



Department for  
Energy Security  
& Net Zero

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 Energy Security and Net Zero

1 April 2023 to 31 March 2024

Presented to Parliament pursuant to Section 108 (1) of the Energy Act 2013.



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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. The report must be laid before Parliament.

This report covers the period 1 April 2023 to 31 March 2024. This is the tenth 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 is shared between two departments, the Department for Work and Pensions and the Department for Energy Security and Net Zero. 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:

<b>Pay</b>	<ul style="list-style-type: none"><li>• 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.</li></ul>
<b>Financial control</b>	<ul style="list-style-type: none"><li>• Approval of the ONR's accounts</li><li>• Approval of any borrowing by the ONR.</li><li>• Provision of the ONR with sufficient funds to enable it to carry out its functions.</li></ul>
<b>Non-executives (not including security non-executive)</b>	<ul style="list-style-type: none"><li>• Appointment and dismissal</li><li>• Acceptance of resignation</li><li>• Approval of terms of appointment</li></ul>

The Secretary of State for the Department for Energy Security and Net Zero has specific responsibility for the following areas:

<b>Security specific</b>	<ul style="list-style-type: none"><li>• Non-Executive Director, Security: appointment and dismissal; acceptance of resignation; approval of terms of appointment</li><li>• 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</li></ul>
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<b>Policy Directions and Sensitive Information</b>	<ul style="list-style-type: none"> <li>• Direct ONR regarding the exercise of its functions generally, or any of its functions specifically</li> <li>• Provide consent to issue certain communications which concern matters to which government policy on national security relates.</li> <li>• Give a notice to the ONR specifying the description of sensitive nuclear information in addition to those provided in the Energy Act 2013.</li> </ul>
<b>Safeguards obligations</b>	<ul style="list-style-type: none"> <li>• 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</li> </ul>
<b>Other Controls</b>	<ul style="list-style-type: none"> <li>• Approval of international work of the ONR</li> </ul>

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:

<b>Key appointments</b>	<ul style="list-style-type: none"> <li>• Agreement of appointment of the Chair</li> <li>• Approval of the appointment of the Chief Nuclear Inspector (CNI) and Chief Executive Officer (CEO)</li> </ul>
<b>ONR Strategy and Plan</b>	<ul style="list-style-type: none"> <li>• Approval of ONR’s Strategy and Annual Plan and laying them before Parliament</li> </ul>
<b>Annual Report and Accounts</b>	<ul style="list-style-type: none"> <li>• Laying before Parliament ONR’s Annual Report and Accounts</li> </ul>
<b>Other controls</b>	<ul style="list-style-type: none"> <li>• Approval of commercial work</li> <li>• Receipt of proposals for regulations made by the ONR</li> <li>• Approval of any Approved Code of Practice proposed by the ONR</li> </ul>

### **2023-2024 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 under Part 3 of that Act 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:

ONR Board Chair Mark McAllister’s appointment extended for further three years from 01 April 2024 to 31 March 2027. However, in September 2023 he was selected and successfully appointed as Chair of Ofgem and stepped down as ONR Chair on 31<sup>st</sup> December 2023.

Interim ONR Chair, Dame Judith Hackitt was appointed on 05 December 2023 to replace Mark McAllister from 1<sup>st</sup> January 2024 for the next 12-18 months until a permanent appointment can be made through open competition.

Dame Sue Gray stepped down as interim NED on 31<sup>st</sup> January 2024 and Roger Hardy was appointed as NED on a five-year term from 1<sup>st</sup> February 2024.

Schedule 7, paragraph 25(3):

Paragraph 25(3) provides that the Secretary of State lay a copy of relevant documents (as defined in paragraph 25(1)) in Parliament together with a statement. Under this paragraph, the Secretary of State laid in Parliament ONR's Corporate Plan 2023-24 (12 June 23) and Annual Report and Accounts 2022-23 (16 November 23).

**2023-2024 powers exercised by Secretary of State for the Department for Energy Security and Net Zero:**

Pursuant to section 108 of the Energy Act 2013, what follows is a report on the powers [under Part 3 of that Act] that have been exercised by the Secretary of State for the Department for Energy Security and Net Zero in the last financial year.

No powers (under Part 3 of that Act) were exercised this financial year by the Secretary of State.

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