Opinion: EANDCB Validation

Origin: Domestic

RPC reference number: DECC-ONR-3702(1) Date of implementation: December 2015



Office for Nuclear Regulation New Guidance on Land Quality Management

RPC rating: Validated

Description of proposal

The assessment outlines the effects of new guidance on land quality management produced by the Office for Nuclear Regulation (ONR) for its regulators. New guidance will provide ONR staff with a clearer understanding of regulatory expectations. Guidelines provide clarity and a legal underpinning for ONR Safety Assessment Principles (used in regulatory judgments) regarding the prevention of area contamination and the remediation of contaminated land and groundwater. The ONR notes that guidelines may be relevant to external organisations, including nuclear site licence holders, prospective licence holders, tenants' organisations and wider supply chain organisations.

The new guidance does not alter ONR expectations or introduce any new burden on businesses. The assessment notes that licensees are not mandated to review the guidance.

Impacts of proposal

The ONR calculates there to be 90 organisations that may choose to review the guidance. This is based on the number of licence holders, tenants' organisations and wider supply groups that are inspected under this ONR guidance. Based on ONR knowledge of the industry, the assessment anticipates that an average of 1.5 managers per organisation will wish to familiarise themselves with the new guidance. Managers' wage rates are estimated to be £47.86 per hour using ASHE figures. Allowing for three full reads of the guidance, the ONR calculates an estimated reading time of 2.9 hours (based on RAS group guidance data). This collectively implies a total, one-off familiarisation cost of £18,700.

The ONR expects no further costs to business. As the guidance does not alter ONR expectations or introduce any new measure, the ONR expects the behaviour of the regulator and the duty holder to be unaffected, to evolve in the future in line with guidance. The EANDCB and BIT scores therefore round to zero.

The RPC verifies the estimated equivalent annual net direct cost to business (EANDCB) of £0.0million. This will be a qualifying regulatory provision that will score under the business impact target.

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Quality of submission

The assessment explains sufficiently the rationale behind the new guides, given the low EANDCB score, and provides proportionate analysis of the costs and benefits of the guides.

Initially, the assessment offered insufficient justification for its assumption that 1.5 managers per organisation would read the guidance and incur familiarisation costs. The regulator has since provided further evidence to support this assumption. Future IAs must present clear evidence and/or reasoning to support the assumptions used in cost calculation.

The area is quite technical, and a brief description of the guidance in lay terms would improve readers' comprehension of the assessment.

Departmental assessment

| Classification | Qualifying regulatory provision (IN) |
|--|--------------------------------------|
| Equivalent annual net direct cost to business (EANDCB) | £0.0 million |
| Business net present value | £0.0 million |

RPC assessment¹

| Classification | Qualifying regulatory provision (IN) |
|------------------------------|--------------------------------------|
| EANDCB – RPC validated | £0.0 million |
| Business impact target score | £0.0 million |

Michael Gibbons CBE, Chairman

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

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