**Minutes of the ONR Board**

**12 June 2024**

**MS Teams and Boardroom, Windsor House**

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| **Present:**  Judith Hackitt - Chair  Sarika Patel - Non-Executive Director[[1]](#footnote-1)  Tracey Matthews - Non-Executive Director  Jean Llewellyn - Non-Executive Director  Janet Wilson - Non-Executive Director  Roger Hardy- Non-Executive Director  Mark Foy- Chief Executive and Chief Nuclear Inspector (CE/CNI)  Paul Fyfe, Senior Director of Regulation; Director, Civil Nuclear Security and Safeguards, and Technical Division  Rachel Grant, Interim Executive Director, Policy and Communications | **In Attendance:**  Leanne Weild, Interim Finance Director  Peter Burt, Member of ONR’s NGO Forum[[2]](#footnote-2)  Stuart Allen, Quality & Supply Chain Specialisms Lead[[3]](#footnote-3)  Dan Hasted, Director of Regulation, Operating Facilities Division[[4]](#footnote-4)  Michael Webb, Superintending  Inspector[[5]](#footnote-5)  Andria Gilmore, Civil Engineering & External Hazards Lead[[6]](#footnote-6)  Alexandra Edey, Nuclear Safety  Inspector[[7]](#footnote-7)  **Observer:**  Gemma Ward-Rawcliffe, HR People Services Manager |

**Secretariat:** Nidhi Misri, Head of Corporate Governance and Compliance (Board Secretary)

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| **1** | **Welcome, Apologies for Absence and Declarations of Interest** |
| 1.1 | The Chair welcomed everyone to the meeting. An apology for absence had been received on behalf of Sarah High. |
| 1.3 | There were no declarations of interest. |
| **2** | **Minutes, matters arising and action points** |
| 2.1 | The minutes of the meetings held on 30 April 2024 were approved as a correct record. |
| 2.2 | The Board noted that all actions were either complete or on track. In discussion it was noted that:   1. The proposal from ICE creates for a 12-month development programme for SLT had been agreed by the Remuneration and Resilience Committee (RRC) with a review after six months. 2. The report scheduled for the Board in July on international work should be holistic and take into account improvements that needed to be made as well as a cost/benefit analysis. |
| **3**  3.1 | **Chair’s report**  The Chair provided an update on activity since the April Board meeting. |
| 3.2 | The Chair had continued to meet with external stakeholders and had held a number of ‘Meet the Chair’ sessions with staff in ONR’s Bootle office. |
| 3.3 | The Nuclear Chairs’ Group had met in May and agreed to draw up a concise document outlining the key UK nuclear-related messages to be conveyed to the incoming Government post a General Election. This would be shared with Board members following agreement of the document by the Group. |
| 3.4 | The Chair outlined her forthcoming site visit to Dounreay which would take place in July.  **Action: Judith Hackitt to share with the Board the document from the Nuclear Chairs’ Group outlining the key UK nuclear-related messages to be conveyed to the incoming Government post a General Election.** |
| **4.** | **Executive Board report** |
| 4.1 | The CE/CNI provided assurance to the Board that ONR was performing well and was delivering against commitments both within the ONR Strategy to 2025 and the Corporate plan for 2023-24. |
| 4.2 | He highlighted that ONR had worked hard on all outstanding recommendations from the Post Implementation Review of ONR and provided final evidence to the Department for Energy Security and Net Zero (DESNZ) that they had been satisfactorily closed out. There were a few ongoing commitments that all parties agreed need to be followed through, including an enduring funding solution and for ONR to set out an organisational approach to secondments, to be provided to Board before the end of 2024. Ministerial clearance and publication of the final Report would be delayed due to the General Election. |
| 4.3 | Questions have been raised in a number of meetings recently regarding the use of ALARP (as low as reasonably practicable) in relation to nuclear installations and whether there is a better approach. An independent advisory panel was being brought together to focus on ALARP including the legal framework, implementation and possible alternatives. A new Independent Advisory Panel (IAP) is also planned to review ONR’s approach to control and instrumentation requirements at new/planned installations. |
| 4.4 | The upcoming All Staff Conference would be attended by c. 640 ONR staff. The theme of the conference would be ‘Celebrate today, Inspire tomorrow’ and would reflect on key achievements over the past ten years as well as explore future opportunities for innovation within the organisation. |
| 4.5 | In discussion the Board:   1. Noted the progress for the recruitment of the Finance Director. 2. Noted the delay in laying the Annual Report and Accounts due to the announcement of the general election. This would now likely be in September. 3. Noted the recent engagement with the International Nuclear Regulators Association (INRA). 4. Highlighted the Women in Nuclear (WiN) Conference and Awards Ceremony and the 2024 President's Award, noting the importance of nominating staff for recognition wherever appropriate. 5. Noted that work was progressing well to understand the demands on ONR in relation to the new enrichment facility at Capenhurst. 6. Noted that during the last Quarter, there were four events at   nuclear licensed sites that met the Ministerial Reporting Criteria (MRC).   1. Discussed the analysis of a recent security response exercise and how the risks identified would be managed. 2. Noted the impact of the General Election and the need for a cautious approach to speaking engagements and announcements etc during the run up. 3. Noted the end of year audit being conducted by the National Audit Office. 4. Noted that ONR continues to press for assurance from DWP that we will be funded for the Synergy programme and reimbursed in due course for the resources already committed.   **Action: Mark Foy to provide a summary to the Board of the number of incidents that were ministerially reported each quarter within the last two years.**  **Action: Simon Coldham to quantify spend on Synergy to date to allow Board to consider appetite for continued expenditure.** |
| 4.6 | The Board noted the report. |
| **5** | **ONR and Ethics** |
| 5.1 | The CE/CNI welcomed Peter Burt to the meeting. Peter is a member of ONR’s Non-governmental organisation (NGO) community as well as a member of the CE/CNI’s Independent Advisory Panel. Ethics within regulatory decision making had been discussed within the NGO community and had been brought to the Board for wider discussion and to highlight how some of the issues raised might impact on ONR’s future regulatory activities. |
| 5.2 | Peter took the Board through his paper which provided his overview of ONR’s current position, issues facing ONR where ethical issues would be important, ethics and nuclear policy and suggestions for ONR going forward. |
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| 5.3 | Board discussion focused on a number of areas:   1. Looking at ethics within the framework of Environmental Social Governance (ESG) would be beneficial. 2. ONR was exploring its strategy for older facilities and making sure that the organisation worked in line with social conscience. 3. There were ongoing conversations on climate change which could be aligned with the areas highlighted in the presentation. 4. As a regulator, it was important to maximise the levers of this culture through our licence holders, including engaging with young people as custodians of the future. 5. This work would support the work already being undertaken in developing ONRs next five year strategy. |
| 5.4 | The Board thanked Peter for his update and there was support for the suggestions made, in particular in relation to ESG which could be taken into consideration as ONR developed its next five year strategy. |
| **6** | **Supply Chain Regulations** |
| 6.1 | Stuart Allen introduced the item which summarised the approach, outcomes and future challenges associated with ONR’s Supply Chain Regulatory (SCR) activity. |
| 6.2 | He highlighted that the approach to SCR was effective, subject to routine review and development based on intelligence and outcomes. The prime focus of the strategy continues to be on influencing the licensees to develop effective supply chain management arrangements. He summarised the strengths, weaknesses, opportunities, and threats related to ONR’s SCR activity. These would be addressed through the specialism SCR strategy and supporting action plans. |
| 6.3 | There was an annual strategic review that was intelligence-led and highlighted what was going well and areas to focus on going forward. |
| 6.4 | In discussion the Board:   1. Noted the challenges in regulation of Tier 2 and Tier 3 of the supply chain. 2. Commented on whether Licence Condition (LC) 17 was sufficient for regulation of the supply chain. LC 17 was felt to be adequate, however would consider given the opportunity of an LC & SAPS review and would propose the introduction of supply chain Safety Assessment Principle for Nuclear Facilities (SAPs). The development of a technical assessment guide had helped to establish regulatory expectations and this had allowed ONR to provide more detail and have informed conversations with duty holders. 3. Discussed the role of NDA in SCR and potential collaboration with other dutyholders. 4. Noted that ONR continued to engage with industry and had been key in the formation and ongoing support to the Safety Directors Forum, Supply Chain Sub-Group (SDF SCSG) which allowed us to speak to collective and prospective licensees. This would apply to any prospective new operators who were engaged through GDA. 5. Discussed the international aspect of SCR and whether ONR should passport international approvals and questioned whether there would be benefits in doing so. It was highlighted that ONR already collaborated significantly with other international nuclear regulators to exchange intelligence and cooperate on joint inspection activity of common suppliers. 6. An ONR enabling proposal for licensees to form a UK nuclear industry common supplier certification scheme was discussed. It was proposed as an initiative by ONR to GBN that would have commercial benefits and risk reduction opportunities. It was being considered by GBN and subject to its governance processes. 7. It was questioned if supplier certification conducted directly by ONR could be considered appropriate. It was noted that it would be a significant shift in ONR’s regulatory philosophy and risk profile and would only likely be considered on significant performance shortfalls where a step change in regulatory approach may be justified. The Board noted that the responsibility for safety and security remained with the licensee, ONR’s role was to ensure that they had the robust management of their supply chain. |
| 6.5 | The Board noted the paper. |
| **7** | **AGR (Advanced Gas-Cooled Reactors) Lifetime extensions and Transition** |
| 7.1 | Dan Hasted and Michael Webb introduced the paper which provided an overview of AGR Lifetime extensions and Transition. Heysham 2 and Torness would cease generation in 2028 but their sister stations of Heysham 1 and Hartlepool (HRA) had a current accounting timeline of 2026. This was a baked in extension of two years from a position 18 months ago and the ambition of a decision point in December 2024 for further extensions as well as extensions for Heysham 2 and Torness. |
| 7.2 | The team discussed the risks associated with lifetime extensions which included the lifetime reviews for key bounding components, such as graphite or boilers, may result in challenges to past licensee safety case assumptions. |
| 7.3 | Outage scheduling would be an area of focus, previously these had been done every three years and embedded within the maintenance schedule. Making any changes to the schedules would have significant implications for licensees and for ONR. |
| 7.4 | On the transition of AGRs to Nuclear Restoration Services (NRS). Hunterston B (HNB), Hinkley Point B (HPB) and Dungeness B (DNB) had all ceased generation and the first transfer would be HNB in April 2026 followed by HPB in the same year. The transfers would be regulated through a changed approach to site inspections. |
| 7.5 | In discussion the Board:   1. Noted that there were clear and consistent communications with EDF NGL (Nuclear Generation) Limited. 2. Noted there was an AGR equivalent of the Magnox Operating Programme (MOP) which ONR had visibility of. The pinch point would not be on flask availability but on the licensee’s performance at de-fuelling. ONR had assurance that Sellafield had the capacity for any lifetime ambition. 3. Noted the difficulties in transition given the different nuclear baselines of each organisation and discussed what lessons could be learned from the Magnox de-fuelling. 4. Discussed the levers and powers in place for escalation if there were concerns on the licensee’s capacity and capability. |
| 7.6 | The paper was noted and the Board supported the approach being taken, noting the importance of communicating with stakeholders and the challenges of public engagement around this work. |
| **8** | **ONR’s Regulatory Work on Climate Change** |
| 8.1 | Andria Gilmore and Alex Edey introduced the item which provided an overview of ONR’s regulatory work on Climate Change. Andria outlined the role of ONR’s Expert Panel on Natural Hazards which provides ONR External Hazards inspectors with a valuable source of authoritative technical and independent expertise. |
| 8.2 | Engagement with stakeholders on climate change was proactive through joint working with the environment agencies in the UK, NGO and international engagement on climate change, as well as fourth round climate adaptation reporting. |
| 8.3 | Alex Edey updated the Board on the forthcoming CNI Themed Inspection on preparedness for the impacts of climate change which will seek assurance that the nuclear industry within Great Britain:   1. understands and has taken account of recent climate change projections in relevant safety cases and hazard definitions. 2. is able to demonstrate that activities are and will remain safe and secure in the future subject to the reasonably foreseeable effects of climate change. 3. has effective arrangements to monitor and review climate change information to determine if additional measures are needed to ensure that activities remain protected in the future. |
| 8.4 | A self-assessment questionnaire has been produced and shared with licensees to get a picture of the industry overall and how they were incorporating climate change into their safety cases. From these questionnaires, five sites had been selected for site-based inspections. These were sites across the nuclear industry, and were selected both to test the effectiveness by which sites implement the arrangements described in the self-assessment, but also the extent to which these arrangements align with relevant good practice. On completion of the site-based regulatory inspections, ONR would publish a Summary  Report of the findings, consistent with previous CNI Themed Inspections. |
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| 8.5 | In discussion the Board:   1. Questioned whether ONR was working against up to date projections by using the UK Climate Projections 2018. These were the projections used by the Meteorological Office and considered the relevant good practice for UK climate change projections. It was confirmed that these were the best projections currently held but, looking forward, ONR would be seeking to understand how licensees were looking to the future and not just relying on the 2018 projections. 2. On projections, the Board noted the climate change scenario database used by other organisations against which findings could be tested. ONR was actively engaged with the industry on this work. 3. Highlighted the importance of opening up ONR's work on climate change to include dutyholders. 4. Discussed the challenges of climate change on nuclear reactors and the benefits of engaging within the international community to understand what could be applied in the UK context. 5. Noted the significant engagement taking place both domestically and internationally in looking to see what the latest expectations, requirements and guidelines were. |
| 8.6 | The Board thanked the team for the update and looked forward to the outcome of the CNI themed inspection. |
| **9** | **Committee Annual Reports** |
| 9.1 | Sarika Patel provided an update on the key work of the Audit and Risk Assurance Committee (ARAC) during 2023/24. The Committee had complied with all of its obligations under the terms of reference. She provided assurance to the Board that internal controls and risk management systems were adequate and working. The work of ARAC included deep dives into risk management issues and highlighted the two most significant risks on the strategic risk register. She highlighted the impact of this on the DWP’s Annual Assurance Assessment (AAA). The internal audit programme carried out by the Government Internal Audit Agency (GIAA) resulted in largely moderate assurances across the programme. She also highlighted the action taken by the Executive team to ensure that all outstanding GIAA recommendations were closed off and updated. |
| 9.2 | Jean Llewellyn provided an update on the work of the Security Committee during 2023/24. Whilst a primary function of the Committee is consideration of ONR’s Annual Review of Security, a beneficial development had been the attendance of industry representatives for specific items which had given the Committee increased focus and purpose. This will be built upon over the next year. |
| 9.3 | Tracey Matthews gave an update on the RRC. The Committee had acted within its delegated powers over the last year and continued to take an interest in the leadership development programmes. Succession planning had been a challenge over the last 12 months and would continue to be a topic of discussion over the next year. |
| 9.4 | The Board noted the reports. |
| **10** | **Summing up and Close** |
| 10.1 | There was no other business raised. The Chair formally closed the meeting. |
|  | **Date and Location of Next Meeting:** 31 July 2024, Cheltenham. |
|  | **Reports for Information:**   * CISO Quarterly Update * Annual Data Protection Compliance Report * Remuneration and Resilience Committee Update – 14 May 2024 * Security Committee Minutes – 25 April 2024 * Board Forward Look * ONR and Ethics (background information to support the discussion at item 5). |

1. Left the meeting at 12:00 [↑](#footnote-ref-1)
2. Attended for item 5 [↑](#footnote-ref-2)
3. Attended for item 6 [↑](#footnote-ref-3)
4. Attended for item 7 [↑](#footnote-ref-4)
5. Attended for Item 7 [↑](#footnote-ref-5)
6. Attended for item 8 [↑](#footnote-ref-6)
7. Attended for item 8 [↑](#footnote-ref-7)