

OFFICE FOR NUCLEAR REGULATION

FRAMEWORK DOCUMENT

AS AMENDED ON 9 AUGUST AND 23 NOVEMBER 2011

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FOREWORD

On 8 February 2011, the Government announced its intention to bring forward legislation to create a new independent statutory body outside of the Health and Safety Executive (HSE) to regulate the nuclear power industry.

HSE is committed in the meantime to establishing an appropriately resourced and responsive regulator for the future challenges of the nuclear sector.¹ So on 1 April 2011, the Office for Nuclear Regulation (ONR) was established, as an agency within HSE, to carry out HSE's operational, regulatory and policy functions in relation to nuclear sites, security of nuclear material and sensitive information and safeguards.

The Secretary of State and HSE have now agreed that certain of the Secretary of State's functions related to the safety of transport of radioactive materials will be carried out on behalf of the Secretary of State by HSE². In addition, HSE has agreed with the Civil Aviation Authority and the Marine Coastguard Agency that it (HSE) will carry out on behalf of those bodies certain of their functions related to the safety of transport of radioactive materials.

In addition, the Board of the HSE and the ONR Board have now agreed that the size of the ONR Board should be increased to allow for the appointment of additional non-executive members. It will in future be possible to appoint up to seven non-executive members to sit on the ONR Board.

HSE and the ONR have agreed that the Framework Document should be revised to take account of this change and to reflect the fact that the ONR will carry out the transport functions mentioned above.

This revised version of the Framework Document replaces the version agreed by HSE and the ONR on 1 April 2011 and amended on 9 August 2011. The Framework Document was amended on 9 August to reflect changes agreed to the process for appointing executive members of the ONR Board.

Geoffrey Podger

Chief Executive,

Health and Safety Executive

23 November 2011

Dr Mike Weightman

HM Chief Inspector of Nuclear Installations

Office for Nuclear Regulation

23 November 2011

¹ The full written ministerial statement is available here: <http://www.hse.gov.uk/nuclear/news/2011/feb-statement.htm>

² <http://www.hse.gov.uk/aboutus/howwework/framework/f-2001-3.htm> .

1 INTRODUCTION

STATUS

- 1.1 The Health and Safety Executive (HSE) is a statutory body established by section 10 of the Health and Safety at Work etc. Act 1974 (HSWA). HSE is under a duty to do such things and make such arrangements as it considers appropriate for the general purposes of Part 1 of HSWA.
- 1.2 In anticipation of the creation of the new independent statutory regulator, the Office for Nuclear Regulation (ONR) has been established as an agency within the wider HSE, having regard to "Next Steps Agency Principles". The ONR has been operational since 1 April 2011 and is responsible for carrying out, on HSE's behalf, HSE's operational, regulatory and policy functions in relation to nuclear sites, security of nuclear material and sensitive information and safeguards.
- 1.3 The Government has announced its intention that in future the new independent statutory regulator of the nuclear power industry will exercise certain functions relating to the transportation of radioactive substances by road, rail and internal waterways currently exercised by the Secretary of State ("the transport functions"). It has now been agreed that, pending the creation of the new regulator, the transport functions will be carried out by ONR (as an agency within HSE) on behalf of the Secretary of State. These functions have been carried out by the HSE, on behalf of the Secretary of State, since 24 October 2011.
- 1.4 It has also been agreed that HSE will carry out on behalf of the Civil Aviation Authority and the Secretary of State for Transport certain of their functions relating to the safe transport of radioactive substances. It has been agreed that these functions will, in practice, be carried out by the ONR on behalf of those bodies. The necessary agreements were put in place on 26 and 28 October 2011 respectively.
- 1.5 It has also been agreed that the size of the ONR Board should be increased to allow for the appointment of additional non-executive members of the Board.
- 1.6 This Framework Document is being updated to reflect the above mentioned agreements and changes to the composition of the ONR Board.

PURPOSE OF THIS FRAMEWORK DOCUMENT

- 1.7 This Document sets out the framework under which ONR will operate as an agency within the wider HSE and constitutes the authority for the conduct of its operations.

SIZE AND LOCATION

- 1.8 From 1 April 2011 ONR's staff will comprise all of those of HSE's employees who were working in HSE's Nuclear Directorate immediately prior to that date. This will include employees who on 1 April 2011 are on unpaid leave but were, immediately prior to starting

that period of leave, working in HSE's Nuclear Directorate. ONR's staff will also include persons who are not employees of HSE but who provide services to HSE under contract and were working in Nuclear Directorate immediately prior to 1 April 2011. Further staff may be recruited to ONR after this date. On 1 April 2011, ONR will occupy premises at HSE's offices in Bootle, Cheltenham, London and Harwell.

- 1.9 From 24 October 2011 ONR's staff will also comprise all of those of the Department for Transport (Dft)'s employees who were working in Dft's Radioactive Materials Transport Team immediately prior to that date. This will include employees who on 24 October 2011 are on unpaid leave or secondment outside Dft but were, immediately prior to starting that period of leave or secondment, working in Dft's RMTT.

FUNCTIONS

- 1.10 ONR will perform on behalf of HSE:

- (a) HSE's operational, regulatory and policy functions relating to safety of nuclear sites, the security of nuclear material and sensitive nuclear information and safeguards; and
- (b) the transport functions outlined above.

Annex 1 to this Document sets out the functions which will, as a result, be carried out within ONR.

- 1.11 Annex 1 to this Document may be amended with the agreement of HSE's Board and the ONR Board.
- 1.12 HSE and ONR may put in place such further arrangements as are considered necessary to facilitate the exercise of ONR's functions (including the exercise of those functions by particular persons within ONR).

2 AIM, OBJECTIVES AND PERFORMANCE MEASURES

AIM

- 2.1 The aim of ONR is to:

- (a) ensure the effective and efficient regulation of:
 - (i) nuclear safety and, subject to the necessary agreement being put in place in accordance with Annex 1 to this Document, of conventional health and safety at nuclear sites; and
 - (ii) civil nuclear security;
- (b) ensure that the UK and the UK Government fulfil their international nuclear safeguards related reporting obligations and oversee the application of international

safeguards measures to ensure the UK is complying with its obligations not to use civil nuclear material for nuclear explosives purposes;

and

- (c) ensure the effective and efficient regulation of the transport of radioactive materials, including nuclear material, by road, rail and inland waterway in Great Britain.

OBJECTIVES AND KEY PERFORMANCE MEASURES

- 2.2 HSE's Board and the ONR Board must agree, by 30 October 2011, the ONR's objectives and key performance measures. These objectives and performance measures may be revised by agreement of HSE's Board and the ONR Board.

3 RESPONSIBILITIES AND ACCOUNTABILITIES

SECRETARY OF STATE

- 3.1 The Secretary of State for Work and Pensions has principal responsibility for HSE including the ONR. The arrangements in place governing the responsibilities between the Secretary of State, Department for Work and Pensions and HSE are contained in the HSE Framework Document (<http://www.hse.gov.uk/aboutus/howwework/management/dwphse.pdf>).
- 3.2 HSE's functions extend beyond the responsibilities of the Secretary of State for Work and Pensions. In particular, the Secretary of State for Energy and Climate Change is responsible for the security, safeguards and transport functions which are exercised by HSE under agency agreements under section 13 of HSWA, as well as being accountable to Parliament for safety at nuclear power stations and other licensed civil nuclear sites and the Secretary of State for Defence accounts for nuclear safety at defence related sites. The arrangements in place governing the responsibilities between the Secretary of State and HSE are contained in <http://www.hse.gov.uk/aboutus/howwework/management/responsibilitiessos.pdf> and associated Memoranda of Understanding (see: <http://www.hse.gov.uk/aboutus/howwework/framework/f-2001-3.htm#mou>). ONR will adopt the responsibilities that HSE has under the arrangements relevant to this Framework Document.

DEPARTMENT FOR WORK AND PENSIONS

- 3.3 DWP will keep HSE and ONR informed when dealing directly with Central Departments on matters which affect ONR. HSE and ONR will be invited to participate in such discussions.

HSE

General responsibilities of HSE

- 3.4 The ONR is an agency within the wider HSE. HSE will provide support to ONR in fulfilling its purposes and in operating effectively and efficiently. In particular, HSE will:

(a) fully support ONR by providing, where possible, and otherwise support it in achieving and maintaining the necessary flexibilities to staff, to resource and to organise itself to ensure it can meet the future challenges of the nuclear sector;

(b) ensure that it recognises its obligations to support ONR as a “going concern” according to NAO requirements;

(c) give to the CNI (see paragraphs 3.10 to 3.18 below) such authorisations under paragraph 9 of Schedule 2 to HSWA, and put in place such other arrangements with the CNI, as are required to enable the CNI to act as the authoritative regulatory head of ONR;

(d) provide services (such as IT services) to ONR as necessary.

3.5 The ONR Board will report to HSE’s Board on achievements against agreed key performance measures. The ONR Board’s first report will be made within 3 months of the date on which the key performance measures are agreed under paragraph 2.2 above and it will report quarterly thereafter.

HSE’s Accounting Officer’s specific accountabilities and responsibilities

3.6 HSE’s Chief Executive is its Accounting Officer and he or she will continue to be responsible and accountable for the ONR as detailed in the HSE/DWP Framework Document. HSE’s Chief Executive provides reassurances to the Principal Accounting Officer on the high standards of probity in the management of public funds.

3.7 HSE’s Chief Executive Officer may designate a suitable person to act as ONR’s accounting officer.

INDEPENDENT ADVICE TO HSE

3.8 HSE will make appropriate arrangements to ensure it has access to the independent advice it requires to discharge the responsibilities set out above.

ONR’S ACCOUNTING OFFICER

3.9 The responsibilities of ONR’s Accounting Officer, including those for the probity, the propriety and regularity of the expenditure and income of ONR, value for money and for the keeping of proper records, are set out fully in the Non-Departmental Public Bodies’ Accounting Officer Memorandum, issued by the Treasury and published in Managing Public Money and in any instructions issued in the Dear Accounting Officer series or other series approved by HM Treasury.

HM CHIEF INSPECTOR OF NUCLEAR INSTALLATIONS

3.10 There must be an HM Chief Inspector of Nuclear Installations (“CNI”). The CNI will be the authoritative regulatory head of ONR.

3.11 The CNI may but need not be the Business Head.

General functions and responsibilities of the CNI

3.12 The CNI will be responsible:

(a) for all regulatory decision making (including granting, and attaching conditions to, nuclear site licences and taking enforcement action) and setting operational regulatory policy in relation to nuclear safety, civil nuclear security, safeguards and the relevant transport functions;

(b) for delegating the duties in (a) above further, where appropriate, to suitably qualified and experienced staff.

HSE will ensure the CNI is given the necessary authorisations and such other arrangements, as necessary, are made to enable the CNI to carry out the responsibilities in (a) and (b) on behalf of HSE;

(c) to the extent authorised by HSE, for regulatory decision making and setting operational regulatory policy in relation to conventional health and safety on nuclear sites.

3.13 The CNI will report to the ONR Board.

3.14 The CNI will have direct access to Ministers, as he or she considers appropriate.

Specific functions of the CNI

3.15 The CNI's specific responsibilities include:

(a) granting, varying and revoking nuclear site licences and attaching etc. such conditions as the CNI considers appropriate in accordance with the Nuclear Installations Act 1965;

(b) ensuring delivery of effective regulation of the nuclear industry by the ONR's inspectors in line with the purposes of the ONR;

(c) ensuring the effective deployment of the regulatory resources of the ONR;

(d) oversight of all enforcement and regulatory decisions made by the ONR;

(e) acting as the authoritative head for the nuclear regulatory body in national and international fora; and

(f) providing independent authoritative expert advice to Ministers of the UK Government and Devolved Administrations.

3.16 The ONR Board may also determine further specific functions for which the CNI will be responsible.

Appointment of the CNI

- 3.17 The first CNI will be the person holding the post of Director of HSE's Nuclear Directorate and HM Chief Nuclear Inspector immediately prior to 1 April 2011.
- 3.18 Any subsequent CNI will be appointed by the ONR Board, with the approval of the Secretary of State for Work and Pensions following consultation of such other Ministers as is considered appropriate, on such terms as are in line with Government requirements for ONR.

THE BUSINESS HEAD OF ONR

General responsibilities of the Business Head

- 3.19 The Business Head of ONR ("the Business Head") is responsible for the day-to-day management of ONR within the limits of his or her delegated authority. These limitations include the delegated financial authorities in Annex 2 and the staffing authorities in Annex 3.
- 3.20 The Business Head will report on business performance to the ONR Board.
- 3.21 If the Business Head is not also the CNI, the Business Head must:
- (a) when carrying out his or her functions under this Document, respect any authorisation granted by HSE or HSE's Chief Executive, under HSWA, to the CNI; and
 - (b) ensure appropriate arrangements are put in place with the CNI to facilitate the exercise of their respective functions.

Specific responsibilities of the Business Head

- 3.22 The ONR Board may determine further specific functions for which the Business Head will be responsible. These functions may include:
- (a) taking forward the high level strategy and overall policy for the ONR (other than its operational regulatory policy and regulatory decisions);
 - (b) developing and proposing the annual plan (see Section 4); and
 - (c) any further functions it considers necessary in relation to the transport functions if an agreement for ONR to carry out those functions on behalf of the Secretary of State is put in place.

Appointment of the Business Head

- 3.23 The Business Head is to be appointed by the ONR Board, with the approval of the Secretary of State for Work and Pensions, on such terms as are in line with Government requirements for ONR.
- 3.24 The CNI will act as the Business Head from 1 April 2011 until any appointment under paragraph 3.23 is made and taken up.

THE ONR BOARD

General responsibilities of the ONR Board

3.25 The ONR Board has corporate responsibility for ensuring that ONR fulfils the aims set out in this Framework Document and any objectives and key performance measures agreed under it.

3.26 The ONR Board will:

(a) establish the ONR High Level Strategy and act in accordance with that Strategy;

(b) operate within delegated authorities agreed with HSE;

(c) receive and review regular financial information concerning the management of ONR;

(d) demonstrate high standards of corporate governance at all times;

(e) from 1 April 2011, until such time as the Board makes other arrangements in accordance with paragraph (f) below should it determine it is appropriate to do so, have line management responsibility for:

(i) the CNI; and

(ii) the Director of Nuclear New Build³.

These line management responsibilities must be devolved to the Chair.

(f) ensure that ONR has the senior management team it needs to deliver its strategy and otherwise determine the organisational structure required to ensure ONR can deliver its strategy;

(g) subject to obtaining the necessary delegated authorities from HSE, be responsible for determining the HR policy of ONR and negotiating and agreeing any necessary flexibility with Central Departments.

3.27 When carrying out its functions, the ONR Board must respect any authorisation granted by HSE or HSE's Chief Executive, under HSWA, to the CNI. The Board must, as soon as possible after 1 April 2011, pass a resolution to the effect that it will, in accordance with the requirements of this Document, respect those authorisations.

The ONR High Level Strategy

3.28 The ONR Board must set the high level strategy for the carrying out of ONR's functions including any general priorities ONR will apply, or principal objectives to which ONR will have

³ The Director of Nuclear New Build is the person who immediately prior to 1 April 2011 was the Programme Director for Nuclear New Build in HSE's Nuclear Directorate.

regard, in carrying out those functions (“the ONR High Level Strategy”). The ONR Board may review, and if necessary, revise the ONR High Level Strategy at any time.

- 3.29 Before setting the ONR High Level Strategy or any revision to it, the ONR Board must consult such persons as it considers appropriate.
- 3.30 The ONR Board must submit the first proposal for the ONR High Level Strategy to the HSE Board no later than 1 December 2011. Any proposed revision of the ONR High Level Strategy must also be submitted to the HSE Board.
- 3.31 The HSE Board may approve the proposed high level strategy or revision to it or propose modifications to the ONR Board. If the HSE Board proposes modifications, the ONR Board must make the necessary modifications to the proposed high level strategy or revision to it.
- 3.32 When the ONR High Level Strategy, or any revision to it, has been approved by the HSE Board, the ONR Board must submit it to the Secretary of State for Work and Pensions. The Secretary of State may approve it with or without modifications.
- 3.33 The ONR Board must publish the ONR High Level Strategy or any revision to it which is approved in accordance with paragraph 3.32 above.

ONR Board’s responsibility for ONR organisational capability

- 3.34 In addition to the functions set out above, and subject to the provisions of this Framework Document and the constraints specified in Annexes 2 and 3 of this Document, the ONR Board:
 - (a) may make such changes to the ONR as it considers necessary to maintain and improve the operating efficiency and overall performance of ONR; and
 - (b) must, to ensure that ONR is an effective and efficient regulator able to pursue a strategy of continuous performance improvement, make arrangements for the carrying out of research and staff training in order to maintain and advance ONR’s competence, capability and expert knowledge relevant to its Purpose.

Creation of new statutory regulator – role of ONR Board

- 3.35 In addition to the functions set out above, the ONR Board will, on behalf of HSE, liaise with and provide assistance, as necessary, to the Secretary of State in bringing forward the legislation to create a new independent statutory body to regulate the nuclear power industry. The ONR Board will also deal with any wider issues connected with the creation of that body on behalf of HSE – this will include responding to consultations, liaising with external stakeholders and responding to enquiries.

Composition of the ONR Board

- 3.36 The ONR Board is to consist of:

(a) non-executive members who, with the exception of HSE's Deputy Chief Executive, are not also employees of HSE (including staff of ONR); and

(b) executive members who:

(i) are employees of HSE and members of staff of ONR; or

(ii) are not employees of HSE but provide services to ONR, as an agency within HSE, under a contract with ONR or HSE

3.37 There are to be at least three but no more than seven non-executive members of the ONR Board.

3.38 There are to be no more than four executive members of the ONR Board subject to the restriction that the number of executive members may not equal or exceed the number of non-executive members of the ONR Board.

3.39 The **non-executive members** of the ONR Board must include:

(a) a Chair appointed by the Chair of the HSE with the approval of the Secretary of State for Work and Pensions; and

(b) a member of HSE's Board who is appointed by the Chair of the HSE.

3.40 Unless the Chair of the ONR Board and the Chair of the HSE Board agree otherwise, the other **non-executive members** of the Board will be:

(a) HSE's Deputy Chief Executive; and

(b) up to four other persons who are appointed by the Chair of the HSE following consultation with the Chair of the ONR Board.

For the purposes of this paragraph the reference to "the Chair of the ONR Board" is a reference only to a person appointed under paragraph 3.39(a) above.

3.41 The terms of appointment of the non-executive members (including the Chair) will be in line with Government requirements for ONR and set out in their letters of appointment.

3.42 If it is not possible to appoint a person to take up appointment as the Chair of the ONR Board on 1 April 2011, the Chair of HSE's Board will act as the Chair of the ONR Board until such time as an appointment under paragraph 3.39(a) is made and taken up.

3.43 Subject to the restrictions in paragraphs 3.36(b), 3.38, 3.44 and 3.46, the **executive members** of the Board will be:

(a) the CNI;

(b) if the CNI is not also the Business Head, the Business Head; and

(c) up to three persons who are appointed by the existing members of the ONR Board.

- 3.44 No person may be appointed under paragraph 3.43(c) prior to a person taking up appointment under paragraph 3.39(a) as the Chair of the ONR Board.
- 3.45 Despite paragraph 3.44, the person acting as Chair of the ONR Board in accordance with paragraph 3.42 may appoint a person to act as an additional executive member of the Board for all or part of the interim period if he or she considers it necessary for there to be an executive member in addition to the CNI during that period.

The “interim period” means the period beginning on 1st April 2011 and ending on whichever is the earliest of the following dates:

- (a) the date on which a person who is not the CNI takes up appointment as Business Head of the ONR; or
- (b) the date on which the first appointment under paragraph 3.43(c) is taken up following the appointment of the Chair of the ONR Board (see paragraph 3.39(a)).
- 3.46 Any person who is not an employee of HSE may not be appointed under paragraph 3.43(c) for a term which exceeds the term remaining under his or her contract with HSE or ONR.

Role of ONR Board members

- 3.47 Individual ONR Board Members will act in accordance with their wider ONR Board responsibilities and will:
- (a) comply at all times with the rules relating to the use of public funds, to conflict of interest and all other public service obligations that apply to them including the Civil Service Code;
- (b) comply with the Board’s rules on the acceptance of gifts and hospitality and of business appointments; and
- (c) act collegiately, in good faith and in the best interests of ONR.

ONR RESOURCE REVIEW PANEL

- 3.48 The ONR must establish an ONR Resource Review Panel (RRP) to consider all requests for expenditure of £25,000 or more from the viewpoint of ONR’s priorities, likely value for money and the wider political and economic environment in which ONR operates.
- 3.49 The ONR RRP will provide HSE’s Chief Executive with the oversight he or she requires to fulfil his or her role as HSE’s Accounting Officer.

4 ANNUAL PLAN

- 4.1 The ONR must prepare a plan, for each financial year, for the performance during that year of its functions (“annual plan”). The annual plan must:
- (a) specify the ONR’s budget for the year; and
 - (b) set objectives to be met in the performance during the year of the ONR’s functions.
- 4.2 The annual plan (and any revision to it) must be approved by HSE.
- 4.3 The annual plan (and any revision to it) may be approved by the Secretary of State.
- 4.4 ONR will publish its annual plan and any revision to it.

5 OPERATING FRAMEWORK

FINANCIAL

- 5.1 The ONR Board must make arrangements to ensure that ONR follows the principles, rules, guidance and advice in Managing Public Money, referring any difficulties or potential bids for exceptions to HSE’s Finance Director in the first instance.
- 5.2 The ONR Board must make arrangements to ensure that ONR operates on the basis of the governance standards, decision making and financial management in accordance with Managing Public Money and the DWP/HSE Framework Document.
- 5.3 ONR’s Financial Delegations are detailed in Annex 2 to this Document and are consistent with those provided to HSE from DWP and the extant spending controls. Any ONR specific authorities will be reflected in this Document and the HSE/DWP Framework Document.

PROCUREMENT

- 5.4 ONR will obtain the necessary financial approval for expenditure on goods and services (see paragraphs 3.48 and 3.49) and use HSE’s Procurement Unit to facilitate the letting of any new contracts. ONR as an in-house agency of HSE will have no separate legal status and HSE’s Director of Finance will sign contracts, appropriately tendered and with the necessary approvals, for ONR.

HUMAN RESOURCES

- 5.5 On 1 April 2011 ONR’s staff will comprise all of those of HSE’s employees who were working in HSE’s Nuclear Directorate immediately prior to that date. This will include employees who on 1 April 2011 are on unpaid leave but were, immediately prior to starting that period of leave, working in HSE’s Nuclear Directorate. Further staff may be appointed after that date.

- 5.6 The staff mentioned in paragraph 5.5 continue to be civil servants and employees of HSE and remain eligible to move between ONR and HSE. HSE employees who are not ONR staff on 1 April 2011 remain eligible to move between HSE and ONR.
- 5.7 On 1 April 2011, ONR's staff will also include persons who are not employees of HSE but who provide services to HSE under contract and were working in Nuclear Directorate immediately prior to that date.
- 5.8 From 24 October 2011, ONR's staff will also comprise all of those of the Department for Transport (Dft)'s employees who were working in Dft's Radioactive Materials Transport Team immediately prior to that date. This will include employees who on 24 October 2011 are on unpaid leave or secondment outside Dft but were, immediately prior to starting that period of leave or secondment, working in Dft's RMTT.
- 5.9 The ONR Board will work with HSE to achieve the flexibilities detailed in paragraph 3.4(a) of this Document.
- 5.10 Until such time as the ONR Board makes, following any necessary consultation and with the necessary approval from the Secretary of State and Central Departments and obtaining the necessary delegated authorities from HSE, specific arrangements for the pay, grading and other terms and conditions of staff who work in ONR:
- (a) those staff who are also employees of HSE will:
- (i) remain within HSE's pay and grading structure;
 - (ii) be within HSE's HR policies as published HR guidance and other relevant guidance issued from time to time by the Director of Human Resources on behalf of the HSE Board; and
 - (iii) otherwise be covered by the same terms and conditions as other HSE employees (other than those who work in the Health and Safety Laboratory);
- (b) those staff who have transferred from Dft on 24 October 2011 will be subject to the terms and conditions agreed under the COSOP (Cabinet Office Statement of Practice on Staff Transfers in the Public Sector) transfer agreement.
- Any revised arrangements will be set out in this Document.
- 5.11 Human Resources services for ONR will be provided by the HSE Human Resources Directorate in accordance with existing performance standards. These performance standards are detailed in a separate Service Level Agreement.
- 5.12 If the ONR Board decides that HR services should be delivered using ONR resources or another service provider, it must ensure that appropriate transitional arrangements are agreed with HSE.

6 EXTERNAL ACCOUNTABILITY

ANNUAL REPORT

- 6.1 As soon as possible after the end of the financial year⁴, the ONR must make to the Secretary of State for Work and Pensions and the HSE Board a report on the performance of the ONR's functions during the year.
- 6.2 The annual report must contain:
- (a) a general description of what the ONR has done in the exercise of its functions during the year;
 - (b) a description of how, and the extent to which, what the ONR has done during the year has enabled it to meet:
 - (i) any objectives set out in the annual plan;
 - (ii) key performance measures;
 - (iii) any general priorities and principal objectives set out in the ONR High Level Strategy.
- 6.3 The ONR must publish copies of its annual report.

ANNUAL ACCOUNTS

- 6.4 HSE's Finance Director will provide an internal Accounts Direction to ONR which requires ONR to produce a Statement of Comprehensive Expenditure and Statement of Financial Position with associated notes.

EXTERNAL AUDIT

- 6.5 The Comptroller and Auditor General (C & AG) audits HSE's annual accounts. For the purpose of audit, the C & AG has a statutory right of access to relevant documents as provided for in the Government Resources and Accounting Act 2000. ONR's figures will be audited as part of the HSE audit process with an appropriate Management Trading Account included in the income note and ONR's comprehensive expenditure shown in the segmental reporting note.

7 REVIEW OF THE FRAMEWORK DOCUMENT

- 7.1 The HSE Board, in consultation with the ONR Board, will review the operation of this Framework Document at regular intervals. Where appropriate, the HSE Board will involve DWP, Treasury and Cabinet Office in this process.

⁴ ONR's financial year will be each consecutive period of 12 months ending on 31 March. Its first financial year will run from 1 April 2011 to 31 March 2012.

- 7.2 The HSE Board or the ONR Board may propose amendments to this Framework Document at any time.
- 7.5 Copies of this Framework Document, and any amendments to it, may be obtained from HSE.

Signed:



Geoffrey Podger, Chief Executive, HSE

Date: 23 November 2011

Signed:



Dr Mike Weightman, HM Chief Inspector of Nuclear Installations, ONR

Date: 23 November 2011

ANNEX 1

ONR'S FUNCTIONS

GENERAL

1. ONR's purpose is to exercise on behalf of HSE, so much of the general purposes of Part 1 of HSWA, as:

(a) consists of:

(i) securing the health, safety and welfare of persons at work on nuclear sites⁵; and

w (ii) protecting persons other than persons at work on nuclear sites against risks to health and safety arising out of or in connection with the activities of persons at work on nuclear sites;

(b) relates to:

(i) the safety and security of nuclear installations⁶ and nuclear sites (including the safe and secure operation of nuclear installations and the design of future nuclear installations and future nuclear sites);

(ii) security and safeguards for:

(aa) prescribed substances⁷, or ores, minerals etc. comprising or from which prescribed substances can be produced and technology, software, information etc. that relates to a prescribed substance (or is capable of being used in connection with the production or processing of a prescribed substance; and

(bb) any substance or other material in relation to which any provision of Chapter 7 of Title II of the Treaty establishing the European Atomic Energy Community (signed at Rome on 25th March 1957) imposes requirements; and

⁵ A "nuclear site" is a site: (a) in respect of which a licence has been granted by HSE (or ONR) under section 1 of the Nuclear Installations Act 1965; (b) which is or has been used for the purposes of the installation or operation of a nuclear installation; or (c) which is, or contains, a berth which is or has been a nuclear submarine berth. A site ceases to be a nuclear site when there is, in the opinion of HSE, no danger from ionising radiation arising from anything on that site and no site licence continues in force in respect of that site. A site which is or contains a nuclear submarine berth ceases to be a nuclear site on notification of that fact by the Secretary of State to HSE.

⁶ "Nuclear installation" has the meaning given by the Nuclear Installations Act 1965.

⁷ A "prescribed substance" is one which is for the time being a prescribed substance within the meaning of the Atomic Energy Act 1946 (see section 18(1) of that Act).

(iii) risks relating to the transport of relevant radioactive material⁸ by road, rail or inland waterway which arise out of or in connection with the nature of the material.

("ONR's Purpose").

2. ONR must:

(a) do such things and make such arrangements as it considers appropriate for ONR's Purpose;

(b) assist and encourage persons concerned with matters relevant to ONR's Purpose (or any aspect of it) to further that Purpose;

(c) make such arrangements as it considers appropriate for the carrying out of research in connection with ONR's Purpose and the publication of the results of such research and the provision of training and information in connection with that Purpose;

(d) encourage research of the kind mentioned above by others and the provision of training and information of the kind mentioned above by others;

(e) make such arrangements as it considers appropriate for securing that persons mentioned in section 11(2)(c) of HSWA are provided with an information and advisory service with respect to matters relevant to ONR's Purpose, kept informed of such matters and adequately advised about them.

3. Further to paragraph 2, ONR will:

(a) set operational nuclear regulatory policy;

(b) advise the Government of the United Kingdom and the Devolved Administrations in Wales and Scotland on nuclear safety, safeguards and security and, where appropriate, contribute to wider Government decision making; and

(c) provide support to the Secretary of State for Energy and Climate Change in relation to the satisfaction of international nuclear obligations.

4. ONR may submit proposals for the making of regulations made under the relevant statutory provisions⁹ so far as they are made for ONR's Purpose to HSE for transmission to the Secretary of State or the Office of Rail Regulation (as the case may be). ONR may submit proposals for the making of regulations relating to security and safeguards direct to the authority responsible for making those regulations.

⁸ "Relevant radioactive material" means radioactive material within the meaning of: (a) in relation to transport by road, ADR; (b) in relation to transport by rail, RID; and (c) in relation to transport by inland waterway, ADN. ADR, RID and ADN have the meaning given by the Carriage of Dangerous Goods and Transportable Pressure Equipment Regulations 2009.

⁹ "Relevant statutory provisions" are: (a) the provisions of Part 1 of HSWA (including any regulations made under those provisions); and (b) the statutory provisions specified in Schedule 1 to HSWA.

SPECIFIC FUNCTIONS

5. In addition to its general functions, ONR, as an agency within HSE, will carry out:
- (a) HSE's functions under the Nuclear Installations Act 1965 and the Nuclear Reactors (Environmental Impact for Decommissioning) Regulations 1999;
 - (b) HSE's functions under the Ionising Radiation Regulations 1999 in relation to, or in relation to any activity carried out on, any premises which are, or are on, a nuclear site;
 - (c) HSE's functions under the Radiation (Emergency Preparedness and Public Information) Regulations 2001 in relation to, or in relation to any activity carried out on, any premises which are, or are on, a nuclear site;
 - (d) in relation to nuclear sites (including premises on such sites and activities carried out on such sites), those of HSE's functions under Part 1 of the Health and Safety at Work etc. Act 1974 (HSWA) (including legislation made under that Part) or any other legislation as is agreed, in writing, with the HSE. Such agreement may set out the circumstances in and purposes for which ONR will carry out these functions;
 - (e) the security functions to be performed by HSE on behalf of the Secretary of State in accordance with the agreement under section 13(1)(b) of HSWA made between the Secretary of State for Trade and Industry and the Health and Safety Commission on 29 March 2007. Copies of this agreement can be found here: <http://www.hse.gov.uk/nuclear/ocns/ocnssec13.pdf>;
 - (f) the safeguards functions to be performed by HSE on behalf of the Secretary of State in accordance with the agreement under section 13(1)(b) of HSWA made between the Secretary of State for Trade and Industry and the Health and Safety Commission on 29 March 2007. Copies of this agreement can be found here: <http://www.hse.gov.uk/nuclear/safeguards/safeguardssec13.pdf>; and
 - (g) the transport functions to be performed by HSE on behalf of the Secretary of State in accordance with the agreement under section 13(4) of HSWA made between the Secretary of State for Energy and Climate Change and HSE on 24 October 2011.
 - (h) the competent authority functions to be performed by the Executive on behalf of the Civil Aviation Authority in accordance with the Authorisation under paragraph 15 of Schedule 1 to the Civil Aviation Act 1982 and agreement under section 13(4) of HSWA made between the CAA and the Executive on 26 October 2011; and
 - (i) the competent authority functions to be performed by the Executive on behalf of the Secretary of State for Transport in accordance with the agreement under section 13(4) of HSWA made between the Secretary of State for Transport and the Executive on 28 October 2011.

Copies of Copies of the agreements mentioned in sub-paragraphs (g) to (i) will be available on HSE's website: <http://www.hse.gov.uk/aboutus/howwework/framework/f-2001-3.htm>.

ANNEX 2

FINANCIAL AUTHORITIES DELEGATED TO THE OFFICE FOR NUCLEAR REGULATION

Category	Delegated Power
<p>General Interpretation</p> <p>This includes all expenditure other than staffing and outside consultants</p>	<p>ONR can approve expenditure for goods and services up to £25,000 (including VAT) without HSE approval.</p> <p>Any new contracts or extensions to existing contractual arrangements above £25,000 must have the oversight of HSE's Accounting Officer or, if designated ONR's Accounting Officer.</p> <p>Any planned expenditure requiring ministerial approval through DWP, Cabinet Office or the Efficiency Reform Group, subject to the nature and value of the expenditure and extant controls in place, must be seen in advance by HSE's Accounting Officer or, if designated, the ONR Accounting Officer.</p>
Staffing	See Annex 3.
Outside Consultants	<p>Up to £20,000 (including VAT).</p> <p>All new and existing consultancy contracts above £20,000 (including VAT) must be seen in advance to HSE's Accounting Officer or, if designated, ONR's Accounting Officer.</p>
<p>Losses:</p> <p>(i). Fluctuation in exchange rates or revaluation of currencies.</p> <p>(ii). Sales Ledger write-offs.</p>	All must be approved in advance by HSE's Finance Director.
Special Payments (as categorised in Managing Public Money, Annex 4.13).	All must be approved in advance by HSE's Finance Director (DWP and HMT depending on nature and value).
Gifts and Prizes	Maximum of £200 per event/prize (£20 per person to foreign officials/ dignitaries and £15 to others).

ANNEX 3

STAFFING AUTHORITIES DELEGATED TO THE OFFICE FOR NUCLEAR REGULATION

1. Subject to the conditions in paragraph 2, from 1 April 2011, ONR has delegated authority from HSE's Chief Executive to recruit, amend the grade mix, agree secondments and promote staff internally within its affordable staffing plans.
2. The conditions are:
 - (a) all external recruitment¹⁰ must be approved in advance by the ONR RRP;
 - (b) all recruitment must be notified in advance to HSE's Chief Executive in his or her capacity as HSE's Accounting Officer or, if designated by HSE's Chief Executive, ONR's Accounting Officer;
 - (c) ONR must observe Cabinet Office recruitment controls and all external recruitment must be approved in advance with the Secretary of State, subject to any agreement on a different approach that the ONR may conclude with the Minister. Monthly reports of recruitment activity must be provided to the Minister and copied to DWP officials in line with the guidance;
 - (d) all recruitment must comply with the Civil Service Recruitment Principles issued by the Civil Service Commissioners and any other relevant Cabinet Office guidance;
 - (e) all recruitment consultancy support must be undertaken with suppliers from the existing HSE recruitment framework agreement detailed with the Cabinet Office's Efficiency and Resources Group.

Further delegations will be defined and agreed in due course with HSE.

¹⁰ "Recruitment" includes appointments on a permanent basis, fixed term appointments, inward secondments, interim or contract staff, agency staff and Fees for Services appointments.