
Asset Management Technical Assessment Guidance

Office for Nuclear Regulation

RPC rating: validated

Description of proposal

ONR has produced nuclear specific Asset Management guidance for use by ONR inspectors to inform regulatory judgements and to provide advice on what is expected of duty-holders to demonstrate adequate management of nuclear assets, including their safety, security and environmental functions.

The new asset management guidance addresses a gap in ONR's suite of assessment guides. Existing guidance on asset management is not specific to nuclear safety, security or environmental protection. The new assessment guidance clarifies expectations for managing nuclear significant assets.

Impacts of proposal

The new guidance would be immediately relevant to the 37 holders of nuclear site licences. Others for whom this guidance could be relevant include 250 separate sites that hold sensitive nuclear information and a further 2,000 entities that deal with radioactive material transport.

ONR has applied web analytics to previous placements of new guidance on ONR's website to estimate that around 2% (45) of the potentially affected entities will read the document during the first year after publication. In addition, ONR anticipates from past experience that two employees (an engineer and their direct manager) at each of the 37 nuclear licensed sites will voluntarily read the guidance for background information at the time of its publication.

The guide is 18 pages long; ONR estimates that it can be read and digested in 1.7 hours, allowing for three full reads of the document. This is based on Regulator Appraisal Subgroup (RAS) Group Guidance, which assumes that an average reading speed is 200 words per minute and stipulates that three full readings are required for understanding.

The cost to industry in the first year is therefore calculated to be:

- 2 representatives x 1.7 hours x 37 licensed sites x hourly rate (£47.86) , plus
- 45 interested parties (based on web analytics) x 1.7 hours x hourly rate (£47.86).

This yields a total one-off cost of £9,700.

ONR states that the new guidance will not increase the number or frequency of regulatory inspections. Inspections of asset management arrangements will be undertaken as part of wider regulatory business and not as a stand-alone specific activity.

The RPC verifies the estimated equivalent annual net direct cost to business (EANDCB) of £0 million. This will be a qualifying regulatory provision that will score under the Business Impact Target.

Quality of submission

ONR has provided a well-evidenced assessment of the likely impact of the new guidance. The RPC considers the submission to be a good example of the level of evidence and analysis required to validate the impact of a relatively straightforward measure.

The RPC notes that the ONR could have explained more clearly why affected businesses are not expected to read the guidance more than once. However, given the very low cost associated with reading the guidance, it is unlikely that this would affect the overall EANDCB.

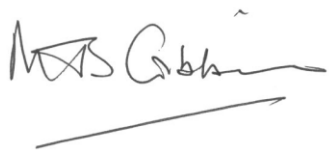
Departmental assessment

Classification	Qualifying regulatory provision (IN)
Equivalent annual net cost to business (EANCB)	£0 million
Business net present value	£0.01 million
Societal net present value	£0.01 million

RPC assessment

Classification	Qualifying regulatory provision (IN)
EANCB – RPC validated ¹	£0 million
Business Impact Target (BIT) Score ¹	£0 million

¹ For reporting purposes, the RPC validates EANCB and BIT score figures to the nearest £100,000.



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