Inspection Record – Dutyholder Report			
Organisational Capability and Capacity (LC36)			
Inspection ID	IIS-51105	**Inspection Date(s)**	22/02/2023 For 2 Days
Dutyholder	Westinghouse Springfields	**Site**	Springfields Works
Inspection Type	Announced Planned	**Site Area / Group**	
ONR Purpose	Nuclear Safety; Safeguards	**Inspection Source**	

Subject (s) of Inspection

Activity	RAG Rating
LC 36 - Organisational capability	GREEN

System (s) – where applicable

Inspector(s) taking part in Inspection

Lead Inspector

███████████████

Attending

███████████	████████	Office for Nuclear Regulation
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1. Scope

1.1 Aim of Inspection

Springfields is about to undergo significant strategic change. This inspection is aimed at examining whether the arrangements are adequate to support the forthcoming changes and whether Springfields has the capability and capacity to implement the changes safely and securely.

1.2 Inspection Scope

The scope of the inspection is to examine:

The organisation's understanding of management arrangements.
The adequacy of human and financial resources to ensure the safe operation of the site under planned operational circumstances.
Implementation of management of change arrangements.
The organisation's understanding of its culture and how that supports the delivery of safe and secure operations.
This is a joint inspection with Safeguards.

1.3 Relevant Regulatory Guidance

The following regulatory guidance corresponds with this inspection

Name
NS-INSP-GD-036 - LC36 - Organisational Capability
ONR Nuclear Material Accountancy, Control, and Safeguards Assessment Principles (ONMACS)

2. Summary Statement

Introduction

This was a planned LC36, Organisational Capability, inspection carried out on 22 and 23 February 2023 in accordance with the DFW IIS Plan 2022/23. It was conducted jointly by the Site Inspector, Leadership and Management for Safety Inspector and by the Safeguards Inspector.

Background

Springfields is a nuclear licensed site for which Springfields Fuels Limited (SFL) is an independent 'Site Licence Company' (SLC). SFL is owned by a 'parent company' Westinghouse Electric UK Holdings Limited, which holds the shares of SFL. In turn, Westinghouse Electric UK Holdings Limited is majority owned by Brookfield WEC/EMEA Holdings Limited.SFL's main activities are:

Design and manufacture of nuclear fuels and intermediate products (Design includes Transport package designs. Intermediate products include Uranium Dioxide (UO2 Powder & Granules) & fuel assembly components)
Decommissioning of on-site facilities
Management of the Springfields site
Recovery of residues
Transport of Radioactive material on behalf of Springfields Fuels Ltd, other Westinghouse fuel fabrication sites and 3rd party commercial customers

There is potential for new projects to be carried out on site as a result of contracts to support the increasing demand for nuclear fuel. This may require an increase in the pace and volume of changes to the organisation.

3. Record & Judgement

3.1   Staff seen as part of Inspection

The following principal staff were seen as part of this inspection

Name	Role	Company
		SFL
		SFL
		SFL
		SFL
		SFL

				SFL
██████████		████████		Springfields Fuels Ltd
				SFL
		████████████		SFL

3.2 Record

Evidence

A scope for the inspection was sent in advance to SFL (REF:ONRW-932509302-4123) and the agenda (REF: ONRW-932509302-4123).

The following documents were sampled prior to the inspection:

SSI 268 Springfields Site System Manual (ONRW-932509302-4126)
SSI 538 Organisational Capability (ONRW-932509302-4124)
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P191 Issue 101 Safety Performance Indicators (ONRW-932509302-4125)

The following documents were sampled during the inspection:

MOCRA 23/1193 Change of Head of Security and Safeguards (ONRW-932509302-4446)
MOCRA 23/1191 Change of RPA head
MOCRA 23/1187 AGR Volume Increase (ONRW-932509302-4445)
MOC 1126 12M Post implementation review
Electronic list of MOCs.

Judgement

Overall, I judge that SFL have adequate arrangements for managing organisational change (MOC). There are some observations and shortfalls which include:

The clarity of the roles forthe management of thenuclear baseline could be improved.

The implementation of the MOC arrangements could be improved - there were examples of Management of Change Risk Assessments (MOCRAs)being produced after the change has taken place. There were examples of Pre and post-implementation actionsnot being completed on time. The quality of some risk assessments and post implementation reviews could be improved.

There have been a number of baseline changes over recent years including as a result of an early release scheme (Voluntary Severance 2021 - VS21). ONR advised that SFL revalidates the baseline following its planned post implementation review of VS21 and in advance of any increased pace and volume of changes.

Following major changes of the SFL organisation over the past few years, the basis for the baseline construction might be no longer relevant and no longer adequate should SFL embark for substantial diversification and the development of major projects on site

Overall, we gave a GREEN rating for the inspection and will put in place a L4 regulatory issue to provide regulatory oversight of improvements needed to address the findings from the inspection.

Observations / Advice

Observations:

We examined Springfields' procedure SSI 538 – Organisational capabilitybefore the inspection; it describes the arrangementsfor managing organisational capability to ensure that the licensee is compliant with LC36 and how changes to organisational capabilities are managed.During the inspection, SFL provided an overview of the board structure and company governance arrangements. The arrangements for MOC and for the development and management of nuclear baselines were considered in detail.

We found that the MOC arrangementsin place are developed and in line with ONR guidance and relevant good practice.We gathered evidence of how these arrangements were implemented sampling recent Management of Change Risk Assessments (MOCRA).

There was evidence that pre and post-implementation actions arising from MOCRAs were being delivered late. MOCRAs were not raised in a timely manner and were submitted to the Springfields Environment Health and Safety Committee(SEHSC) post change. These shortfalls to the process were raised in the 2021 annual review (Management of change) ref P243-i17.We examinedP191 Issue 101 Safety Performance Indicatorsand found that there were many overdue actions from MOCRAs. It was explained that this number has been reduced over the past year from over 200 to under 100. The backlog was a result of a large volume of actions as a result of the early release scheme VS21,

We considered the recent change of head of security and safeguards. The MOCRA was raised late and arrived at the SEHSQ team post change. The form was populated by the former Head of security and safeguards. The information was not complete (the need for updating the SSI 890 was not mentioned) and the risk assessment rate seemed to have been minimised; the role requires a dual competence and is identified in the SFL key experts baseline, involved in case of emergency event, but the change of person at this role was rated as having a minor impact on the MOCRA.
We also observed that the identified staff for safeguards activities was not up to date, 2 people having left the team in 2021, the manager haven't informed SEHSC of the change.

We considered the recent change of head of security and safeguards. The NM accountancy, control and safeguards (NMACS) governance structure appeared provisionally not to be properly resources, as the new person promoted at the role has no qualification in or experience of security and safeguards. SFL explained how the decision-making process was provisionally reorganised, to empower the security and safeguards deputies so that they can support their new head to take decisions in the interest of security and NMACS requirements. They will also be supported by experts from Westinghouse, to limit the workload and responsibilities transferred to the deputies.

To fill in the competence gap of the new head of security and safeguards, a clear analysis of the role was used to inform and define a development and training plan over one year. A periodical assessment will be performed by the two deputies who are both SQEP is their area of activities. This assessment will be monitored through the Role Proficiency Graphs process in cooperation with the deputies and the manager of the Head of security and safety.
We were satisfied that the operator has put in place the appropriate actions to mitigate the risks associated to this nomination, and remain compliant with the Fundamental Safeguards Expectations (FSE) 1 Leadership and management for NMACS, and FSE 3 – Competence management.

There have been a number of baseline changes over recent years including as a result of an early release scheme (VS021). ONR advised that SFL revalidatesthe baseline following

its planned post implementation review of VS021 and in advance of an increased pace and volume of changes.

We judge thatthe arrangements in place for MOC are adequate, but there are shortfalls in their implementation. SFL staff seem to consider the MOC process as an administrative work, and do not implement it in a timely manner. Regular shortfalls to the MOC process in place at SFL were identified in October 2022 Annual review (management of Change). ONR could not support a rapid growth in operation on the SFL site unless the shortfalls identified are addressed in a timely and effective manner such as any challenge to the site capability and capacity can be identified and adequately addressed within a rapidly changing environment.

Positive observations:

The arrangements sampled for management of change (MOC) were adequate and aligned with good practice.

The efforts made by the QA department to provide training and support to the implementation of the MOC were positive.

It was positive that SFL has assessed their own performance in an Annual Review of the process: the 2021 review was available and the 2022 review was being prepared. This review highlighted many of the same findings from this inspection.

It is welcome that SFL have committed to learn the lessons from a management of change implementation (VS021) and to use that to conduct a revalidation of the current baseline during 2023.

Areas for improvement:

Currently the remit for controlling the baselines lies with the Management Safety Committee (MSC) for each operating area supported by HR and QA.The governance process for controlling the baselines (SSI 890) would benefit from a review, particularly when considering the potential for a large increase in the number and magnitude of changes are likely to happen if SFL wins additional projects that are currently being discussed. This process may need to be adaptedto accommodate the changes.

There were several shortfalls in the implementation of the MOC process from the MOCs sampled. As explained above, SFL acknowledged the issues in their own review.

These included, MOCs being prepared after the change, ONR receiving a Cat B change after it was implemented, superficial risk assessments and post implementation review, pre-implementation and post-implementation actions not completed.

MOCRAs should be raised as soon as possibleand before the change occurs. The impact of the change should be evaluated with the participation of SQEP from SEHSQ and/or HR. TheMOCRA should be populated as per the arrangements and closed based on evidence.

Several experienced key staff members on the baseline have left the organisation at short notice and this has created difficulties in that succession plans were not in place. These individuals haveto give one month's notice under current terms and conditions.

Some of the documents provided to ONR prior to the inspection were not the latest versions of the documents: specifically the baseline tables.

ONR Advice:

We advised that the current arrangements are adequate for the current steady state conditions, however, there is a need to review the baseline governance arrangementsaheadof the likely increase in major change proposals for future projects.

We advised that SFL should come backto ONR with its plans to address the implementation shortfalls in the management of change process that they have identified.

We advised that SFL should provide ONR with a plan for the revalidation of the baseline following the lessons learned from VS021.

The Head of security and safeguards is identified as key expert (see SSI 791) in case of emergency event. SFL may consider reviewing the process in case of emergency, to make sure that the SQEP persons would be involved with the new Head of security and safeguards in case of emergency event before the end of the training period of the new manager.

Agreements and regulatory issues:

SFL agreedto provide clarification on arrangements regarding governance of the baseline and

organisational capability (i.e. links to MSC, HR, QA etc.). This will include looking at how improvements might be made in advance of thenew MSCs for projects andring fencing of current ops capability.

It was agreed that there would be a Level 4 regulatory issue to provide aplan for addressing actions from the annual review of MoC 2021 (which identified some of the shortfalls in implementation of the organisational change process) with dueconsideration of

what is coming out of the 2022 review.

It was agreed that the Level 4 regulatory Issue would include revalidatingthe baseline;is it still fit for purpose based on the VS21 review? This should take into account theINA report andconsider benchmarking etc. Timeframes are to be agreed.

This is considered proportionate and targeted approach as the impact of these shortfalls is currently low. However, itis considered important to put in place suitable arrangements and assurance for when the projects commence.

3.3   Regulatory Issues

The following regulatory issues were raised, reviewed or closed as a result of this inspection.

Issue	Title
RI-11277	Springfields to make improvements to the implementation of the management of change process