

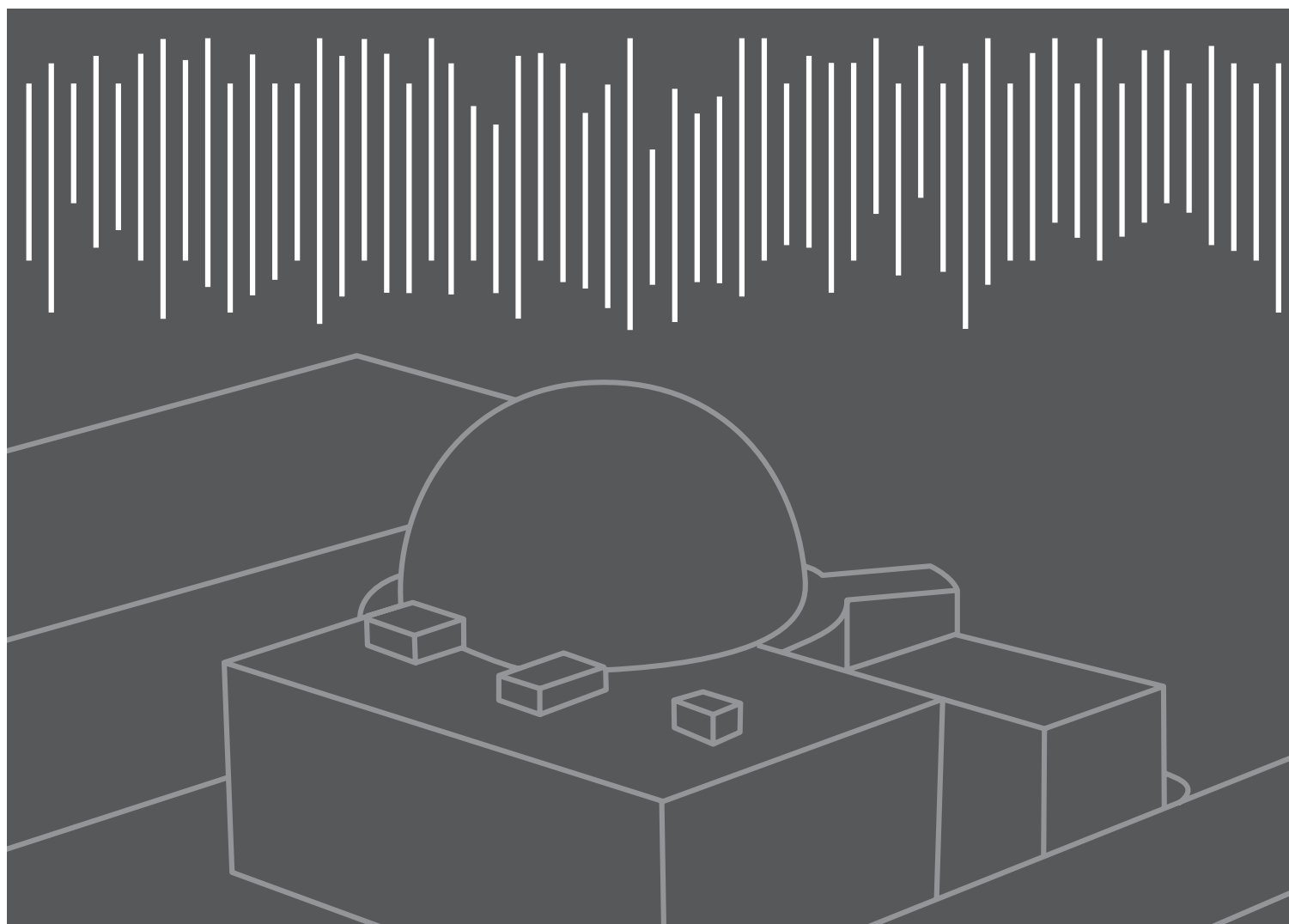


Office for
Nuclear Regulation

Annual Report and Accounts 2024/25

HC 1127

Large font



Annual Report and Accounts

2024/25 for the year ended 31 March 2025

Presented to Parliament pursuant to
Paragraphs 21, 24 and 25(3) of Schedule 7
to the Energy Act 2013

Ordered by the House of Commons
to be printed on 17 July 2025

HC 1127



© Crown copyright 2025

This publication is licensed under the terms of the Open Government Licence v3.0 except where otherwise stated. To view this licence, visit nationalarchives.gov.uk/doc/open-government-licence/version/3

Where we have identified any third-party copyright information you will need to obtain permission from the copyright holders concerned.

This publication is available at www.gov.uk/official-documents

Any enquiries regarding this publication should be sent to us at contact@onr.gov.uk

Head Office:

Office for Nuclear Regulation
Redgrave Court
Merton Road
Bootle
Merseyside
L20 7HS

ISBN978-1-5286-5494-4

E03303267 07/25

Printed on paper containing 40% recycled fibre content minimum.

Printed in the UK by HH Associates Ltd. on behalf of the Controller of His Majesty's Stationery Office.

Contents

Performance report

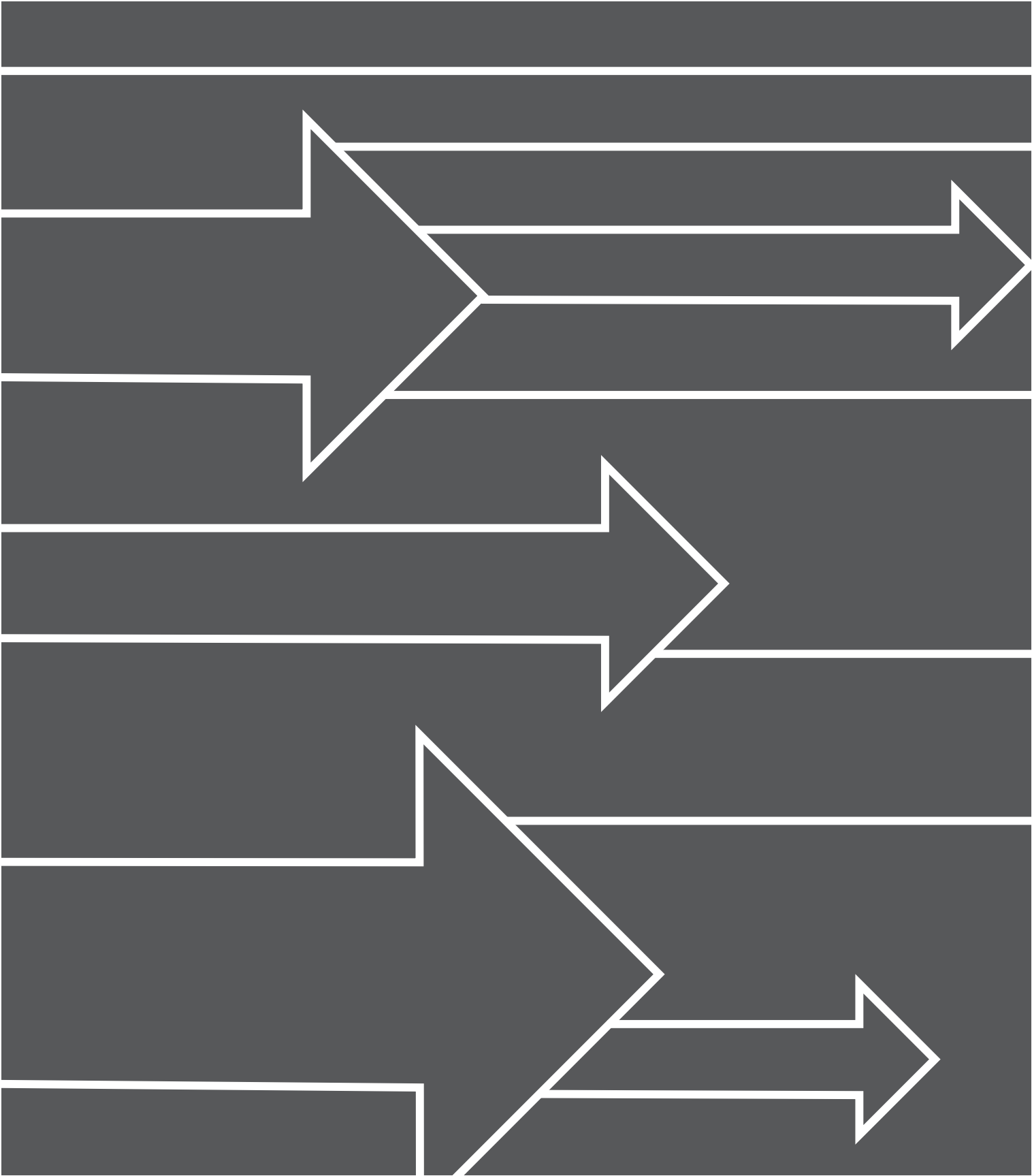
Performance overview	3
Performance analysis	18

Accountability report

Corporate governance report	103
Remuneration and staff report	143
Parliamentary accountability and audit report	181

Financial statements	198
-----------------------------	------------

Performance report



Performance overview

This section provides information about ONR and a summary of our performance in the year.

Foreword

We are pleased to report on the work that ONR has delivered during this final year of the 2020-2025 Strategy and the progress we have made against our top priorities for 2024/25. We delivered 90% of the milestones from our 2024/25 Corporate Plan, demonstrating regulatory effectiveness across all our purposes and significant progress against the final year of our 2025 Strategy.

We maintained focus on returning sites to routine regulatory attention, with successful outcomes for AWE Aldermaston, Springfields, Sellafield (physical security), and improvements at Devonport Royal Dockyard Ltd (DRDL) indicating a positive trajectory towards a move from enhanced attention.

Across our teams, we delivered a broad scope of activity to support our mission. This included:

- completing planned Generic Design Assessments (GDA) steps for three separate reactor technologies;
- granting a nuclear site licence to Sizewell C;
- overseeing construction at Hinkley Point C;
- engaging with multiple vendors for new market entrants, supported by our newly published guidance;
- achieving key milestones to influence timely high hazard and risk reduction at Sellafield Ltd;
- completing safety case assessments and lifetime extension proposals for ageing Advanced Gas Reactors (AGR) and graphite cores; and
- completing key work in support of critical nuclear defence projects, including innovative permissioning of submarine dockings to reduce timescales.
- as the GB Competent Authority for the safe transport of radioactive material, we have delivered a suite of approvals and compliance inspections: and
- enabled the development of an IAEA Safeguards training centre at Capenhurst to detect diversion techniques and covert development of weaponisable material.

We have continued to address the themes identified in the 2024/25 CNI Annual Report on the performance of the nuclear industry, and completed the themed inspection on climate change and associated stakeholder and NGO engagement. This report will be published next year.

Throughout the period, we implemented the cross-industry strategy for construction health and safety leadership and management, strengthening regular nuclear site health and safety engagement with senior stakeholders, to influence performance improvements.

This year, we are pleased that we realised our commitment to improve collaboration, cooperation, proportionality and consistency across our purposes. This was achieved through the streamlining and reduction of regulatory controls, embedding of mature regulatory intelligence processes, and the completion of the Organisational Review project. This project has successfully integrated our purposes and structures across the organisation, leading to improved efficiency, clarity and accountability.

At the World Government Summit we were proud to present our groundbreaking sandbox approach for the regulation of artificial intelligence (AI) within the nuclear

industry, which was a world first for the nuclear sector. Sandboxing provided a mutually supportive environment for stakeholders to consider how AI technologies could be introduced and regulated in the UK. We have been pleased to see the international interest and collaboration as a result.

A notable achievement was the close out of the Post Implementation Review recommendations. We were pleased to see DESNZ recognise in its final progress report that we implemented key changes to improve our sense of purpose, functions, governance, accountability, efficacy, and efficiency.

With a change of government this year, we supported new ministers through briefings and continued to advise on nuclear-related government policy. We have begun our preparation for the review of the Independent Nuclear Regulatory Taskforce, commissioned by the Prime Minister earlier this year. It will explore improvements to nuclear safety regulation, and we look forward to the opportunities and insights that the review will provide.

Internationally, we continued to contribute to the global nuclear regulatory regime and its continuous improvement, which notably included:

- our partnering approach with the US and Canada on reactor assessment;
- piloting the NEA's self-assessment on Characteristics of a trusted regulator;
- participation in the review meeting for Joint Convention on Spent Fuel and Radioactive Waste Management (securing two Good Practices for the UK)
- active role in IAEA Standards committees
- active member of WENRA and its working groups – focus on development and implementation of safety reference levels
- contributing to the ENSREG topical peer review on fire protection
- visiting Ukraine, as chair of WENRA, to understand how the international nuclear regulatory community can better support and influence nuclear safety in the country.

Internally, we continued to focus on inclusive leadership, culture, capability and capacity both within ONR, and externally, through skills analysis, succession planning, leadership and regulatory development programmes.

These were informed by the Alliance Manchester Business School (AMBS) research as well as the successful delivery of our 'Achieving Cultural Excellence' programme aimed at embedding health, safety and wellbeing systems. We signed the UK Nuclear Skills Charter, reinforcing our commitment to support and contribute to addressing the critical skills needed to deliver safe and secure nuclear, in the interests of national security and energy resilience.

Our modernisation journey continued. We delivered our IT strategy, which included the appointment of a new IT service provider, giving us the platform to innovate our digital systems. Concurrently, we took advantage of the opportunity to reshape and modernise our physical workspaces, creating significant cost savings across our estate, enabling us to fully deliver our estates strategy.

As we continued to invest in our resilience, we successfully tested our integrated emergency response arrangements for the first time. We were also pleased to maintain

ISO27001 and Cyber Essentials Plus certifications and meet compliance against the Cyber Assessment Framework and Government Minimum Security Standards in most control areas.

Overall audit and assurance reviews continued to operate a satisfactory system of governance and risk management, with no significant issues reported.

As a Board, we experienced some changes in membership during the year. We extend our thanks to Dame Judith Hackitt, ONR's interim Chair, for her contribution to ONR during her tenure. We also thank Sarika Patel, Non-Executive Director and Chair of the Audit and Risk Assurance Committee, and Sarah High, our Deputy Chief Executive, for their leadership and contribution to ONR's mission over the years.

The continued dedication and commitment of our people has ensured the sustained delivery of our mission and prepares us for the work needed to deliver the next strategy period under new leadership. We will publish our strategy to 2030, once the Nuclear Regulatory Taskforce has concluded. We have published our short **interim strategy**

to bridge the gap and provide clarity on direction until we can finalise our full strategy 2030.

This annual report highlights the valuable outcomes we have achieved in a dynamic operating environment. We thank all our staff who ensure we remain an effective and trusted regulator, and who personally contribute to the delivery of our mission to protect society by securing safe nuclear operations.



Dr Nicola Crauford

Chair from 1 March 2025



Mark Foy

Chief Executive /
Chief Nuclear Inspector
to 30 June 2025

I am delighted to be returning to ONR, as I take up my role as Chief Executive/Chief Nuclear Inspector (CE/CNI). This annual report highlights the valuable work delivered by our people, in a dynamic operating environment. Under Mark's leadership, ONR has ensured the UK's nuclear facilities have continued to operate safely and securely, and he has been instrumental in promoting and enhancing nuclear safety standards, domestically and internationally. I wish him well in his retirement.

I am looking forward to leading the organisation in our ambition to be a more modern, agile and highly performing organisation.



Mike Finnerty

Chief Executive / Chief Nuclear Inspector from 1 July 2025

About ONR

We are the UK's independent nuclear regulator, with the legal authority to regulate nuclear safety, civil nuclear security and safeguards, and conventional health and safety at the 36 licensed nuclear sites in Great Britain (GB). This includes the existing fleet of operating reactors, fuel cycle facilities, waste management and decommissioning sites, as well as other licensed and, in part, authorised defence sites, together with the regulation of the design and construction of new nuclear facilities. We also regulate the transport of civil nuclear and radioactive materials by road, rail and in the UK's territorial waters. We further regulate all UK flagged vessels carrying nuclear material anywhere in the world.

Our nuclear security regulation covers approval of security arrangements within the civil nuclear industry and provides regulatory oversight for the security of transportation of civil nuclear materials and the management of effective arrangements for sensitive nuclear information. Our safeguards regulation serves to ensure that civil nuclear material remains accounted for and controlled to ensure the UK maintains its safeguards obligations as set out under international treaties and agreements.

You can find out more **about us**, our **governance arrangements**, and **our regulation** on our website: **www.onr.org.uk**.

Our performance indicators

This annual report and accounts highlights progress against the final year of our five-year strategy. Key activities and commitments are presented in alignment with our Organisational Effectiveness Indicator (OEI) framework, which measures performance against our Strategic Themes, and also progress against our Strategy 2020-25 and annual plans, providing a broad evidence base to assure our Board, government, and the public of the efficiency and effectiveness of our regulation.

We made excellent progress against our top priorities for 2024/25. The performance summary below highlights our delivery against those priorities and commitments made in our 2024/25 Corporate Plan.

Delivery highlights – Top three priorities

PRIORITY 1

People – capability and capacity

Invest to build our capability for the future and reward our talent; addressing the findings of the AMBS culture survey; succession planning for the future; and engaging with industry to build ‘skills for nuclear’, the capacity and capability required to deliver future UK nuclear ambitions safely and securely.

- ✓ became a full active member of the Nuclear Skills Executive Council and Nuclear Skills Delivery Board to contribute to the delivery of the National Nuclear Strategic Plan for Skills
- ✓ held an ‘all staff’ conference to recognise our achievements over ten years since vesting, and to identify opportunities for future innovation
- ✓ held ‘Leading ONR’ events to focus teams on living our values and shaping our future strategy
- ✓ launched foundation and advanced leadership programmes to equip our future leaders with the skills to build capability

PRIORITY 2

Our organisation

Implement an integrated organisational structure responsive to future demands and rationalise our estate and infrastructure, optimising our use of space to promote effective collaboration and complement our hybrid working arrangements.

- ④ transitioned to a simplified line management structure across regulatory directorates and integrated security and safety directorates for more efficient regulation
- ④ reduced office footprint by 42% achieving significant savings, whilst creating a modern, engaging and collaborative working environment
- ④ implemented a review of regulatory competence and capacity to meet future regulatory requirements
dutyholder Portal

PRIORITY 3

Our ways of working

Deliver efficiencies and strive for continuous improvement, streamlining our regulatory approaches and how we work across our functions, adopting innovative solutions and being less risk averse in our decisions while maintaining high standards of regulatory oversight.

- ④ reduced regulatory burden through the withdrawal of 98 regulatory specifications and approvals on decommissioned nuclear sites to improve proportionate and efficient regulation of our sites
- ④ delivered a trilateral paper on regulation of artificial intelligence in conjunction with Canadian and American nuclear regulators
- ④ identified improvements and implemented initial enhancements for more efficient planning and budgeting processes

Corporate plan milestones – performance by Strategic Theme

Strategic Theme	Delivered	Deferred
Strategic Theme 1 – influencing regulatory performance	15	2
Strategic Theme 2 – inspiring stakeholder confidence	3	-
Strategic Theme 3 – creating a culture of inclusion & excellence	8	2
Strategic Theme 4 – modernising the way we work	8	1
	34	5

Performance analysis

This section provides a more detailed analysis of how we performed against our Corporate Plan 2024/25, the progress made towards our Strategy 2020-25 and management of our strategic risks.

Strategic Theme 1 Influencing regulatory improvements

Organisational Effectiveness Indicator 1: Our regulatory activity drives demonstrable improvements and compliance across our purposes

2024/25 Corporate Plan commitments			
We will:	Key deliverables/ milestone	Status	Delivery in Action
Continue our work to facilitate timely return of dutyholders to a routine level of regulatory attention	Ensure improvements are made at sites that are in enhanced and significantly enhanced attention	COMPLETE	Devonport Royal Dockyard Ltd (DRDL) We reduced our regulatory footprint to enable DRDL to demonstrate its ability to operate as a more autonomous licensee. If the performance trajectory is sustained, DRDL may be considered for routine regulatory attention at the end of 2025, after 12 years of enhanced attention

2024/25 Corporate Plan commitments			
We will:	Key deliverables/ milestone	Status	Delivery in Action
		COMPLETE	<p>Atomic Weapons Establishment (AWE) – Aldermaston site</p> <p>Following a period of sustained regulatory focus because of safety issues from ageing facilities and delivery delays to new build projects, AWE demonstrated positive steps in terms of leadership, organisational capability, decision-making, and internal assurance. This allowed us to return the site to routine regulatory attention.</p> <p>EDF Security</p> <p>The cyber security regulatory issue was de-escalated in November 2024. EDF completed the work to commission cyber security-assured demilitarised zones across the Advanced Gas-Cooled Reactors fleet. We closed the associated security direction. This represented a significant reduction in cyber risk to operational technology. The attention level will remain at significantly enhanced until the new operating model is demonstrated to be delivered and effective.</p>

2024/25 Corporate Plan commitments			
We will:	Key deliverables/ milestone	Status	Delivery in Action
		COMPLETE	<p>Springfields Fuels Ltd (SFL) SFL was put into an enhanced regulatory attention level. This followed an inspection that formed part of the CNI cyber security themed inspection identifying subsequent shortfalls in cyber security governance and assurance arrangements. Six outcomes were agreed with SFL to enable a return to routine regulatory attention, and progress to completion is part of routine regulatory engagement.</p> <p>Hartlepool Nuclear Power Station After completing its due process for the annual review of regulatory attention levels, we decided to move Hartlepool Nuclear Power Station into enhanced regulatory attention for safety, based on evidence gained from ongoing engagements at the site which identified areas where improvements are required.</p>

2024/25 Corporate Plan commitments			
We will:	Key deliverables/ milestone	Status	Delivery in Action
		COMPLETE	This increase in regulatory attention level reflects the effort ONR is using to influence improvements in areas including conventional health and safety, the number of site incidents and the production of adequate nuclear safety cases.
	Complete assessments for DRDL and AWE Aldermaston to measure their improvement in safety performance and readiness to move to routine regulatory attention	COMPLETE	AWE Aldermaston site was returned to routine regulatory attention and DRDL site remained at enhanced, with a clear path to routine within 12 months.
	Complete assessment of Sellafield Ltd's readiness to return towards a routine level of regulatory attention for physical security	COMPLETE	See the case study below.

2024/25 Corporate Plan commitments			
We will:	Key deliverables/ milestone	Status	Delivery in Action
Support government's strategic ambitions for new nuclear	Progress step 3 of Rolls Royce Ltd's SMR GDA	COMPLETE	GDA step 2 was completed and moved to step 3. We expect this to be completed by the end of 2026 with the objective of issuing a Design Acceptance Confirmation.
	Commence step 2 of Holtec International SMR300 and GE Hitachi's Nuclear Energy BWRX300 GDA	COMPLETE	GDA step 2 was commenced and is expected to run until quarter 3 2025/26. Currently, there are no plans to progress to step 3.
	Deliver ONR activities against commitments made in the Civil Nuclear Roadmap to 2050 and provide advice and support to DESNZ on implementation and consultations on siting and 'alternative routes to market'	COMPLETE	We supported DESNZ in development of the new nuclear siting work, announced in February 2025.

2024/25 Corporate Plan commitments			
We will:	Key deliverables/ milestone	Status	Delivery in Action
Support government's strategic ambitions for new nuclear	Undertake regulatory early engagement with prospective market entrants to the UK in accordance with our new arrangements	COMPLETE	<p>We developed, launched and implemented a new regulatory process for early engagement. A number of reactor vendors are currently using this.</p> <p><u>Early regulatory engagement on new nuclear projects</u></p>
	Continue our support to phase B of the government's Advanced Modular Reactor (AMR) demonstrator programme	DEFERRED	<p>DESNZ requested an extension to the AMR research development and demonstration phase B programmes (reactors and fuel) to 2025/26, to accommodate schedule changes of UK National Nuclear Laboratory regulatory submission, and to facilitate specific deliverables.</p>
Continue our work to influence timely hazard and risk reduction at Sellafield Ltd	Support the reinvigorated G6 approach that supports major hazard and risk reduction on the Sellafield Ltd site	COMPLETE	<p>Executives from Sellafield Ltd restated their commitment to the G6 way of working and meetings have been put in place (involving ONR's CNI) to explore further improvements in the timely delivery of key outcomes.</p>

2024/25 Corporate Plan commitments			
We will:	Key deliverables/ milestone	Status	Delivery in Action
	Assess and determine the adequacy of Sellafield Ltd’s safety justifications, and challenge our approach to permissioning, to enable effective and efficient delivery of hazard and risk reduction activities	COMPLETE	<p>We focused on hold points significant to hazard and risk reduction activities and adopted a risk informed approach to the method of hold point release, focusing on novelty, complexity and hazard. This enabled us to increase the release of hold points through readiness inspection rather than only safety case assessment.</p> <p>We influenced the quality of safety cases through engagement with the safety case production team and design and engineering specialists. Consequently, the safety case attributes in our regulatory attention level review were returned to a routine attention level.</p>

2024/25 Corporate Plan commitments			
We will:	Key deliverables/ milestone	Status	Delivery in Action
Enable ageing AGR cores to operate and shutdown in a demonstrably safe and secure state	Complete assessment of safety cases that underpin the safety of lifetime extensions for AGR reactors	COMPLETE	<p>We completed a review of EDF's proposed lifetime extension of Heysham A and Hartlepool and Heysham B and Torness. Our review highlighted the need for sufficient suitable qualified and experienced resource and significant investment in safety case development and plant stewardship to support potential lifetime extensions.</p> <p>Throughout the year we engaged regularly with EDF to provide additional confidence that licensee decision making remained sound and suitably conservative to support the continued safe and secure operation of the AGR fleet.</p>

2024/25 Corporate Plan commitments			
We will:	Key deliverables/ milestone	Status	Delivery in Action
Enable ageing AGR cores to operate and shutdown in a demonstrably safe and secure state	Engage with, and influence, EDF to ensure safe, risk informed decisions are made with regard to safety functional requirements of the graphite cores. This will provide confidence that AGRs can be operated safely through to end of life	COMPLETE	<p>We continued to engage with EDF to gain assurance that the licensee understands the degradation mechanisms that could challenge the safety functions of AGR graphite cores (safe control rod entry to achieve reactor shutdown, free movement of fuel and moderation, and thermal inertia to the reactor).</p> <p>We continued to engage and influence the licensee to produce adequate safety cases that demonstrate associated risks are reduced so far as is reasonably practicable. Focus areas remained on graphite weight loss across all four generating AGRs, keyway root cracking at both Heysham A and Hartlepool and seal ring groove wall cracking (driven by keyway root cracking) at Heysham B and Torness.</p>

2024/25 Corporate Plan commitments			
We will:	Key deliverables/ milestone	Status	Delivery in Action
Enable the safe and innovative delivery of critical nuclear defence projects	Complete regulatory engagements, assessments and permissions associated with key defence infrastructure projects, including the modern assembly/disassembly facility at AWE Burghfield, improvements in dock capabilities at DRDL and delivery of D58 at BAE systems	COMPLETE	<p>We applied formal enforcement and worked closely with AWE to hold it to account for committed, necessary improvements whilst also working in an enabling manner to support it in recommencing production operations.</p> <p>We permissioned the docking of two nuclear submarines at DRDL, adopting a revised approach to permissioning, undertaking inspections alongside safety case assessments, resulting in a six week reduction of our review period.</p> <p>BAESML commissioned the D58 facility at Barrow following our enabling regulation. Working with the licensee, we put in hold points for future work.</p>

2024/25 Corporate Plan commitments			
We will:	Key deliverables/ milestone	Status	Delivery in Action
Deliver an integrated regulatory response to the priority themes in the CNI Annual Report to drive industry-wide ownership and progress	Deliver themed inspection around industry’s consideration of climate change in safety cases	COMPLETE	<p>We carried out a self-assessment process to enable us to understand industry arrangements and resilience to climate change. We also undertook five site-based inspections to review the arrangements described in the self- assessment, comparing these to relevant good practice.</p> <p>In February 2025, we hosted industry senior leaders to discuss the findings, and we will write to them setting out our findings and expectations in early 2025/26.</p>

2024/25 Corporate Plan commitments			
We will:	Key deliverables/ milestone	Status	Delivery in Action
	Implement the new cross-industry site health and safety strategy to drive sustained focus across the industry	COMPLETE	<p>The CNI themed inspection to drive efficiencies through integrated construction health and safety leadership led to three strategic themes being taken forward:</p> <ol style="list-style-type: none">1. developing our people through improved Nuclear Site Health and Safety (NSHS) training courses.2. delivery of an annual report on NSHS incident statistics that determines intervention themes.3. a review and update of regulatory process guidance to ensure Technical Inspection Guides (TIGs) and Technical Assessment Guides (TAGs) are now inclusive of NSHS regulation. The enforcement guidance was re-issued enabling agile enforcement with voluntary cessation of work.

2024/25 Corporate Plan commitments			
We will:	Key deliverables/ milestone	Status	Delivery in Action
	Complete regular and sustained, engagement on nuclear site health and safety (NSHS) with nuclear sector leaders and stakeholder groups to ensure they deliver performance improvements	COMPLETE	<p>We regularly engaged with sector leaders through the Safety Directors Forum (SDF) and Nuclear Industry Association (NIA). NSHS and Fire Safety remained CNI themed inspections which were delivered throughout 2024/25. We redeveloped our NSHS webpage to emphasise our responsibilities.</p> <p><u>Nuclear site health and safety</u></p>

Organisational Effectiveness Indicator 2: Our regulatory decisions are proportionate, balanced and unbiased

2024/25 Corporate Plan commitments			
We will:	Key deliverables/ milestone	Status	Delivery in Action
Continue our work to improve collaboration, cooperation, proportionality and consistency across our purposes	Issue the guidance supporting the government policy objective for Proportionate Regulatory Controls (PRC)	COMPLETE (deferred from 2023/24)	<p>We produced a new TAG and FAQ providing detailed guidance on PRC. We also progressed revisions to our guidance on the licensing and delicensing regulatory process.</p> <p>We completed the withdrawal of 98 regulatory specifications and approvals placed on defueled and decommissioning sites to ensure our regulation remains proportionate and efficient and to deliver cost and time benefits to licensees.</p>
	Close out our Organisational Review project by embedding an integrated and sustainable organisational structure, operating model, and pay and reward system that enables us to be a more effective, inclusive and resilient organisation	COMPLETE	In-year deliverables related to the Organisational Review project are explained under Strategic Theme 3.

Organisational Effectiveness Indicator 3: We have a continuous self-improvement and learning culture)

2024/25 Corporate Plan commitments			
We will:	Key deliverables/ milestone	Status	Delivery in Action
Use knowledge, operational experience and trends from past interventions and other sources to inform more strategic and intelligence-informed risk-based interventions	Embed a mature regulatory intelligence process to provide strategic insight to inform intervention planning to maintain high standards of safety, security and safeguards	COMPLETE	Through our annual planning and regulatory decision review activities, we compiled regulatory intelligence to support optimised and proportionate regulatory plans. We delivered two projects ensuring mature regulatory intelligence supported the planning of interventions: 1. the formation of an ‘Intelligence Cell’ to independently analyse data and provide unbiased intelligence in support of intervention planning. A key success included the implementation of the Strategic Prioritisation Regulatory Intelligence Tool (SPRINT), a decision-making aid for regulatory interventions

2024/25 Corporate Plan commitments			
We will:	Key deliverables/ milestone	Status	Delivery in Action
		COMPLETE	2. we enhanced the Wel-Informed Regulatory Decisions (WIReD) tool.
Progress a planned efficiency review of our regulatory delivery, making appropriate improvements	Complete a Regulatory Assurance review that provides an insight into the targeting, prioritisation and efficiency of our regulation	COMPLETE	We undertook an internal audit review to provide assurance over the governance, utilisation and application of resource prioritisation within the Regulatory Directorate. The review found clearly defined governance arrangements, allowing for informed decision-making, oversight and accountability. A number of gaps were identified regarding the assessed internal controls and a management action plan has been agreed to address these.

Organisational Effectiveness Indicator 4: Innovators are confident to test and deploy technology in a UK regulatory framework that embraces innovation

Commitments in our 2023/24 Corporate Plan		Status	Delivery in Action
We will:	Key deliverables/ milestone		
Embrace innovation, new approaches and technologies in how and what we regulate, and share best practice	Implement revised strategy for innovation Generate a safe space for industry and its supply chain to explore innovative technologies and proposals, without prejudice, prior to formal regulatory assessment	COMPLETE	<p>We drafted an innovation strategy detailing our approach to promote the adoption of new and emerging technologies and their regulation.</p> <p>At the World Government Summit in February 2025, our CE/CNI briefed on the groundbreaking application of a nuclear sandbox exploring regulation of artificial intelligence (AI) within the nuclear industry. This has provided a safe space to consider how AI technologies could be regulated.</p> <p>This approach has now expanded to an international sandboxing AI exercise, as well as collaboration with the Canadian and American regulators, which has progressed positively, along with involvement from FANR and the Korean Atomic Energy Research Institute.</p> <p><u>Considerations for developing Artificial Intelligence systems in nuclear applications</u></p>

Commitments in our 2023/24 Corporate Plan		Status	Delivery in Action
We will:	Key deliverables/ milestone		
	Our approach to innovation is fully embedded in our training and management system, influencing a more open approach to innovation in both how and what we regulate	COMPLETE	Our training for inspectors progressed throughout the year with e-learning established and a training course piloted for release.
	Strengthen our communications with industry and its supply chain to enable improved engagement on innovation	COMPLETE	We encouraged dialogue through initiating international and national engagements including with the Nuclear Energy Agency (NEA). We signed an international agreement was signed for a series of regulatory laboratories sandboxes to take place.

Strategic Theme 1 case study

Supporting Sellafield Ltd

In February 2023, Sellafield Ltd was moved to an enhanced regulatory attention level (RAL) for physical security. Sellafield Ltd was subject to enhanced RAL at a strategic level, as they were not able to demonstrate some of the necessary security outcomes in leadership, governance, Suitably Qualified and Experienced Personnel and risk management in accordance with their NISR 2003 Security Plan. Additionally, we remained concerned over the protection of the unique hazards on site and the historic delays to establishing the Interim Operating Capability (IOC) for the Main Site Command Facility (MSCF).

To support Sellafield Ltd in returning to routine RAL, we worked closely with them to develop a proportionate and transparent action plan. Jointly, with Sellafield Ltd, we developed a set of five outcomes (with supporting KPIs), that they had to achieve to transition to routine RAL. This approach was termed by both of us as the 'route to routine' and which became the focus of our physical security enforcement activities over the period from February 2023 to December 2024.

To support Sellafield Ltd delivering against the ‘route to routine,’ a monthly dashboard was generated to show the progress that was being made against the KPIs that supported the five outcomes. Furthermore, using a ‘trust but verify’ approach, we aligned all physical security inspections against the progress evidence that Sellafield Ltd provided as part of their monthly reporting. To underpin monthly reporting, we initiated a quarterly ‘route to routine’ meeting, to bring together all Sellafield Ltd stakeholders, who were supporting the delivery of the five outcomes.

Sellafield Ltd positively responded to the ‘route to routine’ approach and made steady progress in delivering against the five outcomes. This culminated in November 2024, during Sellafield Ltd’s annual security exercise, which demonstrated the ability of the MSCF to respond to an on-site security incident. Following the exercise, we completed a thorough assessment of all Sellafield Ltd’s evidence before formally writing to the dutyholder in December 2024 to advise them they had been returned to routine RAL. This ‘route to routine’ approach is now being used by several teams across the Sellafield, Decommissioning, Fuel and Waste (SDFW) directorate, to ensure that dutyholders focus on clear outcomes to manage their risks and transition to appropriate levels of regulatory attention.

Strategic theme 2

Inspiring stakeholder confidence

Organisational Effectiveness Indicator 5: We engage with UK and International stakeholders to improve the effectiveness of our regulation and to inform UK policy, demonstrable improvements and compliance across our purposes

2024/25 Corporate Plan commitments			
We will:	Key deliverables/ milestone	Status	Delivery in Action
Strengthen relationships with stakeholders through effective engagement and feedback	Host annual stakeholder conference 2024	COMPLETE	We hosted a successful annual stakeholder conference in October and outlined our regulatory priorities for the year ahead. <u>Regulatory priorities for 2024/25 outlined at ONR annual conference</u>
	Hold NGO forums and workshops	COMPLETE	We held two NGO forums over the reporting period, focusing on various topics including our approach to siting, development of our new strategy, skills and resource, and our role in planning and regulation of Small Modular Reactors (SMRs). <u>Engaging with Non-Government Organisations (NGOs) and campaign groups</u>

2024/25 Corporate Plan commitments			
We will:	Key deliverables/ milestone	Status	Delivery in Action
	Review and respond to findings of our 2024 stakeholder survey	COMPLETE	<p>We received over 150 responses to our stakeholder survey, with more than 90% of participants expressing confidence that we are delivering our mission. The survey also confirmed that a large majority of our industry stakeholders affirmed our proportionate approach to regulation. We considered the survey results alongside wider stakeholder feedback and data to comprehensively understand our performance.</p> <p><u>ONR stakeholder survey 2024</u></p>
	Complete engagement and discovery phase with licensees and other stakeholders as part of the CNI themed inspection on climate change	COMPLETE	<p>In March, we hosted an industry stakeholder engagement day for the CNI themed inspection on climate change.</p> <p><u>Seven themes identified for themed inspection on climate change</u></p>
	Publish the CNI themed inspection summary report, detailing the conclusions and findings	DEFERRED	<p>The summary report, including input from other stakeholders including the Environment Agency and our Expert Panel on Natural Hazards, will be published during 2025/26 and will be available on our website.</p>

2024/25 Corporate Plan commitments			
We will:	Key deliverables/ milestone	Status	Delivery in Action
Inform nuclear policy with UK government from the earliest stages	Provide timely advice and support related to government nuclear policy at the earliest possible stage	COMPLETE	We continued to work with government across several consultations. <u>ONR's responses to consultations</u>
Continue to work with international regulators on areas of common interest and to influence standards	Demonstrate through case studies how we influence national and international practice and learn from our stakeholders to improve our impact and reduce regulatory burden	COMPLETE	We published our pro-innovation regulation of AI policy <u>ONR shares pro-innovation approach to regulating AI in the nuclear sector</u> The trilateral agreement between UK, <u>US and Canada</u> established a partnering approach to improve regulatory effectiveness and efficiency. The agreement secured the efficient use of regulators' time and resources through a willingness to share technical knowledge and judgements. This has streamlined regulation and maintained safety standards, whilst acting as an exemplar of how regulators should work more collaboratively to enable good practice and experience of reviewing SMR/AMR designs.

2024/25 Corporate Plan commitments			
We will:	Key deliverables/ milestone	Status	Delivery in Action
	Use the self-assessment to benchmark ONR against the NEA 'Characteristics of a trusted regulator' as a tool to identify areas to build on	COMPLETE	We undertook the self-assessment pilot along with other NEA regulators and the findings will inform the focus of our next stakeholder engagement strategy. <u>New regulators' booklet to build public trust</u>
	Meet all our international Safeguards obligations	COMPLETE	As the State Regulatory Authority for safeguards, we published our annual safeguards report, explaining the critical work we do to enable the UK to meet its international safeguards obligations. <u>Safeguards Annual Report 2024</u>

2024/25 Corporate Plan commitments			
We will:	Key deliverables/ milestone	Status	Delivery in Action
	Maximise the value of overseas regulatory work through multilateral collaboration with international regulatory bodies to enable the sharing of regulatory assessments and facilitating greater efficiency	COMPLETE	<p>To deliver our <u>Strategic framework for international engagement to 2025</u>, we played an influential role across key international organisations both sharing experience and learning from other international regulators.</p> <ul style="list-style-type: none">• we continued our role as UK lead across all IAEA safety standards, security guidance committees, and safeguards forums <u>International Safety Standards (IAEA)</u>• we led a global response to the Russian invasion of Ukraine <u>Statement on behalf of the UK delegation to the Eighth Review Meeting of the Joint Convention</u>• we hosted a WENRA Reactor Harmonisation Working Group (RHWG) to peer review the implementation of the 2020 WENRA Safety Reference Levels (SRLs). <u>ONR hosts meeting of international nuclear regulators</u>

2024/25 Corporate Plan commitments			
We will:	Key deliverables/ milestone	Status	Delivery in Action
		COMPLETE	<ul style="list-style-type: none">• we co-led the development of the NEA ‘characteristics of a Trusted Regulator’ self-assessment toolkit, including a pilot with other international regulators <u>New regulators’ booklet to build public trust</u>• collaboration to create more efficient, harmonised approaches to reactor design assessment, advancing international regulatory collaboration for small modular reactors (SMRs) and advanced modular reactors (AMRs). <u>ONR outlines international collaboration on SMRs Office for Nuclear Regulation</u>

Organisational Effectiveness Indicator 6: We are transparent and accessible to our stakeholders and the public

2024/25 Corporate Plan commitments			
We will:	Key deliverables/ milestone	Status	Delivery in Action
Deliver engaging and accessible publications	Publish Corporate Plan 24/25 Publish Annual Report and Accounts 23/24 Publish Chief Nuclear Inspector's Annual Report 2024 Publish Climate Change Themed Inspection Report	PARTIALLY DELIVERED	We delivered our <u>publications</u> The CNI climate change themed inspection report will be published on our website during 2025/26.
Support effective openness and transparency about our growing portfolio of regulatory activities	Publish clear, accessible information and engage openly and constructively	COMPLETE	We continued to use our website, social media channels, publications and newsletter to explain our work throughout the year.

2024/25 Corporate Plan commitments			
We will:	Key deliverables/ milestone	Status	Delivery in Action
	Review delivery of our commitments against standards for public consultation and engagement as set out in our Policy on Openness and Transparency	COMPLETE	We engaged regularly with the NGO forum to consider the openness and transparency of our communications. We rolled out Freedom of Information (FOI) training across the organisation to build capability. Our review of the Openness and Transparency policy will be published in early 2025/26.
	Complete a review of our publication scheme	COMPLETE	Our publication scheme describes the categories of information we publish and explains how to access that information. We reviewed our scheme to ensure our information continues to be proactively available. <u>Publication scheme</u>
	Provide assurance and evidence delivery against the Post implementation Review recommendations to government for the final ministerial report in July 2024	COMPLETE	A final close out report was published in October 2024 and demonstrated that we had met all the recommendations made in the 2022 Post Implementation Review (PIR) and endorsed our effectiveness as a regulator. <u>ONR is a 'developing and maturing' organisation - Parliamentary report</u>

2024/25 Corporate Plan commitments			
We will:	Key deliverables/ milestone	Status	Delivery in Action
Enhance the accessibility of our information to the public and user experience	Maximise functionality of the new website to enhance accessibility of our information to the public and user experience	COMPLETE	Enhancements to the functionality of the website will be rolled out in 2025/26 and include the ability to gather insight from user sentiment and experience. All our key publications met plain English and accessibility guidelines, and we used new tools to support this.
	Complete a review of the delivery against our commitment to enhance dialogue with interested stakeholders, including non-government organisations (NGOs), on regulatory processes and practices including potential impacts of climate change on nuclear safety	COMPLETE	<p>Over the year, we held a series of engagements with the NGO community. We shared information and discussed the impact of climate change on nuclear safety and invited feedback on how we explain our regulatory decisions, identifying opportunities to improve our openness and transparency, as well as using tools to help inform the effectiveness of our communications.</p> <p><u>Engaging with Non-Government Organisations (NGOs) and campaign groups</u></p>

Strategic Theme 2 case study

International collaboration for new technologies

Our **first report** on international regulatory collaboration for small modular reactors (SMRs) and advanced modular reactors (AMRs) explained the collaborative activities undertaken between October 2024 and March 2025 and the significant progress in facilitating global deployment of standard designs that will benefit both industry and global nuclear safety. This work incorporated advancing regulatory harmonisation from regular meetings with international regulators and industry representatives and holding technical workshops on a range of key design elements, to participating in key international forums. Our significant achievements in 24/25 included:

- signing a trilateral memorandum of cooperation with the US Nuclear Regulatory Commission (NRC) and the Canadian Nuclear Safety Commission (CNSC) in March 2024. This agreement is a key enabler for the sharing of technical knowledge and judgements and establishes a framework for streamlined regulation

while maintaining each nation's independent regulatory authority. It also provided the opportunity to benchmark the UK's GDA process against similar processes in the USA and Canada and concluded that expectations and timescales for deployment were broadly equivalent, and the UK is not an outlier

- leading international harmonisation efforts through our vice-chair role in the IAEA's SMR Regulators' Forum and chairmanship of the OECD Nuclear Energy Agency's Working Group on New Technologies. These provide an opportunity to demonstrate leadership on the international stage and share regulatory knowledge and experience to enhance nuclear safety by identifying and resolving common issues that may challenge regulatory reviews of SMR designs
- progressing three significant Generic Design Assessments (GDA) for Rolls-Royce SMR, GE-Hitachi BWRX-300, and Holtec SMR-300, with potential additional assessments and ongoing regulatory engagement for several other projects
- pioneering international regulatory observation by inviting five European nuclear regulators to observe

the Rolls-Royce SMR assessment process. This was the first time in GDA history that our work has been observed by other regulators which aimed to build knowledge, promote harmonisation and bring about efficiency benefits should design assessments subsequently be taken forward in those countries

Our continued international collaboration delivered tangible efficiency improvements to our assessment of new reactor designs and to harmonising regulatory approaches to SMRs and AMRs. This collaboration will continue at pace to support the global deployment of standard designs and help to maintain the highest safety standards.

Strategic Theme 3

Creating a culture of inclusion and excellence

Organisational Effectiveness Indicator 7: We have technical competence at our core

2024/25 Corporate Plan commitments			
We will:	Key deliverables/ milestone	Status	Delivery in Action
Influence a joined-up, industry wide approach to building and sustaining a resilient and capable workforce for the future	Support and contribute to the joined-up industry wide approach to agree a clear set of actions to deliver the capacity and capability to meet projected industry needs	COMPLETE	The National Nuclear Strategic Plan for Skills is in place, and delivery is managed through the Nuclear Skills Delivery Board which is supported industry wide. <u>NSDG National Nuclear Strategic Plan For Skills</u>
Strengthen workforce flexibility, resilience and capability	Conduct an organisation-wide learning needs analysis to support the development of a new Academy Strategy from 2025 that will meet priority corporate learning needs and address strategic gaps	PARTIALLY DELIVERED	Whilst we began work on an organisational needs analysis for digital skills and regulatory capability, wider work will continue at pace during 2025/26 to inform the new academy strategy, which has been deferred to next year.

2024/25 Corporate Plan commitments			
We will:	Key deliverables/ milestone	Status	Delivery in Action
	Embed and enhance our succession planning and talent management processes and approach	PARTIALLY DELIVERED	<p>As part of our ongoing development of succession planning, throughout 2024/25 we included planning for business criticality and business continuity roles to provide assurance that we have the resilience and development plans for our workforce.</p> <p>Further work to implement the management action plans from internal audits are progressing.</p>
	Deliver and evaluate our leadership programme for senior leaders	COMPLETE	<p>The leadership programmes have demonstrated improved leadership skills among individuals, which helps with their continued professional development and our succession planning/ leadership talent pipeline. They have also created valuable opportunities for delegates to network, build relationships and collaboratively work with colleagues across the organisation. Feedback and satisfaction levels have been high.</p>

2024/25 Corporate Plan commitments			
We will:	Key deliverables/ milestone	Status	Delivery in Action
	Embed a structured development programme for regulatory specialists	COMPLETE	Our regulatory development programme was embedded and monitored against our recruitment levels to ensure its effectiveness.
	Evaluate our newly-launched cohort approach to inspector development across ONR, built around a structured programme	PARTIALLY DELIVERED	During the year, we carried out a review, learn and improve exercise with various participants and the academy team. The findings will be formally evaluated early 2025/26.

Organisational Effectiveness Indicator 8: We exhibit strong leadership and an inclusive culture that embraces change

Commitments in our 2023/24 Corporate Plan			
We will:	Key deliverables/ milestone	Status	Delivery in Action
Engage with our staff to shape and implement the recommendations of the Organisational Review project	Complete the implementation of our Organisational Review project outcomes to include the organisational structure aligned to people and functions; and the unified regulatory operating structure inclusive of our regulatory purpose	COMPLETE (deferred from 23/24)	The Organisational Review project was closed during the year. We transitioned to a more linear line management structure across our regulatory directorates to simplify our structures for delivery of work. We also integrated security and safety directorates and enhanced role profiles to bring greater clarity and accountability.

Commitments in our 2023/24 Corporate Plan			
We will:	Key deliverables/ milestone	Status	Delivery in Action
	Undertake an equality impact assessment of proposed changes across the organisational review implementation	COMPLETE (deferred from 23/24)	<p>An equality impact assessment for the changes under the Organisational Review was completed for the Pay and Grading Workstream. We have received the final report back from PWC and will take any recommendations forward during 2025/26 which include an opportunity to:</p> <ol style="list-style-type: none">1. review broader processes from a fair pay perspective to identify and address any barriers to fairness and consistency2. continue to educate and upskill decision makers to ensure fairness and objectivity in pay processes3. assess recruitment processes in certain populations to identify further opportunities to improve representation on both gender and ethnicity

Commitments in our 2023/24 Corporate Plan			
We will:	Key deliverables/ milestone	Status	Delivery in Action
Continue to shape a culture of inclusion and excellence	Deliver a 'Staff Conference' and two 'Leading ONR' events to align organisation and leadership on our cultural journey and to better prepare for future environment and challenges	COMPLETE	We held a successful staff conference which marked our 10th anniversary and gathered over 600 staff to recognise our achievements. We also held 'Leading ONR' events for our leaders to focus on their individual and collective roles in living the values and influencing the organisational culture.
	Implement future initiatives based on findings from AMBS research report to strengthen our organisational culture	PARTIALLY DELIVERED	Building on the AMBS findings and feedback from 'Leading ONR' events, we developed and launched new Foundation and Advanced Leadership programmes focusing on strategy, innovation, and inclusivity. Leaders were also helped to identify their leadership styles and personalise their learning experience. Further work and culture audits are ongoing.

Commitments in our 2023/24 Corporate Plan			
We will:	Key deliverables/ milestone	Status	Delivery in Action
	Continue to embed diversity and inclusion initiatives to ensure that every colleague feels valued and is treated in a fair and equal manner	COMPLETE	We introduced our largest cohort of reciprocal mentoring for underrepresented groups and senior leaders. The aim of the programme was to increase awareness and understanding of barriers and inequalities in underrepresented groups. We received significant interest, demonstrating an appetite to support opportunities that promoted inclusion. We also facilitated a female-only cohort for emerging female leaders. Mentors were partnered with senior leaders to provide real insight and the opportunity for different perspectives to be shared.

Commitments in our 2023/24 Corporate Plan			
We will:	Key deliverables/ milestone	Status	Delivery in Action
	Complete the review of our safety management system and continue to embed our approach to support our organisation to effectively implement controls to mitigate the risks associated with our work activities	COMPLETE	<p>We completed the review of our safety management system which contributed to the closure of a 2019 Integrated Regulatory Review Service (IRRS) mission recommendation. We also embedded a framework in our induction framework for staff to understand health and safety responsibilities.</p> <p>Our staff survey results relating to health, safety and wellbeing were favourable and improved from previous surveys, with 84% of colleagues knowing how to seek support for their physical wellbeing, 90% of colleagues believing we support a balance between work and personal commitments and 87% of colleagues believing their manager is interested in health, safety and wellbeing.</p>

Strategic Theme 3 case study

‘Achieving Cultural Excellence’ – health, safety and wellbeing

We successfully delivered our ‘Achieving Cultural Excellence’ programme this year, closing an outstanding recommendation from the 2019 IRRS mission to integrate our systems, and our associated strategic risk around vulnerabilities in our health, safety and well-being (HSW) systems and approach.

Over the course of the strategy period, work was undertaken to enhance compliance, improve our management system and streamline training and awareness across the organisation. This enabled us to embed a positive safety culture and ensure our management systems fully aligned to our hazard profile as an independent regulator.

We engaged leaders and managers to proactively influence health and safety awareness and safety culture and extended this across the organisation. This was done through varied engagement and communications to support increased awareness of the health and safety

implications associated with our work. This included implementing management system arrangements to mitigate the risk of harm and working with teams to identify risks, share best practice, report accidents, incidents and ill health.

Key deliverables during the programme included annual strategies for HSW, development and publication of policies such as legionella, electrical safety, occupational stress, and hybrid working, and regular HSW performance reporting and insight to our leadership teams. We also undertook bespoke HSW surveys and integrated this into the full staff survey, giving us access to valuable insight from colleagues to target future improvements.

We have seen a positive increase in our health and safety culture since the programme began, evidenced by our survey results. Greater collaboration with teams to fully integrate HSW into our ways of working and organisational management frameworks has supported the embedding of HSW across our organisational policies and processes. Outcomes included a clear and defined hazard profile, full compliance with the Health and Safety

at Work Regulations, an integrated management system and defined roles and responsibilities for HSW with associated training. Our work supported the closure of the long-standing recommendation from the IRRS mission to integrate our systems and the de-escalation of our strategic risk for HSW system vulnerabilities.

Strategic Theme 4

Modernising the way we work

Organisational Effectiveness Indicator 9: We develop a strong organisational capability: knowledge management; tools; business continuity and emergency preparedness

2024/25 Corporate Plan commitments			
We will:	Key deliverables/ milestone	Status	Delivery in Action
Continue to develop and practice incident response arrangements in readiness for a future national level 3 emergency exercise	Integrated cross-organisational arrangements that deliver an appropriate and sustainable ONR response to a nuclear emergency event	COMPLETE	We tested our strategic-level response to an off-site nuclear emergency by running an exercise jointly developed by the Incident Management and Business Continuity Team (IM&BC) and Emergency Preparedness and Response (EP&R) Team. The test allowed us to simulate Incident Management Team (IMT) meetings and identify any areas for improvements to our emergency response frameworks.

2024/25 Corporate Plan commitments			
We will:	Key deliverables/ milestone	Status	Delivery in Action
Continue to deliver improvements in digitisation, IT service management and data	Implement a new internal SIAM (Service Integration and Management) model to improve the service offering and embed new specialist partners into the model	COMPLETE	We secured a new IT service provider during the year, providing us with an upgraded service. The transition was smooth with minimum impact to staff.
	Improve data literacy across the organisation through a programme of targeted education	DEFERRED	We deferred commencement of our data literacy programme to next year to further explore the most effective delivery options
Focus attention on the stabilisation and maintenance of the WIReD platform and continue to embed processes and drive benefits of WIReD	Deliver further enhancements and new functional additions under WIReD Phase 3 initiative, including digitising the small number of residual low use processes that remain	COMPLETE	WIReD enhancements rolled out under Phase 3 included digitisation of the contact records process and an enhanced enforcement tracker. We have superseded Phase three with a WIReD roadmap for future developments.

2024/25 Corporate Plan commitments			
We will:	Key deliverables/ milestone	Status	Delivery in Action
	Complete a final benefits realisation review of WIReD	COMPLETE	<p>Benefits of WIReD are being realised as described in the benefits plan, and audits confirm that WIReD has been widely adopted.</p> <p>User-feedback indicates that we are deriving significant benefits from the WIReD-automation of the seven most used regulatory processes that were rolled out in Phase one. Priorities for further development have been clearly defined and agreed, including training and user experience and interface.</p>

2024/25 Corporate Plan commitments			
We will:	Key deliverables/ milestone	Status	Delivery in Action
Develop mature business continuity capability	Roll out wider business continuity programme in accordance with the best practice outlined in the Business Continuity Institute’s newly revised guidelines	COMPLETE	<p>The Business Continuity Programme continued to increase capability and capacity to respond to, and recover from, disruptive events through the implementation of whole-organisational incident management and business continuity arrangements.</p> <p>These arrangements have been integrated with our Nuclear Emergency Preparedness and Resilience and this year we exercised these with our Senior Leadership Team SLT as well as commencing work to improve our incident suite.</p> <p>We rolled out work-area level business continuity plans informed by business impact analysis, demonstrating an increase in our resilience to disruptive events and alignment with ISO22301.</p>

Organisational Effectiveness Indicator 10: Delivery of our mission is efficient and sustainable

2024/25 Corporate Plan commitments			
We will:	Key deliverables/ milestone	Status	Delivery in Action
Deliver in-year efficiencies to meet additional demand associated with new national strategic programmes	Achieve in year objectives within 2024/25 budget	PARTIALLY DELIVERED	<p>The majority of in-year deliverables/milestones were delivered against a budget underspend. Cost savings were acheived through the successful delivery of major IT and estates projects, timing of recruitment, pay costs and other efficiencies across the organisation.</p> <p>Some factors outside of our control contributed to underspends, including the timing, volumes and delivery of the GDA programme in addition to UKSV vetting workplans.</p>

2024/25 Corporate Plan commitments			
We will:	Key deliverables/ milestone	Status	Delivery in Action
Drive improvements in our charging arrangements	Explore and agree alternative funding routes, in collaboration with government, to ensure we are funded appropriately to support our regulatory activity	COMPLETE	<p>We secured funding in full to deliver against our regulatory business plans.</p> <p>Through the spending review, grant funding was secured from DWP (our sponsoring body) for existing and new activities relating to innovation.</p> <p>For Ministry of Defence (MOD) work, we agreed new charging agreements for work relating to the Nuclear Fuels Programme in 2025-26.</p> <p>The Department of Security and Net Zero (DESNZ) continue to provide funding for our governmental policy work.</p>

2024/25 Corporate Plan commitments			
We will:	Key deliverables/ milestone	Status	Delivery in Action
Improve quality of delivery plans and financial forecasts	Drive forward efficient process for budget setting and forecasting, and progress production of robust multi-year budgets	PARTIALLY DELIVERED	The budget setting process ensured timely approvals were in place for the start of the year. We produced detailed budgets and will work towards increased granularity and transparency for future years. We recognise that there are opportunities to further streamline activity including the simplification of our time recording systems and processes.
Improve the quality and accuracy of our time recording		COMPLETE	

2024/25 Corporate Plan commitments			
We will:	Key deliverables/ milestone	Status	Delivery in Action
Mature our workforce planning approach	Strategic Workforce Planning tool demonstrably supports agile resource management for all activities, including effective and controlled deployment and redeployment of staff and informs budget forecasts and resource requirements over the next five years	PARTIALLY DELIVERED	<p>The workforce planning tool was successfully used for tactical resource deployment, providing a single source of truth for all regulatory directorates and giving clarity on demand, supply and allocation of resource.</p> <p>Significant improvements were developed for the supply and demand of regulatory resources resulting in enhanced deployments of employees on a short-term tactical basis.</p> <p>Further work to enhance longer-term workforce planning is under review.</p>

2024/25 Corporate Plan commitments			
We will:	Key deliverables/ milestone	Status	Delivery in Action
Secure office facilities that meet our future requirements in light of hybrid working arrangements	Renew leases in Bootle and Cheltenham and downsize our estates footprint by 35 – 40% in both offices	COMPLETE	<p>We secured new lease agreements in both our Bootle and Cheltenham office locations and consequently reduced our office footprint by 42%.</p> <p>We refurbished our office locations in London, Bootle and Cheltenham to provide modern flexible places for employees to work.</p>
	Realise gross annualised savings of over £2.2m from 2023/24 cost levels	COMPLETE	<p>Our new estate arrangements reduced our gross costs, against our 2023/24 baseline, by £2.47m.</p> <p>As planned, these savings were partially realised in 2024/25, due to the new arrangements starting in-year, with the remainder to be realised in 2025/26.</p>

2024/25 Corporate Plan commitments			
We will:	Key deliverables/ milestone	Status	Delivery in Action
	Implement move to a new public sector location in central London ahead of lease expiry in September 2024	COMPLETE	A new central London office was secured at Buckingham Palace Road and a 10-year lease (with a break option at year 5) agreed. We successfully downsized and relocated to the new premises in August 2024.
Build on our Environmental Statement of Intent, develop, publish and implement an Environmental, Social and Governance (ESG) strategy	Support the continued development and refinement to formalise our approach to managing ESG	COMPLETE	As a tenant in three government-owned office locations, our Estates team had continual engagement with the landlords to ensure maintenance of a responsible corporate sustainability policy.
	Develop and integrate environmental arrangements and impact into processes within the ONR management system, including international travel	COMPLETE	We produced a new emissions dashboard to keep track of our emissions and support reporting against the Government Greening Commitments (GGCs) and the Taskforce on Climate Related Financial Disclosures (TCFD) framework.

2024/25 Corporate Plan commitments			
We will:	Key deliverables/ milestone	Status	Delivery in Action
	Demonstrable reduction in environmental impacts, in accordance with the commitments set out in our Environmental Statement of Intent	COMPLETE	<p>We embedded a social value plan into our contract tendering processes, aligning to government guidance on social value models and intend to include social value performance measures within all our contracts to benchmark and assess progress across the contract term.</p> <p>To comply with the 3-year phased implementation of the TCFD framework across central government, we reported on our emissions data in the ARA for the first time in 2023/24 and again for 2024/25.</p>

Strategic theme 4 case study

IT modernisation

With our IT service contract ending, we took the opportunity to build on the experience and insight gained since we embedded our own bespoke IT infrastructure and reimagined how we wanted to deliver IT services across the organisation. We wanted to drive forward our ambition to:

- create a smoother, more responsive IT service experience
- modernise our technology to better support our goals
- enhance our in-house capabilities
- make IT support easier and simpler for everyone to access

We undertook significant activity to integrate improvements into the major modernisation and footprint reduction project across our estate, including a brand-new network across all three of our office locations. We successfully embedded a new in-house Service Desk team, providing a single point of contact for all IT related support, to deliver a faster and more efficient response to IT issues resulting in a

99% incident resolution rate. We ensured our staff had the tools they needed to do their jobs' consistently achieving exceptional customer satisfaction scores. The benefits however, weren't limited to our internal users – dutyholders also experienced a better service from our WIReD platform and we were responsive to feedback to enhance the user experience. Improvements in year included substantial development work to digitise the contact records process, which was a source of inefficiency, and an enhanced enforcement tracker. Deployment of these applications will be undertaken in early 2025-26.

We put in place an optimal blend of in-house expertise and specialised external support, ensuring that new software, functionality and bug fixes were available quickly, allowing us to drive improvements forwards continually. We became increasingly agile to respond to the ever-changing external environment too, ensuring our security remained effective. We maintained ISO27001 and Cyber Essentials Plus certifications over the year as well as meeting compliance assessments against the Cyber Assessment Framework and Government Minimum Security Standards.

Behind the scenes, we moved to a smarter model with three specialised suppliers. We became the service integrator, meaning for the first time ever we have constant oversight of each area of our technological infrastructure and a platform to enable us to drive further efficiencies and modern technologies safety. This year, we realised tangible cost benefits due to the control of our infrastructure and how we use it to the best d the most cost-effective way. Our enhanced capability also ensured we are able to evolve, modernise, and respond to future needs whilst keeping everything running smoothly day-to-day. This included creating a safe environment in which to trial AI technologies and position us to be able to drive this forward into the future.

We also developed and rolled out performance dashboards across leadership and management teams. Increasing the availability of our data has improved awareness of our performance and supported decision-making. This work will continue into 2025/26 as we mature the capability and visibility of our data.

As we closed out the digital strategy 2020-2025, we were proud of the considerable change and improvement we

have delivered to enhance our technological capability and resilience. We delivered the biggest IT transformation for ONR over the past three years and whilst the journey was challenging, the improved service we are now able to deliver realises tangible benefits for our staff and stakeholders and will continue to do so in the future. Our new digital strategy is under development to align to our overarching strategy to 2030.

Our strategic risks

Over the 2024/2025 financial year, significant progress has been made in embedding risk management across ONR, ensuring alignment with HM Treasury's Orange Book principles. These efforts have strengthened our ability to proactively identify, assess, and manage risks at both strategic and operational levels. Further detail relating to how ONR manages risk can be found on page 132.

A key activity this year has been delivery of a zero-based review of our strategic risks, the outcome of which was considered by the Audit and Assurance Committee (ARAC) and Board. Following detailed discussion, ARAC endorsed a suite of seven strategic risks that reflects current and emerging threats to ONR's objectives. The strategic risks were approved by Board at its November meeting.

With ARAC oversight and guidance, we have continued to actively manage the risks identified as strategic to ONR, including the monitoring and testing of key controls ^{which} is a critical component of an effective risk management framework. This ensures that the controls put in place to mitigate risks are working as intended. Furthermore, our continued improvement to risk reporting delivers valuable

insight into the highest risk areas for the organisation, providing additional assurance to the CE/CNI.

In addition to the agreed suite of seven strategic risks, ARAC have also kept in view a number of other risks that, although de-escalated and do not qualify for escalation to strategic status, require continued Board oversight. This includes any bubbling risks that have the potential to be escalated in the near-term.

At a Directorate level, risk management has been further integrated into operational activities, ensuring that more frontline teams actively identify and escalate risks as part of business-as-usual processes. In addition, project risk management has also been strengthened to ensure initiatives are underpinned by robust risk considerations, improving project outcomes and resilience.

An area of focus has been the enhancement of risk training, including a dedicated 'Risk in the Boardroom' session, attended by senior leaders and induction training has been produced. This has improved overall understanding of risk governance, enabling more informed discussions and decision-making and will continue into 2025/2026.

Risk identification has been reinforced within Board papers, embedding risk considerations into strategic discussions and decision-making. This, coupled with enhanced Board reporting, has provided greater transparency and oversight.


Collectively, these actions have strengthened ONR's risk culture. Our next steps will focus on continuous improvement, further embedding risk-informed decision-making across all levels of the organisation. This will ensure that risk management is not just a compliance function but an integral part of strategic planning, operational delivery, and governance.

The full suite of strategic risks we managed during 2024/25 is set out below, including the risk movement in year and a commentary of how the risk is being managed.

Strategic risk summary



In line with ONR’s mandate to achieve its strategic objectives, throughout 2024 / 2025 seven strategic risks have been identified and managed to directly address the primary threats and opportunities in meeting these goals. These risks have been carefully aligned with our regulatory responsibilities to safeguard compliance, maintain public confidence, and ensure sector resilience.


Furthermore, a number of previously escalated risks have demonstrated stabilisation through mitigation and have been de-escalated for management at a Directorate level, reflecting our maturity in managing these areas.



 Increasing risk



 Stable risk

 Decreasing risk



Risk description	Movement in Year	Commentary
Insufficient organisational capability		<p>This risk has matured out of the former Insufficient Organisational Capability and Capacity risk to allow for an enhanced focus on the capability of the organisation.</p> <p>We have implemented a review of regulatory competence and capacity to meet future regulatory requirements.</p>
There is a risk ONR is ineffective in discharging its duties under one or more of its regulatory purposes.		<p>This risk continues to mitigate the risk of failure to regulate effectively (proportionately, consistently, and in a timely manner, based on risk-informed intelligence) that could contribute to significant harm to workers or the public.</p> <p>The continued implementation of Risk-Informed Targeted Engagements will drive more efficient and targeted regulation and help to reduce the residual risk. A number of actions are in track to help manage the risk including rationalisation of ONR documentation and a review of regulatory learning and competence.</p>


Risk description	Movement in Year	Commentary
Risk of failing to deliver strategic objectives due to the inability to manage and respond effectively to incidents		<p>The identification and agreement of business continuity critical work areas across ONR enabled a targeted and proportionate roll out of more granular business continuity planning arrangements, representing an ever-deepening level of organisational resilience to disruptive events, as well as increased alignment with the International Standard for business continuity (ISO 22301).</p> <p>The training and exercising of key incident response staff is on-going and following the recent major incident exercise, lessons are being identified by participants. Once complete and recommendations are confirmed, this risk will be updated with a view to relegating the EP&R element of this risk to directorate level.</p>

Risk description	Movement in Year	Commentary
<p>Knowledge Management – Due to the absence of effective knowledge management systems and practices there is a risk that critical information is lost resulting in a decrease in operational effectiveness and impaired regulatory and organisational decision making.</p>		<p>The initiation of a project specifically to review and improve Knowledge Management across ONR has been a key action in the mitigation of this risk over the past year as it has reviewed the current state of all knowledge management practises across ONR. Actions have been developed and are progressing to address causes such as a lack of a centralised knowledge management repository and inconsistent processes for capturing knowledge.</p> <p>An upgrade to the current EMS from CM9 to Sharepoint is also ongoing. Both of these projects and will continue into 2025/2026 to further mitigate this risk.</p>
<p>Funding model does not afford sufficient flexibility to invest in the future</p>		<p>This year saw an increased focus on innovation and the funding for continuous improvements. A funding review was undertaken to assess potential future funding options and this work will continue into 2025/2026 to assess the mitigations for this risk.</p> <p>Current key controls include processes in place to undertake new work, a clear grant application process with central government and forecasting exercises held across ONR to identify areas requiring funding.</p>

Risk description	Movement in Year	Commentary
Impact of significant change in senior leadership		<p>Due to significant simultaneous change in personnel at Senior Executive and Board level this risk is being managed to prevent organisational instability and potential disruption in staff morale.</p> <p>Managed controls include a successful ONR Chair recruitment, Board Skills Matrix, NED Contract Management and SLT Succession Planning. We also established well-defined transition arrangements for onboarding the new CE/CNI.</p> <p>A number of actions are in motion to further reduce this risk and ensure the key controls are operating effectively.</p>
There is a risk that ONR security controls, in the physical, personal and cyber domains, are not sufficient to protect it from a deliberate or accidental compromise leading to damage to buildings, people or information systems		<p>This risk is at tolerance however over the year it has been actively managed to constantly review the threat landscape, ensuring that ONR stays up to date in all areas of protective security. ONR have maintained the Cyber Essentials + and are now focusing on ISO27001 reaccreditation.</p> <p>ONR continues to manage a programme of security improvements and awareness of our people, in order to address the ever-changing capabilities of external threats . However, given the strategic nature of the risk, we have retained it on the SRR to ensure ARAC and Board visibility.</p>

De-escalated risks

Risk description	Movement in Year	Commentary
Vulnerabilities in ONR's health, safety and wellbeing (HSW) systems and approach		<p>Significant work has been undertaken to mitigate the likelihood and impact of this risk throughout the year. Key controls are operating as intended and include; planning for effective HS&W management, guidance on prevention of occupational stress, harm on ONR premises, prevention when travelling and on dutyholder premises.</p> <p>An assurance programme has been planned and was launched in April 2025 to assess the effectiveness of the controls in place. This risk will be kept in view at The Assurance & Risk Committee until it reaches target.</p>
ONR's financial regime has the potential to provide concern around the effectiveness and accuracy of its charging		<p>This year saw a maintained focus on continually improving our charging process and supporting processes. Streamlined processes were further embedded.</p> <p>This risk was de-escalated for management at the Directorate level and has been split to consider the impact of changes to regulatory demand impacting forecasting and impact of the financial regime which will be monitored as part of a wider funding options review (as above).</p>

Risk description	Movement in Year	Commentary
Safeguards Information Management and Reporting System (SIMRS) availability, capability and resilience		<p>SIMRS is a strategic IT asset for ONR and the UK, failure of which would result in the UK failing to meet its international safeguards obligations and productivity loss in the CNSS Safeguards sub-division. The system is utilised daily and is hosted by an external supplier presenting additional third-party risks and has limited resilience in our current system.</p> <p>Two permanent staff have been recruited to mitigate the risks posed through employment of contractors and lack of in-house capability. ONR has negotiated a contract for hosting & maintenance support & development services to 31/05/2029, with scope to extend or a further 5 years up to 2034.</p> <p>Further controls include a transition plan for the phased transfer of the IT service and upgrade of the SQL database.</p> <p>This risk will be kept in view at the Assurance and Risk Committee until it reaches target.</p>

Going concern

We are funded primarily by charges to the nuclear industry through cost recovery from dutyholders and charges to government for specific commissioned activities, together with grant funding from our sponsoring body, DWP, which is around 3% of our budget for 2025/26. The grant covers activities we are not permitted to recover from industry, such as fire safety and aspects of transport regulation. The income generated from cost recovery funds our regulation of the industry.

The grant is agreed for the current Spending Review period and our funding allocation for 2025/26 has been agreed with DWP. For 2024/25, net assets totalling £12.8 million were recorded at the end of the financial year. Although we have loans with DWP (see notes 11 and 18 to the accounts), we have no outstanding liabilities that threaten our ability to continue.

Consequently, the Board has adopted the going concern basis for the preparation of the financial statements in this Annual Report and Accounts.

Our financial performance

	2020- 21	2021- 22	2022- 23	2023- 24	2024- 25
	£m's	£m's	£m's	£m's	£m's
Expenditure					
Staff costs	60.9	60.5	64.6	71.0	74.0
Travel and subsistence	0.3	1.1	2.5	3.1	3.3
Training and conferences	0.7	0.9	1.3	0.9	1.1
Accommodation and estates	5.1	5.1	2.5	2.9	2.1
IS/IT & telecommunications	5.5	4.3	5.5	6.0	7.0
Research & support – external	2.4	2.5	2.5	3.2	2.4
Technical support	7.2	2.9	1.0	1.2	2.3
Other costs	7.2	7.1	8.5	10.6	8.8
Operating expenditure	89.3	84.4	88.4	98.9	101.0
Capital (excluding right-of-use assets)	3.2	1.0	1.2	0.7	1.1
Total ONR expenditure	92.5	85.4	89.6	99.6	102.1
UK Security Vetting (UKSV)**	4.0	1.7	3.7	3.9	3.4
Total Expenditure	96.5	87.1	93.3	103.5	105.5
Income					
Nuclear Industry	(81.7)	(74.8)	(89.5)	(97.5)	(98.6)
Grants	(1.9)	(2.1)	(2.4)	(3.2)	(3.7)
EURATOM	(7.7)	(7.4)	0.0	0.0	0.0
Advanced Nuclear Technologies***	(1.7)	(1.4)	(0.9)	(1.6)	(1.1)
Other	(0.2)	(0.2)	0.0	(0.3)	(0.9)
TOTAL INCOME	(93.2)	(85.9)	(92.8)	(102.6)	(104.3)
Capital (right-of-use assets)*	-	-	0.5	0.3	9.7

- * Capital expenditure on right-of-use assets relates to additions, modifications and reassessments of leases under IFRS 16 (no capital loans were required). Total ONR expenditure for 2023/24 now excludes capital spend on right-of-use assets. ONR adopted IFRS 16 from 1 April 2022. At that date, the value of right-of-use assets was £8.2m.
- ** These are pass through costs that are charged by UKSV to ONR and then directly recovered from industry.
- *** These costs were charged to DESNZ.

Our final outturn for 2024/25 was £105.6 million (2023/24: £103.8 million). This represents a £1.8 million increase on the previous year, primarily driven by:

- an increase in our staff numbers to meet demands;
- a 3.5% pay award for staff; and
- planned increases in IT and GDA projects coupled with the reduction in accommodation and estates costs.

The Board received regular updates on financial developments during the year to understand the impact of key issues on outcomes and costs.

	2023-24	2024-25	
	Actual	Budget	Actual
	£m's	£m's	£m's
Staff costs	71.0	76.9	74.0
Travel and subsistence	3.1	3.7	3.3
Training and conferences	0.9	1.4	1.1
Accommodation and estates	2.9	1.0	2.2
IS/IT and telecommunications	6.0	8.3	7.0
Research & support – external	3.2	3.0	2.4
Technical support	1.2	5.8	2.3
Other costs	10.6	9.2	8.8
Operating expenditure	98.9	109.3	101.1
Capital (excluding right-of -use assets)	0.7	0.9	1.1
Total ONR expenditure	99.6	110.2	102.2
UKSV	3.9	3.9	3.4
Total Expenditure	103.5	114.1	105.6

No capital budget was set for right-of-use assets.

Underspends were largely driven by;

- a £3.1m underspend in the Technical Support Contracts relating to timing and volumes of GDA contracts and milestones;
- £1.8m underspends relating to IT projects and the decisions taken strategically to deliver cost reductions and efficiencies (including a new IT Service Provider);

- £0.9m recruitment slippage relating to inaccurate budget phasing assumptions; and
- £0.7m relating to lower than anticipated pay costs.

Statement of financial position

Our net assets at 31 March 2025 (£12.8m) increased by £0.1m compared to 31 March 2024 (£12.7m). This is mainly due to an increase following revaluation of fixed assets, off-set by a small deficit where we were unable to recover our costs.

Although the overall position did not change significantly, the downsizing of office space and extension to the lease terms of the Bootle lease and the new lease in London, did have an impact. As result, the increase in non-current assets (from £9.2m to £16.3m) is largely due to the increase in right-of-use assets.

Similarly, the increase in non-current liabilities (from £9.6m to £16.0m) is largely due to the increase in lease liabilities relating to right-of-use assets, off-set by loan repayments.

Looking forward

Our ONR Corporate Plan 2025/26 (**ONR Corporate Plan 2025/26**) sets out the following top four priorities:

Priority 1 – People – capability and capacity

Having the right people with the right skills in the right place to safely deliver UK nuclear ambitions now and in the future.

Priority 2 – Funding and charging

Improving our funding arrangements to ensure they are appropriate whilst implementing a simplified charging approach to provide the flexibility we need to invest in our future.

Priority 3 – Digital modernisation

Making the best use of available technology, providing the best tools for the job as a modern regulator.

Priority 4 – Building external profile and influence

Carrying out targeted work to ensure our role and impact is well understood and valued, influencing effectively to ensure the best outcomes for nuclear safety and growth, domestically and internationally.

Sustainability

We acknowledge and accept our responsibility to manage and reduce the impact that our activities have as a public corporation and as a regulator have on the environment. By reducing our consumption of resources, using those we must consume more efficiently and where possible balancing unavoidable emissions, we aim to minimise the environmental impacts of our operations. We will also bear in mind the need to seek fit for purpose sustainable solutions as we undertake our regulatory activities.

Our Strategy 2020-25 specifically references the need to consider how we can reduce our environmental and carbon impact in line with broader government objectives for net zero.

Greening Government Commitments

We are committed to meeting our obligations as a public body under the **2021-25 greening government commitments** (GGCs); submitting quarterly returns on our Scope 1, 2 and 3 emissions to DWP.

In accordance with the GGCs, we established a reporting

baseline in 2017/18 that included data on our emissions associated with the use of our estate and travel activities.

Performance against GGCs categories

	2017-2018 Baseline	2021- 2022	2022- 2023	2023- 2024	2024 -2025
Total Greenhouse Gas (GHG) Emissions – Scopes 1-3	786	242	442	682	722
Scope 1 (direct) GHG emissions	1	24	20	22	13
Scope 2 (direct) GHG emissions	38	37	38	37	24
Scope 3 (business travel only) GHG emissions	747	181	384	623	685
Distance travelled by domestic business flights (km)	142,270	56,969	37,876	58,699	67,253
Emissions from domestic flights tCO ₂ e	20	7	5	10	11
Total number of domestic business flights	165	70	59	113	149
Distance travelled by international business flights (km)	1,998,558	91,608	876,245	880,967	1,533,660
Emissions from international flights tCO ₂ e	285	26	117	158	308
Total number of international flights	475	25	290	599	736
Paper usage (reams)	2,675	205	575	585	280
Water consumption m ³	Not available	450	507	604	320

Our total emissions¹ for this reporting year was 722 tCO₂e. This is an increase of 6% on the previous year and 8% below our 2017/18 baseline of 786 tCO₂e. This is in line with the 2021-25 GGC target to reduce overall emissions from a 2017/18 baseline.

Total emissions associated with the use of our estate (purchased energy) have decreased by 37% compared with the previous year, primarily due to a decrease in occupied office space (m²). Our emissions per m² of occupied floor space (tCO₂e/m²) have decreased since 2017/18, from 0.07 tCO₂e/m² to 0.04 tCO₂e/m² ². Emissions from our office locations in London (Windsor House) and Cheltenham (St. James' House) are calculated based on the percentage of floor space we occupy. Emissions from our office location in Bootle (Redgrave Court) are omitted as these are included as part of a building-wide submission, managed by the primary occupier, HSE.

¹ Total emissions are provide in tonnes of carbon dioxide equivalent (tCO₂e).

² Calculation based on a total floor space of 890m² for 2024/25. Emissions from our office locations in London (Windsor House) and Cheltenham (St. James' House) are calculated based on the percentage of floor space we occupy. Emissions from our office location in Bootle (Redgrave Court) are omitted as these are included as part of a building-wide submission, managed by the primary occupier, HSE.

Recognising that travel has increased as COVID-19 restrictions have eased, we continued to encourage the use of public transport for business travel. This is recognised by an increase in the use of rail travel since 2021/22 (up 14% on the previous reporting period). We also continue to make use of digital communication methods and enhanced video conferencing capabilities to help reduce the need for employees to travel to meetings and thereby lowering the level of the associated emissions. This is recognised by a 45% reduction in emissions (tCO₂e) associated with domestic business flights compared to 2017/18; in line with the 2021-25 GGC target to reduce emissions from domestic business flights by at least 30% from a 2017/18 baseline.

Our contribution to the broader sustainability agenda was also reinforced by our decision to reduce our office footprint across our estate during this period; driven by the impact of hybrid working on office occupancy. This year we were able to reduce our total footprint in our Cheltenham office by 45%, as well as reductions in floor occupancy in our Bootle and London office locations. In addition, we have continued to proactively seek and act upon opportunities to reuse existing office furniture across the estate and have donated items that were deemed surplus to charity.

Looking ahead, we will continue in our aim to meet our legal obligations and promote sustainable best-practices throughout our organisation and across our supply chain. We have recently formalised our approach to environmental and sustainability, bringing together a set of environmental-related aims and commitments, with our existing social inclusion and corporate governance commitments.

Climate-related financial information

The UK government recognised the recommendations of the Task-force for Climate-related Financial Disclosures (TCFD) as one of the most effective frameworks for organisations to analyse, understand, and ultimately disclose climate-related financial information against. The TCFD's recommendations and disclosures set out how organisations across sectors and geographies can assess and disclose their Governance, Strategy, Risk Management and Metrics and Targets related to climate change. TCFD's aim is for these disclosures to promote the management of climate-related financial risk and opportunities across the economy and financial system.

While the TCFD recommendations were designed for the private sector, with the aim of providing markets with clear,

comprehensive, high-quality climate-related information for financial decision-making, the public sector similarly requires climate-related information for decision-making and accountability to annual report users.

As a public corporation, ONR is not mandated to report against the recommendations and disclosures of the TCFD framework. However, we have chosen to do so in a voluntary capacity.

TCFD compliance statement

We have reported on climate-related financial disclosures consistent with the phased approach in government's TCFD-aligned disclosure application guidance, which interprets and adapts the framework for the UK public sector.

In this year's report, we have demonstrated compliance with the TCFD recommendations and disclosures around:

- Governance;
- Risk management; and
- Metrics and targets.

This is in line with the government's phased implementation of the TCFD framework.

Governance

As a public sector body and regulator, we recognise the importance of incorporating environmental-social-governance (ESG) factors into our decision-making processes to ensure climate-related issues are effectively considered.

In 2024, we formalised our risk appetite for environment and sustainability, setting out our commitment to take calculated risks in the pursuit of ESG-related objectives, balancing the potential rewards with the challenges posed by a rapidly changing world. We aim to play a proactive role in addressing critical challenges such as climate change, social inequality, and responsible governance.

At a management level, our Head of Governance and Private Office is responsible for the day-to-day management and oversight of the ESG-related risks. Accountability for delivery of strategic and operational-level objectives that relate to our ESG commitments rests with Directors across the organisation.

All climate-related risks and opportunities are managed in accordance with ONR's existing risk management and corporate governance frameworks.

Climate-related risks that pose a threat to the organisation are managed internally within the corporate body of the organisation, whilst climate-related issues/threats that may impact the UK nuclear industry are overseen by inspectors across the regulatory directorates.

Risk management

The ONR Board and Senior Leadership Team (SLT) are fully committed to ensuring we maintain an effective risk management strategy that is an essential part of governance and leadership, and fundamental to how ONR is directed, managed, and controlled at all levels.

Strategic risks are the responsibility of the Board. The Board identify risks throughout the year and there are escalation routes for risks as they increase from below strategic level. Advised by the Directors, the Board set risk appetites for a range of categories, including 'Environmental and Sustainability' and the Directors provide accompanying advisory statements.

The identification of risk is a continuous process within ONR. All individuals across ONR are responsible for identifying and assessing risks in their respective areas

of work, and, where appropriate taking action to mitigate these risks and escalating them. The ONR Board and its Audit and Risk Assurance Committee (ARAC) also undertake 'horizon scanning' on a regular basis where new and emerging risks are discussed and included within the strategic risk register as required.

ONR has embedded a systematic and disciplined approach to the implementation of policies, procedures and practices for risk identification and assessment, treatment, monitoring and reporting. ONR's risk management process controls how ONR undertakes the following steps:

- risk identification and assessment to determine and prioritise how the risks should be managed;
- the selection, design and implementation of risk treatment options that support achievement of intended outcomes and manage risks to an acceptable level;
- the design and operation of integrated, insightful, and informative risk monitoring; and
- timely, accurate and useful risk reporting to enhance the quality of decision-making and to support management and oversight bodies in meeting their responsibilities.

Metrics and targets

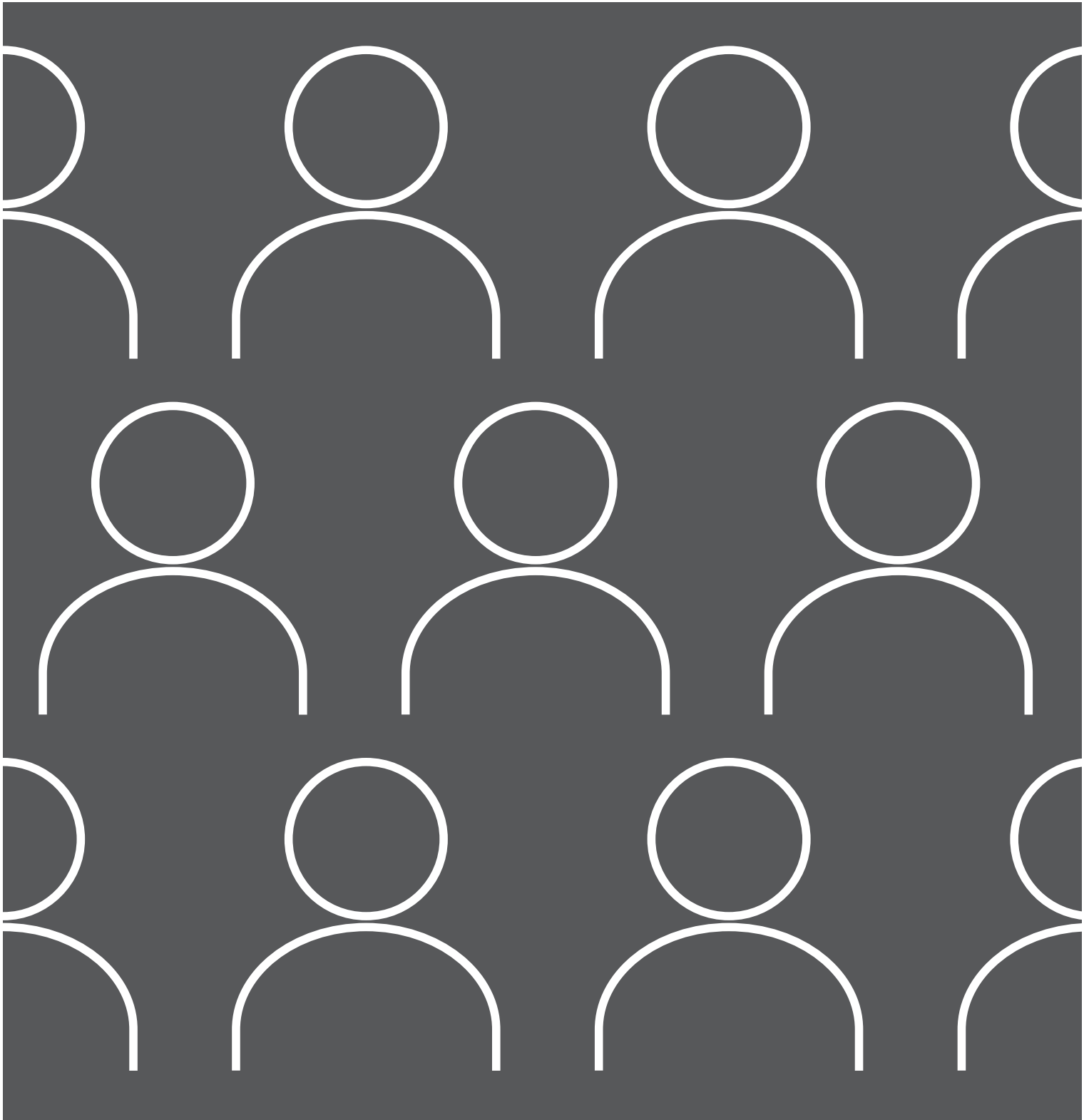
- Data relating to our Scope 1, Scope 2 and Scope 3 GHG emissions can be found in the Greening Government Commitments section of this report on page 92.
- Emission factors for all categories are calculated using the emissions factor calculations provided to us by Defra as part of the Greening Government Commitments.

Mike Finnerty

Chief Executive and Chief Nuclear Inspector
Office for Nuclear Regulation

8 July 2025

Accountability report



Corporate governance report

This report provides information on our governance structures and how they support the achievement of our objectives. It includes the Directors' report, the Statement of Chief Executive's responsibilities and the Governance statement.

Directors' report

ONR Board at 31 March 2025

Non-executives



Dr Nicola Crauford



Jean Llewellyn OBE



Dr Janet Wilson



Sarika Patel



Tracey Matthews



Roger Hardy

Our executives



Mark Foy

Chief Executive and
Chief Nuclear Inspector



Rachel Grant

Strategy and Corporate
Affairs Director and Interim
member of the Board



Paul Fyfe

Interim Senior Director
of Regulation



Linda Aylmore

Finance Director

Further details on our organisational structure can be found at: **Who we are**.

Changes to Board membership

Name	Date	Event	Role
Judith Hackitt	28 February 2025	Completion of term of office	Former Non-Executive Director/Board Member (Chair)
Dr Nicola Crauford	1 March 2025	Appointed	Non-Executive Director/Board Member (Chair)
Sarika Patel	31 March 2025	Resigned	Former Non-Executive Director/Board Member
Paul Fyfe	1 July 2024	Appointed	Executive Member
Rachel Grant	1 July 2024	Appointed	Interim Executive Member
Linda Aylmore	1 October 2024	Appointed	Executive Member
Sarah High	31 January 2025	Resigned	Former Executive Member and Deputy Chief Executive

Mark Foy, CE/CNI, is due to retire in October 2025.

Mike Finnerty has been appointed as ONR's new CE/CNI, effective from 1 July 2025.

Register of interests

All Board members were required to record outside interests and maintain an up-to-date register of interests. Individual **Registers of interest** are maintained for each Board member.

Personal data related incidents

Details of personal related incidents are included within the Governance Statement on page 140.

Statement of Chief Executive's responsibilities

Under paragraph 21(1) b of Schedule 7 of the Energy Act 2013, ONR is required to prepare a statement of accounts for each financial year in the form and on the basis determined by the Secretary of State for Work and Pensions, with the consent of HM Treasury. The accounts are prepared on an accruals basis and give a true and fair view of ONR's state of affairs at the year-end and of its net income and expenditure, Statement of Financial Position and cash flows for the financial year.

In preparing its accounts, ONR is required to comply with, and has complied with the requirements of the government Financial Reporting Manual, and in particular to:

- observe the Accounts Directions issued by DWP, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- make judgements and estimates on a reasonable basis;
- state whether applicable accounting standards, as set out in the government Financial Reporting Manual, have

been followed and disclose and explain any material departures in the accounts;

- prepare the accounts on a going concern basis, unless it is inappropriate to presume that ONR will continue in operation; and
- confirm that the Annual Report and Accounts as a whole is fair, balanced and understandable and take personal responsibility for the Annual Report and Accounts and the judgements required for determining that it is fair, balanced and understandable.

The Chief Executive of ONR has responsibilities for the propriety and regularity of the public finances for which the Chief Executive is answerable, for keeping proper records and for safeguarding assets as set out in 'Managing Public Money' published by HM Treasury.

Chief Executive's statement

As the Chief Executive for ONR, I am responsible for maintaining a sound system of internal control while safeguarding the public funds and assets for which I am personally responsible, in accordance with the responsibilities assigned to me in HM Treasury's 'Managing

Public Money’.

I have taken all the steps that I ought to have taken to make myself aware of any relevant audit information and to establish that ONR’s auditors are aware of that information. So far as I am aware, there is no relevant audit information of which the auditors are unaware.

Governance statement

This statement sets out our system of governance, internal control and risk management designed to manage rather than eliminate the risk of failure to achieve policy aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. It applies to the financial year 1 April 2024 to 31 March 2025 and up to the approval of the Annual Report and Accounts. Mark Foy was the CE/CNI for the whole of the financial year and up until 30 June 2025. I was appointed as CE/CNI with effect from 1 July 2025. Mark provided me with appropriate assurance, confirming the effectiveness of ONR’s system of internal control. He also confirmed that he is not aware of any matter that I may not be aware of and which should be highlighted in this statement.

Although we are not bound by the ‘Corporate governance in central government departments: code of good practice’, our corporate governance structure reflects its principles and the particular requirements for effective independent nuclear regulation. I am satisfied that the principles have been complied with where practical and appropriate.

We are governed through three complementary routes:

- the Principal Accounting Officer for DWP, who is responsible for ensuring the financial and management controls applied by the department are appropriate and sufficient to safeguard public funds and that those applied by arm’s length bodies (ALB), such as ONR, conform to the requirements of both propriety and good financial management;
- the Board, created by the Energy Act 2013 when establishing ONR as an independent public corporation; and
- the CE/CNI’s responsibilities, designated by the Principal Accounting Officer for ONR’s management and expenditure in accordance with the principles set out in HM Treasury’s ‘Managing Public Money’.

Accountability to Parliament

We are directly accountable to DWP as our sponsor department. The Secretary of State for Work and Pensions has the principal responsibility to Parliament for our governance, finance and performance in relation to conventional health and safety.

These responsibilities are delegated to the responsible minister, who will account for these matters in Parliament.

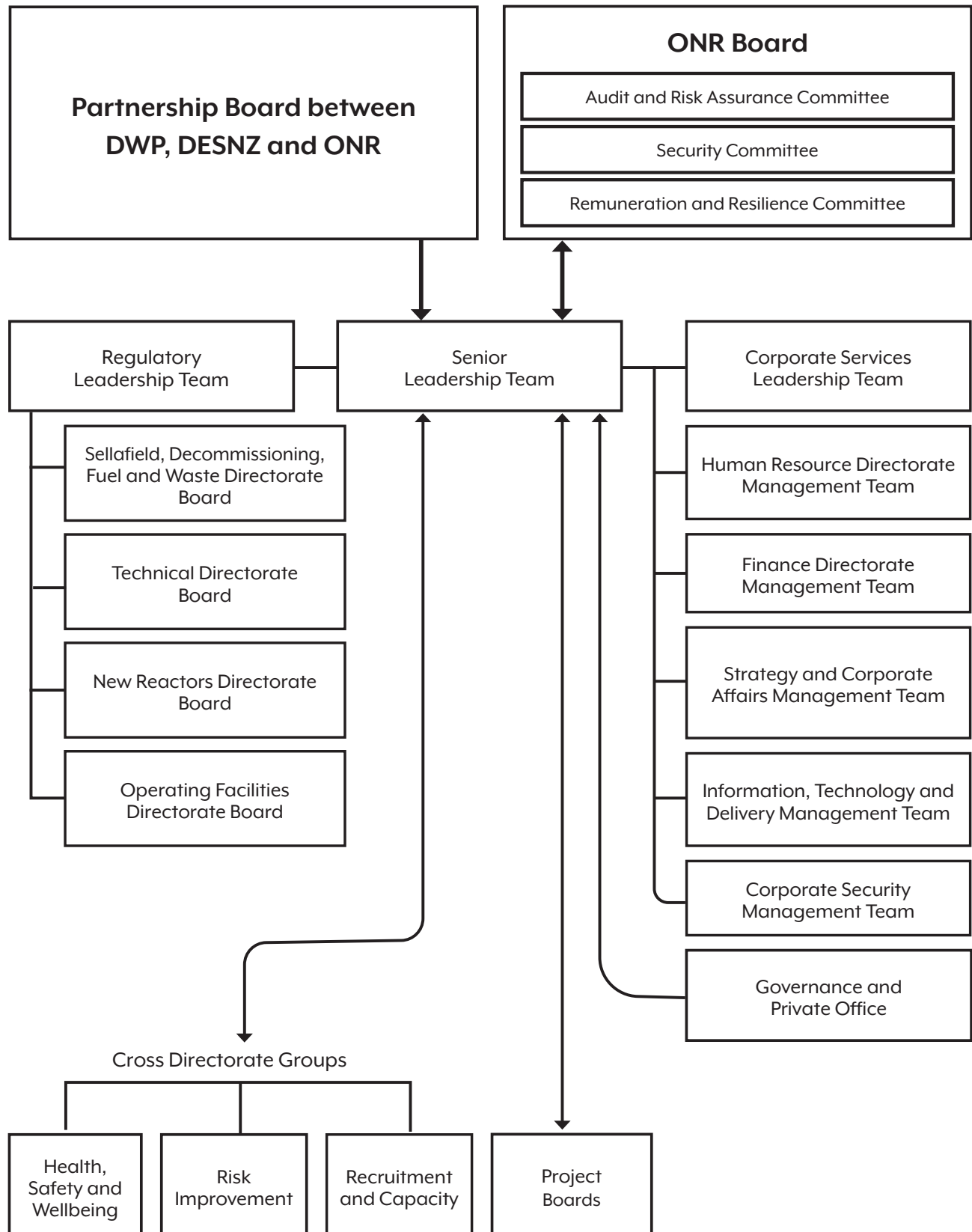
Details of our governance arrangements are provided in the **ONR/DWP framework document**. This sets out the roles and responsibilities of DWP, our Board and Chair, and our Chief Executive/Chief Nuclear Inspector and their personal responsibilities for running ONR in accordance with the principles set out in HM Treasury's 'Managing Public Money'. As DWP does not have government responsibility for civil or defence nuclear policy, the framework covers our relationship with DESNZ and MoD. We have been working with DWP to refresh the Framework Document to reflect HMT guidance and will publish when finalised.

We provided assurance to ministers on our regulatory effectiveness and performance in nuclear safety, security

and safeguards relevant to their respective portfolio.

The sponsorship role was formally discharged through the Quarterly Accountability Review (QAR) meetings, attended by senior officials from DWP, DESNZ, MoD, and ONR. The QAR reviewed our progress towards our 2025 strategy; delivery of corporate plan commitments; financial performance; policy requirements; key strategic risks and emerging issues; and our progress against the PIR recommendations. The day-to-day sponsorship role continued to be discharged by the Head of DWP's ALB Partnership Division.

Corporate and Executive Governance Framework as at 31 March 2025



The Board

The Board is specifically responsible for:

- establishing and delivering our strategic aims and objectives consistent with our overall strategic direction and within the agreed government policy and the resources framework approved by the Secretary of State;
- ensuring that the responsible minister is kept informed of any changes that are likely to impact on our strategic direction or on the attainability of our targets, and determining the steps needed to deal with such changes;
- ensuring we comply with any statutory or administrative requirements for the use of public funds;
- setting up an ARAC, in accordance with the Code of Good Practice for Corporate Governance and Audit Committee Handbook and chaired by a non-executive member, to provide independent advice;
- demonstrating and ensuring high standards of corporate governance and probity at all times, including using ARAC to help the Board address key financial and other risks;

- ensuring that effective arrangements are in place to provide assurance that ONR is providing efficient and effective regulation of the nuclear industry, holding it to account on behalf of the public;
- appointment of the CE and the CNI, subject to ministerial approval and setting performance objectives for the CE (this is currently a combined role); and
- proposing the CE/CNI's remuneration, which must be agreed by the responsible minister, after consulting the Chief Secretary to the Treasury where required.

Work of the Board

Board agendas were balanced between corporate and regulatory business and the Board Forward Plan was periodically reviewed to ensure it continued to support delivery of our strategic intent.

Board oversight and challenge focused on high-risk matters, in particular:

- undertaking an annual review of the Strategic Risk Register; approval of the Risk Appetite Statement; and Risk Management Framework;

- seeking assurance of our management of stakeholder and public interest issues;
- continuing to exercise scrutiny and oversight of our strategic projects;
- seeking assurance in relation to delivery of our Corporate Cyber Security Strategy, which underpins our work to improve ONR's security posture;
- providing a robust challenge of the budget for 2025/26 reflecting the continued focus of driving a more efficient organisation supported by improved organisational effectiveness, resilience and enhanced leadership capability;
- providing oversight of the Organisational Review findings and engagement across the organisation, including succession planning at a senior level;
- ensuring we continued to influence improvements in nuclear safety and security;
- seeking assurance from the findings of the annual review of regulation, which reviewed the effectiveness of regulatory strategies, with input from senior industry representatives; and

- taking an enhanced interest in regulatory assurance, risk and risk appetite.

The board agenda supported focused discussions on key issues, compliant with the principles in 'Corporate governance in central government departments: code of good practice'. Executive Board members sponsored agenda items and ensured that paperwork met agreed standards; management information on areas such as performance was cleared by the Senior Leadership Team (SLT) in advance of meetings. This ensured paperwork was of a consistent quality and supported focused discussions on key issues.

The annual Board strategy session took place in October 2024. In addition to providing insights into progress against delivery of our current strategy, the session provided an opportunity to inform development of the 2025-30 Strategy and to ensure ONR is fit for the future. Senior officials from DWP, DESNZ and MoD also attended to provide an update on departmental priorities, the government's nuclear agenda and an external perspective on the energy environment and beyond.

Board-to-board engagement with licensees continued with a collaborative session with Devonport in March 2024. The Interim Chair, and ONR's CE/CNI continued a programme of site visits across industry throughout 2024/25 and this will continue with the newly appointed Chair.

During 2024/25, the Board was supported by its three Committees: Audit and Risk Assurance Committee (ARAC), the Remuneration and Resilience Committee (RRC) and the Security Committee (SC). The terms of reference for each are detailed in the **Corporate Governance Framework**.

Audit and Risk Assurance Committee (ARAC)

ARAC has oversight of ONR's risk management processes and is responsible for providing assurance to the Board on the maintenance of appropriate and adequate audit processes, and for the governance of internal and external audit programmes.

Throughout the year, areas of focus included:

- quarterly reviews of the strategic risk register in order to gain assurance that risks were being managed and effective mitigations were in place;
- a series of deep dives into areas of greatest risk and/or where other sources of assurance were requested to gain an understanding of the underlying causes, the latest position and how we intended to mitigate the risk;
- assessing reports from our Internal Auditor, Government Internal Audit Agency (GIAA), and ONR's Regulatory Assurance function to gain independent assurance on our control environment in line with our Audit and Assurance Framework, including approval of audit plans and review of progress to implement recommendations;

- the Annual Report and Accounts, including the Governance Statement; and
- the Policy Compliance Report, which details levels of compliance in respect of organisational obligations.

Remuneration and Resilience Committee (RRC)

RRC has oversight over all matters relating to the remuneration and performance of Executive Board Members and the framework for Director level (Senior Civil Servant (SCS) equivalent) staff. It is responsible for making recommendations to the Board and the sponsorship team for ministerial decision on the appointment of the CE/CNI. It takes a strategic approach to succession planning for the Board and oversight of the approach for the wider organisation.

Throughout the year, areas of focus included:

- senior staff performance against strategic objectives;
- consideration of senior team remuneration (consistent with UK government expectations);
- consideration of senior staff pay proposals for 2024/25;
- the wider Director community development journey, and

the approach to setting and assessing performance objectives for 2024/25;

- updates on the Organisational Review and succession planning, including consideration of the senior structure and succession planning for the CE/CNI and also recommendations from the GIAA report on succession planning;
- updates on Non-Executive Director skills to inform future recruitment activity, Board member and director appointments, and the pay offer for wider ONR staff.

To support its remuneration considerations, the Committee considered a broad range of information and material, including Cabinet Office guidance; existing levels of remuneration and the restructure of some senior roles; market intelligence on pay levels via benchmarking; comparators across the public and private sector; and economic factors.

Security Committee (SC)

The SC is responsible for examining the ONR Annual Review of Security Report to provide assurance to the Board that ONR is providing efficient and effective security

regulation of the nuclear industry, holding it to account on behalf of the public.

Additionally, the SC reviews and discusses key security topics that are of significance and relevance to the sector.

The Senior Director of Regulation and Deputy Technical Director attended, along with senior officials from DESNZ, Civil Nuclear Constabulary, National Cyber Security Centre, MoD, and National Protective Security Authority, providing challenge and bringing different perspectives. Key contacts from industry and independent organisations attended for singular items where required.

Throughout the year, areas of focus included:

- Cyber Security including updates on strategy as well as what good Cyber Security looks like;
- Industry Training; and
- Strategy and updates from key sites, including Nuclear Restoration Services and Nuclear Decommissioning Authority

In 2024/25, SC met three times and reviewed standing items such as the Annual Review of Security and other key topics identified by members/attendees.

Monitoring performance of the Board and its Committees

The Board routinely received written updates from Committee Chairs and formal minutes where appropriate.

ARAC, the RRC and the SC provide annual reports to the Board, delivering assurance that each had acted in accordance with its delegated powers.

An external effectiveness review of Board and its Committees was undertaken with a number of recommendations provided to strengthen the operation of the Board and its Committees. ONR's Chair agreed to work with the Board Secretary to develop an action plan to address recommendations.

The Interim Chair in post from 1 January 2024 until 28 February 2025 was not subject to a formal performance review with our sponsor Department, DWP. The Interim Chair carried out both mid-year and end-year appraisals with each NED and the CE/CNI before departing. The review process included a short self-assessment and confirmation of their respective Register of Interests declarations. An agreed written record of the end of year

discussion was completed and confirmation that appraisals had taken place was sent to DWP. NED and CE/CNI priorities for the next year will be agreed by the new Chair who took up post on 1 March 2025.

Board member attendance at meetings 1 April 2024 to 31 March 2025

	Board (8)	ARAC (4)	RRC (3)	SC (3)
Non-executive members				
Dame Judith Hackitt DBE	7 (of 7)	1 (of 1)*	3 (of 3)	3 (of 3)
Dr Nicki Crauford	1 (of 1)	N/A	N/A	N/A
Sarika Patel	8 (of 8)	4 (of 4)	N/A	N/A
Dr Janet Wilson	6 (of 8)	N/A	3 (of 3)	3 (of 3)
Tracey Matthews	7 (of 8)	N/A	3 (of 3)	N/A
Jean Llewellyn OBE	8 (of 8)	4 (of 4)	N/A	3 (of 3)
Roger Hardy	8 (of 8)	3 (of 4)	N/A	N/A
Sarah Smart (ARAC Independent Member)	0 (of 1)**	3 (of 4)	N/A	N/A
Executive members				
Mark Foy	8 (of 8)	4 (of 4)	3 (of 3)	N/A
Rachel Grant	7 (of 8)	N/A	N/A	N/A
Linda Aylmore	5 (of 5)	2 (of 2)	N/A	N/A
Paul Fyfe	8 (of 8)	N/A	N/A	3 (of 3)

* The Chair of the Board attended one meeting in line with the ARAC terms of reference.

** Apologies were received from the ARAC Independent Member for the Board Strategy Session.

Sarah High, Deputy Chief Executive, left ONR in January 2025. She was unable to attend any meetings in-year before her resignation.

Managing conflicts of interest

Our Corporate Governance Framework sets out the process to be followed should a Board member identify a potential conflict of interest. There is a robust process for managing conflicts of interest and all members were asked to declare potential conflicts of interests at each Board and committee meeting. Four conflicts of interest were received by executive members (in relation to their own performance or remuneration), and one from the Interim ONR Chair (relating to the recruitment for the permanent ONR Chair position) during which time they withdrew from the meetings as appropriate, as recorded in the minutes of the RRC.

Transparency

The Board's strategy promotes openness and transparency about our regulation and work, based on a presumption of disclosure. In line with our Publication Scheme, we publish **Board minutes** on our website.

We received 96 requests under the Freedom of Information Act 2000 and five under the Environmental Information Regulations 2004. None of these were subject to an internal review request and thus none were referred to the Information Commissioner's Office (ICO). Further information about how we handle requests, and our responses are **publicly available**.

We received eight Subject Rights Requests under the UK General Data Protection Regulation (GDPR)/Data Protection (DPA) Act 2018. Two requests were resolved within a calendar month, with the remaining six subject to extensions to the deadline due to complexity. All six requests were completed within the permitted extended period. Two responses were subject to internal appeal, of which one was not upheld and one was partially upheld.

Six complaints were received (originating externally in relation to part of our work), 38 concerns (from members of the public or employees relating to a wrongdoing in a workplace in relation to a matter that we regulate) were received. All complaints were unsubstantiated, and none have been referred to the ombudsman. Further information about ONR's complaints policy can be found on our

website. All complaints and concerns were completed to the third parties' satisfaction.

Whistleblowing

Internal

No internal reports were raised.

External

We handled 15 protected disclosures across our regulatory directorates, in relation to sites we regulate and other dutyholder activity.

Of the 15 disclosures, two were carried forward from 2022/23 and two were carried forward from 2023/24, with eleven new disclosures reported in 2024/25.

Five cases were closed in-year, and ten will be carried forward into the new financial year as enquiries continue. Of the five cases closed in-year, three required no regulatory action, one will be part of routine regulatory oversight, and one resulted in enforcement action (enforcement letter). Whether or not disclosures led to formal action, all were used as an important source of regulatory intelligence.

Senior Leadership Team (SLT)

In June 2024 (following the organisational review), the ONR Executive Team (OET) was replaced by the Senior Leadership Team (SLT) to promote inclusion and unity, broader awareness, and support fair, accountable and balanced leadership debate and decision making. SLT is responsible for providing the strategic leadership and top-level governance intent of ONR. It is the strategic executive decision-making body, supporting the Board to carry out the legislative, policy, operational and administrative functions and requirements with a key focus on leadership, organisation and culture. As role models, SLT sets the tone for the organisation and its members are accountable for providing exemplary leadership and delegating work so as to engage and develop sustainable improvements, staff development, and a positive culture.

SLT membership comprised of the CE/CNI as Chair, the DCE (up until 31 January 2025) and all ONR Directors, plus the Head of the Governance and Private Office.

SLT met monthly throughout 2024/25, with the exception of August 2024. Special meetings were also held when considered necessary.

Regulatory Leadership Team (RLT) and Corporate Services Leadership Team (CSLT)

RLT provides regulatory directorate strategic, operational and business leadership and performance management, to ensure the CNI's statutory role and related delegated regulatory authorities retain visibility and independence.

CSLT provides strategic leadership for operational and business delivery and performance across Corporate Services directorates as delegated by SLT.

Both are responsible for role modelling a 'one ONR' approach and creating a healthy, inclusive and collaborative culture aligned to ONR's values.

Director Leadership

A new approach to director leadership commenced in 2024/25 building on collective and individual development and accountability, to assist with leadership changes. This included a more focused executive development approach with our external provider and the establishment of the SLT to provide strategic leadership of ONR.

Directors also meet for a short focused check-in each week to discuss welfare/team issues, emerging matters and share key messages. The team also receives relevant topical updates from across ONR.

This approach was complemented by a strategy event with the ONR Board and by CSLT and RLT having workshops focussed on key strategic challenges. With changes to the leadership team due in 2025/26 our approach and its effectiveness will be kept under review.

Risk management, compliance and internal control

ONR's Risk Management Framework is based on HM Treasury's Orange Book principles, reflecting relevant good practice, and defining the responsibilities of the Board, the accounting officer equivalent and ARAC.

The Board is responsible for our systems of risk management and internal control.

Risk management is delegated through clear lines of executive accountability. The Risk Improvement Group (RIG) undertakes regular reviews and challenges strategic risks. The group considers and makes recommendations

to SLT and ARAC on the escalation and de-escalation of risks and the effectiveness of mitigations. SLT undertakes a review of risks, including deep dives and ARAC reviews the Strategic Risk Register on a quarterly basis to provide assurance to the Board.

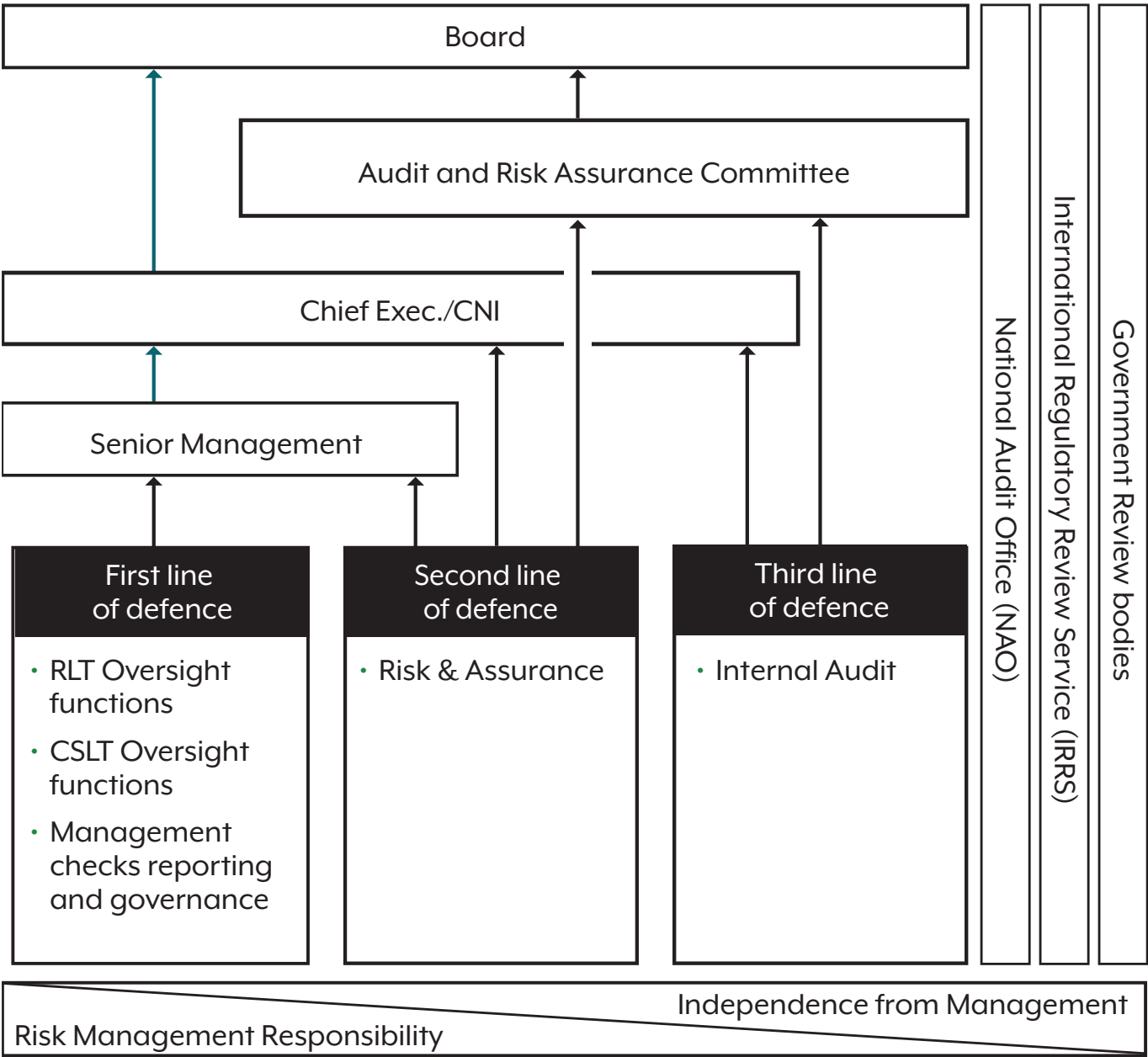
Additionally, the Board receives a quarterly update of the Strategic Risk Register and undertakes an annual review of the Register and the Risk Management Framework. The Board considers the key risks and reviews risk appetite annually, with our updated risk appetite statement published as part of our corporate plan.

The Scheme of Delegation was reviewed and approved by the Board in May 2025. Strategic risks are set out and described on page 76.

Chief Executive/Chief Nuclear Inspector's (CE/CNI) review of effectiveness

As CE/CNI, I have reviewed the sources of assurance available to me, in line with the integrated audit and assurance framework. This is based on HM Treasury's assurance frameworks guidance, which uses a 'Three Lines of Defence' approach to provide a complete, coherent and integrated audit and assurance framework (shown below) for the organisation. Reporting within this framework is aligned with corporate and executive governance arrangements.

ONR integrated audit and assurance framework 2024/25



The annual integrated audit and assurance plan was agreed by ARAC with the flexibility in-year to respond to changes in priorities.

Government Internal Audit Agency (GIAA)

Our internal audit function is provided by GIAA. Based on the audits undertaken, the Head of Internal Audit provided an overall 'moderate' assurance in respect of the adequacy and effectiveness of the framework for governance, risk management and control. This opinion also considers the letter of assurance provided by GPG to the CE/CNI, for Shared Services, and the overall 'moderate' assurance opinion provided by the ONR Head of Risk and Assurance.

Of the audits undertaken during 2024/25, an audit of the Corporate Governance found a clearly documented Corporate Governance Framework in place at the Board level; supported by an underlying Scheme of Delegation, Letters of Assurance, Letters of Delegation, and role clarity documentation.

The review of Risk Management found a formalised risk management governance structure is in place with clear escalation and de-escalation routes, roles and responsibilities are clearly defined and documented within the ONR Risk Management Framework and there is clear, documented evidence of risks being identified, monitored, managed and reported effectively at a strategic level.

Regulatory assurance

The Head of Risk and Assurance provided an overall ‘moderate’ assurance rating for 2024/25, concluding that the reviews conducted did not identify any significant matters that challenge confidence in the robustness of our regulatory decision-making, providing assurance that we are regulating the industry in accordance with our purposes, as required by the Energy Act 2013.

The ‘moderate’ aggregate score, which includes a small number of limited ratings, acknowledges that some improvements are required to enhance the adequacy and effectiveness of the framework of governance, risk management and control and work is being progressed to address these.

Shared Services Connected Ltd (SSCL)

SSCL is our outsourced provider of payroll, finance, HR and procurement transactional services.

The Government People Group (GPG), the Cabinet Office function responsible for overseeing the outsourced shared services contract with SSCL, has issued me with a letter of assurance in respect of SSCL’s performance during the year.

GPG have summarised the findings from various sources of assurance in the 2024-25 Letter of Assurance as follows:

- Pricewaterhouse Coopers LLP (PwC), SSCL's independent auditors, provided "reasonable assurance" following six government specific audits. This is consistent with the opinion provided last year. Three audits were rated satisfactory and three were rated as "satisfactory with exceptions". No critical findings were identified, although two were rated as high risk: Data Security and GDPR and SLS/KPIU Calculation and Reporting; and
- GIAA provided a "moderate" overall opinion, based on three audits, an improvement on the limited rating last year. Of these, two audits were rated "moderate" and one was rated "limited" (Staff Overpayments and Recovery).

No rectification plans were required in relation to ONR and there are no specific concerns expected to have a material impact on the financial statements in the Annual Report and Accounts.

These findings provide me with adequate assurance of the effectiveness of the controls employed by SSCL that were examined during the year.

Other sources of assurance and cyber security

Cyber Security

Assurance of our security was provided to Board via quarterly Corporate Security and Resilience updates.

We continue to mature our security posture with a programme of continuous improvement aligned with our Corporate Security and Resilience Strategy. We maintained both Cyber Essentials Plus and ISO/IEC 27001 certifications in-year, providing independent assurance that security controls and risk management approaches are proportionate and effective. In 2024 two independent assessments were undertaken to assess ONR's compliance against GovAssure and the Departmental Security Health Check, both of which highlighted ONR performed above average and its security posture remained strong. A couple of recommendations were highlighted which are already in progress.

ONR's Incident Management and Business Continuity arrangements, including planning and exercising, continue to mature with a strategy to align with recognised best practice, including the Business Continuity Institute (BCI) and the international standard ISO/IEC 22301.

Policy Compliance

Assurance was provided to ARAC via the quarterly Policy Compliance Report, which detailed the level of compliance, instances of non-compliance, and any mitigating action to reduce and prevent repetition of non-compliance. The quarterly reports included:

Data protection/GDPR compliance

Data protection capability and Data Protection by Design and Default throughout the organisation continued across 2024/25. Work has progressed against the data protection Compliance Monitoring Framework (CMF), although priority has been on ensuring thorough assessment of a number of complex Subject Rights requests and Data Protection Impact Assessments (DPIAs). ONR has championed Data Protection by Design and Default through early engagement with strategic projects to ensure data protection principles are embedded during project lifecycle. We continue to take a proactive approach, looking to new technologies that will impact the protection of personal data, such as Artificial Intelligence (AI) following guidance from the Information Commissioner's Office.

All staff are required to complete a mandatory eLearning module to ensure a fundamental understanding of data protection. 92% of users have completed the Data Protection Fundamentals eLearning module.

During the year, we introduced a new eLearning module for staff who process Special Category Data, giving greater education to staff who work in higher risk areas. 91% of those enrolled have completed the enhanced eLearning module. We supplemented the eLearning modules with targeted awareness sessions for areas identified as high risk.

Data security breaches relating to personal data

19 potential data breaches were reported during 2024/25, with 15 confirmed and four categorised as near misses. Of the 15 confirmed cases, 11 originated with ONR and four originated with external stakeholders. Of the four near misses, three originated with ONR and one with an external stakeholder.

All potential and confirmed breaches were investigated and none were determined as likely to result in a risk to the rights and freedoms of individuals. None met the threshold

for reporting to the Information Commissioner. We use learnings from incidents to deliver process enhancements, training, and awareness activities where appropriate.

Business expenses

We carry out regular checks to ensure compliance with our policy. Where travel bookings or claims are outside of the policy, we seek reimbursement. We have a small number of investigations at present where we are seeking further information.

Gifts and hospitality

A register was maintained during the financial year (for review by the Finance Director), recording any gifts or hospitality offered to or by staff and confirming whether any were accepted. Compliance was within policy with staff regularly completing and submitting the appropriate returns with evidence of approval by their managers.

Fraud, anti-bribery and corruption

Staff were required to comply with established policies relating to fraud, anti-bribery and corruption; none (actual or suspected) were reported.

Conclusion by the CE/CNI

Taking into account the assurances I have received, together with other evidence available to me, I conclude that ONR has a satisfactory system of governance, risk management (taking into account the risk management improvement activity that will continue throughout 2025/26) and internal control with effective plans to ensure continuous improvement.

While the Board considers the overall control environment to be adequate, with no significant issues reported, some minor exceptions required appropriate consideration, control and response. These are reflected in our strategic risks, as set out above on page 76 and will continue to be managed in line with planned mitigations.

Remuneration and staff report

This report sets out our remuneration policy for directors, how it was implemented, the amounts awarded to Board members, and additional information on remuneration and staff.

Service contracts

Our principle is that appointments should be made on merit based on open and fair competition as set out in the Civil Service Commissioners' Recruitment Code.

Unless otherwise stated below, the officials covered by this report hold appointments that are open-ended. Early termination by ONR, other than for misconduct, would result in the individual receiving compensation as set out in the Civil Service Compensation Scheme.

Further information about the work of the Civil Service Commission can be found at www.civilservicecommission.org.uk.

Remuneration policy

Recommendations on SCS pay are provided by the Senior Salaries Review Body in an annual report to the Prime Minister to inform policy and guidance on senior staff pay in the public sector.

In line with Cabinet Office guidance, pay and non-consolidated awards for the Board and other senior staff (SCS equivalent) are then decided by the ONR Remuneration and Resilience Committee.

Remuneration and pension entitlements for Board members

Board members' pay (this information is subject to audit)

	Salary (£'000)		Bonus payments (£'000)		Benefits in kind (to nearest £100)		Pension benefits (£'000) (a)		Total (£'000)	
	2024 /25	2023 /24	2024 /25	2023 /24	2024 /25	2023 /24	2024 /25	2023 /24(b)	2024 /25	2023 /24
Non-executives										
Nicola Crauford (c)	0-5	-	-	-	-	-	-	-	0-5	-
Judith Hackitt (d)	45-50	10-15	-	-	4,800	300	-	-	50-55	10-15
Mark McAllister (e)	-	35-40	-	-	-	1,600	-	-	-	40-45
Sarika Patel (f)	10-15	10-15	-	-	400	300	-	-	15-20	15-20
Janet Wilson	10-15	10-15	-	-	-	800	-	-	10-15	15-20
Tracey Matthews	10-15	10-15	-	-	-	-	-	-	10-15	10-15
Jean Llewellyn	10-15	10-15	-	-	100	100	-	-	15-20	15-20
Roger Hardy (g)	10-15	0-5	-	-	-	-	-	-	10-15	0-5
Susan Catherine Gray (h)	-	10-15	-	-	-	-	-	-	-	10-15

	Salary (£'000)		Bonus payments (£'000)		Benefits in kind (to nearest £100)		Pension benefits (£'000) (a)		Total (£'000)	
	2024 /25	2023 /24	2024 /25	2023 /24	2024 /25	2023 /24	2024 /25	2023 /24(b)	2024 /25	2023 /24
Executives										
Chief Executive and Chief Nuclear Inspector Mark Foy (i)	215- 220	200- 205	15- 20	10- 15	-	-	409	-11	640- 645	205- 210
Senior Director of Regulation Paul Fyfe (j)	115- 120	-	10- 15	-	-	-	45	-	170- 175	-
Director of Strategy and Corporate Affairs Rachel Grant (k)	90- 95	-	5- 10	-	-	-	119	-	220- 225	-
Finance Director Linda Aylmore (l)	60- 65	-	5- 10	-	-	-	24	-	90- 95	-
Deputy Chief Executive Sarah High (m)	135- 140	145- 150	-	5- 10	-	-	67	75	200- 205	225- 230
Executive Director of Regulation Donald Urquhart (n)	-	140- 145	-	5- 10	-	-	-	87	-	235- 240
Finance Director Geoff Hawker (o)	-	100- 105	-	0- 5	-	-	-	40	-	140- 145

Notes:

- (a) The value of pension benefits accrued during the year is calculated as the real increase in pension multiplied by 20 plus the real increase in any lump sum less the contributions made by the individual. The real increase excludes increases due to inflation or any increases or decreases due to a transfer of pension rights.
- (b) The pension benefits of any members affected by the public service pensions remedy that were reported in 2022-23 on the basis of alpha membership for the period between 1 April 2015 and 31 March 2022 have been reported since 2024-25 based on PCSPS membership for the same period.
- (c) Nicola Crauford joined ONR on 1 March 2025. Full-year equivalent salary was £55-60k.
- (d) Judith Hackitt joined ONR as interim Chair on 1 January 2024. Full-year equivalent salary for 2023/24 was £50-55k. Judith left ONR on 28 February 2025. Full-year equivalent salary for 2024/25 was £50-55k.
- (e) Mark McAllister left ONR on 31 December 2023. Full-year equivalent salary was £50-55k.
- (f) Sarika Patel left ONR on 31 March 2025.

- (g) Roger Hardy joined ONR on 1 February 2024. Full-year equivalent salary was £10-15k.
- (h) Susan Catherine Gray left ONR on 31 January 2024. Full-year equivalent salary was £10-15k.
- (i) The increase in pension benefits in 2024/25 for Mark Foy was as a result of transitioning to a different pension scheme.
- (j) Paul Fyfe became a Board member on 1 July 2024. Full-year equivalent salary was £145-150k.
- (k) Rachel Grant became a Board member on 1 July 2024. Full-year equivalent salary was £115-120k.
- (l) Linda Aylmore joined ONR on 1 October 2024. Full-year equivalent salary was £120-125k.
- (m) Sarah High left ONR on 31 January 2025. Sarah received 2 months' salary in lieu of notice. Full-year equivalent salary was £150-155k.
- (n) Donald Urquhart ceased to be a Board member on 31 March 2024.
- (o) Geoff Hawker left ONR on 18 December 2023. Geoff received three months' salary in lieu of notice.

Remuneration shown is for periods of Board appointment only.

Salary

For executives, 'salary' includes gross salary, which may include allowances, subject to UK taxation. This report is based on accrued payments made by ONR and thus recorded in the annual accounts.

Benefits in kind

The monetary value of benefits in kind covers any benefits provided by ONR and treated by HMRC as a taxable emolument. These benefits for Board members include travel and subsistence payments as appropriate.

Bonuses

Bonuses are based on performance levels attained and behaviours demonstrated and are made as part of the appraisal process. For executives, this is agreed by the Remuneration and Resilience Committee. For other senior officers, this is subject to moderation by the ONR Senior Staff Pay Committee and endorsed by the RRC. The value of bonuses is dependent upon several factors and is subject to the total amount of available funds. Bonuses relate to the performance in the year in which they become payable to the individuals. The bonuses reported in 2024/25 relate to performance in 2024/25 and comparative

bonuses for 2023/24 are based on 2023/24 performance.

No bonuses are paid to non-executive directors.

Fair pay disclosures (subject to audit)

Reporting bodies are required to disclose the relationship between the remuneration of the highest-paid director in their organisation and the median remuneration of the organisation's workforce.

The banded remuneration of the highest-paid director in ONR in the financial year 2024/25 was £230,000 – £235,000 (2023/24: £215,000 – £220,000). This was 2.78 (2023/24: 2.77) times the median remuneration of the workforce, which was £83,713 (2023/24: £78,511).

In 2024/25 and 2023/24, no employees received remuneration in excess of the highest-paid director.

Remuneration ranged from £23,992 to £186,959 (2023/24: £22,939 to £216,233).

Total remuneration includes salary, non-consolidated performance-related pay and benefits-in-kind. It does not include severance payments, employer pension contributions and the cash equivalent transfer value of pensions..

Percentage change from 2023/24

	Salary and allowances	Performance pay and bonuses payable
Highest paid director	7.41%	40.00%
All employees	5.01%	12.66%

Highest paid director – the mid-point bonus payable for 2024/25 was £17,500 (2023/24 – £12,500).

Average bonuses payable to all employees in relation to 2024/25 performance increased by 12.66%. Bonuses were awarded for sustained contribution and were distributed as part of our Realising our Potential scheme.

The calculation for salary and allowances and performance pay and bonuses payable for the highest paid director, is based on the mid-point of the band (in bands of £5,000).

The calculation for salary and allowances for all employees is the total annualised amount, excluding the highest paid director.

The total for performance pay and bonuses payable for all employees excludes the highest paid director.

2024/25	Pay ratio	Total pay and benefits	Salary component of total pay and benefits
25th percentile	4.57:1	£50,899	£50,086
Median	2.78:1	£83,713	£83,713
75th percentile	2.24:1	£103,720	£103,720

2023/24	Pay ratio	Total pay and benefits	Salary component of total pay and benefits
25th percentile	4.52:1	£48,045	£48,045
Median	2.77:1	£78,511	£78,028
75th percentile	2.17:1	£100,165	£99,955

Pay ratios are calculated by dividing the mid-point of the banded remuneration (in bands of £5,000) of the highest paid director (excluding pension benefits) by the pay and benefits figure of the employee on the 25th, 50th or 75th percentile respectively.

The median pay ratio for 2024/25 has increased slightly from 2023/24 and is consistent with our pay, reward and progression policies for our employees taken as a whole. We continue to offer competency pay progression for eligible staff, in addition to targeted retention schemes for niche skillsets.

Pension benefits (subject to audit)

	Accrued pension at pension age as at 31/03/25 and related lump sum £'000	Real increase in pension and related lump sum at pension age £'000	CETV at 31/03/25 £'000	CETV at 31/03/24 £'000	Real increase in CETV £'000
Mark Foy	115-120 plus a lump sum of 300-305	17.5-20 plus a lump sum of 40-42.5	2,701	2,281	410
Paul Fyfe	30-35	2.5-5	516	457	35
Rachel Grant	40-45	5-7.5	716	601	91
Linda Aylmore	0-5	0-2.5	22	0	17
Sarah High	55-60	2.5-5	1,059	962	55

CETV are shown in respect of periods of Board appointment only.

The pension benefits of any members affected by the public service pensions remedy which were reported in 2022-23 based on of alpha membership for the period between 1 April 2015 and 31 March 2022 are reported in 2023-24 based on PCSPS membership for the same period.

Taking account of inflation, the CETV funded by the employer has decreased in real terms.

Civil Service Pensions

Pension benefits are provided through the Civil Service pension arrangements. Before 1 April 2015, the only scheme was the Principal Civil Service Pension Scheme (PCSPS), which is divided into a few different sections – classic, premium, and classic plus provide benefits on a final salary basis, whilst nuvos provides benefits on a career average basis. From 1 April 2015 a new pension scheme for civil servants was introduced – the Civil Servants and Others Pension Scheme or alpha, which provides benefits on a career average basis. All newly appointed civil servants, and the majority of those already in service, joined the new scheme.

The PCSPS and alpha are unfunded statutory schemes. Employees and employers make contributions (employee contributions range between 4.6% and 8.05%, depending on salary). The balance of the cost of benefits in payment is met by monies voted by Parliament each year.

Pensions in payment are increased annually in line with the Pensions Increase legislation. Instead of the defined benefit arrangements, employees may opt for a defined contribution pension with an employer contribution, the partnership pension account.

In alpha, pension builds up at a rate of 2.32% of pensionable earnings each year, and the total amount accrued is adjusted annually in line with a rate set by HM Treasury. Members may opt to give up (commute) pension for a lump sum up to the limits set by the Finance Act 2004. All members who switched to alpha from the PCSPS had their PCSPS benefits ‘banked’, with those with earlier benefits in one of the final salary sections of the PCSPS having those benefits based on their final salary when they leave alpha.

The accrued pensions shown in this report are the pension the member is entitled to receive when they reach normal pension age, or immediately on ceasing to be an active member of the scheme if they are already at or over normal pension age. Normal pension age is 60 for members of classic, premium, and classic plus, 65 for members of nuvos, and the higher of 65 or State Pension Age for members of alpha. The pension figures in this report show pension earned in PCSPS or alpha – as appropriate. Where a member has benefits in both the PCSPS and alpha, the figures show the combined value of their benefits in the two schemes but note that the constituent parts of that pension may be payable from different ages.

When the Government introduced new public service pension schemes in 2015, there were transitional arrangements which treated existing scheme members differently based on their age. Older members of the PCSPS remained in that scheme, rather than moving to alpha. In 2018, the Court of Appeal found that the transitional arrangements in the public service pension schemes unlawfully discriminated against younger members (the “McCloud judgment”).

As a result, steps are being taken to remedy those 2015 reforms, making the pension scheme provisions fair to all members. The Public Service Pensions Remedy³ is made up of two parts. The first part closed the PCSPS on 31 March 2022, with all active members becoming members of alpha from 1 April 2022. The second part removes the age discrimination for the remedy period, between 1 April 2015 and 31 March 2022, by moving the membership of eligible members during this period back into the PCSPS on 1 October 2023.

³ How the public service pensions remedy affects your pension

The accrued pension benefits, Cash Equivalent Transfer Value and single total figure of remuneration reported for any individual affected by the Public Service Pensions Remedy have been calculated based on their inclusion in the PCSPS for the period between 1 April 2015 and 31 March 2022, following the McCloud judgment. The Public Service Pensions Remedy applies to individuals that were members, or eligible to be members, of a public service pension scheme on 31 March 2012 and were members of a public service pension scheme between 1 April 2015 and 31 March 2022. The basis for the calculation reflects the legal position that impacted members have been rolled back into the PCSPS for the remedy period and that this will apply unless the member actively exercises their entitlement on retirement to decide instead to receive benefits calculated under the terms of the alpha scheme for the period from 1 April 2015 to 31 March 2022.

The partnership pension account is an occupational defined contribution pension arrangement which is part of the Legal & General Mastertrust. The employer makes a basic contribution of between 8% and 14.75% (depending on the age of the member). The employee does not have

to contribute but, where they do make contributions, the employer will match these up to a limit of 3% of pensionable salary (in addition to the employer's basic contribution). Employers also contribute a further 0.5% of pensionable salary to cover the cost of centrally provided risk benefit cover (death in service and ill health retirement).

Further details about the Civil Service pension arrangements can be found at www.civilservicepensionscheme.org.uk

Cash Equivalent Transfer Values

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies.

The figures include the value of any pension benefit in another scheme or arrangement that the member has transferred to the Civil Service pension arrangements. They also include any additional pension benefit accrued to the member as a result of their buying additional pension benefits at their own cost.

CETVs are worked out in accordance with The Occupational Pension Schemes (Transfer Values) (Amendment) Regulations 2008 and do not take account of any actual or potential reduction to benefits resulting from Lifetime Allowance Tax that may be due when pension benefits are taken.

The real increase in CETV

This reflects the increase in CETV that is funded by the employer. It does not include the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period.

Compensation for loss of office (subject to audit)

Sarah High left under Voluntary Redundancy terms on 31 January 2025 and received a compensation payment of

£258,000. This exit package is also reported on page 178.

Fees and expenses for independent members of ARAC

	Salary £'000		Benefits in kind (to the nearest £100)		Total £'000	
	2024/25	2023/24	2024/25	2023/24	2024/25	2023/24
Sarah Smart (from 1 July 2023)	0-5	0-5	-	-	0-5	0-5
Chris Wood (until 30 June 2023)	-	0-5	-	-	-	0-5

Staff information

Senior Civil Service (equivalent)

There were 10 Senior Civil Service (equivalent) posts as at 31 March 2025 (10 at 31 March 2024).

SCS posts as at 31 March 20245

Full-time equivalents by pay band	31 March 2025	31 March 2024
SCS 2 Equivalent	1.6	3
SCS 1 Equivalent	8	7
Total	9.6	10

Staff numbers (subject to audit)

The average number of full-time equivalent posts is shown in the following table.

Average FTE

	Permanent staff ⁽¹⁾	Other staff ⁽²⁾	Total
2024/25	665	3	668
2023/24	652	8	660

Notes:

- 16 Permanent staff includes those on permanent or fixed term contracts. This includes staff on secondment out of ONR, for whom the organisation remains responsible. The calculation excludes non-executive members of the ONR Board.
- 17 Other staff includes those engaged on the objectives of ONR (for example short-term contract staff, agency/ temporary staff, or inward secondments where ONR is paying for the whole or the majority of their costs).

Diversity and inclusion

We are committed to the three aims of the **public sector equality duty**. To support these aims, we continue to:

- eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Equality Act 2010;
- advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; and
- foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

Staff policies relating to disability

We continue to focus on disability-smart best practice and to ensure that we have the right policies and practices in place, and we have sought to help colleagues understand the importance of disability inclusion to enable them to support team members more effectively.

We continually review and develop our policies and practices to support staff with disabilities. Those already in place include:

- recruitment and selection – we continue to offer a guaranteed interview scheme for candidates with a disability who meet the minimum criteria and invite candidates to notify us of any special requirements and to make adjustments at all stages of our selection processes and arrangements for individuals as appropriate;
- our partnership with VERCIDA, a careers site that collaborates with employers who respect a culture of inclusivity, diversity and accessibility in order to broaden the reach of our roles amongst under-represented groups;
- we are members of Purple and Northwest DWP, a Disability Confident Leader network to allow us access a host of multiple resources that focus on disability-smart best practice; and help us to be informed of ‘hidden’ disabilities;
- our Accessibility Working Group, continues to improve the accessibility of our publications, people processes, digital services and offices, to ensure we comply with accessibility requirements and are proactive in creating inclusive working practices;

- to support and enable disabled staff or those who have long-term health conditions, we have in place a number of mechanisms, including DSE assessments, Occupational Health services and an Employee Assistance Programme;
- a key supportive process is the Workplace Adjustment Passport, to record and manage adjustments that have been implemented and to help remove barriers for disabled staff at work;
- as a Disability Confident Leader, we have been recognised by the Liverpool City Region and awarded Fair Employment Charter status; and
- our mental health strategy and stress management policies, are helping to breakdown the stigma of mental health in the workplace and provide practical tools and aids to enable managers to better support colleagues.

Gender diversity

The **ONR Gender Pay Report 2024** was based on a snapshot of the pay of all ONR employees as of 31 March 2024, as well as annual payments and bonuses paid between 1 April 2023 and 31 March 2024.

ONR's overall mean gender pay gap reduced by 2.9% to 24.4% during 2023/24 and the median gap reduced from 38.0% to 32.0%. The overall analysis of data shows a shifting trend in favour of women, and this is evident in the 70.4% of women who were in receipt of a bonus compared to 61.8% of men, this is a positive shift in comparison to previous years (2022/23 males 92.5% and women 87.8%). We believe that following the introduction of our Praise and Recognition approach we are seeing a greater equity in the distribution (proportionately) between genders. Women also received a higher median in bonus payments in comparison to male colleagues

Our gender pay gap data for 2024 demonstrates progress, and we will continue to focus on reducing the gap and creating opportunities for better representation of women at senior levels in the organisation. Equality, inclusivity, and diversity remains a core part of our organisational culture

and attraction and retention strategy, and we recognise that closing the gender pay gap is not a quick and easy fix. The valuable insights we gain from tracking and reporting our gender pay gap needs to be met with meaningful, consistent, and sustained actions.

We remain fully committed to driving change and the actions we have employed are designed to create a more diverse and inclusive organisation, and to help us be more reflective of the society we operate in. We will continue to act through a focused strategy, greater collaboration with others across the sector and through transparent reporting, with the ambition of closing the gender pay gap and making this aim a reality. Some of the actions we have taken include:

- Having name and gender-anonymous selection and using gender-neutral wording throughout our recruitment process to remove unconscious bias at an early stage;
- Female representation on recruitment selection panels;
- A partnership with VERCIDA, a careers site that works with employers who respect a culture of inclusivity, diversity and accessibility and are committed to these values in order to broaden the reach of our roles

amongst under-represented groups;

- Diversity & Inclusion and 'How to be a Good Ally' training and toolkit available for all colleagues;
- Reverse Mentoring now renamed as Reciprocal Mentoring because of the mutual benefits it brings, and which helps to broaden senior leaders understanding of the lived experiences of colleagues from under-represented groups;
- A revised and refreshed flexible working policy, 'Balancing Your Hours,' designed to enable all staff to achieve a healthier work/life balance and to make sure ONR continues to build an increasingly inclusive culture. The organisation believes that adopting more flexible working arrangements is another key step to ONR attracting and retaining female employees;
- Partnerships across the sector working with NSDG, to ensure we promote opportunities for female students to explore maths and science throughout primary and secondary school and encourage them to pursue career paths in STEM;
- Supporting female external mentoring opportunities including the new 'Women in Nuclear' bitesize

mentoring training pilot and their prestigious UK-France mentoring programme;

- Working to broaden the career route into the sector with initiatives such as our Nuclear Degree Apprenticeships; and
- Promoting STEM career opportunities for women through our participation in engagement and activities in local schools and colleges and the STEM Ambassadors programme.

Whilst we continue to attract, retain, and develop our female employees, with a focus on our graduate and apprenticeship schemes, we understand that in the short term this disparity will continue to be a contributing factor in our gender pay gap. Our gender split has seen small improvements year on year since 2017, and progress is being made, currently 37% of our employees are women, moving us closer to the target set jointly by industry and government in the Nuclear Sector Deal of 40% women in the industry by 2030. We fully expect to reach this level well in advance of the 2030 target date. Through our People Strategy 2025 and action plan we will continue to ensure that we drive progress.

While we have made improvements in the diversity of our recruitment that have led to positive results, we also acknowledge that we need to support work to promote diversity across STEM subjects. Consistent with the experience reported by many other organisations across the nuclear sector, and with those in the wider engineering and science fields, our aggregate overall mean and median gender pay gaps reflect legacy structural arrangements. There continues to be a shortage across the UK of young and experienced females working in the fields of science, technology, engineering, and mathematics (STEM). Although 37% of ONR's employees are women, of these just over 58% work in our Corporate Services and Divisional Delivery Support areas. We make determined efforts to attract, retain and develop women, particularly through our apprenticeship and graduate training schemes as well as our talent programmes and to promote opportunities within our regulatory roles.

We remain focused on broadening the routes into the sector. Over the last five years (between 2019/20 and 2023/24) ONR's female workforce has increased by 14%. This compares with ONR's overall headcount

which increased by 5% during the same period. We are continuing to collaborate as a sector to attract diverse talent and as part of a longer term strategy, we will continue with our partnerships across the sector working with the Nuclear Skills Delivery Board (NSDB), to ensure we promote opportunities for female students to explore maths and science throughout primary and secondary school and encourage them to pursue career paths in STEM. We are also working to broaden the career routes into our sector with initiatives such as our Nuclear Degree Apprenticeship programme, which is already having an impact.

The work we are undertaking to support the progression of women is starting to have an impact, and we are pleased to see positive results in terms of female recruitment and career progression within ONR, of staff promoted in 2023/24, 41% of them were women, which is favourable when compared with 37% ONR's overall female workforce, indicating women are over-represented in promotion with a grade change.

Looking at this by role type, 45% of grade changes due to promotion for regulatory technical role types were women. Again, this is favourable when compared with available

internal talent pipeline against ONR's female headcount of 30% in eligible roles and which is an 8% increase on 2023. This also compares favourably against 26% of the UK-based STEM workforce that is female.

We recognise the benefits of a more gender balanced workforce to help us meet our strategic aims, by enhancing our professional knowledge, bringing challenge and new perspectives, and providing a working environment in which everyone can achieve their full potential.

Our focus now is creating the building blocks for the future. To do this we are positive that ONR must have a culture that supports women and their progression to greater levels of representation at more senior levels and removing barriers is key to this. ONR is committed to its vision of being a modern transparent regulator delivering trusted outcomes and value.

The breakdown of our staff by gender is detailed in the following table.

Headcount by gender

Number of staff by gender (headcount)	31 March 2025		31 March 2024	
	Male (% of total)	Female (% of total)	Male (% of total)	Female (% of total)
Senior Civil Service equivalents	7 (1.0)	3 (0.4)	7 (1.0)	3 (0.4)
Permanently appointed staff (Bands 1–6)	432 (61.8)	257 (36.8)	431 (62.1)	253 (36.5)
Total	439 (62.8)	260 (37.2)	438 (63.1)	256 (36.9)

At 31 March 2025, non-executives on our Board consisted of five females and one male.

Staff turnover

Our turnover rate for 2024/25 was 6.7%, a decrease of 0.3% compared to 2023/24.

Retirements and resignations were the main reasons for staff leaving during the year.

Leavers from the organisation during the year caused no concern from a capacity perspective and were backfilled as appropriate.

Engagement with trade unions

We continue to maintain a positive relationship with trade unions, using a framework agreement that promotes an open, transparent, and collaborative approach to engagement. This includes regular and early sharing of proposed policy changes and improvements, early sharing of plans for key projects and strategic changes and agreeing an engagement plan that is clear about our proposals and the manner and timeframes in which we will negotiate, consult, or inform as appropriate.

We will continue to meet formally, six to eight times a year, and maintain an open and constructive dialogue, including several informal, off-line, and specific discussions to ensure early engagement. This will include face-to-face meetings with the HR Director to build on the current relationship.

The CE/CNI and members of our SLT will attend meetings with the trade unions periodically as part of maintaining senior dialogue on the strategic direction for ONR.

Staff costs (subject to audit)

	2024/25			2023/24
	Permanently employed staff £'000	Others £'000	Total £'000	Total £'000
Wages and salaries	52,179	548	52,727	50,736
Social security costs	6,516	-	6,516	6,198
Other pension costs	14,727	-	14,727	14,041
Total per Statement of Comprehensive Net Income	73,422	548	73,970	70,975
Less recoveries in respect of:				
Outward secondments	(224)	-	(224)	(159)
Net total	73,198	548	73,746	70,816

The Principal Civil Service Pension Scheme (PCSPS) and the Civil Servant and Other Pension Scheme (CSOPS) – known as “Alpha” – are unfunded multi-employer defined benefit schemes but we are unable to identify our share of the underlying assets and liabilities. The Scheme Actuary valued the PCSPS as at 31 March 2020. Details can be found in the resource accounts of the **Cabinet Office: Civil Superannuation.**

For 2024/25, employers' contributions of £14.6 million were payable to the CSOPS (2023/24 £13.9 million) at 28.97% of pensionable earnings (2023/24 – at one of four rates in the range 26.6% to 30.3%). The Scheme Actuary reviews employer contributions usually every four years following a full scheme valuation. The contribution rates are set to meet the cost of the benefits accruing during 2024/25 to be paid when the member retires and not the benefits paid during this period to existing pensioners.

Employees can opt to open a partnership pension account, a stakeholder pension with an employer contribution.

Employers' contributions of £88,784 were paid to one or more of the panel of three appointed stakeholder pension providers. Employer contributions are age-related and ranged from 8% to 14.75%. Employers also match employee contributions up to 3% of pensionable earnings. In addition, employer contributions of £2,873, 0.5% of pensionable pay, were payable to the CSOPS to cover the cost of the future provision of lump sum benefits on death in service or ill-health retirement of these employees.

Contributions due to the partnership pension providers at 31 March 2025 were £6,719. Contributions prepaid at that date were nil.

In 2024/25, two individuals retired early on ill-health grounds (2023/24: one). The total additional accrued pension liabilities in the year amounted to £40,682 (2023/24: £30,030).

Sickness absence information

The average number of working days lost due to sickness in 2024/25 was 6.45 per person (2023/24 – 5.0) which is below the national average of 7.80. We continue to build an inclusive work environment and maintain our commitment to promote and support positive mental health and wellbeing in our workplace, including awareness sessions for staff around mental health, stress, self-care, and wellbeing. In addition to this, managers review the health and wellbeing of their staff during regular 1-1s they have with their staff as part of our ‘Realising our Potential’ approach.

Health, safety and wellbeing

The health, safety and wellbeing (HSW) of our staff remains our number one priority. This means we are developing a culture where everyone shows accountability to positively influence culture, setting direction and values through

annual strategy. We expect all staff to consider the impact of health and safety proactively and routinely in their work activities to enable greater collaboration, sharing of best practice and support learning to drive continuous improvement.

We made good progress with our Achieving Cultural Excellence strategy to drive health and safety improvements and embed our approach to effective health and safety management. This included engaging consistently with our leaders and managers to build our culture and drive health and safety improvements, and collaborating with our staff to shape and rebuild our management system controls to enable everyone to stay safe, healthy, and well.

Exit packages – Civil Service and other compensation schemes (subject to audit)

Redundancy and other departure costs are paid in accordance with the provisions of the Civil Service Compensation Scheme, a statutory scheme made under the Superannuation Act 1972. Exit costs are accounted for in full in the year of departure.

Where we agreed early retirements, the additional costs were met by ONR and not by the Civil Service Pension Scheme. Ill-health retirement costs were met by the pension scheme and are not included in the table.

There were no compulsory redundancies in 2024/25 (nil 2023/24).

Other departures

Exit package cost band	Number of other departures agreed	
	2024/25	2023/24
<£10,000	-	-
£10,001 – £25,000	-	-
£25,001 – £50,000	-	-
£50,001 – £100,000	-	-
£100,001 – £150,000	-	-
£150,001 – £200,000	-	-
£200,001 – £250,000	-	-
£250,001 – £300,000	1	-
Total number of exit packages	1	-
Total cost /£'000	258	-

Off-payroll staff (includes temporary and consultancy)

Highly paid off-payroll engagements as at 31 March 2025, earning £245 per day or greater

Number of existing engagements as of 31 March 2025	3
Of which, the number that existed at the time of reporting for:	
Less than 1 year	1
Between 1 and 2 years	0
Between 2 and 3 years	0
Between 3 and 4 years	1
For 4 or more years	1

All highly paid off-payroll workers engaged at any point during the year ended 31 March 2025, earning £245 per day or greater.

Number of temporary off-payroll workers engaged during the year ended 31 March 2025	6
Of which:	
Not subject to off-payroll legislation	3
Subject to off-payroll legislation and determined as in-scope of IR35	0
Subject to off-payroll legislation and determined as out-of-scope of IR35	3
Number of engagements reassessed for compliance or assurance purposes during the year	1
Of which:	
Number of engagements that saw a change to IR35 status following review	0

For any off-payroll engagements of board members and/or senior officials with significant financial responsibility, between 1 April 2024 and 31 March 2025

Number of off-payroll engagements of board members, and/or, senior officials with significant financial responsibility during the financial year	0
Total number of individuals on-payroll and off-payroll that have been deemed “board members, and/or, senior officials with significant financial responsibility” during the financial year. This figure includes both on-payroll and off-payroll engagements	17

Consultancy

Our expenditure on consultancy was £0.1 million (£0.5 million in 2023/24).

Contingent labour

Our expenditure on contingent labour was £0.5 million (£1.2 million in 2023/24).

Parliamentary accountability and audit report

This report brings together the key Parliamentary accountability documents; regularity of expenditure and the Certificate and Report of the Comptroller and Auditor General to the Houses of Parliament.

Regularity of expenditure (subject to audit)

The Accounting Officer for DWP has designated the CE/CNI of ONR with responsibilities for the propriety and regularity of the public finances for which they are answerable, for keeping proper records and for safeguarding assets as set out in HM Treasury's 'Managing Public Money'.

Fees and charges (subject to audit)

Under the Energy Act 2013, ONR recovers the full cost of certain chargeable services and receives grant funding from DWP for non-chargeable activities such as fire safety and some transport inspection. We continue to review our financial arrangements in the context of prevailing fees regulations.

Breakdown of fees and charges

	2024/25			2023/24		
		Cost	Surplus/ (deficit)	Income	Cost	Surplus/ (deficit)
	£'000	£'000	£'000	£'000	£'000	£'000
Licensing of nuclear installations	57,804	57,804	-	63,626	63,626	-
Civil Nuclear Security	15,217	15,217	-	16,231	16,231	-
Generic Design Assessment	17,966	17,966	-	10,013	10,013	-
Safeguards*	6,655	6,861	(206)	6,741	6,947	(206)
Radioactive Materials Transport	773	773	-	740	740	-
Advanced Nuclear Technologies**	1,143	1,143	-	1,625	1,625	-
Sub total	99,558	99,764	(206)	98,976	99,182	(206)
Other fees and charges	129	150	(21)	75	75	-
Total fees and charges	99,687	99,914	(227)	99,051	99,257	(206)

* Safeguards

The Nuclear Safeguards (Fees) Regulations 2021 came into force on 1 April 2022, giving us the powers to charge the majority of Safeguards costs directly to industry.

As DESNZ provided capital funding for the Safeguards asset until 31 March 2022, we will not include amortisation to industry relating to this funding. This resulted in a deficit of £206,000 for 2024/25.

**** Advanced nuclear technologies**

These costs were charged to DESNZ.

Other fees and charges

The loss of £21k relates to import licensing costs for which ONR was unable to charge.

Statement of losses and special payments (subject to audit)

Individually or collectively, losses and special payments do not exceed the £300,000 reporting threshold.

Remote contingent liabilities (subject to audit)

ONR does not have any remote contingent liabilities.

Mike Finnerty

Chief Executive and Chief Nuclear Inspector

Office for Nuclear Regulation

8 July 2025

The Certificate and Report of the Comptroller and Auditor General to the Houses of Parliament

Opinion on financial statements

I certify that I have audited the financial statements of the Office for Nuclear Regulation for the year ended 31 March 2025 under the Energy Act 2013.

The financial statements comprise the Office for Nuclear: Regulation's

- Statement of Financial Position as at 31 March 2025;
- Statement of Comprehensive Net Expenditure, Statement of Cash Flows and Statement of Changes in Taxpayers' Equity for the year then ended; and
- the related notes including the significant accounting policies.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law UK adopted International Accounting Standards.

In my opinion, the financial statements:

- give a true and fair view of the state of the Office for Nuclear Regulation's affairs as at 31 March 2025 and its net operating cost for the year then ended; and
- have been properly prepared in accordance with the Energy Act 2013 and Secretary of State directions issued thereunder.

Opinion on regularity

In my opinion, in all material respects, the income and expenditure recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

Basis for opinions

I conducted my audit in accordance with International Standards on Auditing (UK) (ISAs UK), applicable law and Practice Note 10 Audit of Financial Statements and Regularity of Public Sector Bodies in the United Kingdom (2024). My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of my certificate.

Those standards require me and my staff to comply with the Financial Reporting Council's Revised Ethical Standard 2024. I am independent of the Office for Nuclear Regulation in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK. My staff and I have fulfilled our other ethical responsibilities in accordance with these requirements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions relating to going concern

In auditing the financial statements, I have concluded that the Office for Nuclear Regulation's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Office for Nuclear Regulation's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

My responsibilities and the responsibilities of the Chief Executive with respect to going concern are described in the relevant sections of this certificate.

The going concern basis of accounting for the Office for Nuclear Regulation is adopted in consideration of the requirements set out in HM Treasury's Government Financial Reporting Manual, which requires entities to adopt the going concern basis of accounting in the preparation of the financial statements where it is anticipated that the services which they provide will continue into the future.

Other information

The other information comprises information included in the Annual Report, but does not include the financial statements and my auditor's certificate thereon. The Chief Executive is responsible for the other information.

My opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in my certificate, I do not express any form of assurance conclusion thereon.

My responsibility is to read the other information and, in doing so, consider whether the other information is

materially inconsistent with the financial statements, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

Opinion on other matters

In my opinion the part of the Remuneration and Staff Report to be audited has been properly prepared in accordance with Secretary of State directions issued under the Energy Act 2013.

In my opinion, based on the work undertaken in the course of the audit:

- the parts of the Accountability Report subject to audit have been properly prepared in accordance with Secretary of State directions made under the Energy Act 2013; and

- the information given in the Performance and Accountability Reports for the financial year for which the financial statements are prepared is consistent with the financial statements and is in accordance with the applicable legal requirements.

Matters on which I report by exception

In the light of the knowledge and understanding of the Office for Nuclear Regulation and its environment obtained in the course of the audit, I have not identified material misstatements in the Performance and Accountability Reports.

I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- adequate accounting records have not been kept by the Office for Nuclear Regulation or returns adequate for my audit have not been received from branches not visited by my staff; or
- I have not received all of the information and explanations I require for my audit; or
- the financial statements and the parts of the Accountability Report subject to audit are not in agreement with the accounting records and returns; or

- certain disclosures of remuneration specified by HM Treasury's Government Financial Reporting Manual have not been made or parts of the Remuneration and Staff Report to be audited is not in agreement with the accounting records and returns; or
- the Governance Statement does not reflect compliance with HM Treasury's guidance.

Responsibilities of the Chief Executive for the Financial Statements

As explained more fully in the Statement of Accounting Officer's Responsibilities, the Chief Executive is responsible for:

- maintaining proper accounting records;
- providing the C&AG with access to all information of which management is aware that is relevant to the preparation of the financial statements such as records, documentation and other matters;
- providing the C&AG with additional information and explanations needed for his audit;
- providing the C&AG with unrestricted access to persons within the Office for Nuclear Regulation from whom the auditor determines it necessary to obtain audit evidence;

- ensuring such internal controls are in place as deemed necessary to enable the preparation of financial statements to be free from material misstatement, whether due to fraud or error;
- preparing financial statements which give a true and fair view in accordance with Secretary of State directions issued under the Energy Act 2013;
- preparing the annual report, which includes the Remuneration and Staff Report, in accordance with Secretary of State directions issued under the Energy Act 2013; and
- assessing the Office for Nuclear Regulation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Chief Executive anticipates that the services provided by the Office for Nuclear Regulation will not continue to be provided in the future.

Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit, certify and report on the financial statements in accordance with the Energy Act 2013. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a certificate that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Extent to which the audit was considered capable of detecting non-compliance with laws and regulations including fraud

I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of non-compliance with laws and regulations, including fraud. The

extent to which my procedures are capable of detecting non-compliance with laws and regulations, including fraud is detailed below.

Identifying and assessing potential risks related to non-compliance with laws and regulations, including fraud

In identifying and assessing risks of material misstatement in respect of non-compliance with laws and regulations, including fraud, I:

- considered the nature of the sector, control environment and operational performance including the design of the Office for Nuclear Regulation's accounting policies, key performance indicators and performance incentives;
- inquired of management, the Office for Nuclear Regulation's head of internal audit and those charged with governance, including obtaining and reviewing supporting documentation relating to the Office for Nuclear Regulation's policies and procedures on:
 - identifying, evaluating and complying with laws and regulations;
 - detecting and responding to the risks of fraud; and

- the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations including the Office for Nuclear Regulation's controls relating to the Office for Nuclear Regulation's compliance with the Energy Act 2013 and Managing Public Money;
- inquired of management, the Office for Nuclear Regulation's head of internal audit and those charged with governance whether:
 - they were aware of any instances of non-compliance with laws and regulations;
 - they had knowledge of any actual, suspected, or alleged fraud; and
 - discussed with the engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, I considered the opportunities and incentives that may exist within the Office for Nuclear Regulation for fraud and identified the greatest potential for fraud in the following areas: revenue recognition, posting of unusual journals, complex transactions and bias in management estimates.

In common with all audits under ISAs (UK), I am required to perform specific procedures to respond to the risk of management override.

I obtained an understanding of the Office for Nuclear Regulation's framework of authority and other legal and regulatory frameworks in which the Office for Nuclear Regulation operates. I focused on those laws and regulations that had a direct effect on material amounts and disclosures in the financial statements or that had a fundamental effect on the operations of the Office for Nuclear Regulation. The key laws and regulations I considered in this context included the Energy Act 2013, Managing Public Money, employment law, tax legislation and relevant legislation relating to fees charged by the Office for Nuclear Regulation.

Audit response to identified risk

To respond to the identified risks resulting from the above procedures:

- I reviewed the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described above as having direct effect on the financial statements;

- enquired of management, the Audit and Risk Committee and in-house legal counsel concerning actual and potential litigation and claims;
- I reviewed minutes of meetings of those charged with governance and the Board and internal audit reports; and
- I addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and other adjustments; assessing whether the judgements on estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

I communicated relevant identified laws and regulations and potential risks of fraud to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

A further description of my responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of my certificate.

Other auditor's responsibilities

I am required to obtain sufficient appropriate audit evidence to give reasonable assurance that the expenditure and income recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control I identify during my audit.

Report

I have no observations to make on these financial statements.

Gareth Davies

Comptroller and Auditor General

National Audit Office

157-197 Buckingham Palace Road, Victoria

London

SW1W 9SP

11 July 2025

Financial statements



Statement of Comprehensive Net Income for the period ended 31 March 2025

	Note	2024/25 £'000	2023/24 £'000
Expenditure			
Staff costs	2	73,970	70,975
Other operating costs	3	29,975	31,459
Finance costs	3	594	327
Operating costs		104,539	102,761
Revenue from contracts with customers	4	(99,687)	(99,051)
Other operating income	4	(4,626)	(3,550)
Total operating income		(104,313)	(102,601)
Net operating cost for the year		226	160
Other comprehensive net income			
Items which will not be reclassified to net operating costs:			
Net gain on revaluation of intangible assets		(315)	(427)
Comprehensive net income for the year		(89)	(267)

All income and expenditure is derived from continuing operations.

The notes on pages 206 to 247 form part of these accounts.

Statement of Financial Position as at 31 March 2025

	Note	31 March 2025 £'000	31 March 2024 £'000
Non-current assets			
Property, plant and equipment	5	1,492	864
Right-of-use assets	6	9,739	2,453
Intangible assets	7	5,101	5,895
Total non-current assets		16,332	9,212
Current assets			
Trade and other receivables	8	20,917	19,643
Cash and cash equivalents	9	8,191	10,966
Total current assets		29,108	30,609
Total assets		45,440	39,821
Current liabilities			
Trade and other payables	10	(14,720)	(15,549)
Lease liabilities	13	(1,892)	(1,945)
Provisions	14	(42)	(52)
Total current liabilities		(16,654)	(17,546)
Non-current liabilities			
Trade and other payables	10	(7,812)	(8,377)
Lease liabilities	13	(8,202)	(1,214)
Total non-current liabilities		(16,014)	(9,591)
Assets less liabilities		12,772	12,684
Equity			
General fund		12,087	12,157
Revaluation reserve		685	527
Total equity		12,772	12,684

The notes on pages 206 to 247 form part of these accounts

Mike Finnerty

Chief Executive and Chief Nuclear Inspector

Office for Nuclear Regulation

8 July 2025

Statement of Cash Flows for the period ended 31 March 2025

	Note	2024/25 £'000	2023/24 £'000
Cash flows from operating activities			
Net operating cost		(226)	(160)
Adjustments for non-cash transactions	3	4,069	6,001
(Increase)/decrease in trade and other receivables	8	(1,274)	167
Less movements in receivables relating to items not passing through the Statement of Comprehensive Net Income	3	(1)	(2)
(Decrease)/Increase in trade payables	10	(940)	1,356
Add/(less) movements in payables relating to items not passing through the Statement of Comprehensive Net Income	10	305	(34)
Use of Provisions	14	-	(46)
Net cash inflow from operating activities		1,933	7,282
Cash flows from investing activities			
Purchase of property, plant and equipment	5a	(825)	(115)
Purchase of right-of-use	6a	3	(101)
Purchase of intangible assets	7a	(194)	(517)
Net cash outflow from investing activities		(1,016)	(733)
Cash flows from financing activities			
Loans drawn down from DWP	11	1,200	-
Loan capital repayments to DWP	11	(1,654)	(1,509)
Repayment of lease liabilities		(2,861)	(3,182)
Interest paid on leases		(377)	(79)

	Note	2024/25 £'000	2023/24 £'000
Net financing		(3,692)	(4,770)
Net (decrease)/increase in cash and cash equivalents in the year		(2,775)	1,779
Cash and cash equivalents at the beginning of the year	9	10,966	9,187
Cash and cash equivalents at the end of the year	9	8,191	10,966

The notes on pages 206 to 247 form part of these accounts.

Statement of Changes in Taxpayers' Equity for the year ended 31 March 2025

	General Fund £'000	Revaluation Reserve £'000	Total Equity £'000
Balance at 1 April 2023	12,031	386	12,417
Comprehensive net income for the year	267	-	267
Revaluation gains	-	427	427
Recognised in Statement of Comprehensive Net income	(427)	-	(427)
Transfer between reserves	286	(286)	-
Balance at 31 March 2024	12,157	527	12,684
Comprehensive net income for the year	89	-	89
Payments to Consolidated Fund	(1)	-	(1)
Revaluation gains	-	315	315
Recognised in Statement of Comprehensive Net Income	(315)	-	(315)
Transfers between reserves	157	(157)	-
Balance at 31 March 2025	12,087	685	12,772

The General Fund represents the total assets less liabilities of ONR to the extent that the total is not represented by other reserves and financing items.

The revaluation reserve reflects the cumulative changes in the value of ONR intangible assets over time, resulting from

annual revaluations to reflect fair market value. The surplus or deficit from revaluation is transferred to the revaluation reserve account.

The notes on pages 206 to 247 form part of these accounts.

Notes to the accounts

1 Statement of accounting policies

1.1 Basis of preparation and statement of compliance

These financial statements have been prepared on a going concern basis and in accordance with the 2024/25 government Financial Reporting Manual (FReM) issued by HM Treasury.

The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector context.

Where the FReM permits a choice of accounting policy, the accounting policy that is judged to be most appropriate to our particular circumstances for the purposes of giving a true and fair view has been selected. The particular accounting policies adopted by us are set out below. They have been applied consistently in dealing with the items that are considered material in relation to the accounts.

These accounts have been prepared under a direction issued by DWP in accordance with the Energy Act 2013.

1.2 Accounting standards, interpretations and amendments

All IFRS, interpretations and amendments to published standards, effective at 31 March 2025, have been adopted in these financial statements, taking into account the specific interpretations and adaptations included within the FReM.

New accounting standards adopted in the year

No new accounting standards were adopted in 2024/25.

Applicable accounting standards issued but not yet adopted

IFRS 17 'Insurance Contracts' replaces IFRS 4 'Insurance Contracts' and aims to make risk transfer contracts more comparable. IFRS 17 is being applied by HM Treasury in the FReM from 1 April 2025. ONR has not identified any contracts within the scope of IFRS 17, therefore there will be no impact on our financial statements.

IFRS 18 (Presentation and Disclosure in Financial Statements) was issued in April 2024 and applies to annual reporting periods after 1 January 2027. The standard has not yet been considered for adaptations and interpretations under the FReM.

IFRS 19 (Subsidiaries without Public Accountability: Disclosures) was issued in May 2024 and applies to annual reporting periods after 1 January 2027. The standard has not yet been considered for adaptations and interpretations under the FReM.

1.3 Accounting convention

These financial statements have been prepared under the historical cost convention modified to account for the revaluation of certain assets and liabilities at fair value.

1.4 Interest on capital

Under 'Managing Public Money', we are required to charge interest on capital (cost of capital) as a percentage of net assets. The amounts generated by this charge are retained by us and offset against any grant requirement (cash) from the sponsoring body (DWP). The charge is shown as interest on capital and the gross grant recorded as income. Interest on capital is charged at 3.5% of net assets and included in our calculation of fees and charges.

1.5 Government grants

We are partly financed by a grant from the DWP, which covers costs that are not statutorily recoverable from industry. The grant is credited to the Statement of

Comprehensive Net Income (SoCNI) in the year in which it is receivable from DWP. The grant is recognised as income due to our status as a public corporation.

Payments to the Apprenticeship Levy are recorded against staff costs as social security costs. Drawdowns from the Apprenticeship Fund for training are recorded as notional income and expenditure in accordance with IAS 20 – Accounting for Government Grants.

(See also Prosecutions, 1.9 below).

1.6 Staff costs

Staff costs include wages and salaries, social security costs and pension costs. We recognise these costs, including untaken annual leave and flexi-leave, when we have an obligation to pay.

IAS 19 requires us to recognise a short-term employee benefit liability when an employee has provided service in exchange for those benefits. Included in the accounts is an accrual for the outstanding employee annual leave and flexi entitlement calculated at the period end date.

1.7 Taxation

Most of our activities are outside the scope of value added tax (VAT) and, in general, output tax does not apply and input tax on purchases is not recoverable. Irrecoverable VAT is charged to the relevant expenditure category or included in the capitalised purchase cost of non-current assets.

Where output tax is charged or input tax is recoverable, the amounts are stated net of VAT.

ONR is registered for Corporation Tax. Any trading activities would be liable to Corporation Tax.

1.8 Insurance

Under the Energy Act 2013, we are not permitted to receive certain cover under Crown indemnity and have therefore purchased the following commercial insurances:

- employer's liability, public & products insurance
- motor insurance for hire car users
- cyber insurance
- overseas business travel insurance
- insurance for contents and tenants improvements

Insurance costs are included in 'other expenditure'.

1.9 Income recognition

In line with IFRS 15, our significant contracts with customers relate to statutory work (Note 4 provides further detail).

Income is recognised over time as this work has no alternative use for us and there would be an enforceable right to payment for work done to date. Income is calculated using time recording information to calculate recoverable costs.

We analyse income and include the required disclosures if more than 10% of total revenue is received from a single customer during the financial year.

Prosecutions

The fees regulations that underpin our charging methodology allow us to recover the full cost of providing nuclear regulation. However, the regulations do not extend to recovering the costs associated with undertaking a prosecution.

Costs associated with a prosecution are funded by a ring-fenced grant from DWP. This grant includes costs such as legal advice and representation as well as staff costs incurred once a decision has been made to prosecute a dutyholder.

If a prosecution is unsuccessful, we retain the DWP grant to cover our costs. If a prosecution is successful, any costs awarded will be re-imbursed to DWP and accounted for as income in our accounts. Where costs awarded are lower than costs incurred, we will retain the element of the grant that exceeds costs awarded.

Contract liabilities

Contract liabilities relate to payments received by us for goods or services that have not yet been delivered. We record these payments as a liability until delivery of the goods or services, when income is recognised.

These payments are mainly grants for specific activities provided by DWP in advance.

These deferred amounts are released to income as costs are incurred in carrying out the specific activities for which the grant was awarded. Typically, grants are provided on a quarterly basis so the amount deferred usually covers one to two months activity.

1.10 Operating segments

IFRS 8 requires operating segments to be identified on the basis of internal reports that are regularly reviewed by

the chief operating decision maker to allocate resources to segments of ONR and also to assess their performance. For 2024/25, the Board has identified our CE/CNI as the chief operating decision maker.

The CE/CNI reviews our operational and financial performance at an aggregated level and these accounts, therefore, do not include a statement of operating costs by operating segment.

1.11 Non-current assets

General

Assets are capitalised where they have an expected useful life of more than one year and where the original cost of the item exceeds the capitalisation threshold (£5,000 except for leasehold improvements, which is £100,000). Items are pooled where a number of lower value assets in the same category (for example furniture) are purchased. Pooled items must be purchased in the same financial year to allow for capitalisation.

Intangible assets

Intangible assets are initially measured at cost, with subsequent measurement at fair value.

As, in general, no active market exists for our intangible assets, we revalue intangible assets using appropriate indices to indicate depreciated replacement cost.

Revaluations are carried out at mid-year and year-end, so that the carrying amount of the asset does not differ materially from its fair value.

When non-current assets are built over time, they are treated as assets under construction and are not capitalised until completion. While costs are being accumulated no amortisation is applied. Once the asset is available for use, all costs associated with the asset are capitalised and amortisation commences.

Costs are monitored to ensure only specific development costs and direct purchases are recorded. Once the asset is available for use it is transferred to the relevant non-current asset register immediately.

Amortisation

Amortisation is charged on intangible assets using the straight-line method, as this reflects the expected pattern of consumption of economic benefits. The rates used are calculated to write assets down to their estimated residual value over their expected useful lives..

Asset category	Amortisation/useful life
Internally developed software	5 to 10 years (or predominant limiting factor inherent in the intangible asset)
Software licences	Shorter of the licence period and 5 years
Websites	5 to 10 years

Property, plant and equipment (PPE)

PPE is stated at fair value. However, in accordance with the FReM, we have elected to adopt a depreciated historical cost basis as a proxy for fair value where non-property assets have a short useful economic life or are of relatively low value. This, therefore, applies to most IT hardware and furniture and fittings.

On initial recognition, assets are measured at cost, including any costs, such as installation, which are directly attributable to bringing them into working condition and any associated decommissioning costs (if known at the outset). Subsequent costs are included in the asset’s carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to us and the cost of the item can be measured reliably.

All expenditure on repairs and maintenance is charged to the SoCNI during the financial period in which it is incurred.

Depreciation

Depreciation is charged on PPE using the straight-line method, as this reflects the expected pattern of consumption of economic benefits. The rates used are calculated to write assets down to their estimated residual value over their expected useful lives.

Asset category	Depreciation/useful life
Leasehold improvements	Over the period remaining on lease
IT hardware	3 to 7 years
Furniture and fittings	5 to 15 years
Plant & machinery	5 to 10 years

Impairment of non-current assets

All non-current assets are reviewed annually for impairment. An impairment loss is recognised for the amount by which the asset’s carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset’s fair value less costs to sell and value in use. Impairment losses that result from a clear consumption of economic benefit are taken directly to the SoCNI.

1.12 Financial assets and liabilities

Financial assets and liabilities are recognised when we become party to the contracts that give rise to them. It is our policy that no trading in financial instruments is undertaken.

Loans and receivables

The fair value of trade and other receivables is usually the original invoiced amount. Any changes in value are recognised in the SoCNI.

Cash and cash equivalents comprise current balances with banks and similar institutions, which are readily convertible to known amounts of cash and which are not subject to significant changes in value. We do not currently hold any petty cash balances.

We have assessed that there is a low risk of credit losses relating to receivables and consequently we estimate that the impact of IFRS 9 to be immaterial.

We consider invoices more than 90 days past due to have increased risk, unless individual assessment indicates they are expected to be recovered in full. We will report the value of these invoices and the associated expected credit losses where material.

As the material elements of our income are recovered

from the nuclear industry under legislation or from other government departments, we do not ordinarily recognise any credit losses.

Financial liabilities

Financial liabilities are measured at amortised cost. Financial liabilities include trade and other payables and loans.

Impairment of financial assets

We assess at each reporting date whether there is evidence that the carrying amounts of financial assets may not be recoverable.

1.13 Pensions

Most past and present employees are covered by the provisions of the Civil Service Pension Arrangements that are unfunded and contributory defined benefit schemes. We recognise the expected cost of future pension liabilities, on a systematic and rational basis over the period during which it benefits from employees' services, by payment to the Civil Service Pension Arrangements of amounts calculated on an accruing basis. Liability for payment of future benefits is a charge on the Civil Service Pension arrangements.

The appointment of non-executive board members is non-pensionable.

1.14 Leases

The definition of a contract is expanded under the FReM definition to include intra-UK government agreements where non-performance may not be enforceable by law. This includes, for example, Memorandum of Understanding (MOU) agreements.

We account for IFRS 16 Leases as adapted and interpreted by the FReM.

At the commencement date for the leasing arrangement we recognise a right of use asset and corresponding lease liability. We use the historical cost model for the subsequent measurement of our right of use assets as this is considered to be an appropriate proxy for current value in existing use or fair value in line with the accounting policy for owned assets.

Irrecoverable VAT is expensed in the period to which it relates and therefore not included in the measurement of the lease liability and consequently the value of the right of use asset.

Where changes in future lease payments result from a change in an index or rate or rent review, the lease liabilities

are remeasured using an unchanged discount rate.

Where there is a change in a lease term we apply a revised rate to the remaining lease liability.

Where existing leases are modified we determine whether the arrangement constitutes a separate lease and apply the standard accordingly. Modification occurs when there is a change in the scope of a lease, or consideration for a lease that was not part of the original terms and conditions, such as adding or terminating the right to use one or more underlying assets or extending or shortening the contractual lease term.

Lease payments are recognised as an expense over the lease term, where the lease term is in substance 12 months or less, or is a lease containing low value underlying asset.

Capitalisation and depreciation

Depreciation is charged on right-of-use assets using the straight-line method, as this reflects the expected pattern of consumption of economic benefits. The rates used are calculated to write assets down to the value of the lease over their expected useful lives.

Asset category	Capitalisation threshold	Depreciation/useful life
Right-of-use assets	£5,000	Over the period of the lease

1.15 Contingent liabilities

Contingent liabilities are disclosed in accordance with IAS 37.

We recognise a contingent liability when there are possible obligations that arise from past events whose existence will be confirmed by uncertain future events that are not wholly within our control. Contingent liabilities also include obligations that are not recognised because they cannot be measured reliably, or settlement is not probable.

1.16 Provisions

Provisions are recognised when it is probable that an outflow of economic benefits will be required to settle a present obligation (legal or constructive) that can be reliably measured and which results from a past event. Where the time value of money is material, the provision is measured at present value using discount rates prescribed by HM Treasury.

2 Staff costs

	2024/25			2023/24
	Permanently employed staff £'000	Others £'000	Total £'000	Total £'000
Wages and salaries	52,179	548	52,727	50,736
Social security costs	6,516	-	6,516	6,198
Other pension costs	14,727	-	14,727	14,041
Total per Statement of Comprehensive Net Income	73,422	548	73,970	70,975
Less recoveries in respect of outward secondments	(224)	-	(224)	(159)
Net Total	73,198	548	73,746	70,816

Recoveries in respect of outward secondments is included in Note 4 – Other sales/income.

Further details of staff costs and related expenditure can be found on page 174 in the Remuneration and Staff Report.

3 Other operating costs

	2024/25 £'000		2023/24 £'000	
Services provided by HSE*				
Accommodation	1,541		2,021	
Other corporate services	116		88	
		1,657		2,109
Travel and subsistence		3,346		3,086
Training and development		1,140		921
Technical support		2,321		1,195
Research		2,419		3,227
Industry security vetting		3,376		3,895
IS/IT and telecommunications		7,035		6,006
Other accommodation costs**		578		847
Personnel related costs		1,258		1,201
Interest on capital		443		442
Auditors' remuneration		85		82
Other expenditure***		2,248		2,447
Non-cash items				
Depreciation and amortisation	3,873		5,942	
(Profit)/Loss on disposal	91		-	
Impairment of PPE/ IA	114		-	
Provision provided for in year	-		52	
Provision not required written back	(10)		-	
Other non-cash	1		7	
		4,069		6,001
Total Other operating costs		29,975		31,459
Finance Costs				
Interest on loan from DWP		217		248
Interest on right-of-use assets		377		79
Total Finance Costs		594		327

- * Services are provided by HSE because we occupy part of its Bootle site. Building lease costs are recorded as right-of-use assets under IFRS16. These costs are recorded under depreciation and interest. The remaining HSE accommodation costs include service charges, rates and utilities.
- ** Other accommodation costs relate to our London and Cheltenham offices.
- *** Other expenditure mainly comprises professional services and shared services outsourcing.

Auditors' remuneration of £84,500 related solely to audit services provided by the National Audit Office.

4 Income

ONR’s activities include certain chargeable services, each of which is subject to a financial objective of full cost recovery. Charges for these activities include provision for the recovery of the cost of capital.

Income	2024/25 £'000	2023/24 £'000
Revenue from contracts with customers (see page 226)	99,687	99,051
Other operating income		
Grant from DWP	3,640	3,028
Grant from DESNZ – Regulators’ Pioneer Fund	-	104
Grant from Apprenticeship Fund	109	84
Grant from DWP – Prosecution	(7)	12
Court awarded costs*	93	11
DESNZ funding for review of fees regulations	-	46
Other sales/income	791	265
	4,626	3,550
Total operating income	104,313	102,601

* Court awarded costs include Prosecution costs and costs of defending legal challenge of licensing decisions.

Breakdown of revenue from contracts with customers	2024/25			2023/24		
	Income £'000	Cost £'000	Surplus/ (deficit) £'000	Income £'000	Cost £'000	Surplus/ (deficit) £'000
Licensing of nuclear installations	57,804	57,804	-	63,626	63,626	-
Civil Nuclear Security	15,217	15,217	-	16,231	16,231	-
Generic Design Assessment	17,966	17,966	-	10,013	10,013	-
Safeguards	6,655	6,861	(206)	6,741	6,947	(206)
Radioactive Materials Transport	773	773	-	740	740	-
Advanced Nuclear Technologies	1,143	1,143	-	1,625	1,625	-
Sub total	99,558	99,764	(206)	98,976	99,182	(206)
Other fees and charges	129	150	(21)	75	75	-
Total fees and charges	99,687	99,914	(227)	99,051	99,257	(206)

Safeguards

The Nuclear Safeguards (Fees) Regulations 2021 came into force on 1 April 2022, giving us the powers to charge Safeguards costs directly to industry. As DESNZ provided capital funding for the Safeguards asset until 31 March 2022, we will not include amortisation to industry relating to this funding. This resulted in a deficit of £206,000 in 2024/25.

Advanced Nuclear Technologies

These costs were charged to DESNZ.

Other fees and charges

The loss of £21,000 relates to import licensing costs that ONR was unable to recover costs.

Analysis of revenue by major customer (>10% of revenue)

Revenue	2024/25 £'000	2023/24 £'000
Customer 1	33,445	34,779
Customer 2	21,997	23,708

Two dutyholders accounted for more than 10% of ONR’s revenue.

Customers are not named for reasons of commercial confidentiality.

5 Property, plant and equipment

2024/25	Leasehold improvements £'000	Plant & machinery £'000	Information technology £'000	Furniture and fittings £'000	Total £'000
Cost or valuation					
At 1 April 2024	565	6	824	799	2,194
Additions	166	-	160	620	946
Disposals	(276)	-	(641)	(153)	(1,070)
Reclassifications	-	-	60	-	60
At 31 March 2025	455	6	403	1,266	2,130

Depreciation					
At 1 April 2024	392	1	637	300	1,330
Charged in year	63	1	139	84	287
Disposals	(276)	-	(641)	(62)	(979)
At 31 March 2025	179	2	135	322	638

Carrying amount at 31 March 2024	173	5	187	499	864
Carrying amount at 31 March 2025	276	4	268	944	1,492

Asset financing					
Owned	276	4	268	944	1,492

Reclassification is from intangible software to information technology for software that is intrinsically linked to the hardware.

In the year, we occupied buildings at three locations: Bootle, Cheltenham and London.

Leasehold improvements relate to the capitalisation of property refurbishment at the Cheltenham and London offices.

2023/24	Leasehold improvements £'000	Plant & machinery £'000	Information technology £'000	Furniture and fittings £'000	Total £'000
Cost or valuation					
At 1 April 2023	565	-	788	779	2,132
Additions	-	-	85	71	156
Disposals	-	-	(43)	(51)	(94)
Reclassifications	-	6	(6)	-	-
At 31 March 2024	565	6	824	799	2,194

Depreciation					
At 1 April 2023	315	-	536	266	1,117
Charged in year	77	1	144	72	294
Disposals	-	-	(43)	(38)	(81)
At 31 March 2024	392	1	637	300	1,330

Carrying amount at 31 March 2023	250	-	252	513	1,015
Carrying amount at 31 March 2024	173	5	187	499	864

Asset financing					
Owned	173	5	187	499	864

5a Reconciliation of capital additions to the Statement of Cash Flows

	Note	2024/25 £'000
Capital payables and accruals at 1 April		41
Capital additions		946
Capital payables and accruals at 31 March 2025	10	(162)
Purchase of property, plant and equipment as per Statement of Cash Flows		825

6 Right-of-use assets

2024/25	Buildings £'000	Assets under construction £'000	Total £'000
Cost or valuation			
At 1 April 2024	8,881	43	8,924
Additions	-	1,415	1,415
Disposals	(661)	-	(661)
Modifications	8,143	-	8,143
Reassessment	235	-	235
Reclassifications	1,458	(1,458)	-
At 31 March 2025	18,056	-	18,056

Depreciation			
At 1 April 2024	6,471	-	6,471

2024/25	Buildings £'000	Assets under construction £'000	Total £'000
Charged in year	2,507	-	2,507
Disposals	(661)	-	(661)
At 31 March 2025	8,317	-	8,317

Carrying amount at 31 March 2024	2,410	43	2,453
Carrying amount at 31 March 2025	9,739	-	9,739

Asset financing			
Leased	9,739	-	9,739

Please see note 1.14 for further information on leases.

Disposal relates to the lease at Windsor House, London.

Reclassification from assets under construction to buildings relates to the new London lease including set-up costs carried forward from 2023-24.

Modifications include the downsizing of office space and extension to the lease terms of the Bootle lease.

Reassessment relates to the changes in future lease payments for the Bootle office in line with the Retail Price Index.

2023/24	Buildings £'000	Assets under construction £'000	Total £'000
Cost or valuation			
At 1 April 2023	8,650	-	8,650
Additions	-	43	43
Modifications	195	-	195
Reassessment	36	-	36
At 31 March 2024	8,881	43	8,924

Depreciation			
At 1 April 2023	3,079	-	3,079
Charged in year	3,392	-	3,392
At 31 March 2024	6,471	-	6,471

Carrying amount at 31 March 2023	5,571	-	5,571
Carrying amount at 31 March 2024	2,410	43	2,453

Asset financing			
Leased	2,410	43	2,453

6a Reconciliation of capital additions to the Statement of Cash Flows

	Note	2024/25 £'000
Capital payables and accruals at 1 April		
Capital additions		(15)
Right-of-use modifications		12
Capital payables and accruals at 31 March 2025	10	-
Purchase of right-of-use assets as per Statement of Cash Flows		(3)

The reversal of capital additions relates to costs in 2023-24 that were reversed in 2024-25 and reclassified as expenses.

Cash payments for right-of-use assets relates to professional and legal fees for the Bootle lease modifications.

7 Intangible assets

	Internally developed software	Software	Websites	Assets under construction	Total
2024/25	£'000	£'000	£'000	£'000	£'000
Cost or valuation					
At 1 April 2024	12,572	153	123	130	12,978
Additions	-	-	-	160	160
Reclassifications	-	(60)	-	-	(60)
Disposals	(5,063)	(28)	-	-	(5,091)
Impairments	-	-	-	(130)	(130)
Revaluations	435	4	-	-	439
At 31 March 2025	7,944	69	123	160	8,296

Amortisation					
At 1 April 2024	7,035	48	-	-	7,083
Charged in year	1,042	23	14	-	1,079
Disposals	(5,063)	(28)	-	-	(5,091)
Revaluations	123	1	-	-	124
At 31 March 2025	3,137	44	14	-	3,195

Carrying amount at 31 March 2024	5,537	105	123	130	5,895
Carrying amount at 31 March 2025	4,807	25	109	160	5,101

Asset financing					
Owned	4,807	25	109	160	5,101

Additions and reclassifications

Assets under construction:

- **SharePoint:** new secure place to store, organize, share and access information from any device; In-year additions: **£160k.**
- **Software:** Reclassification is from intangible software to information technology for software that is intrinsically linked to the hardware.

Impairments

Assets under construction:

- Content Manager v10: new enterprise document repository management system. Decision to cancel project and move forward with the SharePoint programme. Total cost to date impaired: **£130k.**
- Aggregate amount of research and development expenditure recognised as an expense during the period; **£274k.**

2023/24	Internally developed software £'000	Software £'000	Websites £'000	Assets under construction £'000	Total £'000
Cost or valuation					
At 1 April 2023	11,620	224	-	-	11,844
Additions	-	79	-	509	588
Reclassifications	256	-	123	(379)	-
Disposals	-	(164)	-	-	(164)
Revaluations	696	14	-	-	710
At 31 March 2024	12,572	153	123	130	12,978

Amortisation					
At 1 April 2023	4,533	175	-	-	4,708
Charged in year	2,230	26	-	-	2,256
Disposals	-	(164)	-	-	(164)
Revaluations	272	11	-	-	283
At 31 March 2024	7,035	48	-	-	7,083

Carrying amount at 31 March 2023	7,087	49	-	-	7,136
Carrying amount at 31 March 2024	5,537	105	123	130	5,895

Asset financing					
Owned	5,537	105	123	130	5,895

7a Reconciliation of capital additions to the Statement of Cash Flows

	Note	2024/25 £'000
Capital payables and accruals at 1 April		151
Capital additions		160
Capital payables and accruals impairment		(16)
Capital payables and accruals at 31 March 2025	10	(101)
Purchase of intangible assets as per Statement of Cash Flows		194

8 Trade and other receivables

	31 March 2025 £'000	31 March 2024 £'000
Amounts falling due within one year		
Trade receivables	6,669	4,475
Deposits and advances	45	49
Prepayments and accrued income	14,138	15,119
Other receivables	65	-
	20,917	19,643
Amounts falling due after more than one year		
Trade and other receivables	-	-
Total receivables	20,917	19,643

9 Cash and cash equivalents

	31 March 2025 £'000	31 March 2024 £'000
Balance at 1 April	10,966	9,187
Net change in cash and cash equivalent balances	(2,775)	1,779
Balance at 31 March	8,191	10,966
The following balances were held at:		
Government Banking Service	8,191	10,966
Balance at 31 March	8,191	10,966

10 Trade and other payables

	31 March 2025	31 March 2024
	£'000	£'000
Amounts falling due within one year		
Taxation and social security	1,662	1,618
Superannuation	1,584	1,516
VAT	94	42
Trade payables: non-capital	835	1,322
Capital payables and accruals – PPE	162	41
Capital payables and accruals – intangible assets	101	151
Other payables	33	291
Accruals and contract liabilities	8,512	8,914
Loans with DWP	1,737	1,654
	14,720	15,549
Amounts falling due after more than one year		
Loans with DWP	7,729	8,266
Accruals and contract liabilities	83	111
	7,812	8,377
Total payables	22,532	23,926

Lease liabilities

	31 March 2025 £'000	31 March 2024 £'000
Amounts falling due within one year		
Lease liabilities	1,892	1,945
Amounts falling due after more than one year		
Lease liabilities	8,202	1,214
Total lease liabilities	10,094	3,159

11 Loans from DWP

Loans	Note	31 March 2025 £'000	31 March 2024 £'000
Opening balance – 1 April		9,920	11,429
Additions in period	18	1,200	-
Capital repayments in year		(1,654)	(1,509)
Loans – closing balance (capital)		9,466	9,920
Opening balance – 1 April		139	125
Accrued interest in year*	18	-	36
Accrued interest repaid in year		(28)	(22)
Interest – closing balance		111	139
Closing balance at year-end		9,577	10,059

Interest accrued on the capital loan of £1.2m will be repaid in monthly instalments from November 2025. There was no interest outstanding on the £2 million working capital loan. More detail on the loans can be found in Note 18.

12 Capital commitments

There were no capital commitments as at 31 March 2025.

13 Lease liabilities

Buildings lease liabilities, measured at the present value of future lease payments relating to our offices in Bootle, London and Cheltenham are shown below:

Other commitments relate to operating leases for low value items that are out of scope of IFRS16.

See note 1.14 for further information on leases

	31 March 2025		31 March 2024	
Obligations under leases	Buildings £'000	Other £'000	Buildings £'000	Other £'000
Not later than one year	2,312	801	2,012	771
Later than one year and not later than five years	7,610	200	603	963
Later than five years	1,493	-	809	-
Less interest element	(1,321)	-	(265)	-
Total committed	10,094	1,001	3,159	1,734

We extended the lease terms for Redgrave Court, Bootle at the end of the lease in August 2024. This resulted in the downsize of office space.

We entered into a new lease with the NAO for the rental of office space at the NAO’s London office. The lease arrangement between ONR and the NAO is an arm’s length transaction in the ordinary course of business and the amount is not material to either ONR or the NAO.

We vacated our previous London office in Windsor House in September 2024 at the end of the lease term.

14 Provisions for liabilities and charges

This provision relates to our estimated liability for office dilapidations resulting from downsizing our Cheltenham office.

	2024/25 £'000	2023/24 £'000
Balance at 1 April	52	46
Provided in year	-	52
Provisions not required written back	(10)	-
Utilised in year	-	(46)
Balance at 31 March	42	52

Expected timings of future payments		
Falling due within one year	42	52
Total	42	52

15 Other financial commitments

We have entered into non-cancellable contracts that are not leases or PFI contracts.

These commitments relate to the SMA with HSE (excluding capitalised right-of-use lease commitments), shared services costs and other costs relating to accommodation leases.

The total payments to which ONR is committed are as follows:	31 March 2025 £'000	31 March 2024 £'000
Not later than one year	2,008	1,258
Later than one year and not later than five years	2,715	1,692
Later than five years	-	-
Total committed	4,723	2,950

16 Contingent liabilities

The civil case brought by a former employee and reported last year has been settled. There were no further contingent liabilities at 31 March 2025.

17 Related party transactions

We are classified as a public corporation and are sponsored by DWP which is regarded as a related party. During 2024/25, we had significant transactions with DWP.

We had significant transactions with HSE (for which DWP is also the sponsoring department) for the provision of accommodation related services.

In addition, we had a number of significant transactions with DESNZ and Cabinet Office.

No Board members or senior managers have undertaken any significant transactions with ONR or received benefits from our suppliers other than declared hospitality during the year.

Details of remuneration for key management personnel can be found in the remuneration and staff report within the accountability report.

18 Financial instruments

Our cash requirements are met through grant funding provided by DWP and four loans:

Date	Loan Type	Value	Interest rate	Repayment start	Repayment term
2018-19	Working capital	£2.0m	3.50%	N/A	N/A
Working Capital Loan: No repayment of the principal amount is due on this loan until such a time a triggering event occurs (such as change to our legal status, a change in sponsor department, certain legislative changes or if we cease to exist). At this time, we would commence repayment through an agreed repayment schedule. There is no current expectation that a triggering event will occur within the next 12 months					
2019-20	Capital investment	£9.8m	1.43%	Dec-20	8 Years
2021-22	Capital investment	£2.0m	2.19%	Nov-22	6 Years
2022-23	Capital investment	£1.5m	4.09%	Nov-23	6 Years
2024-25	Capital investment	£1.2m	4.97%	Nov-25	6 Years
Capital investment loans: Development of bespoke business process flow platform for regulatory applications. Creation of secure and independent IT infrastructure. Leasehold improvements including furniture & fittings. Other modernisation activities to develop and enhance our infrastructure.					

The grant is for activities that are not statutorily recoverable from industry.

Financial instruments play a more limited role in creating and managing risk compared with a non-public sector body. The majority of financial instruments relate to contracts to

buy non-financial items in line with our expected purchase and usage requirements and we are, therefore, exposed to little credit, liquidity or market risk.

19 Events after the reporting period

There have been no events after the reporting period.

The Annual Report and Accounts were authorised by the Chief Executive Officer for issue on the date the Comptroller and Auditor General certified these financial statements.

ISBN978-1-5286-5494-4

E03303267 07/25