

**Minutes of the Board
30 April 2019**

Windsor House, Victoria Street, London, SW1H 0TL

Present:

Members

Mark McAllister - Chair
Penny Boys - Non-Executive Director
Oona Muirhead - Non-Executive Director
Bronwyn Hill - Non-Executive Director
Sarika Patel – Non-Executive Director
Adrienne Kelbie – Chief Executive
Mark Foy – Chief Nuclear Inspector
Sarah High – Finance Director
Dave Caton – HR Director

Attendees

Anthony Hart -Technical Director
Katie Day - Director of Policy and
Communications
Donald Urquhart –Director, Operating
Facilities (item 4)
Mike Finnerty – Director, New Reactors
(item 6)
Vik Winspear-Roberts – SRO, SIPs (item 7)
Tony Daniels – Head of Estates (item 8)
Melissa Agnew – Head of PMO (item 8)
Ines Osborne – Chief of Staff (observer)
Leanne Rogers – Head of Finance and
Commercial (observer)

Secretariat: Charlotte Cooper, Head of Corporate Governance (Board Secretary)

1 Welcome, Introductions, Apologies for Absence and Declarations of Interest

- 1.1 The Chair welcomed everyone to the meeting. An apology for absence was received from Simon Lister, Non-Executive Director.
- 1.2 No declarations of interest were received.

2 Minutes of the Last Meeting, Matters Arising, Action Points

- 2.1 The minutes of the meeting held on 26 March 2019 were agreed as a correct record.
- 2.2 On ONR Generic Design Assessment (GDA) Entry Policy, it was recognised the next request from BEIS for ONR to undertake a GDA of a reactor technology would be associated with Advanced Nuclear Technology (ANT) work. However, such a request is unlikely to be made within the next twelve months. Board requested that it be advised of the associated GDA entry policy considerations in sufficient time, prior to work commencing.
- 2.3 All items on the action log were complete.

3 Chair's Report

- 3.1 The Chair provided an update on his ONR induction to date, having met with each member of the Senior Leadership Team. He commented on the calibre of the top team, the maturing of the organisation and in ONR's confidence as a regulator.
- 3.2 He highlighted the importance of thinking about the economic impact of our regulatory approach and decisions and Board focus on key regulatory and organisational matters.

- 3.3 As part of his induction, he had met separately with the BEIS Director, Nuclear and with the Head of the Arm's Length Body Partnership Division, DWP. He shared his observations from both meetings.
- 3.4 Accompanied by the Chief Executive he attended a joint Public Chairs' Forum / Association of Chief Executives' annual event on 2 April with the Chief of the Civil Service to discuss Brexit, priorities in Government and the upcoming spending review.

4 Advanced Gas-cooled Reactor Graphite Update

- 4.1 The Director, Operating Facilities presented a paper on the current status of the regulation of EDF's Advanced Gas-cooled Reactor (AGR) fleet in respect of graphite core cracking. The brief is provided in light of Hunterston B reactors being shut down for a significant period due to graphite cracking and potential implications for the AGR fleet.
- 4.2 He provided a high level technical overview of key way root cracking, why it occurs and the potential implications for both cooling the fuel and the ability to shut-down the reactor. He commented that Safety cases needed to demonstrate that the risk arising from cracking is tolerable and 'as low as reasonably practicable.'
- 4.3 He provided a status report on the AGR fleet and highlighted on-going engagements with EDF and other stakeholders and the resource implications for ONR. He commented on the complex graphite issues, which placed a high workload on the team of specialist inspectors assessing the safety cases. This level of activity would remain high for the foreseeable future and is being closely monitored and managed.
- 4.4 He set out the next steps in terms of completing assessment of the Hunterston B Reactor 4 safety case and in reaching a decision on its return to service, or otherwise. This would be followed by an assessment of the safety cases for Hunterston B Reactor 3 and Hinkley Point B Reactor 3, following receipt of respective safety cases.
- 4.5 In discussion the Board:
 - i. Understood ONR's role is to complete an assessment of the safety cases and reach a decision on return to service.
 - ii. Noted the plan being developed to provide additional specialist inspector resource and that this would be challenging given the specialist nature of the work.
 - iii. Noted on-going discussions with BEIS.
 - iv. Were keen to understand more about ONR's regulatory decision making process and asked for a short note to be shared with Board.
- 4.6 The Board noted the paper and the issues that had been raised. It passed on thanks to the Director, Operating Facilities and offered full support to him and the team, recognising the challenging period ahead.

Action 1: Board briefing to be prepared on ONR's Regulatory decision making process – CNI.

5 Challenges of Implementing the Radiation (Emergency Preparedness and Public Information) Regulations 2019

- 5.1 The Technical Director presented a paper to provide assurance that ONR has appropriate mitigations in place to meet the challenges that we will face in implementing the new Radiation (Emergency Preparedness and Public Information) Regulations (REPPIR) 2019.
- 5.2 The new regulations were laid in Parliament on 27 March 2019 and are due to come into force on 22 May, with a twelve month transition period to enable duty holders to become compliant with the regulations. The regulations are being made under the Health and Safety at Work Act 1974 and will be supported by HSE's publication of an Approved Code of Practice (ACoP) and guidance. Work towards publication is being led by ONR, given the extensive experience we have in the regulation of nuclear emergency planning. Whilst development has proved challenging at times, the draft ACoP and guidance is now subject to an eight week consultation period, which started on 10 April and is being led by ONR.
- 5.3 He highlighted four main challenges associated with implementation of REPPIR 2019, these are (1) Local Authority capability and capacity in determining detailed emergency planning zones; (2) the twelve month timescale for implementation; (3) the delay between the legislation coming into force (May) and the ACoP and guidance being published in September; and (4) ONR resources which are likely to be stretched. ONR is currently developing a strategy to support implementation of the regulations to mitigate the challenges, including adopting a supportive and enabling approach with the Local Authorities through early engagement.
- 5.4 In discussion the Board:
- i. Recognised the intense period of activity during the twelve month transition period that would require additional resources for the Emergency Preparedness and Response Team.
 - ii. Needed to more fully understand the risks associated with the likelihood that many Local Authorities would not have REPPIR 2019 compliant emergency plans in place by the end of the transition period, and the subsequent ONR enforcement decision that may then be needed at that point. The Technical Director commented that ONR understood Local Authorities were in a difficult position, given the ACoP would not be published until September. We would work closely with Local Authorities during the transition period and would take a proportionate approach to look at the gap of where they are now and where they needed to get to. Current arrangements remain legally extant while Local Authorities work up their own assessments.
 - iii. Noted that, from a broader perspective, the framework of engagement in place with senior BEIS officials.
- 5.5 The Board noted the report and asked to be kept informed of progress and any emerging risks.

6 China Export Licence

- 6.1 The Director, New Reactors provided an oral update on ONR's continuing work on the GDA for the HPR1000 to assess whether it is suitable for deployment in the UK, in particular an application for an export control licence from BEIS so that we can move to the more detailed design stage of the assessment.
- 6.2 He updated the Board on ONR's position, on-going discussions with Government, legal advice and likely next steps.
- 6.3 The Board provided advice and counsel drawing on their relevant areas of expertise, noted that following discussion at ARAC this issue had been placed on the risk register, and asked for a further update at their next meeting.

Action 2: GDA for the HPR1000/ China Export Licence – update to June Board - CNI

7 WIReD Programme - Presentation

- 7.1 The Senior Responsible Owner for ONR's Strategic Improvement Projects gave a presentation on Well Informed Regulatory Decisions (WIReD). In response to previous Board comments / discussion she structured the presentation into four key areas: project status and challenges; contract and financial progress; engagement; and external assurance findings.
- 7.2 She commented that the project is progressing well. The approach is good, with 'agile' being the right approach. Clear controls, supporting change and innovation, are in place. Interest is high across ONR. The team is delivering at pace and the external assurance reports had set the project up well for success. With regard to spend to date, the project had delivered 95% of the scope for 60% of the forecast (£).
- 7.3 She highlighted the project challenges, including staying aligned to the IT Strategy; balancing the timescales for piloting and roll out; involving external users; and developing training plans with the ONR Academy.
- 7.4 She discussed changes to the overall project plan, some due to a better understanding of project activities and some due to wider decisions for ONR, including:
 - i. Phase 1 had increased by eight weeks to take into account forming the team, determining ways of working, and the approach for the regulatory process review which would now include seven generic processes;
 - ii. Change in the length of the pilot;
 - iii. Improved understanding of pilot activities;
 - iv. Improved understanding of the time to configure our revised processes;
 - v. Addition of dependencies related to Enterprise architecture and procurement of the platform.
- 7.5 The financial implications and options for ONR and Informed Solutions are being developed. She confirmed the Business Case was being re-baselined and would be presented to the Senior Leadership Team and then to Board in September, in line with the Board Forward Plan.

7.6 In discussion the Board:

- i. Asked whether the cost saving against the statement of works was an overall saving. The Finance Director confirmed, subject to her final review, that this was unlikely to be the case. She added that whilst the programme is showing a longer time to deliver, this would not result in more cost. She added a contract management approach is in place to look at outcomes and values.
- ii. Asked whether the dependencies with the IT separation project were being managed effectively and whether the SRO sees any difficulties or internal pressures. The SRO commented on the importance of the production environment being in place before WIRed goes to pilot. This is the key dependency and is being managed effectively.

7.7 The Board thanked the SRO for her presentation.

8 The Value of the Finance Directorate

8.1 The Finance Director set the context for the presentation which is the first of ONR's Directorate presentations to give Board an overview of the whole organisation.

8.2 She introduced the functional Heads of her team who spoke about recent achievements, current status and focus for improvements in the next year.

8.3 In discussion the Board:

- i. Discussed the need for project management skills to embed across ONR and were pleased to see that the Head of PMO was influencing what the Academy can do to develop these skills through a focused and targeting approach.
- ii. Referred to the Risk Management Framework and how continuous improvements are visible through the Audit and Risk Assurance Committee (ARAC).

8.4 The Board thanked the Finance Director and her team for an excellent presentation, commenting on the progress that had been made in building capability in the Directorate.

9 Standing Reports – by Exception

9.1 Chief Nuclear Inspector's Report – The Security Assessment Principles (SyAPs) Review would look at identifying benefits realisation and would come back to a future meeting of Board, the date to be determined by the CNI.

9.2 The CNI provided an oral update on AWE CNI Inspection confirming this activity had been deferred by twelve months. He set out the reasons for the deferment and associated risks.

9.3 In response to recent media articles regarding poor behaviours at Sellafield, the CNI confirmed that the Director, Sellafield Decommissioning, Fuel and Waste would consider the headlines further as part of our planned engagements with union / safety representatives and planned leadership and management for safety routine interventions. The Board asked the CNI to consider a broader meeting with Safety representatives as part of their scheduled Board visit to Sellafield in July.

- 9.4 The CNI confirmed the plan to deliver SSAC phase two by December 2020 was being developed, setting out the detail around inspections, guidance, dealing with smaller stakeholders and wider engagement.
- 9.5 HR Director's Report – the HR Director provided an oral update on the 2019 Pay deal negotiations. A meeting with the Chief Executive, HR Director and the Trade Unions had been arranged in May to discuss the TU position.
- 9.6 The impacts from changes in pensions personal taxation was considered by the Remuneration and Nominations Committee in April. The HR Director was asked to look at options to pay for advice on personal pension taxation for individuals, for consideration at June's Committee and to carry out a wider review, including costed options, which would be reported to the Committee in November.
- 9.7 The Board agreed the recommendation in the HR Director's Report for retrospective approval of a £4552.96 ex-gratia payment made to a former member of staff who had made an Employment Tribunal claim.
- 9.8 The Board noted the four standing reports.

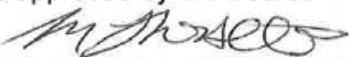
10 Any Other Business

- 10.1 Observer Feedback – Ines Osborne, Chief of Staff and Leanne Rogers, Head of Finance and Commercial thanked the Board for the opportunity to observe the meeting. Ines made reference to the focus of the meeting, supported by quality papers and presentations. It has showed ONR working as a team and the challenge had been enabling. Leanne made reference to how welcoming the meeting had been, and as a new starter, had particularly enjoyed the discussions on the Advanced Gas-cooled Reactor Graphite Update and the WIReD presentation which would help her in her role moving forward.
- 10.2 There was no other business raised. The Chair thanked the Board for their time and attention and formally closed the meeting.

11 Information Papers:

- 11.1 The Board noted the following information papers:

- 1) ARAC Chair's Briefing Note - 24 April 2019
- 2) UK SSAC Project – Progress Report and Future Plan
- 3) Horizon Scan January – April 2019
- 4) Board Forward Look

Minutes approved by the Board:	
Signed.....	
	Mark McAllister, ONR Chair
Date.....	4/6/2019