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| ONR project assessment report  Sellafield Ltd.’s arrangements for compliance with Licence Condition 35(2) – Approval of revised arrangements under Licence Condition 35(4) |



ONR project assessment report

**Project name**: Sellafield’s arrangements for compliance with Licence Condition 35(2)

**Report title**: Approval of revised arrangements under Licence Condition 35(4)

**Dutyholder/Applicant**: Sellafield Ltd.

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# Executive summary

In accordance with Licence Condition (LC) 35(4), Sellafield Ltd. has written to the Office for Nuclear Regulation (ONR) requesting approval of an amendment to its arrangements made under LC 35(2). The amendment is the replacement of the extant arrangements, as detailed in the document titled 'Production and Maintenance of Key Decommissioning Milestone Schedules' (SLP 1.07.03 Issue 1, dated 08/2020), with revised arrangements, as detailed in the document titled 'How do I produce and maintain Key Decommissioning Milestones?' (SLP 1.07.03 Issue 2, dated 05/2024).

The key change implemented in the revised arrangements is a move from using key decommissioning milestones (KDMs) on their own to a hierarchy where KDMs are supported by key performance measures (KPM) and key performance indicators (KPI); otherwise, the arrangements remain largely unchanged. We have engaged extensively as the revised arrangements were developed and implemented. Prior to receiving the formal request for approval from Sellafield Ltd., we provided comments on a draft of the revised arrangements and formally assessed their first use in the revision of KDMs for the Pile Fuel Cladding Silo (PFCS). The assessment concluded that we had no objections to the revised arrangements as applied to PFCS and similarly had no objections when they were subsequently applied in other areas. Upon receiving the formal request for approval from Sellafield Ltd., we carried out a review of the final version of the revised arrangements to ensure they aligned with our expectations and checked whether our comments on the draft version had been addressed appropriately. A discussion was held with Sellafield Ltd., as well as follow-up email correspondence, to gather further information to support our assessment. In conclusion, we are satisfied that the revised arrangements meet our expectations.

We recommend the issuing of LI 549 under Condition 35(4) of Schedule 2 attached to Nuclear Site Licence No. 103 to approve the amendment to Sellafield Ltd.’s approved arrangements for compliance with LC 35(2), specifically to approve the document titled ‘How do I produce and maintain Key Decommissioning Milestone Schedules?’ (SLP 1.07.03 Issue 2, dated 05/2024).

Table 1: List of abbreviations.

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| Term/Acronym | Description |
| AS | Analytical Services |
| FGMSP | First Generation Magnox Storage Pond |
| HHRR | High Hazard and Risk Reduction |
| HSE | Health and Safety Executive |
| KDM | Key Decommissioning Milestone |
| KPI | Key Performance Indicator |
| KPM | Key Performance Measure |
| LC | Licence Condition |
| LI | Licence Instrument |
| MSSS | Magnox Swarf Storage Silo |
| NIO | Nuclear Independent Oversight |
| NSC | Nuclear Safety Committee |
| ONR | Office for Nuclear Regulation |
| PFCS | Pile Fuel Cladding Silo |
| PFSP | Pile Fuel Storage Pond |
| SLP | Sellafield Limited Practice |
| SNM | Special Nuclear Material |
| SFM | Spent Fuel Management |

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# Permission requested

1. In accordance with Licence Condition (LC) 35(4), Sellafield Ltd. has written to the Office for Nuclear Regulation (ONR) [1] requesting approval of an amendment to its arrangements made under LC 35(2). The amendment is the replacement of the extant arrangements, as detailed in the document titled 'Production and Maintenance of Key Decommissioning Milestone Schedules' (SLP 1.07.03 Issue 1, dated 08/2020) [2], with revised arrangements, as detailed in the document titled 'How do I produce and maintain Key Decommissioning Milestones?' (SLP 1.07.03 Issue 2, dated 05/2024) [3].

# Background

1. In 2011, ONR (as an agency of Health and Safety Executive (HSE) at the time) formally Specified (LI 790) [4] and then Approved (LI 791) [5] Sellafield Ltd.’s arrangements for the identification and control of key decommissioning milestones (KDMs) under LC 35(3). This Specification and Approval provide a legal means of ensuring Sellafield Ltd. applies its arrangements and cannot change them without further ONR approval through LC 35(4). The latest approval of Sellafield Ltd.’s extant arrangements was conducted in 2020. LI 530 [6] under LC 35(4) of Schedule 2 attached to Nuclear Site Licence No. 103 was granted, to Approve an amendment to Sellafield Ltd.’s approved arrangements for compliance with LC 35(2), specifically to Approve the document titled ‘How do I produce and maintain Key Decommissioning Milestone Schedules?’ (SLP 1.07.03, Issue 1, dated 08/2020) [2].
2. The purpose of the KDMs is to drive prioritised and systematic high hazard and risk reduction (HHRR) across Sellafield Ltd.’s decommissioning programmes and they are considered to be of both strategic and regulatory importance for monitoring progress in achieving HHRR and the overall site mission. The revised arrangements aim to enable a move away from purely date-based milestones, and towards a broader assessment of the key factors required to deliver the overall programme and achieve the HHRR required. To achieve this, the key change implemented in the revised arrangements is a move from using KDMs on their own to a hierarchy where KDMs are supported by key performance measures (KPM) and key performance indicators (KPI); otherwise, the arrangements remain largely unchanged. In this approach, each agreed and approved KDM will define the key HHRR deliverable. Supporting each KDM are KPMs that describe in more detail what needs to be achieved to demonstrate KDM delivery. Each KPM is supported by KPIs, which are a set of metrics that describe the ongoing activities that contribute to delivery of the KPM and therefore the KDM.
3. The revised arrangements were reviewed in February 2024 by Sellafield Ltd.’s Nuclear Independent Oversight (NIO) team and NIO’s report [7] has been subject to scrutiny by Sellafield Ltd.’s Nuclear Safety Committee (NSC) [8]. NIO’s report [7] welcomed the revised arrangements but noted a concern that they are not yet supported by appropriate corporate governance and oversight. NIO made a commitment to undertake further reviews and report quarterly as part of wider oversight activities.

# Assessment and inspection work carried out by ONR in consideration of this request

1. Prior to receiving the formal request for approval from Sellafield Ltd., we engaged extensively as the revised arrangements were developed and implemented, specifically:

* We engaged at an early stage as these revised arrangements were developed and provided comments on a recent draft version [9].
* The implementation of the revised arrangements was initially applied to the Pile Fuel Cladding Silo (PFCS) and was subject to formal assessment by ONR [10]. This assessment concluded that the revised arrangements are a significant improvement, providing greater visibility and a more balanced view on which to monitor progress towards achieving HHRR. It recommended that ONR had no objection to the implementation of the revised arrangements as applied to the PFCS and to continue roll out of the framework across the other HHRR Programmes.
* Subsequently, the revised arrangements were implemented in other areas and subject to consideration by ONR whereby no objections were raised: Special Nuclear Material (SNM) (PR-01285), Spent Fuel Management (SFM) (PR-01523), Analytical Services (AS) (PR-01573), Magnox Swarf Storage Silo (MSSS) (PR-01597), First Generation Magnox Storage Pond (FGMSP) (PR-01598), Remediation (PR-01606), and Pile Fuel Storage Pond (PFSP) (PR-01618).

1. Upon receiving the formal request for approval from Sellafield Ltd., and in accordance with the regulatory permissioning strategy (PR-01854), we carried out a review of the final version of the revised arrangements to ensure they aligned with our expectations [11] and checked whether our comments on the draft version had been addressed appropriately [9].
2. A discussion was held with Sellafield Ltd. [12], as well as follow-up email correspondence [13] [14], to ascertain whether appropriate corporate governance and oversight have been established, and whether the NIO has been fulfilling its commitment to undertake further reviews and report quarterly.
3. Additionally, we gave consideration as to whether these arrangements should continue to be approved by ONR, following a question internally regarding whether the approval is still necessary. The arrangements are important in that they manage KDMs, which are an important means to monitor progress against achieving HHRR and the overall site mission, therefore we consider it appropriate that we maintain a commensurate level of regulatory oversight and formal control on them. This would not be particularly burdensome on ONR or Sellafield Ltd. as past experience is that these arrangements are revised infrequently, typically only every 3-4 years, where they were initially approved in 2011 (LI 791) [5], and subsequently re-approved following revision in 2015 (LI 888) [15], 2018 (LI 515) [16], and 2020 (LI 530) [6]. Therefore, it is considered appropriate to retain these arrangements as approved arrangements.

# Matters arising from ONR’s work

1. We are am satisfied that the revised arrangements meet our expectations. Significant emphasis has been placed on the prior work undertaken by ONR as the PFCS assessment, and ONR’s no objections to the subsequent implementation in other areas, provide confidence that the revised arrangements lead to the development of appropriate KDM/KPM/KPIs.
2. Based on our discussion with Sellafield Ltd., it appears that the revised arrangements are not yet supported by appropriate corporate governance and oversight. During the discussion, Sellafield Ltd. indicated that work to address this was in progress and that this was due by end of August 2024, but was unable to say whether this deadline will be met.
3. Based on our follow-up email correspondence with Sellafield Ltd., it appears that the NIO are planning on undertaking further reviews in October 2024 and January 2025. However, given that the initial review was conducted in February 2024, the timing of the planned further reviews does not align with the NIO commitment to undertake them quarterly.
4. Whilst these are not factors to consider in the granting of this approval, they are shortfalls that should be addressed and will be monitored through routine engagement.

# Conclusions

1. It is recommended that ONR should approve the replacement of SLP 1.07.03 Issue 1 [2] with SLP 1.07.03 Issue 2 [3].
2. LI 549 and covering letter (SEL77855N) has been prepared accordingly.

# Recommendations

1. It is recommended that ONR should issue LI 549 under Condition 35(4) of Schedule 2 attached to Nuclear Site Licence No. 103 to approve the amendment to Sellafield Ltd.’s approved arrangements for compliance with LC 35(2), specifically to approve the document titled ‘How do I produce and maintain Key Decommissioning Milestone Schedules?’ (SLP 1.07.03 Issue 2, dated 05/2024) [3].
2. Additionally, it is recommended that these arrangements should continue to be approved by ONR.

# References

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| [1] | Sellafield Limited, “SL-2024-267-01 - Formal request for ONR approval of SLP 1.07.03 Issue 2 (2024/36644)”. |
| [2] | Sellafield Limited, “Production and Maintenance of Key Decommissioning Milestone Schedules, SLP 1.07.03 Issue 1, dated 08/2020 (2020/252221)”. |
| [3] | Sellafield Limited, “How do I produce and maintain Key Decommissioning Milestones?, SLP 1.07.03 Issue 2, dated 05/2024 (2024/36652)”. |
| [4] | Office for Nuclear Regulation, “Licence Instrument No. 790, Specification issued under LC35(3) of Schedule 2 attached to Nuclear Site Licence No: 31G, Sellafield (Windscale Works and Calder Works), 28 February 2011 (2011/132796)”. |
| [5] | Office for Nuclear Regulation, “Licence Instrument No. 791, Approval granted under LC35(3) of Schedule 2 attached to Nuclear Site Licence No: 31G, Sellafield (Windscale Works and Calder Works), 27 May 2011 (2011/292696)”. |
| [6] | Office for Nuclear Regulation, “Licence Instrument No. 530, Approval Granted under Condition 35(4) of Schedule 2 attached to Nuclear Site Licence No: 103, Sellafield Site, 01 October 2020 (2020/156373)”. |
| [7] | Sellafield Limited, “SLNSC Paper 2024.13 NIO Review of Implementation to Key Decommissioning Milestones [OFFICIAL] (2024/36648)”. |
| [8] | Sellafield Limited, “183rd SLNSC Minutes Issue 1 OFFICIAL (2024/36651)”. |
| [9] | Sellafield Limited, “SLP 1.07.03 Issue 2 Draft 6 ONR Comments (2024/36657)”. |
| [10] | Office for Nuclear Regulation, “ONR-SDFW-DR-21-14, Amendment to PFCS Key Decommissioning Milestones Framework (KDM M30, M32 and M33) (2021/71614)”. |
| [11] | Office for Nuclear Regulation, “NS-TAST-GD-026 ONR Technical Assessment Guide - Decommissioning (2019/144943)”. |
| [12] | Office for Nuclear Regulation, “ONR-SDFW-CR-24-344 - Discussion with Sellafield Limited on the request for approval under LC 34(4) of amendments to KDM arrangements made under LC 35(2) - C McGuire - 15 August 2024 (2024/40341)”. |
| [13] | Office for Nuclear Regulation, “Email ONR to Sellafield Limited, LC35 Approval of KDM Arrangements - Information Request (2024/36663)”. |
| [14] | Office for Nuclear Regulation, “Email from Sellafield Limited to ONR, KDM Information Request [ OFFICIAL ] (2024/36664)”. |
| [15] | Office for Nuclear Regulation, “Licence Instrument No. 888, Approval granted under LC35(4) of Schedule 2 attached to Nuclear Site Licence No: 31G, Sellafield (Windscale Works and Calder Works), 29 May 2015 (2015/198115)”. |
| [16] | Office for Nuclear Regulation, “Licence Instrument No. 515, Approval Granted under Condition 35(4) of Schedule 2 attached to Nuclear Site Licence No: 103, Sellafield Site, 23 October 2018 (2018/349551)”. |