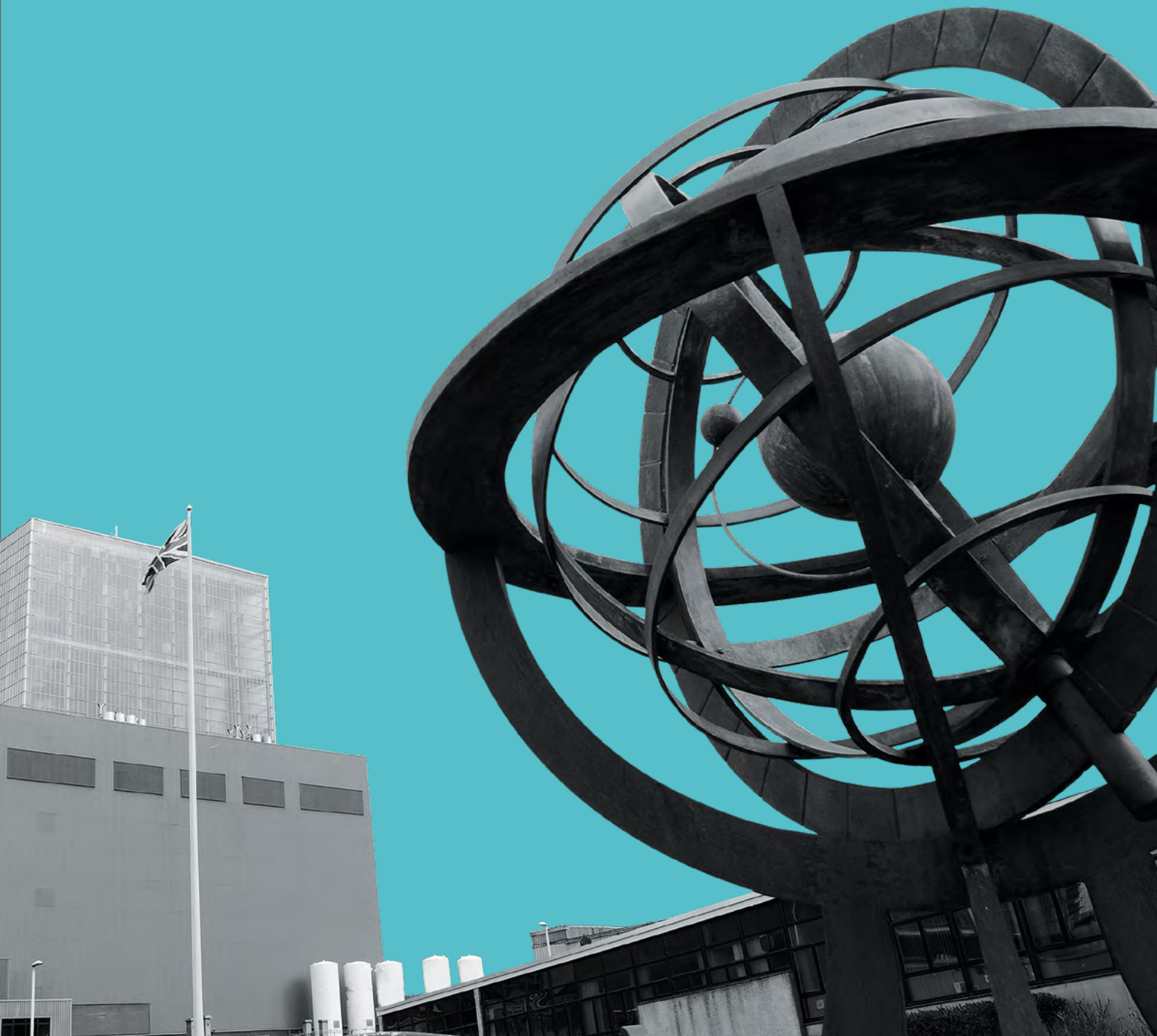




Office for  
Nuclear Regulation

# ONR CORPORATE PLAN

2018/19





# OFFICE FOR NUCLEAR REGULATION CORPORATE PLAN 2018/19

Presented to Parliament pursuant to Paragraph 25(3) of Schedule 7 to the  
Energy Act 2013

**May 2018**



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OUR MISSION IS TO  
PROVIDE EFFICIENT AND  
EFFECTIVE REGULATION  
OF THE NUCLEAR  
INDUSTRY, HOLDING  
IT TO ACCOUNT ON  
BEHALF OF THE PUBLIC



## 1

## FOREWORD

- 1.1. The nuclear industry is experiencing renewed focus, signalled not only by the UK government's ongoing commitment to nuclear energy as a key element of the Clean Growth Strategy and the Industrial Strategy, but also the decision to commission a successor for Trident. We continue to prepare for the significant regulatory demands we will face as a result of the UK's decision to withdraw from the European Union. Organisationally, it is imperative we are equipped to support growth, are adaptable to change and optimise our ability to deliver effective world-class regulation.
- 1.2. We intend to build on our 2017/18 achievements to help protect the public and the environment from harm and promote nuclear safety and security across the globe. This is dependent on our people, who are highly professional and driven to deliver the best outcomes for the organisation. We are committed to investing in organisational capability to optimise the opportunities to develop their skills, knowledge and experience while providing them with the tools and techniques to excel as we further professionalise the organisation.
- 1.3. We are becoming an increasingly diverse organisation. We are reducing the average age of our employees, hiring more women in regulatory roles, taking on people with more diverse perspectives, and employing graduates and apprentices. We are also using external insights to influence the way we think and further inform growth of a healthy ONR culture that promotes excellence in all areas. We will continue to improve our leadership and management culture and training to make ONR an even better place to work.
- 1.4. As the UK's sovereign regulator, we are legally empowered to hold industry to account on behalf of the public and we will continue to do this with pride and passion. Maintaining delivery of our core regulatory functions and recognising the need for specific focus on sites in enhanced and significantly enhanced regulatory attention remains a key priority.
- 1.5. We regulate the safety and security of a significant nuclear legacy, radioactive waste, an ageing reactor fleet, ageing defence facilities, nuclear new build and the transport of civil radioactive materials. We also regulate conventional health and safety, including fire safety, on licensed nuclear sites and provide regulatory oversight for the transportation of civil nuclear materials. We also support the UK in meeting its safeguards obligations through facilitating the current activities of Euratom.
- 1.6. We will continue to adopt our enabling, goal-setting approach to regulation that provides a constructive way of working with all dutyholders and other relevant stakeholders to facilitate effective delivery against clear and prioritised safety and security outcomes. We also recognise that some hazards cannot be tackled in isolation. We will continue to promote constructive joined-up working with licensees, other dutyholders and other agencies to take strategic action in the public interest.
- 1.7. 2018/19 presents a challenging operating environment, particularly in respect of new build and the creation of a UK State System of Accountancy for and Control of Nuclear Materials (SSAC). Preparing to deliver this is a key priority for ONR and we are building regulatory capability and capacity to do so. We will continue to engage extensively with stakeholders in the UK and Europe to ensure a safe and secure transition to the new arrangements.

WE ARE LEGALLY EMPOWERED TO HOLD INDUSTRY TO ACCOUNT ON BEHALF OF THE PUBLIC AND WE WILL CONTINUE TO DO THIS WITH PRIDE AND PASSION

- 1.8. In 2018/19 we will increase our efforts to establish strong organisational capability and develop more efficient and effective business processes within a robust governance framework. We will embed sustainable capability and capacity to drive real value, deliver more proportionate, cost effective regulation, optimise our effectiveness and mitigate our risks in a more open and transparent way.
- 1.9. This year, we will focus on our top ten priorities which are outlined in the Executive Summary in Section 2.
- 1.10. Our senior leaders' capability and collaborative approach delivers the strength and resilience necessary to steer ONR effectively and provide the strategic direction, oversight and control that our challenging operating environment demands.
- 1.11. During 2018/19, we will strengthen the foundations of our activity to modernise ONR, as we start to develop opportunities and establish new, more efficient and effective ways of working. We will continue to work with our stakeholders, learning from their feedback to strengthen our engagement, and reinforcing our inclusive yet independent approach. This is to ensure we remain respected across the world, and continue to exert a positive influence on nuclear safety and security at home and abroad.



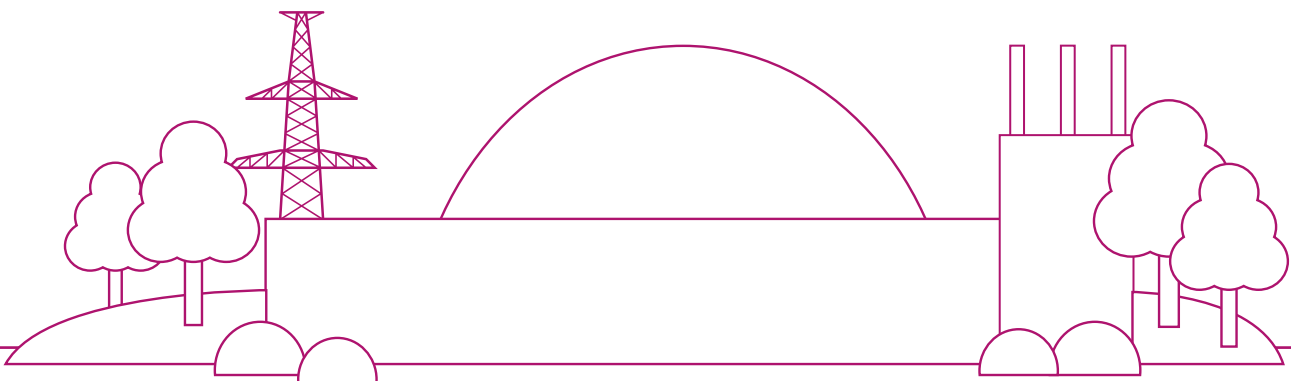
**Nick Baldwin CBE**  
Chair



**Adrienne Kelbie**  
Chief Executive



**Mark Foy**  
Chief Nuclear Inspector







THIS PLAN SETS OUT OUR 2018/19 REGULATORY  
PRIORITIES AND THE NEXT STEPS IN OUR  
IMPROVEMENT AND MODERNISATION JOURNEY





# 2

## ABOUT THIS PLAN

- 2.1 In this document, we set out our aspirations, challenges, risks and opportunities. By doing this, we intend to inform your understanding of the next stage of our journey towards achieving our 2020 strategic intent.<sup>1</sup>
- 2.2 Last year, we focused on our leadership capability at Executive Management Team and Regulatory Management Team level, working better together to provide strength and depth in our leadership capability and improve our effectiveness. Developing these new relationships and perspectives has facilitated more effective strategic oversight and collaborative working.
- 2.3 We made good progress in 2017/18 and are seeing the benefits of our early modernisation activity. This plan sets out our 2018/19 regulatory priorities and the next steps in our improvement and modernisation journey.

## EXECUTIVE SUMMARY

- 2.4 Our overarching priority is to continue to deliver efficient and effective regulation of the nuclear industry in the context of significant regulatory demands and challenges. In addition to our core regulatory activity, we are developing an independent UK State System of Accountancy for and Control of Nuclear Materials (SSAC), which will enable the UK to meet international safeguards standards by the end of March 2019. We will continue to assess nuclear site security plans and roll out our new Security Assessment Principles (SyAPs), ensuring proportionate regulation. We will also ensure we are compliant with new General Data Protection Regulation (GDPR) requirements.
- 2.5 Our regulatory pedigree is respected domestically and internationally; to maintain this we need to optimise the quality of our stewardship and our organisational effectiveness. We will do this through investing in capability to further professionalise our organisation.

<sup>1</sup> <http://www.onr.org.uk/documents/2016/strategic-plan-2016-2020.pdf>



## TOP TEN PRIORITIES 2018/19

### Influencing improvements in nuclear sector safety and security

1. Maintain delivery of our core regulatory functions, holding industry to account on behalf of the public. We will focus on sites in enhanced and significantly enhanced regulatory attention and the initial assessment of SyAPs-informed nuclear site security plans.
2. Develop an independent UK State System of Accountancy for and Control of Nuclear Materials (SSAC) to meet international safeguards standards by the end of March 2019.
3. Support implementation of the emergency preparedness elements of the Euratom Basic Safety Standards Directive (BSSD) (2013), including developing a Code of Practice (and associated guidance) to support development of revised Radiation (Emergency Preparedness and Public Information) Regulations (REPPiR) (2018).



### Inspiring a climate of stakeholder respect, trust and confidence

4. Strengthen our stakeholder engagement and insight to enhance public confidence in ONR's regulation, while addressing the areas for improvement in response to our 2017 stakeholder survey.



### Getting the best out of our people

5. Embed the ONR Academy and enhance our succession planning, talent management and learning opportunities to improve our capability, organisational resilience, management and leadership skills.
6. Simplify and refine our management structures to deploy more skilled leaders who provide consistent management and development of staff, releasing regulatory capacity.
7. Focus on improvements, informed by our 2017 Staff Survey, across four key drivers: Feeling Valued, Leadership and Management, Behaviours, and Managing Change, supported by an ONR-wide action plan to keep us on track.



### Developing a high-performing, sustainable organisation

8. Improve our cyber security and information governance by building our own networks, establish plans to commence migration of our data from Health and Safety Executive (HSE) systems and ensure we are compliant with the new GDPR requirements.
9. Modernise our operating environment to transform the way we work, including enhancements in IT, effective change management and introducing smarter working practices in our office environments.
10. Commence a programme (to 2020) to simplify and standardise our major regulatory processes, prioritising knowledge management and business process review, improving our efficiency and effectiveness.



**OUR VISION IS TO BE AN EXEMPLARY REGULATOR THAT INSPIRES RESPECT, TRUST AND CONFIDENCE**

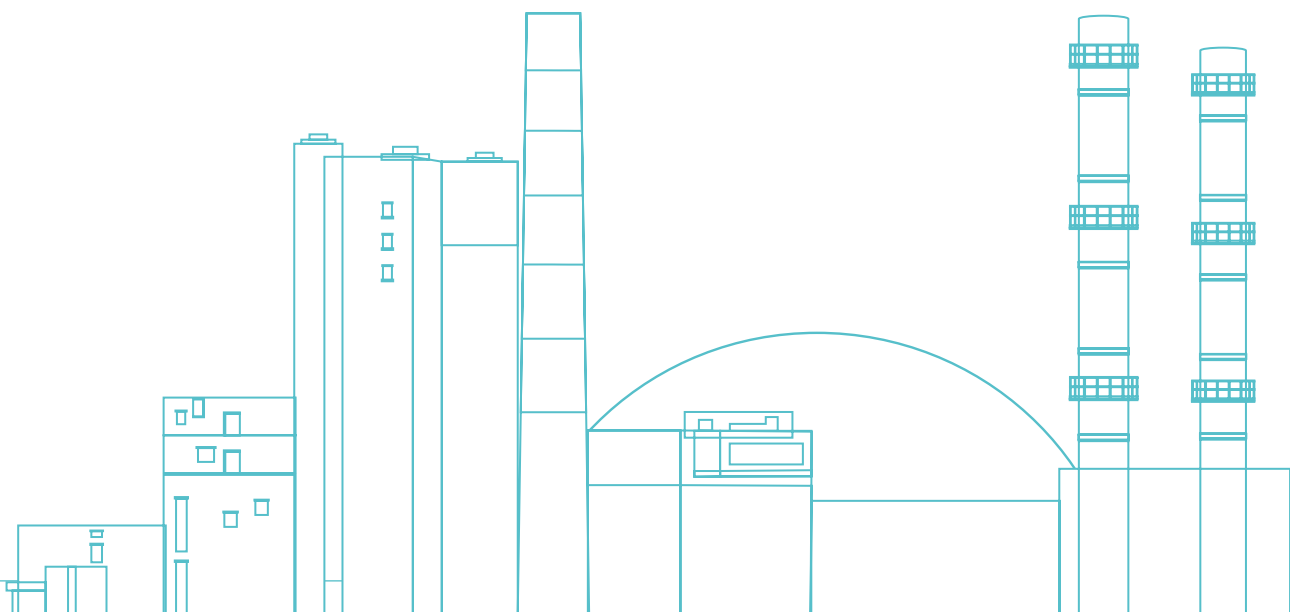
- 2.6 Our planned modernisation and risk mitigation activity will enhance capability and capacity; it will enable us to become more self-sufficient, drive greater value from our enabling functions, minimise our environmental impact, and exploit opportunities for IT enhancements to make process improvements and deliver more effective change management. This will be against a backdrop of focused enhancements to our organisational capability, driving improvements in behaviours and our leadership and management characteristics, and reinforcing the value we place on our people.
- 2.7 During 2018/19, we will build on the foundations of our activity to modernise ONR that we started in 2017/18; we will grasp modernisation opportunities and start to build the environment to support new, more efficient and effective ways of working. This includes activity to begin separating our networks and data storage arrangements from HSE, beginning to modernise our regulatory systems, adopting smarter ways of working in our accommodation and space utilisation, establishing a fully operational ONR Academy, and pursuing opportunities to standardise and automate some of our management processes.
- 2.8 Our top ten priorities for 2018/19 are summarised under our strategic themes, as shown to the left.

## ABOUT ONR

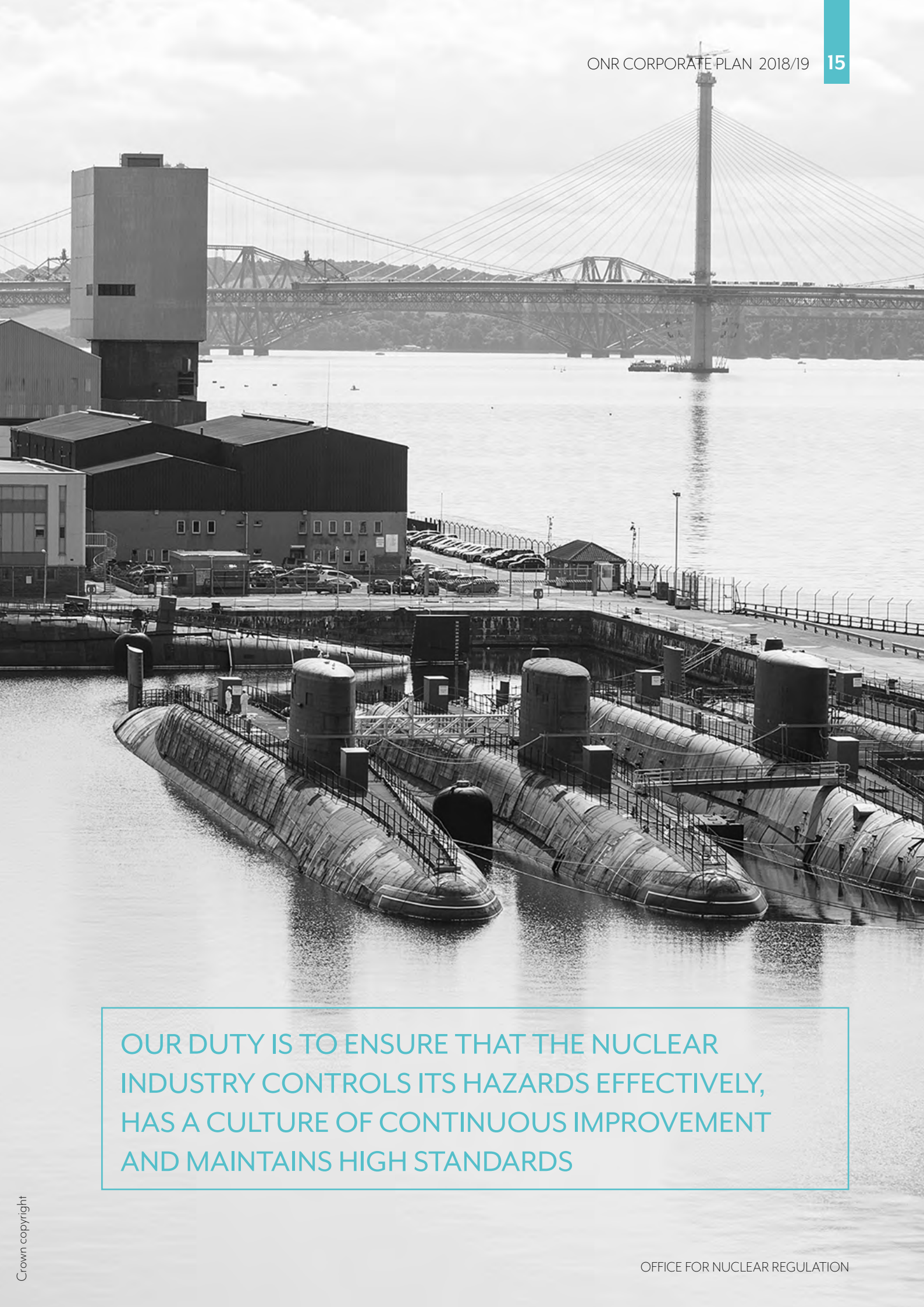
### Who we are

- 2.9 ONR is Great Britain (GB)'s independent nuclear regulatory authority, a public corporation set up by the Energy Act 2013 to regulate nuclear safety, security and conventional health and safety at licensed nuclear sites in GB. This includes the existing fleet of operating reactors, fuel cycle facilities, waste management and decommissioning sites, and licensed defence sites, together with the regulation of the design and construction of new nuclear facilities. We also regulate the transport of nuclear and radioactive materials. Our nuclear security regulation covers approval of security arrangements within the civil nuclear industry and provides regulatory oversight for the transportation of civil nuclear materials.
- 2.10 Our vision is to be an exemplary regulator that inspires respect, trust and confidence.
- 2.11 We are governed by an eleven-strong unitary Board, comprising Chair, six independent Non-Executive Directors and four Executive Directors, who support the work of approximately 600 (c. 560 full time equivalents) staff based in Liverpool, Cheltenham and London. Nick Baldwin CBE is our Non-Executive Chair. Our Board is now at full strength, following the recruitment of an additional Non-Executive Director within the provisions of the Energy Act 2013.

- 2.12 Our Chief Executive, Adrienne Kelbie, is appointed as our Accounting Officer by DWP's Permanent Secretary, the Principal Accounting Officer. She is personally and directly accountable to Parliament for ensuring all funds are spent in accordance with Parliament's intentions and in accordance with HM Treasury's 'Managing Public Money' guidance.
- 2.13 The ONR Board has delegated all regulatory decisions to our Chief Nuclear Inspector (CNI), Mark Foy, who is personally and directly accountable for ensuring that our regulatory activities are targeted and our decisions are proportionate and consistent.
- 2.14 Our mission is to provide efficient and effective regulation of the nuclear industry, holding it to account on behalf of the public. We independently regulate nuclear safety, security and conventional health and safety across licensed nuclear sites in GB and perform targeted inspection activity across their supply chains as appropriate. We also regulate the safety and security of civil transport of nuclear and radioactive materials, and ensure that safeguards obligations for the UK are met.
- 2.15 The UK operates a goal-setting approach to nuclear safety, nuclear security and conventional health and safety. ONR seeks to ensure the required high standards of safety and security in the nuclear sector are met. Our duty is to ensure that the nuclear industry controls its hazards effectively, has a culture of continuous improvement and maintains high standards.
- 2.16 Our goal-setting approach encourages innovative and flexible solutions that reflect local circumstances, while placing clear accountability on dutyholders to achieve the required high standards of nuclear safety and security. By working more openly with stakeholders, a collective view of risk and potential solutions can be adopted and, in turn, relevant good practice shared with others to encourage continuous improvement.
- 2.17 To be an efficient and effective regulator, we will also need to identify and learn lessons from our activities and employ practices and behaviours consistently where they have been proven to deliver successful safety and security outcomes. This enabling approach to regulation means that we will take a constructive approach with dutyholders and other stakeholders to facilitate effective delivery against clear and prioritised safety and security outcomes. The focus is on strengthening industry accountability, while enabling dutyholders to discharge their accountabilities in an efficient and effective way.
- 2.18 We can adopt enabling approaches most readily where the dutyholder is compliant with the law, but we are also enabling in bringing them back into compliance, recognising the need for specific focus on sites in enhanced and significantly enhanced regulatory attention. This is not new for ONR and there are many examples where this approach has been successful. We need to ensure that we continue to encourage innovation and we will apply these proven approaches more consistently during the period covered by this Corporate Plan 2018/19.





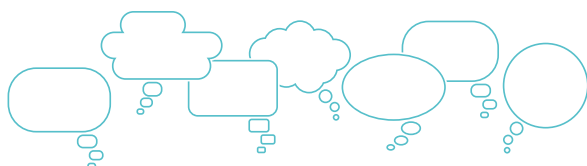


OUR DUTY IS TO ENSURE THAT THE NUCLEAR INDUSTRY CONTROLS ITS HAZARDS EFFECTIVELY, HAS A CULTURE OF CONTINUOUS IMPROVEMENT AND MAINTAINS HIGH STANDARDS

- 2.19 Our activity in respect of transport focuses on regulating safety and security during the transport of radioactive material by road, rail and inland waterways in GB. We advise on the transportation of nuclear and radioactive material by air and sea within the UK's territorial waters. This includes the movement of flasks carrying spent nuclear fuel from operating and decommissioning nuclear reactors and radio-pharmaceuticals needed for hospitals.
- 2.20 We carry out a range of regulatory activities to assure the safe transport of radioactive materials. We grant approval for the designs of packages used to carry high-hazard radioactive materials. This is to ensure they meet exacting international safety standards and the packages are built to robust quality assurance plans and are correctly used and maintained. Regulation is also carried out through a programme of targeted, risk-informed inspections and engagement with dutyholders.
- 2.21 Working with the environment agencies, we undertake Generic Design Assessments (GDA) at the request of government on new reactor designs for potential vendors. The principal aim of the GDA process is to reduce regulatory uncertainty and provide clarity on safety and security design modifications required as a result of the UK regulatory system ahead of construction on site. GDA is a staged approach that considers the design in greater detail as each stage progresses. At the end of the process, should the design be suitable for construction, a Design Acceptance Confirmation (DAC) is issued.
- 2.22 We share appropriate information about what we do, how we do it and our judgements by engaging with stakeholder groups at all sites, with non-government organisations (NGOs), the public, media and MPs and by publishing reports and information.
- 2.23 We deliver our statutory obligations, in a manner consistent with international obligations, through six core functions, which are reflected in our Summary Regulatory Plan 2018/19 (see Appendix B). These are summarised as follows:
1. Inspect and evaluate the safety and security culture and performance of our dutyholders, ensuring risks are well controlled.
  2. Enforce the law in accordance with our Enforcement Policy Statement.
  3. Deliver a permissioning regime, ensuring that dutyholder activities of principal significance to nuclear safety and security achieve UK legal standards.
  4. Maintain and improve the regulatory framework, maintain ONR's management systems and sustain our regulatory capability.
  5. Engage, inform, advise and consult with dutyholders, international bodies and other stakeholders.
  6. Influence our licensees to develop through-life strategies, achieving sustained delivery of good practice in health, safety and security.
- 2.24 We deliver a number of integrated functions within the Regulatory Directorate, including emergency preparedness and response, regulatory intelligence, regulatory standards and guidance developments and regulatory research.
- 2.25 Our regulatory planning assumptions, agreed with government, are included at Appendix C.

## Where we do it

- 2.26 ONR regulates nuclear sector safety and security matters across GB, which comprises a range of operating, decommissioning and other facilities, as illustrated in Figure 1. We regulate 36 licensed nuclear sites, including the construction site at Hinkley Point C. Figure 1 also includes other non-licensed Ministry of Defence sites, where we have specific vires (as outlined in paragraph 3.7) and potential new build sites.
- 2.27 This plan makes reference to the application of the UK regulatory framework. Variances between administrations are highlighted and differentiation is made between GB and the UK, where required, to reflect aspects of law and practice.



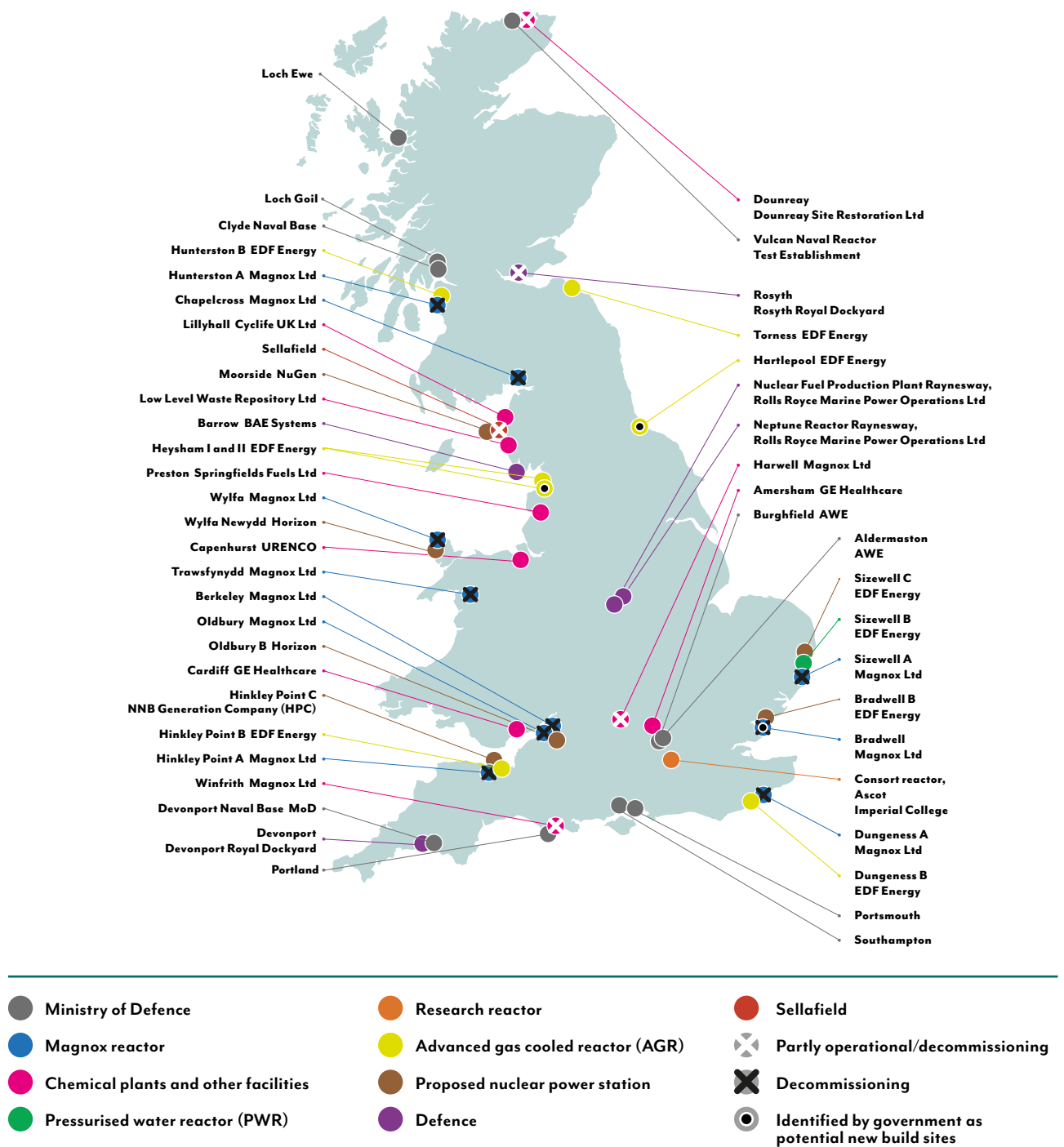
WE DELIVER OUR STATUTORY OBLIGATIONS, IN A MANNER CONSISTENT WITH INTERNATIONAL OBLIGATIONS, THROUGH SIX CORE FUNCTIONS



2.28 ONR does not have regulatory powers concerning nuclear safety in Northern Ireland and licensing of a nuclear installation is vested in the government. There are no nuclear installations currently in Northern Ireland, none in the past or planned for the future. However, ONR has agreements with Department for Environment, Food and Rural Affairs (DEFRA) – Northern Ireland, to ensure transport of radioactive material is regulated effectively by all modes of transport throughout the UK.

2.29 Since nuclear is a global sector, we work closely with international regulators and nuclear agencies in the common pursuit of continuous improvement in policy and practice (see Section 3).

FIGURE 1 – MAP OF REGULATED SITES, INCLUDING POTENTIAL NEW BUILD



OUR OVERARCHING PRIORITY IS TO CONTINUE TO DELIVER EFFICIENT AND EFFECTIVE REGULATION OF THE NUCLEAR INDUSTRY IN THE CONTEXT OF SIGNIFICANT REGULATORY DEMANDS, CHALLENGES AND UNCERTAINTY



# 3

## OUR OPERATING ENVIRONMENT

3.1 Our overarching priority is to continue to deliver efficient and effective regulation of the nuclear industry in the context of significant regulatory demands, challenges and uncertainty.

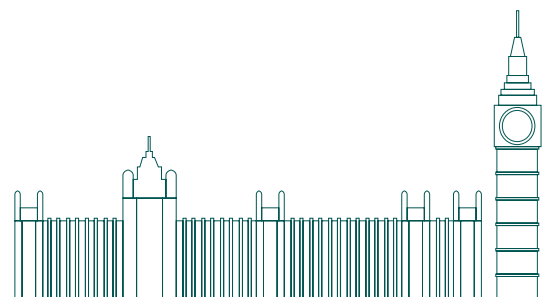
### OUR RELATIONSHIP WITH UK GOVERNMENT

- 3.2 As a public corporation, we are accountable to Parliament through the Secretary of State for Work and Pensions and sponsored by the Department for Work and Pensions (DWP), in relation to governance, finance and conventional health and safety issues.
- 3.3 The expansion of our Policy and Communications Directorate has provided an enhanced capability and capacity to manage interfaces with government departments and support regulatory colleagues in their engagements with and across government.
- 3.4 We work closely with the Department for Business, Energy and Industrial Strategy (BEIS), whose Secretary of State is accountable for the UK civil nuclear regulatory framework and policies. These include civil nuclear safety and security, new-build and decommissioning programmes, emergency planning and response, nuclear material safeguards and regulation of the transport of radioactive material. We also provide effective assurance information to the Secretary of State across all these areas.

3.5 Through BEIS, we seek to appropriately inform matters of policy, including advising on the implications of the UK's decision to leave the European Union and exit the Euratom treaty.

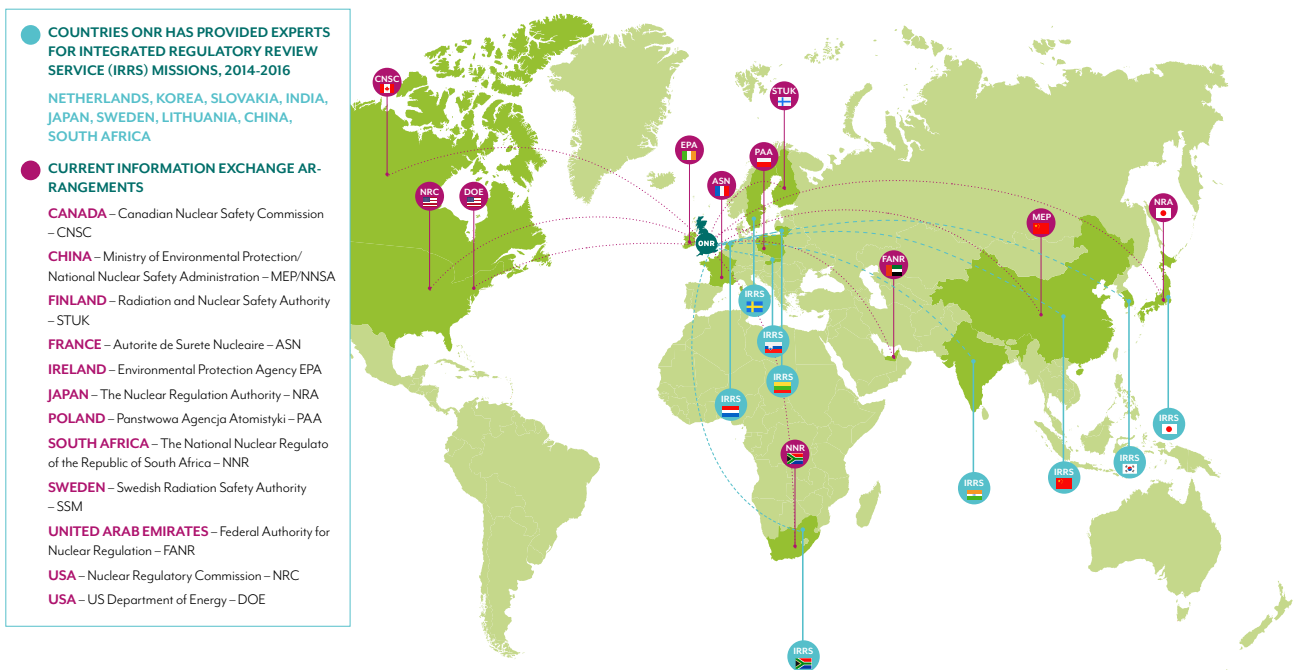
3.6 The Secretary of State for Defence is accountable to Parliament for nuclear safety and security at nuclear sites operated wholly or mainly for defence purposes. We work closely with the Ministry of Defence (MOD): there are seven licensed nuclear sites which contribute to MOD's Defence Nuclear Programme. These sites provide and maintain the warheads for the UK's nuclear deterrent and support the UK's nuclear powered submarines. MOD is a Crown body and the sites it operates have some exemptions from legislation. In addition, the Nuclear Installations Act 1965 excludes any nuclear reactor comprised in a means of transport, such as a submarine, thereby exempting parts of Devonport Royal Dockyard Limited from licensing.

3.7 The MOD internal regulator, the Defence Nuclear Safety Regulator (DNSR), leads on regulating nuclear safety at the non-licensed sites. However, the MOD is not exempt from the duties imposed by Health and Safety at Work Act 1974, and other provisions such as the Ionising Radiations Regulations (IRR) 2017 or REPIR 2001. ONR is the enforcing authority under these regulations and other legislation. ONR works closely with DNSR to ensure efficient, effective and complete regulation is delivered on all the defence related sites.



- 3.8 Several naval sites undertake nuclear-related activities, but are exempt from aspects of ONR regulation because they are under the control of the Crown (MoD) and activities fall under defence legal exemptions. On these sites, nuclear and radiation safety is regulated jointly by DNSR and ONR. ONR is the enforcing authority for conventional health and safety regulation on these sites and for IRR 2017 and REPPiR 2001.
- 3.9 The government's Regulators' Code<sup>2</sup> came into force in April 2014 and it provides a framework for how UK regulators should engage with those they regulate. During 2018/19, we will publish an update of our self-assessment of performance against the Regulators' Code.
- 3.10 Overall, ONR's activity aligns well with the Regulators' Code. In particular, our regulatory framework and enabling approach embrace proportionality, our engagement with other regulators is highly collaborative, and the publication of our staff guidance for inspection and assessment provides a good basis for openness and transparency. Feedback in our stakeholder survey suggests our guidance is clear and easy to understand by those we regulate. However, we are not complacent, and following a self-assessment exercise we have identified improvements we will make to better align our activity with the code.
- 3.11 ONR has a duty to have regard to the desirability of promoting economic growth since the Economic Growth (Regulatory Functions) Order 2017<sup>3</sup> brought all of ONR's functions in scope of this duty on 29 March 2017. There is no change to how we regulate in terms of ensuring the high standards of safety and security we expect in the nuclear sector, as the principles of proportionality have been embedded in ONR's goal-setting regulatory framework for decades. We will continue to develop a greater understanding of industry costs and further embed our enabling approach to ensure we remain proportionate.
- 3.12 As required by the UK government's Better Regulation initiative, we will complete Business Impact Target (BIT) assessments as required. This will increase our understanding of the costs to business of changes to regulatory guidance and approaches, and improve our strategic engagement with, and insight of, those we regulate.
- 3.13 We will continue to work with government on the transposition of the BSSD (2013), ensuring the development of a Code of Practice that will support dutyholders to implement the revised REPPiR regulations.

FIGURE 2 – INTERNATIONAL ACTIVITY MAP



<sup>2</sup> Department for Business Innovation and Skills; Better Regulation. Delivery Office Publication, April 2014 Regulators' Code.  
<sup>3</sup> Economic Growth (Regulatory Functions) Order 2017 <http://www.legislation.gov.uk/uksi/2017/267/contents/made>



- 3.14 We also expect to work with BEIS on a regular basis as we up-skill resources and prepare for a potential increase in Advanced Nuclear Technologies (ANTs), which includes Small Modular Reactors (SMRs) and Advanced Modular Reactors (AMRs).
- 3.15 On 12 October 2017, as part of the Clean Growth Strategy, the government announced an immediate investment to further develop the capability and capacity of the nuclear regulators to support and assess the development of advanced technologies. Within this framework, we have developed a training strategy and are putting in place the means to grow our capability in ANTs, with focus on SMRs and AMRs. The aim of our ANT training programme is to ensure that ONR is able to support BEIS in its AMR competition announced in December 2017 and to continue ONR's capability growth in this area for future regulation of ANTs.

## OUR INTERFACE WITH REGULATORS AND AGENCIES

- 3.16 We work closely with the UK environmental regulatory bodies to deliver the overall regulatory mission at GB nuclear sites. Our respective roles are set out in Memoranda of Understanding (MoU) with the Environment Agency (EA), Natural Resources Wales (NRW) and the Scottish Environment Protection Agency (SEPA), known collectively as the environment agencies.
- 3.17 We will continue to work with EA and NRW on the GDA of new build reactor technologies and preparations for regulating a future Geological Disposal Facility (GDF) through the joint regulatory guidance on radioactive waste management.
- 3.18 In response to a request from BEIS, and funded by BEIS, the regulators are reviewing their processes and guidance to ensure that they are fit for the purpose of regulating ANTs. We are developing a proposal for a more flexible design assessment process that better suits the differing levels of maturity and development of SMR vendors and their technologies and, at the same time, captures lessons learned from previous and ongoing GDAs. While remaining consistent with earlier GDAs, the revised design assessment process should provide an enabling approach to SMR development and deployment.
- 3.19 ONR has an MoU with HSE to deliver conventional health and safety regulation at nuclear sites and works closely with HSE on specific policy-related matters and national strategic priorities.
- 3.20 In respect of radiation protection, we work with Public Health England, which has UK-wide responsibility to provide advice and technical services on matters concerned with radiation hazards and protection. This is particularly important this year as we focus on the ongoing implementation of the BSSD 2013, including the production of guidance.
- 3.21 The Secretary of State for Defence is accountable for nuclear safety and security at nuclear sites operated for defence purposes and ONR has an MoU with MOD. ONR has a joint working relationship with DNSR, as provided for in the MoU, and a Letter of Understanding sets out the agreed framework for coherent regulation of the Defence Nuclear Programme.
- 3.22 ONR has agreements with the Civil Aviation Authority and Maritime and Coastguard Agency via the Department for Transport and the Department for Environment, Food and Rural Affairs (DEFRA) – Northern Ireland, to ensure transport of radioactive material is regulated effectively by all modes of transport throughout the UK. We also work closely with HSE, the environment agencies and other stakeholders to ensure transport of radioactive material is regulated effectively and efficiently, in accordance with the principles of the Regulators' Code.
- 3.23 We work cooperatively with other agencies, including EA, Department for Transport, HSE, police forces and Border Force in the area of radioactive materials transport. We support industry groups and professional bodies to promote improved compliance. This includes the publication of dutyholder guidance on our website to help those we regulate to understand their legal responsibilities.

## OUR RELATIONSHIP WITH INTERNATIONAL NUCLEAR ORGANISATIONS

- 3.24 ONR undertakes a broad range of international engagements and has a number of information exchange agreements in place to fulfil safety, security and civil transport of radioactive material obligations, promote global co-operation and ensure the UK's safeguards obligations are met.

3.25 Although nuclear safety and security regulation is a sovereign activity, we operate in a sector which seeks international sharing and harmonisation of knowledge and practices. Working through the International Atomic Energy Agency (IAEA), we discharge our multilateral responsibilities, such as influencing their development of safety standards and security guidance that we incorporate into our regulatory system to promote high standards.

3.26 As part of our activity to deliver a safeguards regime that meets international safeguards standards, we will engage extensively with international organisations, including the IAEA, to ensure a safe and secure transition. We also actively support IAEA co-ordinated expert peer review missions of regulatory frameworks. Figure 3 summarises our international engagement.

3.27 A key objective of our development work on ANTs is to strengthen engagement with overseas regulators and international organisations to help us achieve the technical development required to regulate ANTs. We are planning to further extend the international activities related to ANTs. ONR, funded by BEIS, is currently undertaking the following:

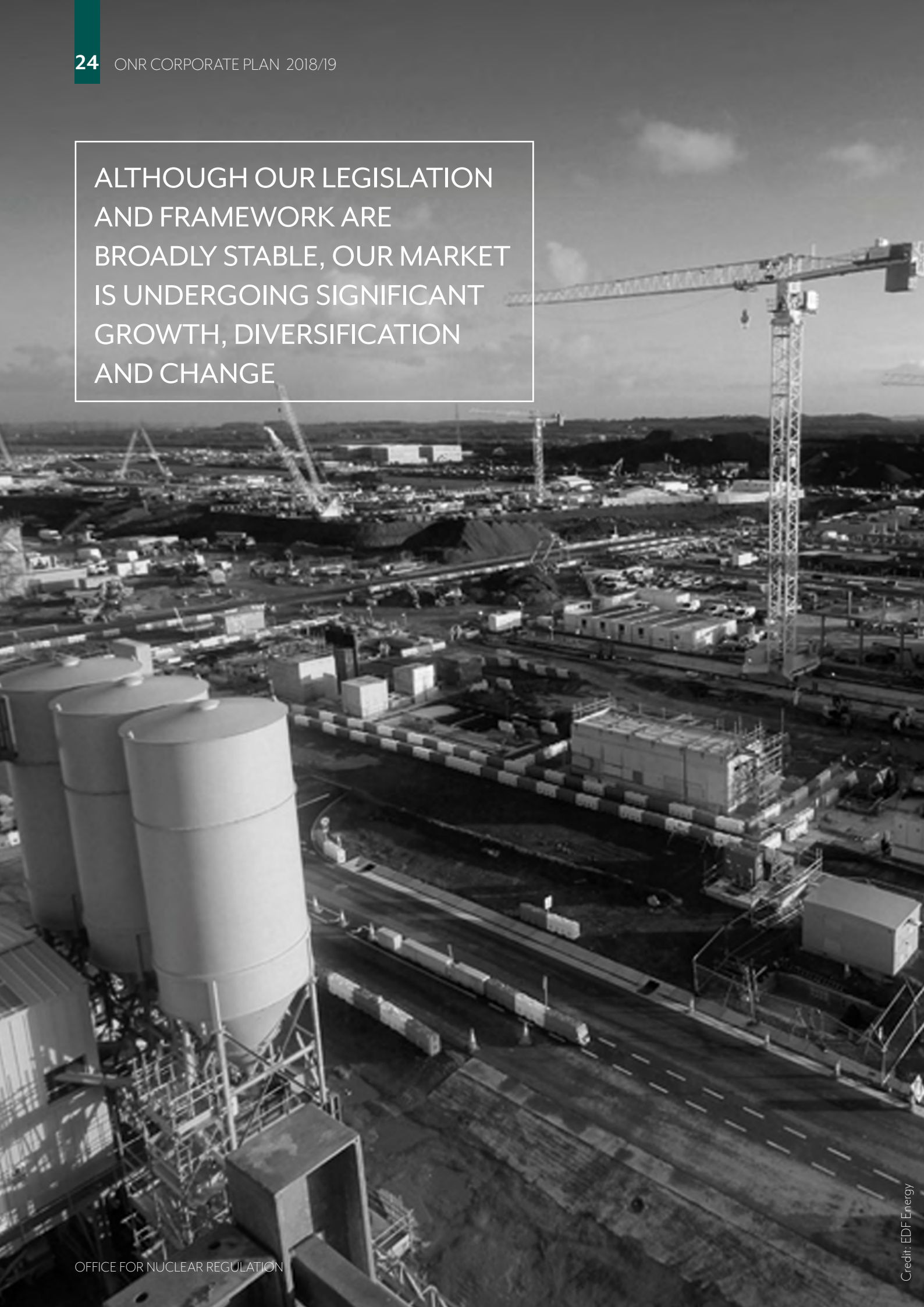
- participation in the SMR Regulators’ Forum (under IAEA)
- participation in the Nuclear Energy Agency (NEA)’s Working Group on the Safety of Advanced Reactors (WGSAR)
- multilateral/bilateral discussions on SMRs with overseas regulators.

FIGURE 3 – INTERNATIONAL ENGAGEMENT



- 3.28 The UK is a member of the Organisation for Economic Co-operation and Development (OECD) and the NEA. ONR participates in a range of the agency's nuclear safety work streams and this year we will measure our effectiveness against elements of the NEA Regulatory Effectiveness framework.
- 3.29 ONR is a member of the NEA's Multinational Design Evaluation Programme (MDEP), collaborating with other foreign national regulators looking at new reactor designs through cross-cutting themes. MDEP enables us to work with other regulators to leverage resource and knowledge to facilitate more efficient and effective design assessments. This is of particular importance to develop our approach to regulation of the supply chain, to assure the quality of nuclear safety-related components.
- 3.30 During 2018/19, we will support establishment of an international working group under MDEP on the HPR1000 design. We will continue international co-operation in our approach to regulation of the supply chain to gain assurance of the quality of nuclear safety-related components. In part, this will be through the MDEP supply chain working group.
- 3.31 Nuclear is a global business and, as such, the IAEA conventions and safety requirements require member states to co-operate in the interests of securing high standards of nuclear safety. Bilateral international exchange arrangements facilitate such co-operation outside of international forums run by IAEA, European Commission and OECD. ONR has bilateral information exchange arrangements with a number of international regulators to facilitate the sharing of information. This includes established nuclear states, such as France, Finland and Canada, those with planned new reactors such as China, Poland and the United Arab Emirates, and non-nuclear neighbouring states, such as the Republic of Ireland.
- 3.32 We support a significant portfolio of international work with the IAEA and NEA that enables us to influence globally, learn from relevant international good practice and maintain alignment with international obligations, standards and conventions. The UK co-operates with members of the European Union through groups such as the European Nuclear Safety Regulators Group (ENSREG) and more widely via groups such as the Western European Nuclear Regulators' Association (WENRA).
- 3.33 In 2018/19, we will continue to play an active role in Europe as a member of ENSREG and WENRA, including the forthcoming Topical Peer Review on Ageing Management and as Mark Foy, Chief Nuclear Inspector (CNI), discharges his role as Vice Chair of ENSREG. In the post-Brexit period, we expect to continue to be full members of WENRA, although our status within ENSREG is yet to be determined; at present we assume that we will be granted observer status.
- 3.34 Following the UK's decision to leave the European Union, we will continue to work with government to meet the UK's continuing commitments (for example, the Nuclear Safety Directive) and identify and plan for changes required to implement revised government policy. We will support the UK government in managing a smooth exit from Euratom, particularly in relation to nuclear safeguards arrangements and helping ensure the UK's continued compliance with international standards.
- 3.35 We will maintain our approach to seeking independent advice and guidance to inform our future regulatory strategy and approaches from our CNI Independent Advisory Panel, a group of senior industry representatives, experts from academia and other regulators. Its main purpose is to:
- provide a forum in which experts representing a variety of technical perspectives may provide independent advice to inform ONR's proposals for development of regulatory policies and strategies
  - identify and advise ONR on future developments in nuclear technologies and their potential implications for nuclear regulation
  - advise on the adequacy and balance of the safety and security research needs identified by ONR and the work commissioned to meet them
  - facilitate ONR's engagement with external centres of technical excellence.

ALTHOUGH OUR LEGISLATION  
AND FRAMEWORK ARE  
BROADLY STABLE, OUR MARKET  
IS UNDERGOING SIGNIFICANT  
GROWTH, DIVERSIFICATION  
AND CHANGE





WE SEEK TO BE BALANCED AND FAIR IN ENGAGING AND RESPONDING TO ALL PERSPECTIVES, RECOGNISING OUR PURPOSE, ROLE, AND ABOVE ALL, OUR IMPARTIALITY

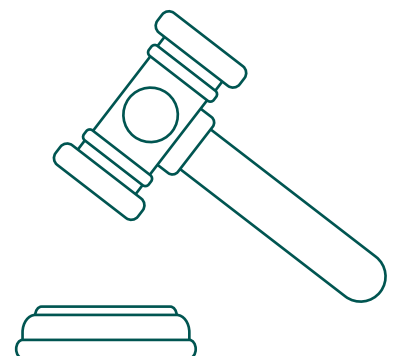
## INDUSTRY

- 3.36 Although our legislation and framework are broadly stable, the industry is undergoing significant change and growth. This is in the context of challenges presented by ageing facilities and operating reactors, major decommissioning, civil reactor new build, new technologies, renewal of Britain's nuclear deterrent, more diverse duty holders and increased globalisation.
- 3.37 We engage with licensees and other dutyholders at many levels, including information exchange, tactical and strategic meetings held at senior levels within ONR and stakeholder organisations.
- 3.38 To achieve our mission and objectives, we will continue to work constructively, efficiently and effectively with all stakeholders. We assess licensees' safety cases to ensure that risks and hazards have been evaluated and are properly controlled before permission to undertake key activities is granted. We inspect to ensure that licensees comply with their licence conditions and other legal requirements relevant to nuclear sites. We will assess SyAPs-informed nuclear site security plans and inspect compliance against them. We apply the law, either to influence suitable improvements or to hold non-compliant dutyholders to account through formal enforcement, such as regulatory letters, notices or through prosecution.
- 3.39 We will continue to ensure that our site strategies are proportionate to the risks presented by each site, applying inspection plans that are tailored to address the regulatory issues for the site and focus on the key legal duties, for example, focusing on radioactive waste and decommissioning licence conditions at decommissioning sites. We employ a multi-tiered engagement approach that is relevant to the site's size, complexity and hazards.

- 3.40 Where our regulatory activities identify shortfalls in dutyholders' arrangements or their implementation, we record an ONR Issue to manage the progress made by the dutyholder in taking any necessary remedial action in making the improvement to safety or security.
- 3.41 We will continue to play an active role in key stakeholder groups and the Safety Directors' Forum (SDF). The SDF objectives relevant to the ONR interface are to identify key strategic safety and security issues facing industry, identify appropriate industry response, work with regulators to agree common goals and priorities in pursuit of excellence and facilitate sharing of regulatory developments and responses to them.

## OTHER STAKEHOLDERS

- 3.42 As a body that operates on behalf of the public, we recognise and engage with a wide range of stakeholders. These include the nuclear industry, government, stakeholder groups, the media, academics, and nuclear and non-nuclear regulators. We do so at a local, national and international level.
- 3.43 Some have strong concerns about nuclear safety and security, while others are highly supportive. We seek to be balanced and fair in engaging and responding to all perspectives, recognising our purpose, role and, above all, our impartiality.
- 3.44 We engage directly with NGOs and interested stakeholders to support our strategic ambitions and explain our operational decisions in an open and transparent way.



IT IS ESSENTIAL WE DELIVER HIGH QUALITY INFORMATION TO OUR WIDE RANGE OF STAKEHOLDERS AND STRENGTHEN OUR ENGAGEMENT WITH THEM



# 4

## OUR STRATEGIC THEMES AND KEY ACTIVITIES

- 4.1 In 2015, we published our strategy for 2015-2020<sup>4</sup> to support delivery of our 2020 strategic intent. Both the original 2015-2020 Strategy and the more recent Strategic Plan 2016-2020 focused on three key strategic themes to deliver the vision.
- 4.2 In 2017/18, we introduced a fourth strategic theme to focus attention on developing strong organisational capability and driving efficient and effective business processes within a robust governance framework. This new theme has been successful in providing focus on developing a more effective, agile, coherent, flexible and resilient organisation that is fit for the future and reinforced by strong corporate leadership, governance and accountability, the details of which are set out in this section.
- 4.3 Each strategic theme is influenced by our operating environment, reinforcing our key priorities, milestones and performance indicators, which are summarised in this plan.



### STRATEGIC THEME 1: INFLUENCING IMPROVEMENTS IN NUCLEAR SECTOR SAFETY AND SECURITY

- 4.4 ONR exists solely for this purpose – it is why we are passionate about what we do. Our regulatory framework is well established and our regulatory approach seeks to deliver proportionate, targeted and balanced decisions that, as appropriate, take a long term view of the safety and security challenges of the GB nuclear industry and support growth.
- 4.5 We are legally empowered and have a duty to hold industry to account on behalf of the public; we will, of course, continue to do this. We need to be agile in how we deliver our purposes in the face of change and be responsive to government expectations that regulators should adopt approaches and behaviours that focus on outcomes.



ONR inspectors spend approximately **70%** of their time on front line regulatory activities



In excess of **1,000** compliance and permissioning inspections annually



Over **100** permissioning tasks annually

<sup>4</sup> <http://www.onr.org.uk/documents/2014/onr-strategy-2015-2020.pdf>

- 4.6 We will continue to perform our compliance inspections, as well as any planned permissioning activities, such as consents to start plant or processes and approval of operating rules. Given that we expect to perform in excess of 1,000 compliance and permissioning inspections and over 100 permissioning tasks annually, the detail is not included within this corporate plan, but nevertheless it is crucial that these items of key regulatory activities are not overlooked. Inspectors spend approximately 70% of their time on front line regulatory activities.
- 4.7 We will focus our regulatory interventions on those sites subject to significantly enhanced or enhanced regulatory attention<sup>5</sup> (specific facilities at Sellafield, Atomic Weapons Establishment (AWE) sites at Aldermaston and Burghfield, Devonport and Dounreay) and have developed our interventions to influence improvements to move away from these enhanced levels of regulatory attention. However, given the legacy nature of the radioactive inventory across a number of sites and facilities, it is envisaged that some could be in either enhanced or significantly enhanced regulatory attention for a number of years.
- 4.8 The UK is committed to delivering a safeguards regime (the UK SSAC) that meets international safeguards standards by the end of March 2019. In 2018/19, we will focus on recruiting and training our safeguards inspectors and on implementing the UK SSAC Safeguards Information Management and Reporting System (SIMRS). This work is on track to be completed by the end of March 2019, prior to the UK's exit from the European Union.
- 4.9 We have scoped out other potential Brexit impacts, which are expected to be minimal for ONR. We will continue to engage closely with UK policy makers on any implications or changes for the nuclear regulatory policy framework.
- 4.10 The SyAPs project has delivered a ground breaking, outcome-focused regulatory framework. 2018/19 is the third year of the project and involves assessing a number of security plans from the majority of licensed nuclear sites, nuclear premises, tenants and Class A approved carriers. This assessment will take up the majority of security regulatory activity during the year and should realise the two most important benefits of the project: having modern, justified security arrangements in place across the industry and improving industry ownership and understanding of its security arrangements.



- 4.11 The assessment activity brings forward learning from earlier pilot site security plans and entails training our inspectors to assess in an outcome-focused manner, which is a significant progression from the previous methods. We are confident that the careful consideration given to the SyAPs and supporting Technical Assessment and Inspection Guides, and alignment with SyAPs and associated regulatory practices, places ONR on firm foundations for success.
- 4.12 We will continue to work with BEIS to assist its implementation of the BSSD. This includes supporting BEIS to develop new legislation for REPPiR (2018) by providing regulatory and technical advice to assist the drafting when requested. In support of this, we will continue to work with BEIS, HSE, MOD and other stakeholders to provide an Approved Code of Practice (ACOP) for REPPiR (2018) together with associated guidance. We will also continue to provide support to BEIS as part of updates to emergency preparedness aspects of GB's transport regulations required by the BSSD.

<sup>5</sup> There are sites and facilities that required more than the routine regulatory attention that we apply to regulate licensed sites based on an overall judgement across the areas of nuclear safety, security, transport, and conventional health and safety and reflects the level of hazard and risk posed by the facility or activity, underpinned by qualitative and quantitative measures gathered through our regulatory activities. Enhanced regulatory attention describes a higher level of regulatory activity paid to the dutyholder; significantly enhanced regulatory attention recognises additional factors such as emergent or long standing safety or security issues and/or the risk associated with the facilities in question.





- 4.13 The breadth of operations within GB's nuclear industry requires the support of a diverse industry supply chain, often of an international nature. The global nuclear industry has seen increasing levels of supply chain related events, some of which have impacted on plant operation and it is important that the UK nuclear industry captures the relevant lessons.
- 4.14 Building on the CNI themed inspections, we will enhance our regulatory activity of the supply chain throughout 2018/19. We will focus our interventions on licensee supply chain management arrangements, including effective oversight and assurance, to ensure the 'right first time' delivery of nuclear plant, equipment and services. In addition, we will continue to co-operate internationally with other nuclear regulators, recognising the global nature of the nuclear industry supply chain.
- 4.15 The Transport Competent Authority (TCA) within ONR will provide independent peer review and assurance of transport approvals on a sampling basis or as agreed with the appropriate ONR specialism. The TCA will permission a range of transport package designs in 2018/19 in both the nuclear and non-nuclear sectors. In addition, we plan to undertake targeted risk-based inspections in the non-nuclear sector in 2018/19 and will continue to produce guidance to address compliance gaps where necessary, for example, guidance on Dangerous Goods Safety Advisor reports, which will be published in 2018/19.
- 4.16 The TCA will provide planning, advice and delivery of national and international transport regulatory/legislative work to relevant internal and external stakeholders. TCA members will continue to represent the UK at the IAEA Transport Safety Standards Committee and attend the European Association of Competent Authorities' meetings. Key pieces of work for 2018/19 include advising BEIS on new Carriage of Dangerous Goods Regulations, which implement the BSSD and the review of IAEA Transport Advisory Material SSG-26, which is relevant good practice for transport dutyholders.
- 4.17 The success of the themed CNI inspection of NNB GenCo's supply chain management arrangements during the latter part of 2017 confirmed the benefits of the approach. It provided the CNI with definitive information on a specific regulatory matter that is of a strategic nature and we will now apply the CNI inspection approach to the AWE at Aldermaston and Burghfield in 2019, to further influence improvements at two sites which are currently under enhanced regulatory attention.
- 4.18 We have reviewed our Licence Conditions, engaged with industry (through the SDF) to seek views on potential changes, and completed a proportionate impact assessment to determine the costs and benefits. Our plan for implementation of the recommendations is under review.

BUILDING ON THE CNI THEMED INSPECTIONS, WE WILL ENHANCE OUR REGULATORY ACTIVITY OF THE SUPPLY CHAIN THROUGHOUT 2018/19

4.19 In 2018/19, to meet growing and changing demand, to address key regulatory risks, and to modernise nuclear regulation, we will focus on:

#### Regulating effectively:

- Continue to deliver effective, prioritised, targeted and proportionate regulation across all of our core regulatory functions, holding industry to account.
- Implement the Summary Regulatory Plan 2018/19 set out in Appendix B which summarises ONR's high level regulatory milestones for 2018/19.
- Focus on those sites in enhanced or significantly enhanced regulatory attention at Sellafield, Aldermaston, Burghfield, Devonport and Dounreay, to promote a timely transition to 'routine' regulatory attention.
- Continue to align nuclear safety and security activities to ensure we are responsive to regulatory demands.
- Continue to improve our standards and guidance, define the scope for knowledge management improvements and review our operational business processes.
- Consolidate our conventional health and safety (CH&S) regulation in accordance with our statutory remit.
- Complete assessment of Sellafield's management of change regarding the implementation of its operating model.
- Undertake a programme of work across all security sub-divisions to assess a number of SyAPs-aligned security plans during 2018/19, including sampling inspections of dutyholders' security arrangements, to confirm these achieve the required security outcomes prior to approval.

#### New ways of working:

- Develop an independent UK SSAC, which will enable the UK to meet its international safeguards standards by end of March 2019.
- Assist in the development of a new REPPiR (2018) ACOP and associated guidance, to support implementation of the Euratom BSSD 2013.
- Implement the NERA<sup>6</sup> report, 'The economic impact of ONR safety regulation', action plan as agreed by our Regulatory Management Team.

#### Regulatory capability:

- Introduce arrangements to improve the governance and co-ordination of ONR's investigation capability, establishing and maintaining the necessary skills and expertise in support of ONR's investigation duties.
- Deliver SyAPs assessment training for inspectors and relevant representatives from dutyholders' internal assurance teams.
- Utilise government funding of £5 million to build the capability and capacity needed to assess and licence new ANT designs, enabling us to support technology developments, with pre-licensing dialogue as industry develops new reactors.



## STRATEGIC THEME 2: INSPIRING A CLIMATE OF STAKEHOLDER RESPECT, TRUST AND CONFIDENCE

4.20 Public confidence in our regulation of nuclear safety and security is essential. We are a well-trusted regulator, respected by many in the UK and internationally. However, we operate in an increasingly high profile environment, with heightened political, media, academic and public attention in the nuclear arena. This is why we will deliver high quality information to our wide range of stakeholders and strengthen our engagement with them. Openness and transparency underpin our communication approach.

4.21 We intend to help build and maintain public confidence. We intend to publish a detailed regulatory report in 2019, in line with other national and international regulators, to complement the CNI statement in the ONR Annual Report and Accounts, which will provide more detailed information on how we regulate the nuclear industry across all our purposes and deliver our mission.

<sup>6</sup> NERA Economic Consulting was commissioned to examine the economic impact of civil nuclear safety regulation in the light of the Deregulation Act 2015. ONR has responded to the findings and has developed an action plan.

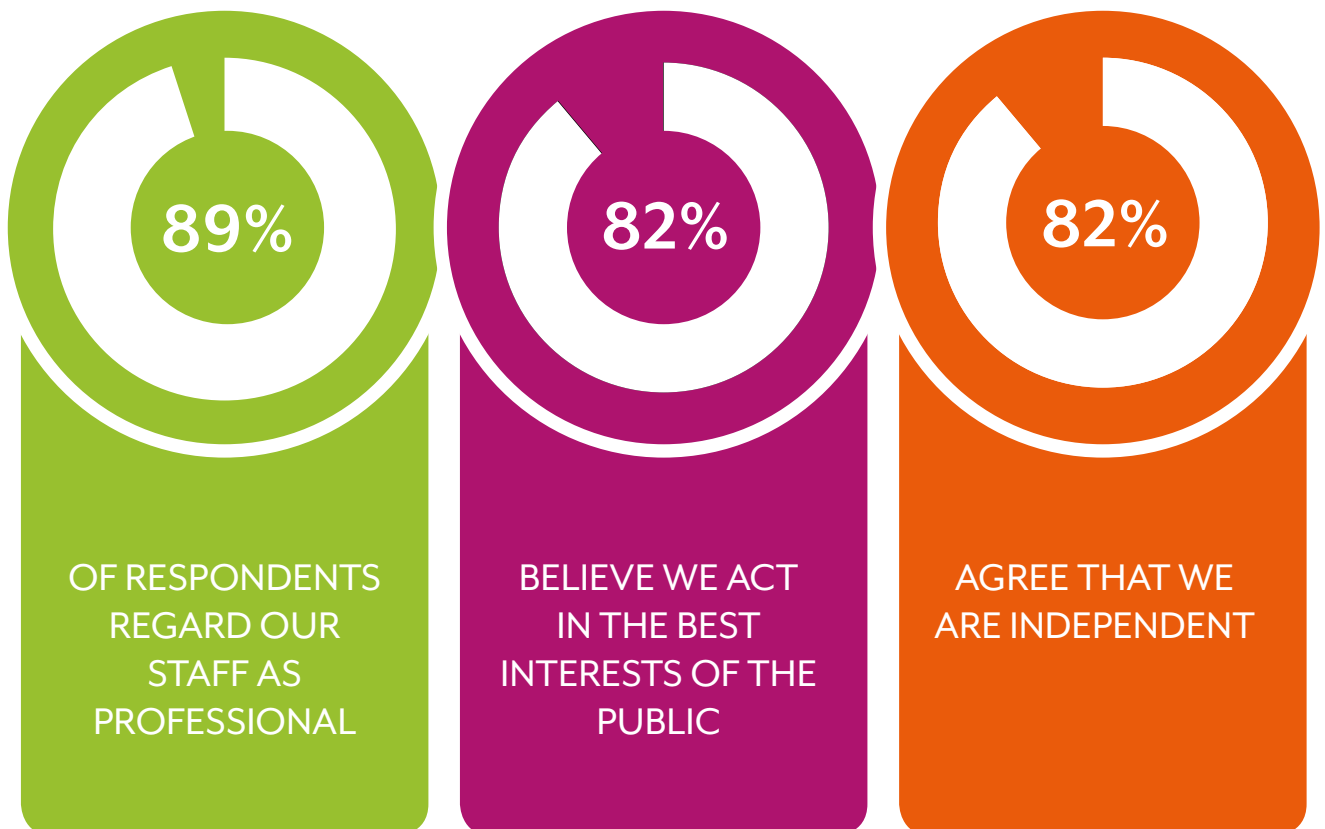
- 4.22 Regulatory decisions are a matter for our CNI, who assures our Board about the proportionality, balance and consistency of decisions.
- 4.23 Working on behalf of the public, we embrace the need to maintain our regulatory independence and objectivity. We take several steps to do so, such as:

- welcoming and responding to international peer review scrutiny
- rotating all regulatory staff at least every five years, to avoid any potential regulatory capture
- publishing our research
- publishing the rationale for our regulatory decisions
- taking regulatory decisions independent of government
- establishing a stakeholder view of confidence in our regulation and their views on our independence.

- 4.24 Our staff are highly visible at various stakeholder fora across the country, we represent the UK in many international arenas, we support media understanding every day and our website holds an array of information on our work. The ONR Board undertakes site visits each year to enhance insight, understanding and engagement and to build respect, trust and confidence, an approach that will continue throughout 2018/19.

- 4.25 During 2017/18, ONR's first comprehensive stakeholder survey was carried out by YouGov to measure our delivery against inspiring a climate of stakeholder respect, trust and confidence. We received a total of 351 responses, including from academics, government, licensees and NGOs – a good representation of our stakeholder community, giving us a well-rounded picture – with a further 21 in-depth interviews that enabled us to capture more detailed feedback.

- 4.26 The overall findings show that 83% of respondents are confident we are delivering our mission, 89% regard our staff as professional, 82% believe we act in the best interests of the public, and 82% agree that we are independent. In respect of the concerns raised, just over a quarter (28%) are confident that ONR will have the resources and capabilities to deliver in five to ten years' time, while consistency of approach and proportionality were identified as areas for improvement. We are committed to strengthening stakeholder engagement and will build on the positive outcomes during 2018/19, learn lessons from this valuable feedback and address the concerns.



- 4.27 Our focus for 2018/19 will be on developing and implementing an action plan to reinforce our positive attributes of professionalism, independence, discharging our role and purpose and acting in the best interests of the public. At the same time, we will tackle perceptions and areas of concern highlighted by our stakeholders relating to efficiency, proportionality, consistency and long-term resourcing resilience (capability and capacity). Our industry conference in May 2018 will provide an opportunity to engage further with stakeholders.
- 4.28 During 2018/19, we will prepare to host a full scope IAEA Integrated Regulatory Review Service (IRRS) mission to the UK, taking place in October 2019. This full scope mission, which will last two weeks, will involve BEIS, HSE, the environment agencies, Public Health England, as well as other national agencies and government departments. ONR has been asked to co-ordinate the UK's preparation and be the lead UK body for the mission.
- 4.29 As a fundamental aspect of our assurance regime, this peer review is conducted by a team of international experts from IAEA Member States and IAEA staff with experience directly relevant to the areas of evaluation. The IRRS team will assess the effectiveness of the UK's legislative and regulatory framework for nuclear, radiation, radioactive waste, transport safety and the interface with nuclear security. It will review key areas of regulatory activity, against accepted international good practice defined within IAEA safety standards, and make recommendations to enhance the UK's arrangements where gaps are identified. We will begin with a self-assessment, comparing our national arrangements against IAEA Safety Standards and guidance, from which we will produce an action plan to be sent to the IRRS team to support the mission.

OUR FOCUS FOR 2018/19 WILL BE ON DEVELOPING AND IMPLEMENTING AN ACTION PLAN TO REINFORCE OUR POSITIVE ATTRIBUTES OF PROFESSIONALISM, INDEPENDENCE, AND ACTING IN THE BEST INTERESTS OF THE PUBLIC





4.30 In 2018/19, we want to further improve our accessibility and transparency by modernising how we work and use feedback to inform our operations, so we will focus on the following:

#### Stakeholder engagement:

- Strengthen our stakeholder engagement and insight and draw upon 2017 stakeholder survey feedback to inform activity, actions and initiatives.
- Hold an industry conference in May 2018 and industry seminars on key regulatory and financial topics.
- Continue to represent ONR at Site Stakeholder Groups, Local Liaison Committees, civil nuclear policy forums, and international policy and communication expert groups, while building more frequent engagement with national NGOs and establish links with leading nuclear academics.
- Conduct a self-assessment by July 2018 and agree a subsequent action plan in preparation for the IRRS mission which is scheduled to take place in late 2019.
- Undertake external engagements on our revised Enforcement Management Model (EMM) to ensure industry and stakeholders are informed of the revised approach.
- Maintain effective working relationships with other government departments, including BEIS, DWP, MOD, the Centre for the Protection of National Infrastructure (CPNI) and the National Cyber Security Centre (NCSC).
- Support two IAEA workshops in May 2018 in an 'expert capacity' – Albania (Inspector Competence and Warranting) and Bulgaria (graded approach).
- Participate in ENSREG Topical Peer Review hearings.
- Continue to develop our approach to Regulatory Intelligence, an important mechanism for gathering and disseminating sources of learning to ONR divisions and staff following a refresh of the approach; priorities for 2018/19 include production of a first set of annual intelligence reports by specialisms and divisions and publication of an ONR events report (successor to the, "14 year report").<sup>7</sup>

#### Communication strategies:

- Embed and enhance our use of digital methods of communication, including videos, webinars and social media to optimise engagement and the sharing and exchange of information.
- Proactively embrace opportunities to improve our media profile in a way that builds confidence and trust in our role as a regulator, for example by highlighting the CNI's themed inspections.
- Establish an Insight Hub to gather frontline intelligence to support ONR staff in their stakeholder engagements.
- Develop a programme of face to face engagement activities, presenting a single view of ONR.

#### Compliance, openness and transparency:


- Undertake a self-assessment of ONR's compliance with the Regulators' Code and publish an annual report on progress.
- Ensure compliance with GDPR in use of data.
- Prepare and embed ONR's policy on openness and transparency, aligned to the Information Commissioner standards, the Regulators' Code and international good practice and stakeholder survey feedback to ensure we are sharing information with the public on how we are holding the industry to account.



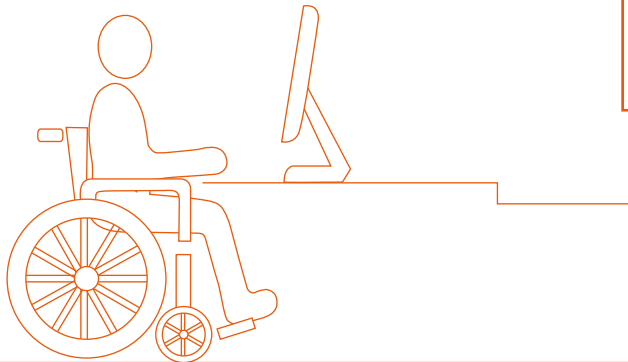
<sup>7</sup> ONR Report – Events reported to the Nuclear Safety Regulator in the period of 1 April 2001 to 31 March 2015 <http://www.onr.org.uk/documents/2016/events-reported.pdf>

### STRATEGIC THEME 3: GETTING THE BEST OUT OF OUR PEOPLE

- 4.31 Our people are our greatest asset. They are highly professional and driven to deliver the best outcomes for the organisation. We demand a lot from them and it is incumbent on us to provide them with a great workplace, positive culture and fair work-life balance, whilst continuing to maintain and improve the standards of health, safety and welfare. By providing that, we will get the best out of, and for, our staff, retain them and engage them to fulfil their potential and improve ONR.
- 4.32 We want our staff to be energised, engaged and motivated; we need our staff to be highly skilled, feel proud to work for us and be committed to our mission, vision and long term direction. The highly technical nature of many roles and the need for rotation and variety of assignments, means that continuous training and development is critical for our long term success.
- 4.33 We aspire for ONR to be a great place to work and an employer of choice, able to recruit and retain the high calibre of staff necessary to maintain and enhance our reputation as a world-class regulator. During 2017/18, we placed greater emphasis on developing a more positive, inclusive and collaborative culture, embedding professional leadership and building effective management capability to create strong corporate cohesion. Leadership events have helped to focus senior leaders' attention on the need to improve our staff engagement, diversity and inclusion, behavioural competence, and effective and accountable leadership. We will continue to drive this forward throughout 2018/19, to optimise organisational capability, engagement and effectiveness.
- 4.34 We value our people and the insight they provide through ongoing dialogue across a variety of engagement activities. As an example, the 2017 Staff Survey provided an excellent opportunity to collect a wealth of feedback, insight and suggestions with an exceptional response rate of 93%. The views our staff provided have informed our approach for the future. In particular, we are focused on improvements across four elements: feeling valued, leadership and management, behaviours, and managing change, supported by an ONR-wide action plan to keep us on track.
- 4.35 We have experienced a change in our demographic over recent years, continuing to introduce greater diversity in our workforce. The average age of our technical specialists has fallen by three and a half years in the past decade, while at director level and band 1 level, the average age has fallen by five and four years respectively. We have many relatively new staff, including apprentices, so we need to be both a teaching and learning organisation. We employ 34% women in ONR and welcome our Board's visible leadership with a well-balanced male/female representation.
- 4.36 Over recent years, the average tenure of staff has declined from 13 years in 2014, to 11 years in 2017, reinforcing the need to establish effective corporate memory, establish consistency in our working practices and optimise knowledge capture. There is a desire for greater connectivity and modern ways of working and the changing staff mix needs improved knowledge management processes and information governance.
- 4.37 Our continuing demographic challenges coupled with the increasing industry demands will mean that we will have to continue to recruit nuclear specialists to replace retiring staff and to enable net growth at about five per cent per annum, informed by more mature workforce planning activity. We recognise that, despite the increase in numbers, the loss of experienced regulatory staff will lead to a thinning of our overall regulatory capability and we will address this further during 2018/19.
- 4.38 This is a view shared by our stakeholders in the 2017 Stakeholder Survey, with only 28% believing we have the capacity and capability we need for the next five years. We will implement new approaches to learning and development to improve our knowledge management, so that we can ensure staff can contribute effectively in a shorter timescale, while maintaining standards.
- 4.39 Our People Strategy articulates the agenda to 2020, a key aspect of which is shaping the future of learning and development in ONR. Continuous training and development is key to our future and to support our people to deliver a challenging agenda. In November 2017 we opened our new training room, the first step in the development of the ONR Academy. During 2018/19, we will see it evolve into a centre of excellence for training and development, delivering a blended learning approach for everyone in ONR, with increased learning opportunities and a beneficial shift to 'little, local and often'.



WE WANT OUR STAFF TO BE  
ENERGISED, ENGAGED AND  
MOTIVATED, WORKING IN AN  
ENVIRONMENT WHERE EVERYONE  
CAN ACHIEVE THEIR POTENTIAL



WE ARE PROUD TO HAVE ACHIEVED DISABILITY CONFIDENT LEVEL 2 STATUS IN EARLY 2018, AND ARE FOCUSING ON ACTIVITIES TO ENHANCE THIS STATUS OVER THE NEXT TWO YEARS

4.40 Irrespective of their background, our people want and need effective leadership, a culture of support balanced with personal accountability and knowledge and skills retention that enables them to feel valued, fulfil their potential and deliver effectively. One of our key developments for 2018/19 is the introduction of a Behaviour Framework, as part of our Performance Management System, to support development and assessment of staff throughout the organisation with an added emphasis on behaviours, leadership and management. This is in direct response to the 2017 Staff Survey, which highlighted these as areas for improvement.

4.41 The objective of the Behaviour Framework is to introduce a better balance of technical competence and behaviours, while bringing consistency to how we recognise and reward good performance and to how we manage poor performance.

4.42 Aligned to this, we are working hard to simplify and refine our management roles to deploy fewer, more skilled leaders who provide consistent management and development of staff across proportionate and consistent spans of control. This will optimise the effectiveness and efficiency of line management oversight and support provided to colleagues and contribute to our efforts to address thinning capability through releasing regulatory capability and capacity.

4.43 We are proud to have achieved Disability Confident Level 2 status in early 2018, and are focusing on activities to enhance this status over the next two years. We have also been assessed against the National Equality Standards and during 2018/19 we will put in place the necessary recommendations for improvement to demonstrate positive outcomes from our diversity and inclusion actions.

4.44 We recognise that there are common capability and capacity challenges and opportunities across the sector, where we can work collaboratively to develop innovative solutions and support government initiatives. We will continue to play an active role within the Nuclear Skills Strategy Group (NSSG), which, with government involvement, considers risks and challenges from new build and the sector's contribution to the Industrial Strategy. We will also continue to engage with National Skills Academy for Nuclear (NSAN) and National College for Nuclear (NCfN) to support ideas and opportunities for development of our staff, making sure ONR contributes to the wider skills agenda.

4.45 We will continue to enhance the development of staff through apprenticeship programmes and are working with others in the sector to develop a Nuclear Degree Apprenticeship as an additional recruitment pipeline into ONR.





4.46 So, in 2018/19, we will focus on the following:

#### Enhancing capacity and capability:

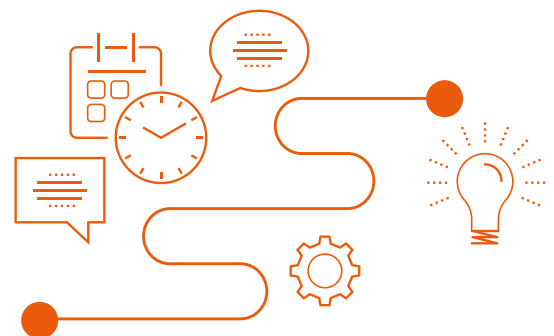
- Embed the ONR Academy, supporting delivery of this critical strategic improvement project that will support new paths and development frameworks for all staff, develop skills (including management and leadership) across all staff in all functions, provide a balance of technical and behavioural development and accredit our core training.
- Enhance our succession planning, talent management and learning opportunities to improve our capability, organisational resilience, management and leadership skills.
- Develop an organisation-wide approach to addressing skills gaps identified through an organisational capability review.
- Develop a formal Talent Management Programme, to ensure effective development for all staff and to support high achievers to reach their potential.
- Develop and issue a quarterly updated learning prospectus for all ONR staff to address capability gaps and improve personal contribution.
- Commence degree level apprenticeships.
- Simplify and refine our management roles, to deploy fewer, more skilled leaders who provide consistent management and development of staff and release regulatory capacity with more consistent and manageable spans of control.
- Implement a new Leadership and Management Programme to build the competence of future leaders.
- Continue our commitment to apprentice and graduate schemes.
- Maintain a collaborative relationship with trade unions.
- Deliver SyAPs assessment training for inspectors and relevant representatives from dutyholders internal assurance teams.
- Deliver training to front line site inspectors for our revised EMM and ensure that our site inspectors understand and apply it consistently.

#### Feeling valued:

- Lead, manage and communicate the delivery of actions in response to the 2017 Staff Survey, in a way that results in improved outcomes and increased engagement.
- Maintain principles of open advertisement of opportunities wherever appropriate through processes that are transparent and merit-based to meet the business needs.
- Agree a new ONR Pay Deal for implementation from 2019/20.
- Review ONR's total reward package to remain competitive overall and agile for niche challenges.
- Undertake a Staff Survey in October 2018, to assess progress in addressing long standing cultural issues across the four key drivers and identify issues for priority in 2019/20.

#### Behaviours, leadership and management:

- Implement our Behaviour Framework as part of our Performance Management System, to support development and assessment of staff at all levels.
- Integrate Competency Pay Progression and 360 feedback with the Behaviours Framework, building it into a consistent and appropriate performance management cycle.
- Implement a Diversity and Inclusion action plan that will improve culture/approach across ONR.
- Undertake assessment against the National Equality Standards to achieve accreditation by October 2018, to demonstrate positive outcomes from Diversity and Inclusion actions.
- Work towards Level 3 status, having achieved Disability Confident Level 2 status in January 2018.
- Reinforce mental health and wellbeing across the organisation, including the implementation of an ONR mental health strategy.
- Actively address poor performance or behaviours.





## STRATEGIC THEME 4: DEVELOPING A HIGH- PERFORMING, SUSTAINABLE ORGANISATION

- 4.47 We introduced our fourth strategic theme in 2017/18 to provide greater focus on developing strong organisational capability and driving more efficient and effective business processes within a robust governance framework. We need to continue our efforts to establish greater self-sufficiency and embed sustainable capability and capacity to drive real value and futureproof the organisation, deliver better regulation, optimise our effectiveness, mitigate our risks and satisfy the growing appetite for transparency and accountability.
- 4.48 Modernising our operating environment is a fundamental requirement to ensure we have the right staff and the right skills for our organisation, to transform the way we work, enhance our IT, manage change effectively and work smarter, supported by systems and processes that optimise delivery and ensure ONR is fit for the future. As custodians of a wealth of data, it is essential that we have the systems, tools and capability in place to optimise the data analysis, insight and intelligence to inform and enhance business decisions and satisfy the appetite for greater transparency across our stakeholder community.
- 4.49 To promote a sustainable organisation, our focus is to minimise our environmental impact by optimising IT enhancements and accommodation utilisation. As a tenant in three locations (Liverpool, Cheltenham and London) we will continue to engage with our landlords to ensure they have and maintain a responsible corporate sustainability policy, particularly relating to matters such as energy emissions, carbon footprint, waste and utilities management.
- 4.50 Our Estates Strategy 2017-2020 sets out our plans to provide suitably equipped and connected office accommodation that satisfies our regulatory needs and those of the staff who occupy them. Our aim is for our accommodation to be of a good quality, accessible and offering the flexibility and adaptability necessary to support productive and smarter ways of working and ensure that the ongoing and evolving needs of the organisation are met.
- 4.51 During 2018/19, we will be relocating our small London presence from Rose Court, Southwark Bridge to Windsor House, Victoria Street, adopting smarter working practices in our new environment, following the precedent set by Cheltenham colleagues. For our Cheltenham-based staff, we will formalise our intention to extend our tenure in the town. These new leases provide certainty and security for colleagues over the long term. We will be introducing smarter working in Liverpool during 2018/19 to accommodate our staff more effectively and optimise the use of the space we occupy to make it more flexible, agile and user-friendly.

MODERNISING OUR OPERATING ENVIRONMENT IS A FUNDAMENTAL REQUIREMENT TO ENSURE WE HAVE THE RIGHT STAFF AND THE RIGHT SKILLS FOR OUR ORGANISATION, TO TRANSFORM THE WAY WE WORK, ENHANCE OUR IT, MANAGE CHANGE EFFECTIVELY AND WORK SMARTER



- 4.52 The IT Strategy sets out a vision to separate our IT infrastructure and services from HSE and modernise our systems and ways of working. This is driven by our need to mitigate our strategic risks and improve the efficiency and morale of staff who rely on under-performing and inefficient equipment and systems.
- 4.53 Progress was limited during 2017/18, so we will take a more assertive commercial and contract management stance to deliver our IT Separation plans during 2018/19. Developing and delivering the first year of our three-year IT Separation Plan during 2018/19 will establish the foundations to improve our cyber security and information governance, satisfying our needs as an independent nuclear regulator by modernising and establishing our own networks and ensuring we comply with the new GDPR requirements. Our governance in this area will be strengthened with the introduction of a Data Protection Officer and a new Security and Information Assurance Manager (SIAM) role.
- 4.54 We have now established and resourced a Programme Management Office (PMO) to align change and optimise outcomes. The PMO is underpinned by formal project governance and audit and assurance checks, to provide support, guidance and oversight to standardise and professionalise the way in which we deliver ONR change projects. This will provide enhanced support to make change happen, track benefits and ensure value is added back to ONR.
- 4.55 Modernisation of our information and technology services will crystallise autonomous technology-led solutions, provide more secure, reliable, and integrated solutions, aligned with regulatory and corporate objectives. Our IT modernisation outcomes will be established in an environment of robust governance and control that includes PMO oversight and support.
- 4.56 Our modernisation activity is dependent upon delivering a long-term programme of work to simplify and standardise our processes (including ONR's regulatory management system), prioritising knowledge management and to provide efficient systems and processes that enable our staff to deliver effective regulation more flexibly and efficiently. We have identified strategic improvement projects that represent opportunities to modernise the way we work. The Knowledge Management and Business Process Review Project (referred to as Well Informed Regulatory Decisions – 'WIReD') is a key enabler for delivering our 2020 strategic intent. It will focus on how ONR can be more efficient by:
- having access to knowledge which supports our decision making
  - capturing knowledge in an automated, standardised or optimised way
  - reviewing our processes and making these leaner
  - ensuring these systems integrate, to provide us with what we need, when we need it and are user-friendly and intuitive
  - reviewing our management systems to make access to our documentary resources more straightforward.
- 4.57 We will commence Phase 1 of the project in 2018/19 with the focus on us being able to collaborate openly and effectively to increase knowledge sharing and regulatory efficiency. Solutions for capturing and accessing knowledge and managing the integrated planning and skills of the organisation will be proven and ready for implementation in Phase 2, which is expected to commence during Quarter 4.
- 4.58 Our ambition is that Phase 2 will focus on delivering outcomes during 2019/20, whereby everyone in ONR can access the appropriate regulatory information, knowledge and processes at speed. Information captured once will be used many times. We will be articulate and proactive in our operational planning, forecasting and reporting using real-time information.

WE HAVE  
IDENTIFIED  
STRATEGIC  
IMPROVEMENT  
PROJECTS THAT  
REPRESENT  
OPPORTUNITIES  
TO MODERNISE  
THE WAY  
WE WORK





4.59 So in 2018/19, we will work on:

#### Modernisation:

- Modernise our operating environment to transform the way we work including enhancements in IT, effective change management, process improvement and introducing smarter working practices in our office environments.
- Improve our cyber security and information governance by building our own networks, establish plans to commence migration of our data from HSE and ensuring we comply with the new GDPR requirements, working to full compliance throughout 2018/19.
- Commence a programme (to 2020) to simplify and standardise our processes prioritising knowledge management and business process review (through the 'WIReD' project) to improve our efficiency and effectiveness.

#### Working environment:

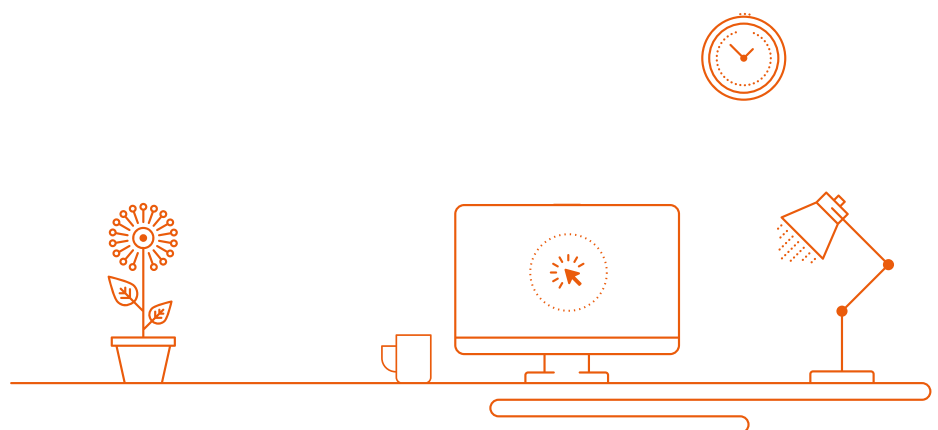
- Replace outdated equipment to ensure our staff have the best access to information and improved communication tools, enabling ONR to become a flexible mobile workforce.
- Relocate our London office from Rose Court to Windsor House.
- Finalise the lease to extend our occupation in Cheltenham.
- Transition our offices to smarter working wherever possible.
- Drive continuous improvement of environmental performance and prevent pollution from the activities we undertake through measures such as implementing IT solutions to reduce the need to travel and encouraging the use of public transport wherever practical and cost effective.
- Implement a new ONR Expenses Policy, developed in close engagement with staff.

#### Performance and governance:

- Benchmark ONR against the OECD/NEA effective regulator characteristics, utilising the NEA's Regulator Effectiveness Framework.
- Test our integrated business continuity arrangements.
- Implement a new DWP/ONR Framework document and Scheme of Delegation.
- Implement a replacement system for time recording and establish an automated corporate planning, risk and audit system.
- Provide enhanced data warehouse capability and improved business and analytical intelligence.
- Secure a sustainable financial arrangement to address ONR's funding mechanism.
- Maintain robust corporate governance throughout the organisation including:
  - enhanced corporate planning and directorate business planning practices
  - delegated financial management, probity and control
  - strategic, operational and directorate risk management
  - integrated audit and assurance framework.
- Improve value for money and efficiency with the introduction of a new Technical Support Framework.

#### Managing change:

- Utilise our PMO to improve change and project management, with a focus on achieving benefits.
- Apply consistent and accredited processes, tools and templates across the portfolio of ONR projects to improve the delivery of efficient and effective change across ONR.



PERFORMANCE AGAINST THIS PLAN WILL BE REGULARLY REPORTED TO THE ONR BOARD, TO DWP AS OUR SPONSORSHIP BODY, TO OTHER GOVERNMENT OFFICIALS AND MINISTERS AS APPROPRIATE, AND TO THE PUBLIC



# 5

## OUR PERFORMANCE

- 5.1 Performance against this plan will be regularly reported to the ONR Board, to DWP as our sponsorship body, to other government officials and ministers as appropriate, and to the public on an annual basis through our Annual Report and Accounts (which includes a statement of regulatory effectiveness by our Chief Nuclear Inspector) with a focus on:
- how effectively we influenced improvements in nuclear safety and security
  - how we delivered the principles of the UK Regulators' Code
  - whether we have operated efficiently and delivered value for money
  - whether we met our key performance indicators
  - how we have performed against our plan.

## OUR CORPORATE MILESTONES

- 5.2 Our corporate milestones are outlined on a milestone 'plan on a page' at Appendix A. A number of these milestones are dependent upon the prevailing government timetable and may be subject to change.

## OUR KEY PERFORMANCE INDICATORS

- 5.3 We have reviewed our key performance indicators (KPIs) for 2018/19, to provide a more balanced account of performance by the whole organisation. These are included at Appendix D.





WE HAVE A LONG AND PROUD TRADITION OF EFFECTIVE REGULATION, BASED LARGELY ON THE NUCLEAR AND REGULATORY EXPERTISE AND EXPERIENCE OF OUR STAFF





# 6

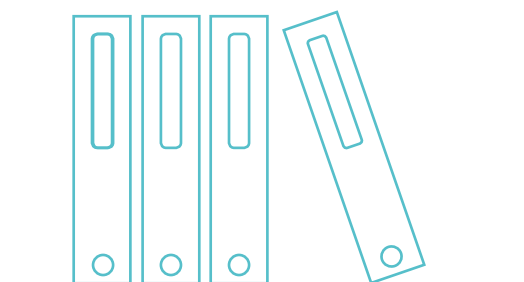
## RESOURCES

### PEOPLE

- 6.1 We have a long and proud tradition of effective regulation, based largely on the nuclear and regulatory expertise and experience of our staff. In the last few years, many experienced staff have retired, replaced by generally younger and less experienced staff. By 2020, 80% of our regulatory staff will have joined in the last 10 years.
- 6.2 Our demographic challenges, coupled with the increasing industry growth, will mean that we will have to recruit nuclear specialists in increasing numbers to replace retiring staff and to enable net growth at approximately 5% per annum, informed by more mature workforce planning activity. Despite the increase in numbers, the loss of experienced regulatory staff will lead to a thinning of our overall regulatory capability.
- 6.3 The ONR Academy will implement new approaches, from blended learning to how we induct and develop our new and existing inspectors and improve our knowledge management. Therefore we can ensure staff can contribute effectively and more flexibly in a shorter timescale, while maintaining standards: training will be leaner.
- 6.4 Women in Nuclear UK (WiN UK) appointed ONR's Chief Executive as their first patron in 2017. The role of patron involves raising the benefits of diversity with government and industry and promoting tangible actions to make a difference. Last year, Adrienne Kelbie addressed over 1,000 people on this matter, through conferences, panel sessions and visits, with a call to 'do just one thing'. She has personally driven improvements in ONR to enhance diversity and influenced many other organisations to consider how they can make small differences with a big impact. During 2018/19 we will continue to reinforce the benefits of diversity, including fulfilling our promise that the ONR 2018 Industry Conference will lead by example in this area.

### TECHNICAL SUPPORT CONTRACTS

- 6.5 We will continue to use Technical Support Contracts (TSCs) to help manage the peaks of demand to fill gaps in capability. We expect the majority of contracts to be utilised in our New Reactors division largely in GDA and to provide independent input to our decision making relating to graphite degradation in AGRs.
- 6.6 During 2018/19 a new Technical Support Framework (TSF) will be established to provide a renewed and modernised framework for procuring technical support. The project has a number of critical success factors including the continued supply of expert supply chain resources at competitive rates with greater flexibility and efficiency in the call-off of work from suppliers.
- 6.7 The benefits will include securing appropriate technical support in an increasingly competitive market, ability to initiate lower-value work (<£100k) much quicker, reduce the risk of TSCs not being available when required and provide ONR with the ability to source capability from across the whole nuclear supply chain through its primary TSF suppliers, taking advantage of new capabilities over the duration of the framework. In addition, we will be able to use the framework as a strategic enabler, to flex our capacity and capability, using the supply chain more effectively than at present.





## FUNDING

6.8 ONR is funded primarily by charges to the nuclear industry through cost-recovery from dutyholders (97% in 2017/18) and charges to government for specific commissioned activities together with grant funding from its sponsoring body, DWP. The grant is agreed for the current spending review period and ONR's statutory obligations remain unchanged.

## 2018/19 BUDGET

6.9 The budget of £83.9 million reflects the regulatory assumptions agreed by the Board, directorate business plans 2018/19 and our corporate objectives and strategic intent, as set out in ONR's Strategic Plan 2016-2020.<sup>8</sup>

6.10 The budget reflects the drive for improved organisational effectiveness and enhanced leadership capability, to optimise regulatory outcomes through undertaking appropriate risk mitigation and modernisation activity.

6.11 This year's approach has recognised the challenges experienced during 2017/18 that led to a material underspend against the budget; in particular, the lower demand materialising in new build, the efficiency savings delivered and the optimism bias in our recruitment and training plans. We have worked closely with colleagues throughout the organisation to ensure we apply the lessons we have learned.

6.12 The increase in the budget compared to 2017/18 reflects the following key themes:

- i. Material demand-led growth due to the organisation operating in an industry that is experiencing growing demand and additional government commissions for work. £3.8 million is related to industry growth in regulatory demand. The cost base is further augmented by demand from BEIS to undertake government policy-led work; the delivery of UK SSAC places an additional (funded) cost requirement on ONR during 2018/19 of £4.5 million revenue and up to £1 million capital that is chargeable direct to government. Support for ANTs adds further to ONR's cost base in 2018/19.
- ii. Price increases of £3.9 million due to wage increases, the full year impact of 2017/18 new recruits and estates costs.
- iii. Elective cost increases for risk mitigation and modernisation activity required to futureproof the organisation.
- iv. Regulatory research, particularly in projects covering graphite and embrittlement of steel, is fundamental to ONR's ongoing regulation of graphite cores of gas reactors, more so as they get closer to end of life.

<sup>8</sup> <http://www.onr.org.uk/documents/2016/strategic-plan-2016-2020.pdf>









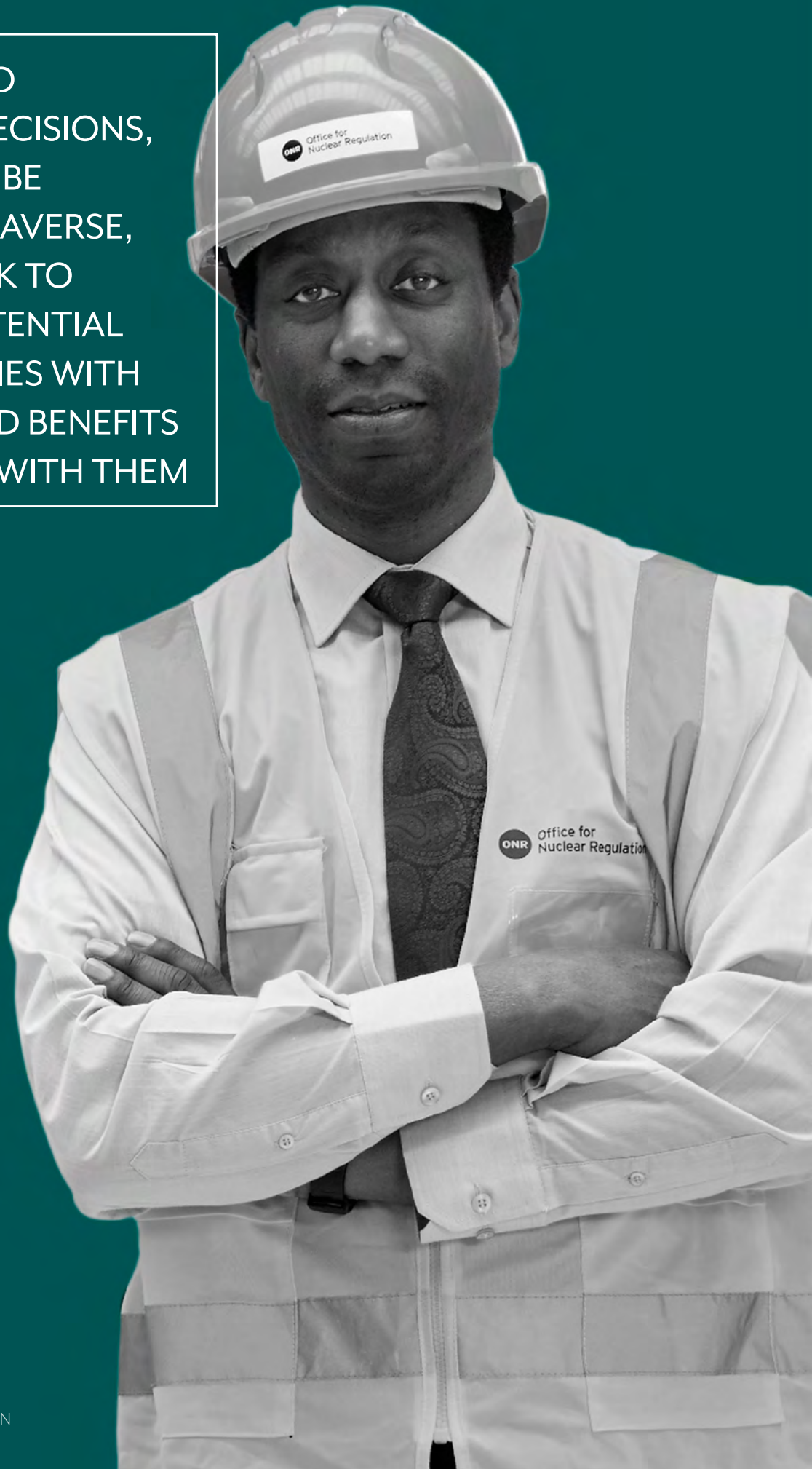
- 6.13 During 2018/19, we will work to enhance our engagement with stakeholders and increase the insight and intelligence we provide to dutyholders, including delivery of industry finance engagement events to provide the opportunity for ONR's finance team to meet finance representatives from industry and discuss shared issues and common themes, including the charging methodology.

## CHARGING METHODOLOGY AND FEES REGULATIONS

- 6.14 In our 2017/18 plan, we set out our intention to produce a single set of fees regulations covering all of ONR's purposes during 2017/18. This was predicated on the development of establishing fixed unit costs on the assumption that this would provide greater certainty in charging. However, as the activity evolved, the project board, supported by DWP and BEIS colleagues, recognised that the extent of variability in regulatory activity introduced significant levels of risk to charging that could lead to material under/over recovery that could impact ONR, DWP and industry adversely, therefore not providing the beneficial outcomes originally intended.
- 6.15 Taking into account the risks to stakeholders of unit costing, the improvements in, and validation of, our charging processes, overlaid with the demanding timetable resulting from Brexit, ONR received ministerial approval to pause parliamentary activity to produce ONR-specific fees regulations.
- 6.16 Over the past year, we have driven significant improvements and enhancements to our processes, to support our charging methodology that was introduced from November 2016, based on year-to-date actual expenditure and direct-effort apportionment. We have since received assurance that the approach is compliant with 'Managing Public Money' guidelines. Furthermore, our charging methodology presents a far less risky and more compliant option for all stakeholders, compared to fixed unit costs.



IN COMING TO  
STRATEGIC DECISIONS,  
WE WILL NOT BE  
UNDULY RISK AVERSE,  
BUT WILL SEEK TO  
BALANCE POTENTIAL  
OPPORTUNITIES WITH  
THE RISKS AND BENEFITS  
ASSOCIATED WITH THEM



## 7

## STRATEGIC RISKS

7.1 We embedded our new Risk Management Framework during 2017/18 and will review its effectiveness during 2018/19. ONR's strategic risks relate to:

- change and/or uncertainty in policies relating to the nuclear context within which we operate, ensuring ONR is flexible, adaptable and capable to respond to changing environments and priorities
- information security, management and governance, to ensure we have established adequate and appropriate levels of security and control
- cyber security and resilience
- strengthening governance, control and processes in ONR
- enhancing our organisational capability and capacity and addressing the maturity dilution challenge from thinning experience, so that our recruitment, retention, staff development and talent management practices optimise the quality and effectiveness of our people
- ensuring we generate adequate funding, manage our liquidity risk and our resources efficiently and effectively to deliver our strategic objectives
- our ability to respond effectively to the impact of Brexit
- developing an independent UK SSAC to meet international safeguards standards by the end of March 2019.

7.2 ONR manages risk through clear lines of executive accountability and regular review and challenge by our Risk Improvement Group and EMT, subject to scrutiny by our Audit and Risk Assurance Committee (ARAC) and the ONR Board.

## 2018/19 RISK APPETITE STATEMENT

7.3 Risk appetite is the amount and type of risk that ONR is willing to take or accept in pursuit of our strategic objectives. In setting our risk appetite, the ONR Board recognises the complexity of risk in decision making and accepts that there is an element of risk in every activity we undertake. In coming to strategic decisions, we will not be unduly risk averse, but will seek to balance potential opportunities with the risks and benefits associated with them.

7.4 Our appetite for particular risk areas depends on factors such as the likelihood of the risk occurring and the potential impact of the risk (before and after controls) on ONR's strategic objectives. The following statements provide the context for making well considered decisions in particular areas and the ONR Board expects decisions to be taken in line with the appetite it has determined. Where appropriate, we have assigned a classification in line with the HM Treasury risk



appetite definitions listed at 7.19.

## Regulatory

- 7.5 Our regulatory framework is predominantly non-prescriptive and puts the responsibility for safety and security on dutyholders to demonstrate that the level of risk has been reduced so far as is reasonably practicable (SFAIRP). ONR guidance often refers to 'as low as reasonable practicable' (ALARP) to express this duty.
- 7.6 ONR Inspectors use guidance from a range of sources, including our Safety Assessment Principles (SAPs)<sup>9</sup> and Risk Informed Regulatory Decision Making<sup>10</sup> to ensure that risks are reduced ALARP. Therefore we adopt a minimalist approach to ensure our regulatory decisions do not compromise the safety and security of workers or the public.
- 7.7 In interpreting the legal framework, we recognise that there is an element of risk in undertaking every activity (for example, we may accept an increase in short-term risk to enable accelerated risk-reduction in the longer term), but we ensure that dutyholders can demonstrate these risks are adequately controlled, taking account of relevant factors and circumstances.

## Operational

- 7.8 In recognition of ONR's maturing operating environment, we have an open risk appetite to modernising and enhancing the efficiency, effectiveness and sustainability of our processes, systems and controls to support delivery of our regulatory and corporate activity. We continue to work closely with stakeholders in seeking feedback to inform and improve our operational effectiveness.

## Reputational

- 7.9 Our mission is to be an effective and efficient regulator, which means protecting our external reputation is highly important. It is one of our biggest assets and we will not tolerate unsolicited comments or behaviours (internally

and externally) that could be detrimental to our mission. To that end, we place significant corporate and regulatory effort on maintaining high levels of engagement with those we regulate and provide assurance that we are effective, with a suitably qualified and experienced workforce to make evidence-based regulatory decisions that will ensure the safety and security of the UK nuclear industry.

- 7.10 We encourage openness, honesty and transparency in our work to build trust. We seek to publish (or make otherwise available) information to external audiences and our stakeholders, via our website, industry engagement, Site Stakeholder Groups, Local Liaison Committees, the media, international forums and more widely across government and other regulators.
- 7.11 Our approach therefore to reputational risk is cautious given the significant attention we give activities across all our internal and external facing functions, to ensure we maintain (and improve, where necessary), ONR's positive reputation in the public domain.

## People

- 7.12 Having a well-resourced, diverse, motivated and highly competent workforce is key to achieving our strategic vision. We have the flexibility to set our own pay, terms and conditions and people policies. However, we recognise that as a public body we are accountable to the public and must demonstrate the highest standards of behaviour, integrity and values in how we discharge our duties effectively and efficiently.

<sup>9</sup> NR Safety Assessment Principles – 2014 Edition, (Revision 0 – November 2014). <http://www.onr.org.uk/saps/>

<sup>10</sup> ONR Risk Informed Regulatory Decision Making – June 2017. <http://www.onr.org.uk/documents/2017/risk-informed-regulatory-decision-making.pdf>



7.13 To be able to compete in an increasingly challenging and competitive global labour market for the scarce skills we need, we must ensure that we are open to how we recruit and develop our staff to access the skills and expertise that we need. This will include being willing to be innovative and challenging in how we create opportunities for development of leadership and management skills and how we build the resilience across the organisation at all levels.

7.14 We will maintain a cautious approach to how we recognise and reward our staff, given the need to have due regard to 'Managing Public Money' guidelines and related guidance on public sector pay policy, as well as the need to ensure appropriate costs of regulation.

### Information governance and information security/cyber security

7.15 Due to the ever present and inherent threat of loss of information, whether through unintentional or malicious internal and external factors, we have an averse appetite to risk in our information security and cyber security related activities.

7.16 In our information governance, however, we are keen to minimise disruption to our day to day business when introducing activities and controls that strengthen our compliance, and so therefore have a minimalist appetite for such risks.

### Financial

7.17 We have established a robust budget-setting process that secures the funding required to support the efficient and effective delivery of our planned regulatory activity. All financial decisions will be taken to optimise value for money in the utilisation of public funds, ensure appropriate compliance and eliminate the risk of loss to secure its long term financial viability. Therefore, ONR has a minimalist appetite in respect of financial governance, management and control and will only consider exceeding these constraints if a financial response is required to mitigate risks associated with nuclear safety and security.

7.18 As a regulator, we aspire to be an exemplar in our compliance and legal standing. ONR is averse to the risks of internal fraud and fraudulent behaviour and will maintain appropriately robust controls and sanctions to maximise prevention, detection and deterrence of this type of behaviour.

## Classifications

7.19 We follow HM Treasury guidance in defining our risk appetite, using the classifications in the following table:

Classification	Description
<b>Averse</b>	Avoidance of risk and uncertainty in achievement of key deliverables or initiatives is paramount. Activities undertaken will only be those considered to carry virtually no inherent risk.
<b>Minimalist</b>	Predilection to undertake activities considered to be very safe in the achievement of key deliverables or initiatives. Activities will only be taken where they have a low degree of inherent risk. The associated potential for reward/pursuit of opportunity is not a key driver in selecting activities.
<b>Cautious</b>	Willing to accept/tolerate a degree of risk in selecting which activities to undertake to achieve key deliverables or initiatives, where we have identified scope to achieve significant reward and/or realise an opportunity. Activities undertaken may carry a high degree of inherent risk that is deemed controllable to a large extent.
<b>Open</b>	Undertakes activities by seeking to achieve a balance between a high likelihood of successful delivery and a high degree of reward and value for money. Activities themselves may potentially carry, or contribute to, a high degree of residual risk.
<b>Hungry</b>	Eager to be innovative and choose activities that focus on maximising opportunities (additional benefits and goals) and offering potentially very high reward, even if these activities carry a very high residual risk.



## 8

## GOVERNANCE

8.1 Three common principles will remain visible throughout all of our corporate governance arrangements:

- Transparency – governance affects us all and we will be transparent in our activity, so we have published Terms of Reference and we will continue to invite colleagues to attend as observers in our meetings.
- Behaviours – management effort should govern not just what we do but how we do it, with a focus on seeing agreed priorities through to completion.
- Accountability – we will always explain what we are doing, why we are doing it and how we are progressing.

## ONR BOARD

8.2 The ONR Board's role is to provide leadership, set strategy, agree the policy framework within which ONR operates as a regulator and agree and monitor resources and performance. The Board ensures that effective arrangements are in place at ONR to provide assurance on governance, risk management and internal control.

8.3 The composition of the Board is prescribed in The Energy Act 2013. All members of the ONR Board must act in the best interests of ONR and in accordance with the Seven Principles of Public Life. The Board is chaired by Nick Baldwin CBE under the terms of ONR's Framework Document. This Framework Document between DWP and ONR has recently been reviewed and revised for implementation from May 2018 and clarifies roles and responsibilities.

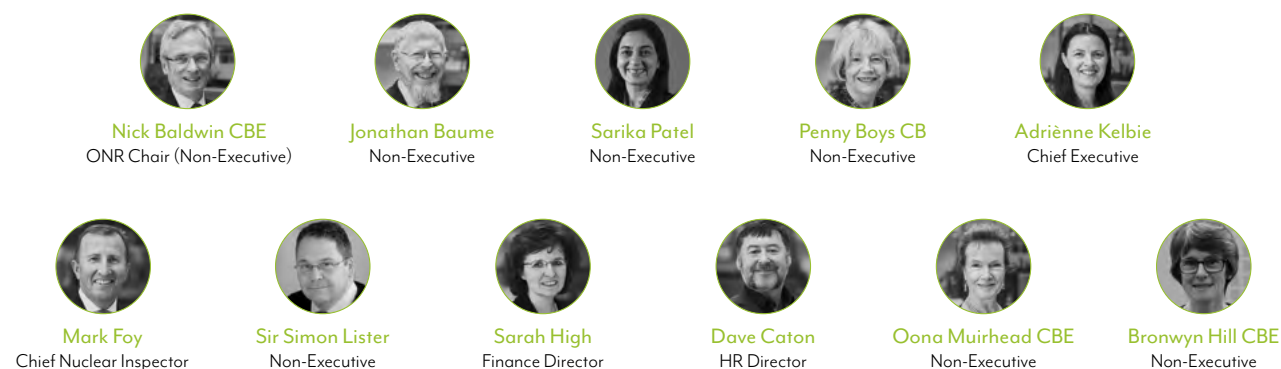
8.4 The Board maintains four standing committees as follows:<sup>11</sup>

- Audit and Risk Assurance Committee
- Remuneration Committee
- Nominations Committee
- Security Committee.

8.5 ONR's Chair, Nick Baldwin CBE, has personally championed diversity and supports the government's aim of having 50% gender split on boards, exemplified by ONR's Board membership with a balanced male/female representation.

<sup>11</sup> Full Board responsibilities and Terms of Reference for its four standing committees can be found in ONR's Arrangements for Corporate Governance at <http://www.onr.org.uk/documents/2014/corporate-governance.pdf>

FIGURE 4 – ONR BOARD









## AUDIT AND ASSURANCE FRAMEWORK

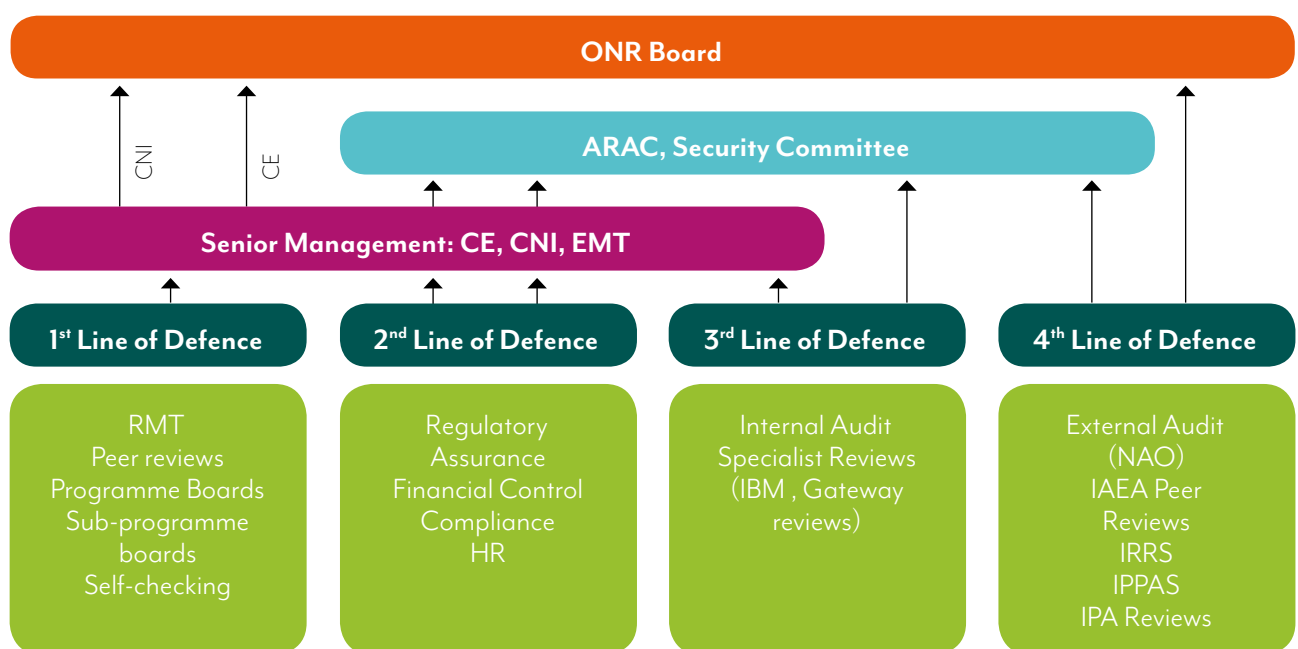
- 8.6 ONR’s Integrated Audit and Assurance Framework was introduced in 2017 and has proved effective in delivering independent oversight and assurance throughout the organisation. Given the delegation of regulatory decisions to the CNI, our assurance function specifically provides assurance that ONR is appropriately delivering its regulatory purposes and functions, to the ONR Board and committees and to the Accounting Officer, CNI, EMT and RMT.
- 8.7 Our Audit and Assurance function provides an assurance rating from our activities. All assurance activities are deliberately independent of our operations to ensure that all ratings are objective and are reported as such. The overall rating reported at the end of 2017/18 was moderate, on a four point scale, from unsatisfactory, limited and moderate to substantial. We aspire to improve our assurance rating in 2018/19 to substantial.
- 8.8 ONR’s Integrated Audit and Assurance Framework is summarised in Figure 5 and includes a fourth line of defence to demonstrate the additional assurance derived over and above HM Treasury’s Assurance Frameworks model, from external sources, including the National Audit Office and international peer reviews.

## REPORTING FRAMEWORK

- 8.9 In 2015, ONR published a five year strategic plan for 2015-2020. In 2016, this was updated to incorporate the earlier strategy and provide a more comprehensive view of ONR’s intentions for the next four years to 2020. This provides greater detail around the factors that influence our work, the assumptions we made about the nuclear environment going forward and how we intend to deliver on the commitments made to our key stakeholder groups.
- 8.10 The Strategic Plan 2016-2020 is supported by annual corporate plans, including this corporate plan for 2018/19, which sets out how we will achieve our short term objectives against each of our strategic themes set by the Board, to enable us to deliver our 2020 strategic intent.
- 8.11 Each year, our published Annual Report and Accounts summarises our operational and financial performance. These are laid before Parliament and published on our website.



**FIGURE 5 – ONR INTEGRATED AUDIT AND ASSURANCE FRAMEWORK**



CNI provides assurance to Board in respect of the quality and integrity of regulatory decision making.  
 CE provides assurance to Board in respect of the quality and integrity of organisational processes and controls.



# 9

## CONCLUSION

9.1 By March 2019, we aim to have made progress towards our 2020 strategic intent. In 2015, we said that success would be judged by our stakeholders as follows:

### To the public, ministers and government, ONR:

- is an exemplar of openness and transparency; a trusted source of independent information and advice about the risks and potential consequences of civil nuclear activities and defence 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

### To our dutyholders, ONR:

- influences change to enhance an excellent health, safety and security culture among 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

### To our people, ONR:

- is a great place to work, where people aspire to be part of the ONR team
- has a culture where people lead by example, set clear direction, inspire others and demonstrate the highest standards of behaviours 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









# 10

## APPENDICES

# APPENDIX A – CORPORATE MILESTONE PLAN 2018/19

		QUARTER 1			QUARTER 2	
		APR 18	MAY 18	JUN 18	JUL 18	AUG 18
<b>Influencing improvements in nuclear sector safety and security</b> 	Regulatory framework				<ul style="list-style-type: none"> <li>ONR REPPiR Code of Practice and guidance ready for public consultation</li> </ul>	
	Operational activity			<ul style="list-style-type: none"> <li>Make decision on assessment strategy for SyAPs-informed Nuclear Site Security Plans</li> </ul>	<ul style="list-style-type: none"> <li>Make decision on adequacy of Sellafield Ltd's management of change regarding implementation of its new operating model</li> </ul>	<ul style="list-style-type: none"> <li>Make decision – permission Heysham 2 (R7) reactor start-up following statutory outage</li> </ul>
<b>Inspiring a climate of stakeholder respect, trust and confidence</b> 		<ul style="list-style-type: none"> <li>Host nuclear industry personnel security forum</li> </ul>	<ul style="list-style-type: none"> <li>Participate in ENSREG Topical Peer Review hearings</li> <li>Present UK Report to the Joint Convention Review Meeting</li> <li>Host Industry Conference</li> <li>Publish Regulators' Code Self-Assessment</li> </ul>	<ul style="list-style-type: none"> <li>Represent UK at the IAEA Nuclear Security Guidance Committee</li> </ul>	<ul style="list-style-type: none"> <li>Complete IRRS self-assessment</li> <li>Lay 2017/18 Annual Report and Accounts before parliament</li> </ul>	<ul style="list-style-type: none"> <li>Host webinar on outcome of UK Report to the Joint Convention</li> </ul>
<b>Getting the best out of our people</b> 					<ul style="list-style-type: none"> <li>Publish Gender Pay Report</li> </ul>	
<b>Developing a sustainable, high performing organisation</b> 			<ul style="list-style-type: none"> <li>Implement GDPR Phase 1</li> <li>Publish DWP/ ONR Framework Document and ONR Scheme of Delegation</li> </ul>	<ul style="list-style-type: none"> <li>Agree Integrated IT Separation Plan (from HSE) and IT Modernisation Plan</li> </ul>	<ul style="list-style-type: none"> <li>Integrate emergency response to a transport event into ONR's arrangements</li> <li>Re-locate London Office</li> <li>Implement ONR Enforcement Management Model (EMM)</li> </ul>	<ul style="list-style-type: none"> <li>Complete laptop rollout (Phase 1)</li> </ul>

	QUARTER 3			QUARTER 4		
SEP 18	OCT 18	NOV 18	DEC 18	JAN 19	FEB 19	MAR 19
	<ul style="list-style-type: none"> <li>Complete initial training and development package for UK SSAC Safeguards Inspectors</li> </ul>		<ul style="list-style-type: none"> <li>Develop Advanced Nuclear Technology Assessment Strategy</li> <li>Complete final draft of REPPiR Code of Practice and guidance</li> </ul>	<ul style="list-style-type: none"> <li>Produce guidance on amendment to Transport Regulations</li> </ul>		<ul style="list-style-type: none"> <li>Implement UK SSAC Safeguards Information Management and Recording System (SIMRS)</li> </ul>
<ul style="list-style-type: none"> <li>Report to AWE on development of licensee's Structured Improvement Programme</li> </ul>	<ul style="list-style-type: none"> <li>Make decision - permission interim storage of used AGR reactor fuel within THORP at Sellafield</li> <li>Make decision – permission entry of Bradwell into its Care and Maintenance stage</li> </ul>	<ul style="list-style-type: none"> <li>Make decision on commencement of Step 3 for GDA of the UK HPR1000</li> <li>Make decision – consent for the construction of HPC Nuclear Island</li> <li>Make decision – permission Dungeness B (R22) reactor start-up following statutory outage</li> </ul>		<ul style="list-style-type: none"> <li>Make decision – permission commencement of repacking of special product containment at Sellafield</li> </ul>	<ul style="list-style-type: none"> <li>Make decision on adequacy of Heysham 1 and Hartlepool Periodic Safety Reviews</li> </ul>	<ul style="list-style-type: none"> <li>Establish AWE's licensee's readiness for the planned CNI Inspection</li> <li>Make decision – permission commencement of active operations at Silo Maintenance Facility at Sellafield</li> <li>Grant new nuclear site licence, if appropriate, to Tradebe Inutec on the Winfrith site</li> </ul>
	<ul style="list-style-type: none"> <li>NGO Forum</li> </ul>	<ul style="list-style-type: none"> <li>Host webinar on HPC Nuclear Island Consent</li> </ul>		<ul style="list-style-type: none"> <li>Publish Regulatory Intelligence report for period to Dec 2017</li> </ul>	<ul style="list-style-type: none"> <li>Host webinar on ENSREG Topical Peer Review</li> </ul>	<ul style="list-style-type: none"> <li>Present paper at US NRC Regulatory Information Conference</li> <li>NGO Forum</li> </ul>
<ul style="list-style-type: none"> <li>Implement Mental Health Strategy</li> <li>Complete National Equality Standard assessment</li> </ul>	<ul style="list-style-type: none"> <li>Conduct 2018 Staff Survey</li> <li>Complete RCIS Technical Cell capability improvement programme</li> </ul>		<ul style="list-style-type: none"> <li>Agree 2018 Staff Survey Action Plan</li> </ul>			<ul style="list-style-type: none"> <li>Introduce Corporate Social Responsibility Policy</li> <li>Complete migration of ONR learning and development to ONR Academy</li> </ul>
<ul style="list-style-type: none"> <li>Establish Investigation sub-specialism</li> <li>Commission Corporate Planning activity for 2019/20</li> </ul>	<ul style="list-style-type: none"> <li>Commence Phase 1 of WiRED project</li> </ul>	<ul style="list-style-type: none"> <li>Complete SAPs review – Professional Leads (Phase 1)</li> </ul>	<ul style="list-style-type: none"> <li>Commence laptop rollout (Phase 2)</li> </ul>	<ul style="list-style-type: none"> <li>Board review budget proposals for 2019/20</li> </ul>	<ul style="list-style-type: none"> <li>ARAC approve internal audit and assurance plan 2019/20</li> </ul>	<ul style="list-style-type: none"> <li>Complete first build of new portal to assist regulation of CS&amp;JA in the supply chain</li> <li>Board approve 2019/20 Corporate Plan, Budget and KPIs</li> <li>Consider Business Case for Phase 2 of Regulatory Knowledge Management and Business Process Review Project – Gateway Review</li> </ul>

## APPENDIX B – SUMMARY REGULATORY PLAN 2018/19

Core function	Division	Key activity
Core function 1 – Inspect and evaluate the safety and security culture and performance of our dutyholders, ensuring risks are well controlled.	All Operational Divisions	Undertake compliance inspections on nuclear sites in accordance with site specific regulatory intervention plans.  <b>Target: Complete 90% of all planned inspections.</b>
	All Operational Divisions	Undertake systems based, safety case informed (SBI) inspections across licensed sites in accordance with site specific regulatory intervention plans.  <b>Target: Complete 95% of planned SBI inspections.</b>
	All Operational Divisions	Conduct radioactive material transport compliance inspections in accordance with sector specific regulatory intervention plans.  <b>Target: Complete 90% of planned inspections.</b>
	All Operational Divisions	Undertake compliance inspections on local authorities in accordance with duties under the Radiation (Emergency Preparedness and Public Information) Regulations (REPPiR) 2001.  <b>Target: Complete 3 planned inspections.</b>
	Sellafield Decommissioning Fuel and Waste	Complete assessment of Sellafield Ltd's management of change in relation to the implementation of its new operating model, to ensure the adequacy of its arrangements and their implementation.
	Operating Facilities	Assess the report of the EDF NGL Periodic Safety Review (PSR) for Heysham 1 and Hartlepool, record the outcome of our assessment, and issue the decision letters to the licensee.
Core function 2 – Enforce the law, in accordance with our Enforcement Management Policy.	Operating Facilities	Assess and report to AWE on the licensee's progress against development of their Structured Improvement Programme.
	Technical Division	Pending potential revisions to the Radiation (Emergency Preparedness and Public Information) Regulations (REPPiR) 2001 during the period – complete determinations of off-site local authority radiation emergency planning areas for 6 nuclear sites.



Core function	Division	Key activity
Core function 3 – Deliver a permissioning regime, ensuring that dutyholder activities of principal significance to nuclear safety and security achieve UK legal standard.	Operating Facilities	Complete compliance inspections and assessment activity to support the statutory outages at Heysham 2 (R7), Dungeness B (R22), Hinkley Point B (R4), Heysham 1 (R2), Torness (R2), Hunterston B (R3) and Hinkley Point B (R3) and issue licence instruments, where appropriate, to enable reactor start-ups.
	New Reactors	Complete assessment and make formal decision regarding the consent for the construction of the Hinkley Point C Nuclear Island.
	Sellafield Decommissioning Fuel and Waste	Assess the safety justification and other arrangements, and if appropriate permission entry of Bradwell into its care and maintenance stage.
	Sellafield Decommissioning Fuel and Waste	Assess and if appropriate, permission the interim storage of used Advanced Gas-cooled Reactor (AGR) fuel within THORP at Sellafield.
	Sellafield Decommissioning Fuel and Waste	Complete activities to grant new nuclear site licence to Tradebe Inutec on the Winfrith site.
	Sellafield Decommissioning Fuel and Waste	Complete assessment to permission, if appropriate, commencement of active operations at Silo Maintenance Facility at Sellafield.
Core function 4 – Maintain and improve the regulatory framework, maintain ONR's management system and sustain our regulatory capability.	Technical division	Establish Investigation sub-specialism.
	Technical Division (and Policy)	Assist in the development of a new Radiation (Emergency Preparedness and Public Information) Regulations (REPPiR 2018) Code of Practice (COP) (and associated guidance) and guidance on the amendment to Transport Regulations to support implementation of the Euratom Basic Safety Standards Directive (BSSD) 2013.
	New Reactors	Develop assessment strategy for Advanced Nuclear Technology (ANT).
	Technical Division	Complete Integrated Regulatory Review Service (IRRS) self-assessment and action plan, and work with UK government and other agencies to prepare for the IAEA IRRS full scope mission to the UK in 2019.
	All Divisions	Provide support to IAEA to undertake Integrated Regulatory Review Service (IRRS) and International Physical Protection Advisory Service (IPPAS) Missions.  <b>Target: 4 Missions</b>
	Technical Division	Initiate 5-yearly review and update (as required) of ONR's Safety Assessment Principles (SAPs).
Technical Division	Review and update ONR's Technical Inspection Guides (TIGs) and Technical Assessment Guides (TAGs) in line with the standard review process taking account of developments in the global nuclear safety and security regimes.  <b>Target: 95%</b>	

Core function	Division	Key activity
Core function 4 – continued	Civil Nuclear Security	Assess pilot SyAPs-informed Nuclear Site Security Plans (NSSPs) and develop an assessment strategy for all sites.
	Technical Division	Implement ONR's revised Enforcement Management Model (EMM).
	Technical Division	Implement improvements to ONR's response capability, including enhancements to the RCIS technical cell, integrating the response to a transport event into our arrangements.
Core function 5 – Engage, inform, advise and consult with dutyholders, international bodies and other stakeholders.	Civil Nuclear Security	Host nuclear industry personal security (vetting) forum.
	Technical Division	Participate in the European Nuclear Safety Regulators Group (ENSREG) topical review hearing on ageing management.
	Sellafield Decommissioning Fuel and Waste	Deliver the UK presentation to and participate in the Convention on Safety of Spent Fuel and on the Safety of Radioactive Waste (Joint Convention) triennial review meeting and participate in the peer review of other states' national reports.
	Civil Nuclear Security (Safeguards)	Work with UK safeguards dutyholders and the inspectorates of the IAEA and Euratom to enable continued safeguards compliance in the UK (to March 2019), and submit reports fulfilling the UK's obligations to Euratom, the IAEA, and under Nuclear Cooperation Agreements.  <b>Target: 80% of 2018/19 reports submitted to plan.</b>
	Technical Division	Publish Regulatory Intelligence report for period to December 2017.
Core function 6 – Influence our dutyholders to develop through-life strategies, achieving sustained delivery of good practice in safety and security.	Operating Facilities	Conduct an inspection to establish AWE's licensee readiness for the planned Chief Nuclear Inspector (CNI) inspection in 2019.
	New Reactors	Complete assessment and make decision on the commencement of Step 3 for GDA of the UK HPR1000.

# APPENDIX C – ONR REGULATORY PLANNING ASSUMPTIONS 2018/19

Our top level regulatory assumptions about the UK sector and internationally are:

1	There are no nuclear events within the UK or overseas which undermine or result in a significant change to Regulatory Directorate's planned work programmes.
2	Government policy in support of UK civil nuclear power remains positive and investment is forthcoming.
3	Programmes to construct and commission new power reactors proceed (albeit with uncertainties at Moorside, Wylfa B, etc.).
4	The shut-down dates of the existing Advanced Gas Reactor fleet occur in accordance with EDF's declared plan.
5	No life-limiting factors emerge in the UK's existing civil reactor fleet that affect the resources (quantity and type) that ONR deploys to this area.
6	ONR will continue to support UK exit from Euratom, including through expert input to negotiations (eg, to establish new trade agreements) and legislation (eg, to the Nuclear Safeguards Bill and development of nuclear safeguards regulations); establishing additional safeguards capability; and delivering a UK SSAC by 29 March 2019 that meets UK international reporting obligations.
7	There will be no significant impact on the UK regulatory framework from UK's exit from the EU, aside from establishment of the new domestic safeguards regime.
8	Government's policy and programme for the current nuclear submarine fleet, the new build Dreadnought class and the associated AWE strategic weapon capabilities remain unchanged for the next three years.
9	The regulatory framework and division of responsibilities between ONR and DNSR for the regulation of the defence sector remains unchanged.
10	Government policy in the areas of ANTs is clarified within the next 12 months.
11	There are no significant nuclear security breaches or changes in policy in relation to national security requirements that would undermine the security arrangements currently in place.
12	No significant safety or nuclear security concerns emerge with the UK ABWR or HPR1000 designs.
13	There will be no change to the scope of ONR's vires to regulate security before March 2019.
14	Nuclear fuel reprocessing and storage facilities continue to operate safely to NDA's declared timelines to ensure that the agreed volume of spent fuel is reprocessed and the remainder is placed into long-term storage.
15	The hazard and risk reduction challenges will continue at Sellafield and progress to address them will remain a government priority.
16	Materials consolidation will remain a high government priority.
17	Policy for UK Plutonium stocks will be established and the process for siting of a GDF will proceed.
18	Market demands for nuclear skills are likely to intensify.
19	ONR's work in support of UK's international obligations (eg, IAEA standards, missions and international event reporting) remains at current agreed levels, other than expert advice on concluding new safeguards agreements with the IAEA (as set out at assumption 6).
20	The work needed to support government's transposition of the BSSD, including the development of a REPIR code of practice remains at agreed levels.

# APPENDIX D – ONR KEY PERFORMANCE INDICATORS 2018/19

KPI Ref	Description	Reporting frequency	Target
<b>Strategic Theme 1: Influencing improvements in nuclear sector safety and security</b>			
B1	Undertake compliance inspections on nuclear sites in accordance with site specific regulatory intervention plans	Monthly	Complete 90% of all planned inspections
B2	Undertake systems based, safety case informed inspections across licensed sites in accordance with site specific regulatory intervention plans	Monthly	Complete 95% of planned SBI inspections.
B3	Conduct radioactive material transport compliance inspections in accordance with sector specific regulatory intervention plans	Quarterly	Complete 90% of planned inspections
B4	Pending potential revisions to REPIR during the period – complete determinations under REPIR (2001) of off-site local authority radiation emergency planning areas for six nuclear sites	Annually	100%
<b>Strategic Theme 2: Inspiring a climate of stakeholder respect, trust and confidence</b>			
B5	Publish all regulatory decision reports within 6 weeks	Quarterly	90%
B6	Respond to FOI/EIRs requests within statutory limits	Monthly	100%
<b>Strategic Theme 3: Getting the best out of our people</b>			
B7	Capacity: starter numbers for technical specialists	Quarterly (Annual Target)	5% net increase
B8	Capability: proportion of eligible ONR staff who have advanced to the next level in Competency Pay Progression	Annually	30%
B9	Diversity & Inclusion: Declaration rates: improve current annual response from 43% to 60% of organisation making a declaration	Quarterly	60%
B10	Capability: proportion of fully warranted safety and security inspectors at or above target	Quarterly	80%
B11	Engagement: staff engagement index to improve from 70% to upper quartile benchmark (public sector)	Annually in-year	77%
B12	Capacity: leavers – turnover/ attrition (ONR overall)	Quarterly (Annual Target)	<7%
<b>Strategic Theme 4: Developing a high-performing, sustainable organisation</b>			
B13	Effective forecasting disciplines: ONR financial outturns are all within tolerance	Quarterly	< / + 2%
B14	PMO: review 50% of live projects in year to ensure compliance with the PMO standard project management process is met	Annually	90% compliance with the PMO standard project management process
B15	PMO: number of projects delivering in year against plan (to time, cost, quality)	Annually	75%



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