



Department for
Business, Energy
& Industrial Strategy

Office for Nuclear Regulation: Annual Report to Parliament on the exercise of powers under Part 3 of the Energy Act 2013 by the Secretary of State for Work and Pensions and the Secretary of State for Business, Energy and Industrial Strategy

1 April 2019 to 31 March 2020



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Requirements under Section 108(1) of the Energy Act 2013

Section 108(1) of the Energy Act 2013 (the 2013 Act) requires the Secretary of State as soon as reasonably practicable after the end of the financial year, to make a report to each House of Parliament on the use of the Secretary of State's powers under Part 3 of the 2013 Act during that year, and to lay the report before Parliament.

This report covers the period 1 April 2019 to 31 March 2020. This is the sixth report to be laid before Parliament pursuant to section 108 since the 2013 Act came into effect.

Part 3 of the Act (Nuclear Regulation) has five chapters covering nuclear regulations, the organisation and structure of the Office for Nuclear Regulation ("ONR"), the purposes and functions of the ONR and other supplementary matters.

Responsibility for this part of the 2013 Act cuts across two departments, the Department for Work and Pensions and the Department for Business, Energy and Industrial Strategy. Agreed responsibilities are set out in the tables below.

The Secretary of State for the Department for Work and Pensions has specific responsibility, in relation to ONR, for:

Pay	<ul style="list-style-type: none">• Under the DWP/ONR Framework document ONR can set its own pay remit, taking into account the requirements of Managing Public Money, Cabinet Office guidance and other relevant public sector guidance. ONR will alert DWP at the earliest opportunity if it proposes to deviate from these requirements.
Financial control	<ul style="list-style-type: none">• Approval of the ONR's accounts• Approval of any borrowing by the ONR. Provision of the ONR with sufficient funds to enable it to carry out its functions.
Non-executives (not including security non-executive)	<ul style="list-style-type: none">• Appointment and dismissal• Acceptance of resignation• Approval of terms of appointment
Other controls	<ul style="list-style-type: none">• Receipt of proposals for regulations made by the ONR• Approval of international work of the ONR (in consultation with BEIS due to its interest in national security issues)• Approval of any Approved Code of Practice proposed by the ONR

The Secretary of State for the Department for Business, Energy and Industrial Strategy has specific responsibility for the following areas:

Security specific	<ul style="list-style-type: none"> • Non-Executive Director, Security: appointment and dismissal; acceptance of resignation; approval of terms of appointment • In exceptional circumstances relating to national security, issuing a direction to the ONR as to the exercise of a regulatory function in a particular case
Policy Directions and Sensitive Information	<ul style="list-style-type: none"> • Direct ONR regarding the exercise of its functions generally, or any of its functions specifically • Provide consent to issue certain communications which concern matters to which government policy on national security relates • Give a notice to the ONR specifying the description of sensitive nuclear information in addition to those provided in the Energy Act 2013.
Safeguards obligations	<ul style="list-style-type: none"> • Issuing a notice to the ONR specifying that certain obligations, agreements or arrangements are to be considered “safeguard obligations” in addition to those obligations set out in the Energy Act 2013.

There is joint responsibility, but with the final decision resting with the Secretary of State for the Department for Work and Pensions in the following areas:

Key appointments	<ul style="list-style-type: none"> • Agreement of appointment of the Chair • Approval of the appointment of the Chief Nuclear Inspector (CNI) and Chief Executive Officer (CEO)
ONR Strategy and Plan	<ul style="list-style-type: none"> • Approval of ONR’s Strategy and Annual Plan and laying them before Parliament
Annual Report and Accounts	<ul style="list-style-type: none"> • Laying before Parliament ONR’s Annual Report and Accounts
Other controls	<ul style="list-style-type: none"> • Approval of commercial work

2019-2020 powers exercised by Secretary of State for the Department for Work and Pensions

Pursuant to section 108 of the Energy Act 2013, what follows is a report on the powers that have been exercised by the Secretary of State for the Department for Work and Pensions in the last financial year.

Schedule 7, paragraph 4:

Paragraph 4 makes provision in relation to non-executive members of ONR. Under this paragraph, SoS and Baroness Stedman-Scott agreed the Ministerial submission to appoint ONR's two new NEDs (approved on 22 January 2020 with effect from 1st April 2020 and 1st June 2020).

Under the same paragraph, two existing NED appointments were extended to 31 May 2020 confirmed by letter from SoS.

Schedule 7, paragraph 25(3):

Paragraph 25 (3) provides that the Secretary of State lay a copy of relevant documents in Parliament together with a statement. Under this paragraph, the Secretary of State laid before Parliament ONR's Annual Plan 2019-20 (23 April 2019) and Annual Report and Accounts 2018-19 (20 June 2019).

2019-2020 powers exercised by Secretary of State for the Department for Business, Energy and Industrial Strategy:

Pursuant to section 108 of the Energy Act 2013, what follows is a report on the powers that have been exercised by the Secretary of State for the Department for Business, Energy and Industrial Strategy in the last financial year.

No powers have been used by the Secretary of State in the financial year 2019 – 2020.

This publication is available from: www.gov.uk/government/publications/energy-act-2013-part-3-annual-report-2019-to-2020

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