



Office for
Nuclear Regulation

Office for Nuclear Regulation Strategic Plan

2016–2020

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Foreword

The Office for Nuclear Regulation (ONR) is entering its third year of operation as a public body. For the past two years we have been establishing ONR as a new organisation including, most recently, refreshing our leadership team with the appointment of a new Chief Executive (CE) and a new Chief Nuclear Inspector (CNI), and further appointments to the leadership team planned. This strengthened team will provide the leadership ONR needs to ensure we are equipped to meet the regulatory challenges arising from an expanding nuclear industry.

This plan is deliberately outward facing and places ONR's attention firmly on what our stakeholders expect from us and how we intend to meet those needs. In particular, throughout the plan we have emphasised the importance of ONR taking an enabling approach to regulation; how we will work together with stakeholders to influence improvements in nuclear safety and security across the nuclear sector, and how we will apply the lessons we have learned, and will continue to learn, from successes achieved.

Through this plan we provide assurance to our stakeholders that ONR is certain of its objectives and will hold the industry to account on behalf of the public and the nuclear workforce for high standards of nuclear safety and security. The plan demonstrates our goal of being an exemplary regulator. It also reaffirms our commitment to be the best employer we can be, specifically in relation to developing and growing our own expertise. We are modernising the organisation to support the delivery of efficient and effective regulation using an invest-to-save approach, and thereby creating resilience and stability.

The CNI is the authoritative regulatory head of ONR who will ensure that we are meeting our statutory regulatory obligations whilst following the principles set out in the Regulators' Code. We will continue to work with stakeholders to extend our enabling regulatory approach, building on the good practices and successes to date, to influence the delivery of safety and security improvements. The CNI will provide assurance to government and the public that we are delivering independent, proportionate and effective regulation, making evidence based decisions and holding industry to account, in order to protect the public.

Nick Baldwin
Chair of ONR

Adrienne Kelbie
Chief Executive

Richard Savage
Chief Nuclear Inspector

Purpose of the document



In 2014, the ONR Board published its Strategy in which it set out its vision for ONR to become “**An exemplary regulator that inspires respect, trust and confidence**”. Having articulated the vision, we decided it was time to set out in greater detail the factors that will influence our work, the assumptions we have made about the nuclear environment going forward, and how we will deliver on the commitments we made to our key stakeholder groups: the public, Ministers and government; licensees, duty-holders and requesting parties; and staff. This Strategic Plan therefore incorporates the earlier Strategy, provides a view of ONR’s intentions for the next four years and details our planned activities and budget for 2016/17.

The plan will be reviewed and updated annually in the light of changes in circumstances, revised assumptions about the nuclear landscape, our operating and business environments, and to take into account adjustments to regulatory priorities.

About ONR

Who we are

ONR is the UK's independent nuclear regulatory authority set up under the Energy Act 2013. We are an independent public body, and as such we must take into account the political, policy and societal context in which we operate to discharge our responsibilities effectively.

ONR is accountable to Parliament through the Secretary of State for Work and Pensions for its governance, finance and for conventional health and safety responsibilities. In addition, the Secretary of State for Energy and Climate Change is accountable to Parliament for the UK civil nuclear regulatory framework and policies, including civil nuclear safety and security; emergency planning and response; nuclear safeguards; and the transport of radioactive material by road, rail and inland waterways. The Secretary of State for Defence is accountable to Parliament for nuclear safety and security at nuclear sites operated wholly or mainly for defence purposes.

What we do

ONR's mission is **“To provide efficient and effective regulation of the nuclear industry, holding it to account on behalf of the public.”** ONR regulates nuclear safety and conventional health and safety at licensed nuclear sites in the UK.¹ These include the existing fleet of operating reactors, fuel cycle facilities, waste management and decommissioning sites and licensed defence sites. We regulate the design and construction of new nuclear facilities, nuclear security at civil nuclear sites and the transport of nuclear and radioactive materials. We work with the international inspectorates to ensure that safeguards obligations² for the UK are met and to ensure we continue to be a positive influence on the international safeguards regime.

1 ONR also regulates conventional health and safety, including radiation safety, on Crown 'authorised defence sites' where the Defence Nuclear Safety Regulator (DNSR) oversees nuclear safety.

2 Nuclear safeguards are measures to verify that countries comply with their international obligations not to use nuclear materials from their civil nuclear programmes to manufacture nuclear weapons.



Responsibility for delivering a safe and secure nuclear industry is the responsibility of the duty-holders we regulate; it is ONR’s responsibility to ensure they comply with the law and regulatory requirements.

Our regulatory approach

The UK operates a goal-setting approach to nuclear safety regulation and is moving towards a similar approach to security regulation across the civil nuclear sector. This means that ONR sets out its regulatory expectations, and requires duty-holders to determine how best to achieve them and justify their chosen approach. This enables duty-holders to be innovative and flexible in how they achieve the high standards of nuclear safety and security required by implementing arrangements that meet their particular circumstances. It also strengthens accountability and encourages the adoption of relevant good practice and continuous improvement.

The nuclear landscape is changing rapidly and it is important that ONR positions itself to ensure it can adequately meet the challenges that such a changing industry generates. Furthermore, the Regulators’ Code requires regulators to carry out their activities in a way that enables those they regulate to comply and grow. A fresh regulatory approach to some long standing issues has produced some significant improvements in a relatively short time. These achievements were achieved by working with key stakeholders to identify and remove barriers to safety and security delivery and to drive continuous improvement. Hence, we will extend this enabling style of regulation across our regulatory work over the period of this



plan. It represents a more open and constructive approach with duty-holders and other relevant stakeholders, which seeks effective delivery against clear and prioritised safety and security outcomes (including nuclear transport and conventional health and safety).

A modern, enabling regulatory approach supports duty-holders, regulators and other stakeholders to meet their responsibilities. It is aimed at providing the broad societal benefit of effective strategic nuclear safety and security delivery. The characteristics of the approach include: effective communications and information sharing; cooperative behaviours; a programme perspective in decision making that considers all relevant factors; and identification and adoption of fit for purpose solutions. This does not mean a lowering of standards. We will still seek high standards, but we will look to ensure that outcomes are achieved cost-effectively without unnecessary burden.

Duty-holders and other organisations have both individual and collective responsibilities. Individual organisations are accountable for delivering their respective safety and security responsibilities. For duty-holders, this means having robust and mature internal regulation; producing good quality, right-first-time safety and security submissions, and complying with the legislation that governs the safety and security of their activities. Duty-holders and other organisations also have collective responsibilities to work together to share information and best practice such as on cyber risks and

problem solving. For ONR it means working with duty-holders and other stakeholders, focusing on a common overall objective to achieve the desired safety and security outcomes, while maintaining regulatory independence.

ONR's objectivity and independence as a regulator is vital and our independence in regulatory decision making remains absolute. It is paramount that ONR's judgements and decisions are proportionate and balanced, and the CNI will ensure robust governance and assurance processes continue to be implemented, followed, evaluated and updated. Reports justifying regulatory decisions will continue to be placed in the public domain to promote stakeholder confidence.

Our risk appetite

Risk appetite refers to the levels of risk the ONR is willing to accept in pursuit of our strategic objectives. The nuclear sector is a major hazard industry and ONR's risk appetite has been set within that context.

ONR is keen to consider regulatory options to secure high standards in nuclear safety and security and compliance with the law, whilst working within extant policy and guidance. In doing so, we will be open to new ways of working and pragmatic approaches to address the hazards arising from the nuclear industry. In coming to strategic decisions we will not be unduly risk averse. Instead we will seek to balance the potential opportunities for improving nuclear safety and security derived from regulatory options, with the risks and benefits associated with them. These decisions will take into account the risks presented by fit-for-purpose solutions compared to those that would involve duty-holders delaying action while ideal resolutions are sought.

Failures of other regulatory bodies have shown that the loss of respect and trust of stakeholders had a detrimental impact on their capability to continue to regulate effectively. ONR therefore has little appetite for taking risks that could damage stakeholders' confidence in our ability to influence improvements in nuclear safety and security.

Nuclear safety and security environment

Operating environment and assumptions

The main factors that will influence ONR's regulatory work during the period of this plan are:

- the UK Government's priorities of
 - a secure energy supply and a low carbon energy mix, which includes the construction of new nuclear power plants and the focus on small modular reactors
 - investment in the strategic nuclear deterrent capability
 - safe and secure decommissioning
 - the development of a Geological Disposal Facility (GDF);
- the range of modern and evolving threats to the security of the nuclear industry, including threats to cyber security and the contribution nuclear security makes to national security;
- the importance of decommissioning, safe radioactive waste management and site remediation to address the legacy from the first generation of nuclear power plants and a holistically safe and secure nuclear life cycle that enables new nuclear construction;
- safe and secure nuclear materials transport as a key enabler of the nuclear industry's activities;
- the requirement contained in the Regulators' Code, for regulators to support compliance with the law in ways that have regard to growth, innovation and investment but without compromising their primary function;
- the international context of nuclear regulation, including: EU law and international treaties; international standards and good practice; opportunities for ONR to deliver more effective and efficient regulation through international collaboration, and using our expertise and international credibility to influence and shape improvements in global nuclear safety and security standards and best practice; and
- the importance of engaging with the broader science and research community to improve understanding of known nuclear hazards and to gain insight into potential hazards and risks.

In compiling this plan, it has been assumed that:

- Sellafield Ltd has funding to enable it to continue to deliver its risk and hazard reduction programmes and that the current strategy for Sellafield will remain in place for the lifetime of this plan and a number of years beyond;
- the UK Government's project to consolidate nuclear materials at Sellafield will progress;
- the two reactor designs currently being assessed through the Generic Design Assessment (GDA) process are expected to complete in 2017. A new Chinese reactor design is due to enter the GDA process during 2016. Technical assistance will be provided to DECC on the techno-economic assessment and technology down-selection of Small Modular Reactors, with the aim of proceeding to GDA towards the end of 2017. This is on the basis of government plans and policy, and sufficient design development;
- the construction of a new nuclear power station at Hinkley Point C, Somerset will progress as planned;
- potential licensees will continue with their plans to apply for nuclear site licences for Wylfa Newydd in Anglesey and Moorside in Cumbria, in 2016 and 2017 respectively. The potential licensee for Sizewell C will go forward with their site licence application;
- the granting of new site licences will occur in 2018;
- the threat of terrorism in the nuclear sector will continue to be managed proportionately and effectively through national and international capabilities. The capabilities of potential adversaries to operate in cyberspace will continue to grow;
- The regulation of decommissioning continues to be important, with Magnox Ltd progressing one of the largest reactor decommissioning programmes in the world aimed at achieving a quiescent safe state, known as Care and Maintenance (C & M), prior to final site clearance;
- work to identify a site for a GDF will continue, including preparation for its licensing;
- there is no change to the UK Government's policy to provide a continuous at sea deterrent (CASD) and associated investment to enable the construction of a new class of submarines;
- the current rate of progress with the defence nuclear new build projects will result in a requirement for additional Periodic Safety Reviews;
- work will continue to secure the protection of the public via implementation of appropriate off-site emergency planning arrangements;

- we will continue to support the UK’s transposition and implementation of the amended Nuclear Safety Directive and the Basic Safety Standards Directive;
- there are no major national or international nuclear incidents that would require ONR to divert resources away from planned activities.

Business environment and assumptions

There are a number of factors that will influence ONR’s business environment in the foreseeable future. They include:

- the continuing demand for an efficient and effective regulator that will hold the nuclear industry to account on behalf of the public, and be a trusted source of independent information about the hazards and risks presented by the nuclear sector;
- the impact of the increasingly competitive market for nuclear skills specialists, which is expected to result from the ongoing expansion of the nuclear sector, on ONR’s ability to recruit and retain the highly-qualified and experienced people we need to respond to growing regulatory demand;
- the expectation that, in common with all public sector organisations, ONR will be required to seek operational efficiencies, thereby ensuring that the growth in demand for our services does not result in a commensurate increase in costs, and to demonstrate sound financial control and accountability.

Our assumption is that ONR will:

- operate within public sector standards to be amongst the best of public sector bodies;³
- have a core workforce with the capacity and capability, skills and expertise required and be able to access additional expertise through Technical Support Contracts when required;
- play its part in identifying efficiencies and reducing the burden on both taxpayers and duty-holders by the end of this plan as part of the Government Spending Review 2015;
- have an invest-to-save policy under which savings made through new or improved ways of working will be reinvested in projects that pay back their costs within the life of this plan;
- invest in the capacity and capability of its staff.

3 https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/336942/CSPL_EthicalStandards_web.pdf

Strategic Themes



ONR's work is focused on three strategic themes:

- Influencing improvements in nuclear safety and security
- Inspiring a climate of stakeholder respect, trust and confidence
- Achieving our vision through our people

This plan sets out in broad terms the activities ONR will undertake between 1 April 2016 and 31 March 2020 in relation to each of these themes.

The next four years – 2016 to 2020



The next four years hold a range of regulatory challenges for ONR as we respond to significant changes across the UK nuclear sector, including the start of construction of the first nuclear power station for over 25 years at Hinkley Point C, the potential introduction of new nuclear reactor technology, the continued progress with the clean-up of the nuclear legacy, the start of one of the largest decommissioning projects in Europe, and potential extension of operation of first generation nuclear facilities. All of which will be taking place against a backdrop of increasing global security threats. ONR's regulatory plans in response to these challenges focus specifically on influencing improvements in nuclear safety and security in the areas of:

- Modernising nuclear regulation
- Hazard reduction and remediation at Sellafield's legacy facilities
- Preparing for new nuclear generation, civil and defence
- Regulating existing civil reactors
- Regulating decommissioning and disposal

Influencing improvements in nuclear safety and security

Modernising nuclear regulation

The demand and challenges of the nuclear environment in which ONR operates requires efficient and effective nuclear regulation that enables duty-holders to comply with their responsibilities and which supports economic growth. ONR will bring together existing guidance to clarify and embed our approach across all programmes to ensure we can meet these challenges consistently. A range of measures will safeguard ONR's regulatory independence and avoid regulatory capture⁴ including, robust governance arrangements and the provision of publicly available information to demonstrate independent, evidence-based decision making.

Nuclear security and nuclear safety are complementary, but effective delivery of nuclear safety does not automatically deliver effective nuclear security. Each discipline has its own applicable UK legislation with distinct, and equally important, obligations on duty-holders. Broadly, nuclear safety seeks to ensure risks are reduced as low as reasonably practicable, whereas nuclear security aims to prevent unauthorised removal or sabotage of nuclear material/facilities and to prevent the proliferation of nuclear technologies and information. Although cast differently, in general, the aims of nuclear safety and security legislation are complementary, in that both are intended to lead to measures that reduce the risk of harm to the public and workers. To further develop effective regulation ONR will extend our integrated approach across both disciplines and, in particular, will develop security outcome focused regulation through the establishment of the Nuclear Security Regulatory Framework.

ONR will build and maintain strong relationships with Government, other regulators e.g., the Health and Safety Executive, the Defence Nuclear Safety Regulator, the national environment agencies, and security and intelligence agencies, and deliver its part in maintaining the UK's national civil nuclear regulatory framework. ONR's functions operate within an international setting and we will undertake targeted international engagement to ensure that ONR and the UK complies with international standards and law. This includes working with DECC to deliver collectively the UK's safeguards obligations and its wider safeguards commitments. We will contribute to and influence international standards and law, including working with Government and other regulators to implement the amended Nuclear Safety Directive and the Basic Safety Standards Directive.

4 Regulatory capture occurs when a regulator created to act in the public interest, instead advances the interests of those it is responsible for regulating and government.

We recognise the world is increasingly globalised and digitised, where both the terrorist threat and the risks from cyberspace are changing. The government and duty-holders have well developed security capabilities to deter and defend against organisations and individuals that might conspire to attack or exploit the nuclear estate. ONR will continue to work with the government to ensure that security-focused regulations evolve to remain fit-for-purpose and align with safety regulation and, in March 2017, ONR will issue new outcome-focused security regulatory guidance.

Internally, we will ensure that ONR's different functions are integrated and work together effectively to achieve a "one ONR" approach, and to ensure we are agile and responsive to regulatory demands. In particular, we will continue to align nuclear safety and security regulatory activities.

Hazard reduction and remediation at Sellafield's legacy facilities

ONR will continue to focus on delivering its regulatory strategy for the remediation of the legacy ponds and silos, including the plant and processes to deal with the arising waste, and the on-going extensive security enhancement project. In the longer term, (well beyond the period covered by this plan), when improvements sought through the regulatory strategy for Sellafield have been achieved and the site-wide risk and hazard has been demonstrably reduced, our strategy for the legacy facilities will be integrated into the ongoing programme of regulation of the remainder of the site.

Preparing for new nuclear generation, civil and defence

There are two reactor designs currently progressing through the GDA process. This portfolio is expected to expand to include assessment of Chinese reactor technology and small modular reactor (SMR) technology.

The Chancellor's 2015 Autumn Statement established the intent to build one of the world's first SMRs in the UK by the late 2020s, and included investment of £250M over 5 years in SMR research and development. ONR has supported government in its techno-economic assessment of SMR deployment in the UK by providing regulatory advice on the likely technical and licensing challenges. As part of the Budget Statement 2016, the Government announced plans to undertake a competition to identify the most suitable SMR technologies. ONR will provide regulatory advice to support this.

DECC has asked ONR to plan for SMR entry to the GDA process. To ensure that we are able to facilitate this we need to undertake preparatory work, including further consideration of technical and regulatory issues. It is possible that more than one SMR technology will come forward to GDA and we will consider how we can effectively regulate multiple designs in this rapidly developing and strategically important area.



It is particularly important for the safety and security regulation of GDA to continue to be integrated. This will enable safety and security by design, avoiding the need to retrofit, which is both costly and rarely as effective. It is also important for ONR to invest in early engagement with potential Requesting Parties and vendor/developer organisations to help facilitate their preparedness for design assessment.

ONR is currently working with three new reactor companies which are expected to formally submit nuclear site licence applications during the period of this plan. We also anticipate engaging with a fourth company which is starting to develop the capability to become a nuclear site licensee for the Bradwell site. ONR will assess the nuclear site licence applications, focusing on each applicant's capability to become a licence holder, and culminating in recommendations being made to the CNI on whether the licences should be granted. Subject to licence grant, ONR will regulate the construction of the new power plants, a key stage of which will be the work required before the first permission can be given for a licensee to commence nuclear safety-related construction. Should the new reactor companies' proposals for new nuclear power plants proceed as planned, there will be four construction sites subject to ONR regulation within the timeframe of this plan. We will therefore need to pay particular attention to providing integrated and consistent regulation across the range of ONR's regulatory functions.

In addition to the civil nuclear new build programme, there are several significant new build and facility upgrade projects either being undertaken or planned at nuclear defence sites. ONR will carry out assessment of the safety cases related to these projects and if we are sufficiently assured that the duty-holders' proposals meet required standards, permission will be given for the duty-holders' activities to

commence or continue. It will be important for ONR to continue to engage with the Ministry of Defence, Defence Nuclear Programme to influence strategic improvements. ONR will also need to continue to work closely with the Ministry of Defence's Defence Nuclear Safety Regulator on significant safety matters of mutual interest.

Regulating existing civil reactors

Many of the UK's nuclear civil reactors are reaching or have reached the end of their nominal 30 year operational lifespan. This poses some unique regulatory challenges as operators seek to extend the life of some reactors. ONR's role in this regard is to assess licensees' Periodic Safety Review submissions for operating reactors that justify the next 10 year period of operation. If there are no significant challenges to safety and security, ONR will give permission for the licensees' proposed activities to continue. The licensees of operating reactors will continue to be legally required to comply with the terms of their nuclear site licences and other safety and security legislation. ONR will, on an ongoing basis, undertake a programme of regulatory activities including nuclear safety and security inspections, and conventional health and safety inspections, to evaluate the performance and culture of the licensees to ensure risks are well controlled.

Regulating decommissioning and disposal

Several of the first generation nuclear facilities have either begun or will begin to move through the defueling and decommissioning phases of their life cycle. Throughout these phases, ONR will focus on ensuring that the defueling and decommissioning of nuclear facilities are conducted safely and securely, and that the licensee's decommissioning plans result in progressive hazard-reduction, taking into account the increasing conventional health and safety risks that arise during decommissioning work.

ONR will continue working with the licensee, Magnox Ltd, the Nuclear Decommissioning Authority (NDA) and the government to agree a programme that will put the decommissioning sites into long-term Care and Maintenance (C&M). ONR will assess the safety case for the transition of the first Magnox reactor into the C&M phase and, if appropriate, give permission to the licensee's proposed activities. We will identify and implement the lessons learned from the transition of the first site to other decommissioning sites. We will continue to work with NDA, DECC, and other regulators to ensure proportionate regulatory controls are in place during this quiescent period and at the final stages of decommissioning to achieve an appropriate end state.

To support the government's ambitions to deal with the legacy of nuclear waste in the UK, we have agreed an approach to the regulation of any future GDF. ONR considers that a GDF should be licensed subject to the requirements of the Nuclear Installations Act 1965 during the assessment, construction and operational phases.



We are working with the government and the Environment Agency to facilitate amendments to regulations. Our future work will also include developing guidance and intervention strategies to support the implementation of our policy and approach for the regulation of a future GDF.

Inspiring a climate of stakeholder respect, trust and confidence

Placing stakeholders at the heart of what we do

For ONR to be a successful regulator we must be highly competent and trustworthy, and be seen as such by our stakeholders. We remain committed to being as open and transparent as possible about our regulatory activities and business performance. We will continue to place as much information as possible into the public domain to keep our stakeholders informed about our regulatory decisions and judgements, appropriately balancing our ambition for openness and transparency with risks to security.

We intend to actively engage with, and seek feedback from, our key stakeholder groups so that their views can be taken into account in what ONR does. We will therefore be developing a new engagement strategy that will identify ONR's priority stakeholder groups and the key relationships ONR has, or needs to have, with them. This will inform the implementation of a plan with the purpose of creating opportunities for stakeholders to provide views from their different perspectives. We believe that this will help ONR to become a more effective, outward facing, stakeholder-focused and responsive regulator.

Providing assurance

ONR values its reputation. We have a workforce that is recognised nationally and internationally for its specialised skills and experience in the regulation of nuclear safety and security. To maintain and build on this reputation, we will provide assurance that we apply the regulatory framework with proportionality and consistency. ONR's regulatory assurance function will continue to review compliance with internal guidance and processes to ensure regulatory decisions and enforcement actions are robust, requiring shortfalls in performance to be identified and addressed through a process of continuous improvement. It will also seek assurance that ONR has the right capacity and capability to respond to regulatory demand appropriately and cost effectively. External independent assurance will be provided through ONR's commitment to the International Atomic Energy Agency's Integrated Regulatory Review Service which completes a review mission every 10 years, with the next one due in 2019, and the International Physical Protection Advisory Service.

Achieving our vision through our people

ONR is proud of the expertise and wide range of skills and experience of our people. We recognise that we can only become the exemplary organisation we wish to be through the hard work and dedication of our whole team. In recent years, we have made good progress towards establishing a culture that is fully committed to equality, inclusion and one that values diversity. As a result we have a growing pool of talented people who are the strong foundation of a stable and sustainable workforce.

As the volume of ONR's regulatory work grows, we will need to continue to recruit, retain and develop our existing staff so that we have a core workforce with the capacity and capability to deliver high quality, enabling nuclear regulation. We will review, refresh, and publish the ONR People Strategy that will take the organisation towards being the exemplary employer it aspires to be. Specifically, we will develop and establish appropriate career paths and development frameworks that will enable our staff to develop their careers and enhance their professional skills in ways that will bring improved competence and organisational performance. This is particularly important in relation to ONR's security function where the regulatory approach is moving towards a more goal-setting regime.

We will also review pay and reward methods with the aim of continuing to remove historical inconsistencies between staff, and to ensure we recognise and value the contribution of all our staff. By encouraging and rewarding high performance, recognising increased competence and the demonstration of positive behaviours, we will achieve more as an organisation from the contributions of all, thus delivering increased value for money.

Summary of key deliverables for 2016/17 to 2019/20

Influencing improvements in nuclear safety and security
<ul style="list-style-type: none"> ● Deliver ONR’s regulatory strategy for the remediation of the Sellafield legacy ponds and silos, including the plant and processes to deal with the arising waste, and the on-going extensive security enhancement project.
<ul style="list-style-type: none"> ● Undertake early engagement with potential GDA Requesting Parties and vendor/ developer organisations to help facilitate their preparedness for design assessment.
<ul style="list-style-type: none"> ● Assess applications for new nuclear site licences, and make recommendations to the Chief Nuclear Inspector on whether licences should be granted.
<ul style="list-style-type: none"> ● Regulate the construction of the new power plants, including giving permission for construction to begin if appropriate.
<ul style="list-style-type: none"> ● Assess the safety cases related to projects for new build and facility upgrade projects either being undertaken or planned at nuclear defence sites. If we are sufficiently assured that the duty-holders’ proposals meet required standards, give permission for the duty-holders’ activities to commence or continue.
<ul style="list-style-type: none"> ● Assess licensees’ Periodic Safety Review submissions for operating reactors that justify the next 10 year period of operation and, if there are no significant challenges to safety and security, give permission for the licensees’ proposed activities to continue.
<ul style="list-style-type: none"> ● Bring together existing guidance to clarify and embed our enabling approach to nuclear safety and security regulation across all programmes.
<ul style="list-style-type: none"> ● Agree a programme with Magnox Ltd, the NDA and the government that will put decommissioning nuclear sites into long-term care and maintenance.
<ul style="list-style-type: none"> ● Assess the safety case for the transition of the first Magnox reactor into the care and maintenance phase and if ONR is satisfied there are no significant challenges to safety and security, give permission for the licensees’ proposed activities.
<ul style="list-style-type: none"> ● Identify and implement the lessons learned from the transition of the first site into care and maintenance to other decommissioned sites.
<ul style="list-style-type: none"> ● Continue to work with NDA, DECC and other regulators to ensure proportionate regulatory controls are in place during the quiescent period and at final stages of decommissioning to achieve an appropriate end state.
<ul style="list-style-type: none"> ● Develop and publish new guidance for civil sector duty-holders to take full ownership of their security, particularly regarding cyber security, in accordance with modern outcome focused security regulation.
<ul style="list-style-type: none"> ● Identify opportunities to share expertise and learn from international stakeholders to influence and shape improvements in global nuclear safety and security standards.
<ul style="list-style-type: none"> ● Work with DECC to deliver collectively the UK’s safeguards obligations and its wider safeguards commitments.

Influencing improvements in nuclear safety and security

- Undertake a programme of regulatory activities including nuclear safety and security inspections, and conventional health and safety inspections, to evaluate the performance and culture of the licensees to ensure risks are well controlled.
- Identify opportunities to share expertise and learn from international stakeholders to influence and shape improvements in global nuclear safety and security standards.
- Work with DECC to deliver collectively the UK's safeguards obligations and its wider safeguards commitments.

Inspiring a climate of stakeholder respect, trust and confidence

- Continue to place in the public domain as much information as possible about our regulatory and corporate activities, including the basis for regulatory decisions.
- Actively engage with, and seek feedback from, our key stakeholder groups so that their views can be placed at the heart of what ONR does.
- Develop a new engagement strategy that will identify ONR's priority stakeholder groups and the key relationships ONR has, or needs to have, with them.
- Implement a plan to create opportunities for stakeholders to provide views from their different perspectives.

Achieving our vision through our people

- Continue to recruit, retain and develop our staff so that we have a core workforce with the capacity and capability to deliver high quality, enabling nuclear regulation to meet the growing regulatory demand
- Review, refresh, and publish the ONR People Strategy
- Develop and establish appropriate career paths and development frameworks to enable staff to understand, and be supported in, developing their careers and enhancing their professional skills
- Review pay and reward methods with the aim of continuing to remove historical inconsistencies between staff

Performance and success criteria



Year on year performance

To deliver the commitment made in our mission statement, ONR must demonstrate year-on-year that we regulate the nuclear industry efficiently and effectively. The extent to which we have achieved this commitment will be judged by:

- how effectively we have used an enabling regulatory approach to influence improvements in nuclear safety and security. An assessment will be provided in the CNI's annual statement;
- whether we have operated efficiently and delivered value for money. ONR will seek to identify efficiencies in all aspects of our work, both front-line regulatory and back-office. This will be achieved through the active management of resources, new ways of working and restructuring where appropriate, and will ensure that the growth in demand for regulation services will not drive a commensurate increase in costs;

- how we have focused on our stakeholders, as required by the principles of the Regulators' Code. We will continue to report our progress through our annual compliance reports to the Better Regulation Delivery Office of the Department for Business, Innovation and Skills, which will be available from the ONR website. In addition, we will actively seek feedback on our performance from our key stakeholder groups;
- the extent to which our performance has met ONR's key performance indicators will be reported to the Board regularly who will hold ONR to account.

In addition to reporting performance the Board, performance is reported regularly to our sponsor department and Ministers each quarter, and to the public annually through our Annual Report and Accounts. The latter incorporates the CNI's statement which is audited independently by the National Audit Office. In addition, we take part in international peer reviews which are designed to strengthen and enhance the effectiveness of the national safety and regulatory infrastructure⁵ and security regime.⁶

5 <http://www-ns.iaea.org/reviews/rs-reviews.asp>

6 <http://www-ns.iaea.org/security/ippas.asp>

What success will look like in 2020

The success of this plan will be judged by our key stakeholders: the public, Ministers and government; licensees and duty-holders, and our people. By 2020 we want to be an organisation that:

<p>To the public, Ministers and government</p>	<ul style="list-style-type: none"> ● Is an exemplar of openness and transparency; a trusted source of independent information and advice about the risks and potential consequences of all aspects of civil nuclear activities, and engages openly and constructively in ways that are accessible to our audiences. ● Demonstrates how we make a positive difference to nuclear safety and security. ● Holds the nuclear industry to account, including taking robust enforcement action where appropriate. ● Provides evidence-based assurance that nuclear sites are sufficiently safe and secure. ● Provides evidence-based assurance that we operate to the highest standards of organisational performance.
<p>To our licensees and duty-holders</p>	<ul style="list-style-type: none"> ● Influences change to create an excellent health, safety and security culture among the operators and to promote sustained excellence in nuclear operations. ● Regulates proportionately, consistently and independently and makes consistent, transparent and evidence-based decisions. ● Is responsive to the dynamic industry we regulate. ● Engages openly, honestly and with the highest standards of professionalism. ● Operates efficiently to control costs, drive out waste and provide value for money in meeting regulatory need.
<p>To our people</p>	<ul style="list-style-type: none"> ● Is a great place to work, where people aspire to be part of the ONR team. ● Has people who lead by example, set clear direction, provide inspiration, and demonstrate the highest standards of behaviour in public life. ● Has a culture that is inclusive, consistent and fair, where people feel empowered to challenge without fear of bullying or harassment. ● Values diversity and the contribution of every member of the ONR team, has a pay and reward system that recognises personal contributions and supports continuous improvement at all levels.

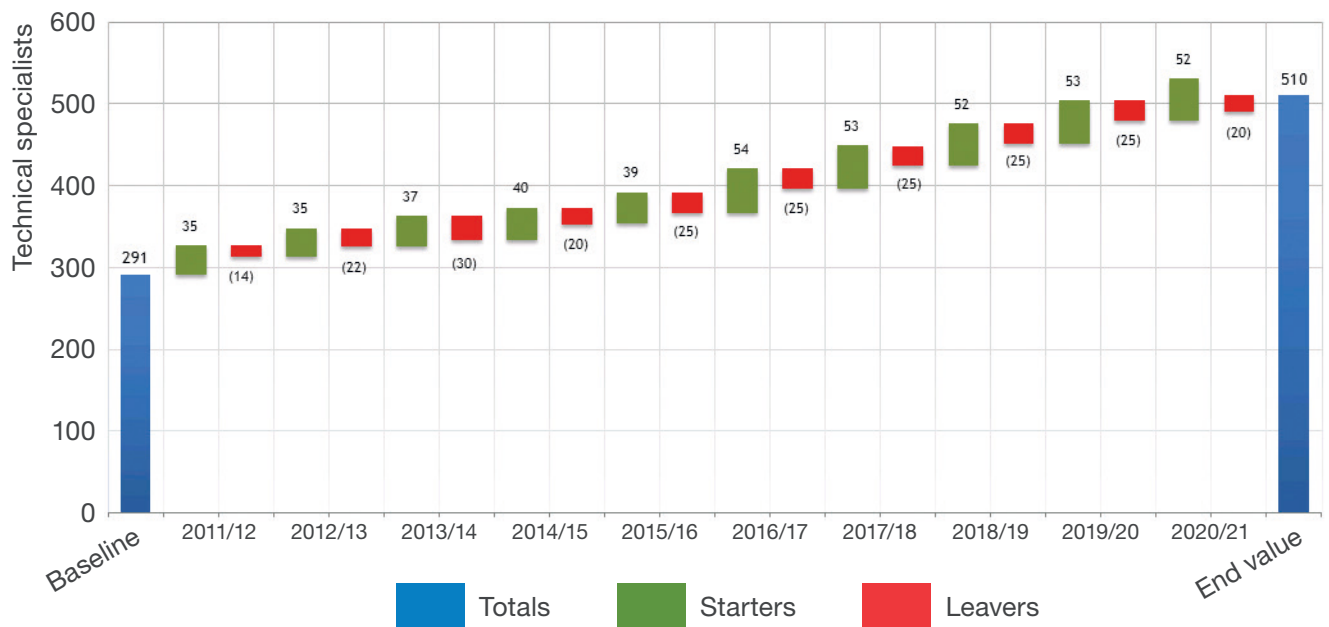
Resources

Our resources and financial planning is based on our understanding of ONR’s operating environment and the associated assumptions set out on page 10.

People

The nuclear industry is in a period of substantial growth which will increase regulatory demand. To ensure ONR can respond positively to this demand, we plan to increase frontline resources by 9-10% per year between 2015/16 and 2019/20. The graph below shows the projected gains and losses of specialist resources to the end of the period of this plan based on current assumptions.

Specialist resource headcount



Finance

We recognise that as the size of the organisation grows, our costs will increase. However, we will continually strive to deliver value for money by seeking a range of efficiencies. These will include ensuring the ratio of administrative to frontline staff is comparable when benchmarked against other similar organisations. Growth projections will be monitored to ensure the size of ONR's estate portfolio is flexible and responsive to change. We will also work with Trade Unions to enable staff to input to driving efficiencies and controlling costs.

The table below shows the forecast costs and income for the duration of this plan against the baseline budget in 2015/16. The majority of the forecast increases relate to the anticipated growth in our number of nuclear specialists that will be recruited in order to meet the demand assumptions outlined on page 10. Specifically, the anticipated growth in response to new GDAs, applications for new site licences, and new nuclear construction in the civil and defence sectors.

Forecast costs	2015/16 £m	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m
Staff	38.5	43.5	47.6	52.1	56.5
Other	25.5	25.3	28.3	28.6	28.9
Total costs	64.0	68.8	75.9	80.7	85.4
Forecast income					
Charges to industry	60.4	65.9	73.6	79.3	84.0
Grant	3.6	2.9	2.3	1.4	1.4
Total income	64.0	68.8	75.9	80.7	85.4

Funding

ONR is largely funded through cost-recovery from duty-holders (96% in 2015/16) and a grant from government. ONR will be seeking to reduce the reliance on the grant by exploring the extension of charging to those areas of regulation that are not already cost recoverable.

Corporate risks

ONR's risk management procedure incorporates good practice in both the public and private sector. The current corporate risks are:

- Failure to protect the confidentiality, integrity and availability of sensitive information and assets from both known and emerging security threats to the UK nuclear infrastructure (e.g. cyber-attacks, terrorist activity, state sponsored espionage).
- Risk that ONR fails to anticipate the regulatory demand from industry/ external duty-holders (e.g. civil and defence sector new build, operational power plant life extension, geological disposal, transport inspection and enforcement) and is unable to effectively plan and match its resources to that demand.
- Risk that ONR's regulatory decision making is inconsistent, disproportionate and insufficiently robust and ONR fails to deliver its strategy for 'modern and enabling' safety and security regulation.
- Risk of non-compliance with public sector requirements and governance best practice e.g. Managing Public Money, HM Treasury guidance, sponsorship framework and corporate governance arrangements and policies.
- Risk to ONR's reputation if hazard and risk reduction at the Sellafield site suffers a loss of momentum.

Business Plan 2016/17

This business plan covers the financial year 2016/17 and sets out the key activities ONR will carry out during the year against the strategic themes set by the Board.

Influencing improvements in nuclear safety and security
<ul style="list-style-type: none">● Continue to deliver effective, prioritised, targeted and proportionate regulation across all programmes.
<ul style="list-style-type: none">● Publish the Chief Nuclear Inspector's Summary Programme Plan which sets out ONR's high level regulatory milestones for 2016/17.
<ul style="list-style-type: none">● Bring together and clarify guidance on enabling regulation by March 2017, and begin to embed the approach across ONR.
Key success criteria
<ul style="list-style-type: none">● High level milestones in the Chief Nuclear Inspector's Plan completed to deadline.
<ul style="list-style-type: none">● Preparation to embed enabling regulatory approach completed.

Inspiring stakeholder respect, trust and confidence
<ul style="list-style-type: none"> ● Provide expert advice to DECC on the efficacy of the civil nuclear regulatory framework in accordance with DECC’s timetable.
<ul style="list-style-type: none"> ● Publish a stakeholder engagement strategy to direct the delivery of improved opportunities to gather stakeholders’ views, and to facilitate the embedding of ONR’s enabling approach to regulation.
<ul style="list-style-type: none"> ● Improve the clarity and purposes of ONR’s international engagement activity to secure the best outcomes for nuclear safety and security in the UK and globally.
<ul style="list-style-type: none"> ● Embed the new arrangements for managing regulatory research and evaluate outcomes against research strategic objectives.
<ul style="list-style-type: none"> ● Develop and maintain a national framework of incident reporting for the areas relevant to ONR as recommended by the International Atomic Energy Agency’s Integrated Regulatory Review Service Mission.
<ul style="list-style-type: none"> ● Deliver a programme of operationally independent reviews to provide assurance to the Chief Nuclear Inspector, the ONR Board and Audit and Risk Assurance Committee that ONR’s regulatory decision making is robust and compliant with published standards and guidance.
Key success criteria
<ul style="list-style-type: none"> ● International strategy agreed by the ONR Board and implementation begun by March 2017.
<ul style="list-style-type: none"> ● In year regulatory research activities delivered to plan, including reporting and evaluation.
<ul style="list-style-type: none"> ● Quarterly reports provided to the ONR Board/Audit and Risk Assurance Committee summarising outcomes of completed regulatory assurance reviews including overall level of assurance.

Achieving our vision through our people
<ul style="list-style-type: none"> ● Formalise a workforce planning approach making best use of ONR’s resources, supporting effective recruitment, succession planning, career development and underpinning organisational resilience.
<ul style="list-style-type: none"> ● Develop and implement an estates strategy that supports the delivery of efficient and effective nuclear regulation.
<ul style="list-style-type: none"> ● Implement a Learning and Development Strategy focusing on 7 key areas: equality and diversity; leadership; management; commercial awareness; knowledge management; career and talent management; media and communications capability.
<ul style="list-style-type: none"> ● Review, refresh and publish the ONR People Strategy to provide direction to enable ONR to achieve its aspiration to be the best employer we can be.
<ul style="list-style-type: none"> ● Develop and establish appropriate career paths and development frameworks for staff across ONR.
<ul style="list-style-type: none"> ● Develop and implement a plan to respond to the findings of the ONR Staff Survey.
Key success criteria
<ul style="list-style-type: none"> ● ONR frontline resource increased by 10% by 31 March 2017.
<ul style="list-style-type: none"> ● Baseline employee engagement index established across all key areas, as evidenced by an independent staff survey.

2016/17 budget

Total ONR Budget

Expenditure	£m
Payroll	43.5
Training and development	0.9
Travel and subsistence	2.9
Research and Technical Support Contracts	10.2
Other charges	11.3
Total	68.8



Office for Nuclear Regulation

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Further information about ONR
is available at www.onr.org.uk

