

Second report from the GDA Process Review Board to Her Majesties Chief Inspector of Nuclear Installations – 22 December 2008

Forward

Given the nature of the Generic Design Assessment (GDA) process, Mike Weightman the Chief Inspector of HSE's Nuclear Installations Inspectorate (NII) asked that an independent Review Board be set up to provide him with advice on the GDA process. The GDA Process Review Board has been very helpful in providing an independent view on the process and HSE's readiness for significant increases in GDA activities.

The Board's second report was provided towards the end of December 2008, and various measures have been put in place to address its recommendations. This report provides an up to date response, and notes in particular that the strategic direction and leadership for GDA has been strengthened by the appointment in February of Kevin Allars as Director for New Nuclear Build GDA. This report is released under the signatures of both Mike Weightman and Kevin Allars, who accept and value the impartial insight given by the Board on the GDA process.

The report acknowledges that significant progress had been made towards the implementation of the recommendations the Board made in its initial report (March 2008), and in the progression of the GDA programme from Step 2 (initial assessment of new nuclear power station designs) into step 3 (more detailed assessment). However, the report notes that there is still a way to go, especially as activity increases, in ensuring that the GDA process remains on track – towards achieving its objectives to the timescale and high standards expected.

The report noted the significant changes in the wider context in which GDA is operating, both current and planned, and makes a number of comments intended to assist NII in the challenges it faces in successfully completing GDA.

Response from NII

We welcome the Board's second report and regard the advice given following the review extremely helpful. We would like to publicly thank the Board members for their hard work in preparing this valuable report.

We have carefully considered the advice given by the Board, which we fully accept, and will be reacting positively. Our responses are set out in full below.

You can find the second report of the GDA Process Review Board on the joint HSE/Environment Agency new build web site at: www.hse.gov.uk/newreactors/reports.htm

Mike Weightman
HM Chief Inspector of Nuclear Installations

Kevin Allars
Director for New Nuclear Build GDA

Director of Nuclear Directorate
April 2009

April 2009

RECOMMENDATIONS OF THE PROCESS REVIEW BOARD (2nd report) – HSE’s RESPONSE

Background information

The Generic Design Assessment process for new nuclear power stations is a stepwise process, and with each the depth of the assessment process increases, thereby increasing the complexity of the process and the resources required to complete it.

The GDA Process Review Board is an independent body originally set up at the request of HM Chief Inspector of Nuclear Installations in relation to the Generic Design Assessment (GDA) process. Following the appointment of a new Director for New Nuclear Build GDA, in February 2009, the Board will now be asked to provide its advice to that new appointee. The Board was asked originally to carry out periodic reviews of NII’s GDA activities when required, typically at times when a significant step of the GDA process had been completed. These reviews were to:

- Confirm that the public involvement process is operating effectively,
- Examine whether the arrangements made to co-ordinate the activities of the separate regulators are appropriate and effective,
- Consider whether the processes, practices and procedures associated with the Generic Design Assessment are appropriate,
- Consider whether the decision-making process is operating effectively,
- Determine the extent to which HSE is following the processes and procedures set out in its guidance and in agreements with requesting parties.

The Board carried out its initial review in February 2008 at the end of step 2 of GDA, and we published its initial report in March 2008. This can be see at:
www.hse.gov.uk/newreactors/reports-assess-other.htm

In November 2008, the Board was asked by HM Chief Inspector of Nuclear Installations to carry out a further review to consider the appropriateness or otherwise of the actions taken by HSE in response to the recommendations made by the GDA Process Review Board in its initial report, including any changes made to HSE’s arrangements and decision making processes. This was timed to take place as the resource build up for Step 3 was accelerating and the GDA programme was gearing up to address the need to significantly enhance activity.

COMMENTS AND RESPONSES

A number of comments were distilled out following our examination of the Board's second report. These are set out below, together with NII's response:

Public involvement

1) It would be helpful now for the commitment to the principles of openness and transparency to become more widely embedded in HSE's Nuclear Directorate. (Paragraph 3.1)

Comment accepted

Nuclear Directorate (ND) is committed to the principles of openness and transparency, and has pushed forward this agenda by setting up a new team (Communications and Stakeholder Engagement) for all nuclear activities, and trying new approaches through the GDA team. It is taking advantage of learning from other nuclear regulators and is heavily involved in such work at European and OECD/NEA levels. However, the practicalities of achieving this across the range of our activities are challenging, not least the need to achieve a proper balance between openness and security considerations, and the need to resource such activities.

2) Market research should be undertaken to assess the impact of the Public Involvement work undertaken this far, and of the public's aspirations and expectations towards the new-build programme. (Paragraph 3.2)

Comment accepted

An evaluation exercise is currently being set up to assess the impact thus far of the public involvement process. We are engaging an independent market research company to carry out this work, which will also seek to identify any concerns, perceptions and misconceptions amongst key audiences (including the wider public) and to identify which additional communication channels could be used to best inform and influence these important groups. This exercise is focussing on the new build programme, but we are looking for it to provide information relevant to other Nuclear Directorate activities.

3) The results of the market research could be used to inform the development of an associated action programme. (Paragraph 3.2)

4) A clearer framework of 'principles and purposes' for public involvement should be produced to provide a strong rationale and clear objectives for our public involvement activities. (Paragraph 3.3)

Comments accepted

The regulators (HSE and the Environment Agency) are currently working together to produce a document, which sets out more clearly their strategy towards openness, transparency and the involvement of the public and other stakeholder groups in the Generic Design Assessment (GDA) process. The strategy will include the principles and purposes of the public involvement process and will be published shortly on the regulators' joint new-build web site.

5) The key objective and purpose for public involvement should be to protect and enhance the reputation of HSE's nuclear Installations Inspectorate (NII) as an independent regulatory body in which the public can have confidence as to it's:

- Commitment to safety
- Specialist expertise
- Robustness of its assessment and inspectorial processes.

(Paragraph 3.4)

Comment accepted

HSE believes that the need to earn stakeholder confidence as an independent, expert regulator is one of the key elements necessary for the overall success of the Generic Design Assessment (new-build) process. HSE's Nuclear Installations Inspectorate (NII) in particular is seeking to achieve this by raising public awareness of its role as an independent regulator in the new nuclear power station programme, its rigorous assessment and inspection processes, and the competence of its internationally respected staff. This objective will drive our efforts to continually improve the public involvement process, and our engagement programme with stakeholders.

6) NII should continue to emphasise to the Requesting Parties (design companies) the value of the building good public relations through user-friendly web pages. (Paragraph 3.5)

Comment accepted

HSE has been working closely with the two Requesting Parties (Westinghouse and EDF/Areva) on ways to enhance their current arrangements for making information on their nuclear power station designs available to the public. As a result, both are planning to make significant changes to the way their design information is published on their web sites. This will include improvements to the lay-out of their web sites, the use of summary documents to give an overview of their designs – the main elements of the designs and the approach taken towards safety by the company – using non-specialist language. They will also be publishing more comprehensive and user-friendly ways to describe the complex and lengthy documents which form their safety submissions to the regulators during the GDA process.

7) The Department of Energy and Climate Change (DECC) and the Environment Agency (EA) should be encouraged to develop dedicated and informative web pages. (The DECC pages should clearly explain that DECC provides the Government policy leadership for new build). (Paragraph 3.6)

Comment accepted

The HSE and the Environment Agency fully recognise the central role played by the Government in providing leadership on nuclear policy matters, and both the nuclear regulators and DECC recognise the need to produce informative webpages.

The regulators' new build web site now includes a fuller description of how all the activities and responsibilities of all the parties involved fit together in the nuclear programme, with links to several other web sites (<http://www.hse.gov.uk/newreactors/biggerpicture.htm>)

The web site recently launched by DECC, 'Choosing sites for nuclear power stations' emphasises the role of Government in co-ordinating a comprehensive new nuclear programme to enable energy companies to build new nuclear power stations, and describes the wide range of activities involved in bringing the programme to fruition (<http://www.nuclearpowersiting.decc.gov.uk>)

8) Greater priority should be given to the timely follow-up of events such as the NGO Seminar in held in June 2008. (Paragraph 3.8)

Comment accepted

We will be taking this recommendation forward in our response to future events including the second meeting with NGOs planned for June 2009.

9) We have reservations about the resource level currently committed to CASE teamwork programme. (Paragraph 3.9)

Comment accepted

The Communications and Stakeholder Engagement Team supports relevant activities across Nuclear Directorate, whether internally or externally focused. Over the last year it has proved increasingly difficult to resource proactive work streams and strategic planning. The programme set up to establish Nuclear Directorate as a statutory corporation (the Transition programme) is bringing significant additional demands but also the opportunity to consider the resources needed for the new organisation and we have already appointed an experienced communications manager dedicated to Transition, as part of our plan to bolster our capability and capacity.

INTER/INFRA-ORGANISATIONAL RELATIONSHIPS

10) As the GDA work programme develops, the Environment Agency (EA) should grow its resourcing contribution to the JPO. (Paragraph 4.2)

Comment accepted

Two additional members of staff have been recruited by the Environment Agency to work on the GDA programme. They are working in the Joint Programme Office (JPO), which administers the GDA on behalf of both HSE and EA.

11) There is an urgent need to clarify the detailed impact of the site licensing process [associated with nuclear new-build] within Nuclear Directorate (ND). Detailed plans need to be developed for the handling of site licensing. The licensing plans should cover:

- Operator responsibilities where technical GDA issues are intertwined with site licensing issues.
- The interface between EA and HSE.

(Paragraph 4.2)

Comment accepted

We have clarified roles and responsibilities within HSE's Nuclear Directorate for the various aspects of the new build programme. Detailed plans will be developed once the plans of potential licensees are cleared. The Joint Programme Office (JPO) will act as a gateway for communications between Nuclear Directorate and the Environment Agency and potential licensees.

12) A protocol should be agreed between ND, Requesting Parties (RPs) and potential operators, covering mechanisms for long lead time component, and 'supply chain capacity'. (Paragraph 4.4)

Comment accepted

Work on this has been ongoing for some time and HSE expectations for procurement of long lead items will be published shortly. The question of the supply chain industry capabilities is for DECC to respond to, but it is an issue they are working on, in conjunction with industry.

13) A similar protocol or agreement to that recommended for long lead time components should be put in place to cover change to the designs (or the RP's plans). (Paragraph 4.4)

Comment accepted

In order to control Requesting Parties plans, there is a "design freeze" requirement in the GDA process to prevent the possibility of assessors wasting time on designs that are subsequently modified. The detailed plans for interfacing RP and operator plans and responsibilities and for moving from GDA into site licensing are currently being developed in discussion with industry. Changes to a design once a licence is granted will be by legally enforced licence condition arrangements.

PROJECT MANAGEMENT

14) There should be greater clarity about the respective role of the new specialist project management team and the existing programme management and inspection teams.

(Paragraph 5.2)

Comment accepted

As a result of the advice given in this report, a specific independent review of the project managements for GDA was commissioned. This was carried out in March 2009 by the AMTEC Consulting Group on behalf of HSE. The review covered project management arrangements and structures as part of a review into the appropriateness of adopting the Office of Government Commerce Best Practice Programme and project management (PPM) techniques. Our full response and the AMTEC can be seen at <http://www.hse.gov.uk/newreactors/reports-assess-other.htm>

15) The Project Management Team need to be focused on ensuring there are coherent plans for GDA and highlighting the progression issues to senior managers. (Paragraph 5.2)

Comment accepted

The independent AMTEC report (referred to above) has set out suggested PPM role descriptions for key members of the management team, including for Project Managers to ensure that the GDA plans and their coherency is clear to all involved and that any progression issues are properly highlighted to senior management.

16) A greater sense of urgency is called for in respect of project management, with a stronger sense of working to clear and frequently set milestones. (Paragraph 5.3)

Comment accepted

The GDA Progress Report 2009 Q1, published on 7 May 2009, discusses the programme and identifies key near-term milestones as well as committing to develop them further into a plan covering regulator, government and industry milestones.

17) There should be active monitoring of milestones, with monthly reporting against each milestone. (Paragraph 5.4)

Comment accepted

The programme directors monthly progress meeting will continue to receive reports against currently identified key milestones and those under development (see comment 16). We will continue to actively monitor progress.

18) There should be a closer conformance with the Office of Government Commerce (OGC) model; in particular 'Phase Gate Review' should be carried out at key testing stages in the process – the first being in February/March 2009, to take stock of progress on the GDA process. (Paragraph 5.5)

Comment accepted

The AMTEC report referred to above concluded that the integrated HSE programme should be placed under the OGC Review process. Whilst GDA is not a conventional construction, engineering or IT infrastructure project and does not have a large element of research and uncertainty involved in its outputs/outcomes, using a more structured OGC approach could assist NII in the management of the project, and this approach will be considered for the future. As part of HSE's response to the AMTEC report two Project managers will be recruited - one for each design being subject to GDA. Once appointed, the project managers will be responsible for further developing and delivering the project management framework for GDA including the appropriateness of undertaking Phase gate Review process during Step 3 of the GDA process.

19) The implications of the staffing resources in place should be considered during the (first) 'Gate Review' with regard to capacity to complete GDA as intended. (Paragraph 5.5)

Comment accepted

Since the review carried out by the Process Review Board the resources situation in NII has developed. Currently the NII team for GDA is around 80% staffed, with the Environment Agency at full compliment. The NII position has improved through the first quarter of 2009 as some success has been achieved through a combination of recruitment and internal staff moves, although a careful balance has been required between placing new and experienced inspectors in the GDA team. On 23 March, NII launched its new recruitment campaign with revised salaries, and more flexible location policy (new offices signalled in Cheltenham and London). This should attract an increased number of new recruits which will help the GDA programme. The GDA resource plan aims to ensure that

sufficient NII staff, with the requisite skill and experience, will be employed on the GDA team by December 2009, to enable the June 2011 end of step 4 date to be met.

20) There should be more timely reporting to senior management, and in particular the Project Management team need to give further consideration to the key control reports it presents to management (to give more pace in resolving issues that could hinder progress). (Paragraph 5.7)

Comment accepted

Key control reports are being developed and put in place (e.g. see Annex 3 of GDA Progress Report Q1, 2009), further development of key control reporting will be done as part of the new roles put in place as part of the response to the independent AMTEC report referred to above. We have also set up an issues log to capture important current issues and bring them to senior managers attention.

21) The actions set out in the risk register should be regularly scrutinised by the various boards and panels of the GDA programme (e.g. the Joint Programme Coordination Team, Regulatory Assessment Coordination Board, the Project Directors meeting and the New Civil Reactor Board. (Paragraph 5.8)

Comment accepted

This has and will continue to be the case.

22) An integrated plan should be published to cover:

- actions to be undertaken by ND;
 - 'deliverable' expected of the RPs, and;
 - activities to be completed by Technical Support Contractors
- (Paragraph 5.10)

Comment accepted

Work is on-going to improve the effectiveness of programme plans for both steps 3 and 4 using the Project Initiation Documents and work package specification set for Technical Support Contractors to define the GDA outputs. These will be combined with the key milestones referred to above in (17) as part of developing a plan covering regulator, government and industry milestones.

RECRUITMENT AND RESOURCING

23) Succession issues, related to staff approaching retirement, must also be taken into consideration. (Paragraph 6.4)

Comment accepted

The response given to recommendation 25 also addresses this comment, in that staff retention and succession for the duration of the GDA project, through to June 2011, are an integral part of the planning process.

24) There are questions about the capacity of Division 6 to absorb and develop new staff, whilst engaging with the TSC's and keeping the programme on schedule, will (be limited). (Paragraph 6.5)

Comment accepted

The introduction of new staff into the GDA team does have the potential to divert other resources from assessment work, particularly as NII would not allow new recruits to engage in GDA assessment work until they have received suitable and sufficient training and were adequately supervised. However, NII's senior management team is well aware of this issue, and will ensure that it is taken into consideration in planning resource requirements for the project.

25) So many issues might have to be 'rolled forward' from Step 3 to Step 4 that the process could become overwhelmed and certification delayed beyond summer 2011. (Paragraph 6.6)

Comment accepted

The project is being monitored for progress and we plan to complete our GDA assessment by June 2011. Although we appreciate that this remains a significant challenge we are confident that it can be achieved given the urgent progress being made on the recruitment of staff and the restructuring of the GDA team.

26) The taking on of extra (none GDA) work by the JPO could prevent it from maintaining high standards in its core business. (Paragraph 6.7)

Comment accepted

The Joint Programme Office is being refocused on GDA work and a range of other activities are being moved to other parts of HSE's Nuclear Directorate. It will remain, however, as a gateway for outside parties for communications on non-GDA aspects of nuclear new build.

STRATEGIC LEADERSHIP AND CHANGE MANAGEMENT

27) Senior management should give the 'close steer' and active leadership required to ensure that Nuclear Directorate is not distracted from its primary business – progressing and completing the new nuclear build work to time and to high standards. (Paragraph 7.3)

Comment accepted

The appointment of Kevin Allars as Director for New Nuclear Build GDA, has strengthened the strategic leadership for GDA within NII.