UK nuclear power plants required by the European Council.
6. ONR contributed to an international workshop, organised by the Organisation for Economic Co-operation and Development (OECD) Nuclear Energy Agency (NEA), on improving crisis communications and learning lessons from the Fukushima nuclear accident. It was clear from discussions that regulators should continue to enhance their crisis communication plans. It was also noted that public trust is highly dependent on credibility built over time, before a crisis occurs, implying regulators should regularly demonstrate their competence and independence to help ensure their messages are

listened to in a crisis situation. This important point is already reflected in ONR's vision statement, strategy and Plan-on-a-page.

7. The UK report to the Extraordinary Meeting of the Convention for Nuclear Safety on Fukushima related measures has been completed and sent to DECC for onward submission.

### **Generic Design Assessment**

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9. The GDA Quarterly Report for Quarter 1, 2012 was published on 24 May 2012. It reported ONR has focused on continuing with the assessment of the UK EPR reactor GDA issues and significantly, closed the first GDA issue for this reactor design. This indicates progress is being made towards closure of GDA. ONR has no reason to believe this should not lead towards provision of the DAC and Statement of Design Acceptability once all GDA issues have been addressed to regulatory satisfaction.

### **Operational delivery programmes**

10. The Operational Delivery Programmes are generally on track. Of note, improvements in working with Sellafield at a senior level were identified by the recent regulatory review; a Limit of Liability Agreement has also been signed with NuGen enabling ONR to commence charging for its work with them. The Decommissioning Fuel and Waste (DFW) programme reported a slow start to inspections for Dounreay but work to recover this is in hand.
11. Achievements this month include Dungeness A reactors remaining on target for the major milestone of fuel free verification by mid-June and the success of a number of ONR interventions in influencing safety improvements. Examples of the latter include the recovery of lost ground with regards to Long Term Periodic Reviews at Sellafield and also fire safety improvements on ships. The production of industry guidance on fire spread from timber frame buildings has also resulted from ONR influence.

### **Formal enforcement**

12. The formal investigation into the Fuel Handling Plant Gamma Gate event at Sellafield was concluded. The influence that ONR asserted during the investigation ensured a clear commitment was made by Sellafield senior management to implement engineered protection. This precluded the need for stronger enforcement action.
13. ONR and FOD jointly investigated the loss of electrical supplies event at Sellafield concluding stronger enforcement action was not necessary. Letters have been sent to the licensee setting out a number of expectations and regulatory advice.
14. There are several instances of formal enforcement currently ongoing. An Improvement Notice (IN) remains in place for Sellafield's Fire and Rescue Service with the potential of further regulatory action and an IN was also served at Harwell after the defeat of an interlock. Informations are expected to be laid shortly in the joint prosecution of Sellafield with the Environment Agency.

### **Stakeholder engagement and media interest**

15. ONR presented several papers at the 13th International Congress of the International Radiation Protection Association (IRPA). The Congress was the largest ever global gathering of radiation protection professionals. It provided an opportunity for ONR to further establish its new identity on the world stage, and contribute to achieving the strategic aim of using its reputation and credibility to influence the development of global nuclear safety and security standards.
16. Other work in the international arena saw the Director of the Decommissioning, Fuel and Waste (DFW) Programme co-presenting the UK's report to the joint convention on the safety of spent fuel management and on the safety of radioactive waste management. The report is the culmination of many months work by ONR and represents a significant achievement. It will be placed on the ONR website shortly.
17. ONR has also led changes to international regulations, enabling more proportionate future regulation of the transport of nuclear material. The changes will have a significant impact, removing a range of regulatory requirements and saving the industry an estimated £2 billion over 20 years. ONR's Radioactive Materials Transport (RMT) team led a successful 4-year programme to amend the international regulations, which latterly saw some assistance from the Department for Transport (DfT) as part of the Government's Red Tape Challenge.
18. The ONR Chair delivered a seminar entitled "Regulatory Notes from a Small Island" to the Science and Security Group at Princeton University, New York. The seminar focused on key questions including developing stakeholder confidence through transparency and how to guard against institutional failures. Feedback from the seminar was very positive and included comments from a professor praising the ONR mission and expressing the wish that the US nuclear industry had adopted something similar.
19. The third NGO forum was held with discussions covering security post-Fukushima, progress with GDA and the impact of the stress tests. Notes from the meeting will be made available via the ONR website.
20. Work has continued in relation to ONR's commitment to openness and transparency. The first in a series of articles covering the regulation on non power plant licensed sites was published, focusing on ONR's regulation of the Studsvik's Metals Recycling Facility (MRF) at Lillyhall in Cumbria. In addition, stakeholders can now access ONR news and updates on regulatory activities through Twitter.
21. A report commissioned by the Nuclear Information Service (NIS) on the adequacy of the off-site planning zone for Aldermaston and Burghfield has been published and has the potential to become a matter for concern for local stakeholders. ONR is managing the issue and has provided a formal response to the NIS press release, which has been circulated to key stakeholders.
22. In 2011 ONR consulted on its proposed approach to the definition of "bulk quantities" in relation to the storage of radioactive matter. After careful deliberation of the comments received, ONR is considering making an amendment to its proposal, which is outlined in a consultation paper explaining the reasons for the change and seeking views on the proposal.

### **ONR change of legal status**

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**The “Changing ONR” Programme**

25. The “Changing ONR” programme is now up and running and picking up pace as the champions for the nine strategic themes identify the activities to be progressed in their workstreams. The Change Champion groups comprise over 40 ONR staff, with representation from a wide range of locations, grade and experience. A Programme Manager and oversight team are in post, along with an independent assurance function.
26. The programme governance arrangements have been defined and the first meeting of the Programme Board has taken place, including TU representation. The focus has been on reviewing early progress and agreeing the way forward for developing an ONR website.
27. The ONR Board has been updated on the programme and received a detailed plan at its June meeting, which includes a highlight plan of key activities and deliverables over a forward rolling six-month period, along with the resources required to achieve this.

**Summary financial report**

28. Spend to the end of May and the forecast for June is provided below.

BUDGET CATEGORY	SPEND TO DATE	BUDGET TO DATE	VARIANCE		JUNE FORECAST	ORIGINAL BUDGET	VARIANCE	
	£k	£k	£k	%		£k	£k	£k
<b>STAFF COSTS</b>	5,416.3	5,439.5	(23.2)	0	34,298.3	34,099.5	198.7	1
<b>STAFF RELATED COSTS</b>	536.8	680.2	(143.4)	-21	3,764.6	3,764.6	0	0
<b>NON STAFF DIRECT COSTS</b>	1,021.8	1,419.0	(397.2)	-28	6,435.0	6,911.9	(476.9)	-7
<b>OVERHEAD AND CENTRAL SERVICES</b>	1,588.7	1,588.7	0.0	0	10,356.9	10,077.2	279.7	3
<b>TOTAL GROSS EXPENDITURE</b>	<b>8,563.7</b>	<b>9,127.5</b>	<b>(563.8)</b>	<b>-6.2</b>	<b>54,854.8</b>	<b>54,853.2</b>	<b>1.6</b>	<b>0</b>
<b>OPERATING INCOME</b>	(8,139.5)	(8,805.7)	666.2	8	(52,862.0)	(52,782.9)	0	0
<b>OTHER</b>	(3.3)	(1.7)	(1.6)	90	(152.7)	(179.2)	0	0
<b>TOTAL INCOME</b>	<b>(8,142.8)</b>	<b>(8,807.4)</b>	<b>664.7</b>	<b>-8</b>	<b>(53,014.7)</b>	<b>(52,962.1)</b>	<b>0</b>	<b>0</b>
<b>NET RESOURCES</b>	<b>420.9</b>	<b>320.0</b>	<b>100.9</b>	<b>32</b>	<b>1,840.1</b>	<b>1,891.1</b>	<b>(51.0)</b>	<b>-3</b>

May outturn compared to budget

29. The cumulative spend to the end of May is £8.564m, an underspend of £0.564m (6%) against the profiled budget. The main contributory elements to the underspend are:
- Nuclear Safety Studies – Extramural is underspent by £410k (49%). This is primarily a result of the NEA subscription that was spread over the year rather than being paid in

April. Delayed contracts due to lack of information from Requesting Parties/licensees also had an impact; and

- Training and Conferences - underspend of £94k (75%). ONR Finance is working with HR to identify reasons for the scale of this variance.

### June forecast compared to budget

30. The majority of budget lines remain unchanged, however there are the following revisions to forecast:

- There has been a £415k reduction in the Nuclear Safety Studies budget to reflect the low levels of certainty over new contract bids and the historical trend of delays/underspend against this budget;
- Internal Agency Services has increased by £280k primarily as a result of the inclusion of ONR Staff Subs (£240k), which were not included in the initial calculations. The basis for overhead calculations are subject to further discussions between ONR Finance, PFPD and relevant HSE Directors to ensure the charges are reflective of the actual activity;
- Staff subs has increased by £153k, of which £150k relates to a proposed contract extension that is subject to RRP approval; and
- Inward secondments has increased by £45k due to a contract extension and later than anticipated start date. Outward secondments by £61k due to a secondment to DECC being cut short.

### **Resources**

31. The Band 3 Nuclear Safety recruitment campaign for an additional 40 recruits is likely to lead to 17 new staff; subject to appointment checks. Evaluation is taking place and proposals worked up for the next recruitment round. The Band 2 Nuclear Specialist Inspector recruitment failed to identify any suitable candidates and again evaluation is taking place.

32. No suitable candidates were identified for the 3 Programme Manager and 1 Planner posts. The contract with Hays Recruitment has been terminated and ONR is considering seeking Ministerial approval to use a more specialist agency.

33. The proposals for the 2012 Pay Remit and reward strategy to 2014/15 are being worked up by ONR HR, who are consulting with HSE's senior HR managers on positioning within the overall strategy.