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**Minutes of the ONR Board**

**26 February 2024**

**MS Teams**

**Present:**

**Members Attendees**

Judith Hackitt - Chair Dave Caton - HR Director

Sarika Patel - Non-Executive Director Leanne Weild- Head of Finance &

Tracey Matthews - Non-Executive Director Commercial

Janet Wilson - Non-Executive Director Alex Goddard, Head of Finance Business

Roger Hardy- Non-Executive Director Partnering

Mark Foy - Chief Executive / Chief Nuclear Lorraine Medcalf, Head of International

Inspector Strategy and Public Correspondence

Donald Urquhart - Executive Director Felicity Robinson, ONR Policy

Operations

**Secretary:** 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 and noted apologies from Jean Llewellyn (Non-Executive Director) and Sarah High (Deputy Chief Executive). There were no declarations of interest. |
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| **2**  2.1 | **ONR Budget 2024/25**  The CE/CNI introduced the item. Lessons had been learned from previous years’ budget outcomes resulting in a realistic budget being presented to the Board this year. It was an example of excellent work from the finance directorate working closely with colleagues across ONR to produce the budget. |
| 2.2 | The Head of Finance and Commercial presented the item. A number of engagements on the budget had already taken place with Board members which had been taken into consideration in preparing the budget for 2024-25. This was a realistic budget for ONR moving forward and reflected the current landscape. |
| 2.3 | The proposed budget was for £114.1m. This was a 4.4% increase on the baseline which was a P7 revision. In previous years there was a P7 flat baseline; there had been increased interrogation this year and all non-recurrent elements had been stripped out. A RAG rating system had been implemented to give a revised baseline. |
| 2.4 | The revised baseline was £109.4m, the increase to the 2024-25 budget was 4.4%, this was £4.8m, £4.4m of that was absorbed by the pay award. |
| 2.5 | The RAG rating system had helped focus discussions and ensure decision making was robust. Green rated items had been approved with minimal discussion and formed part of the baseline. Amber items were discussed but were largely projects already committed to. Red rated items were in the range of £2.3m and were the biggest areas of discussion. Star chambers had also been held for red rated items to ensure that the spend was relevant, aligned with strategic objectives or spend that the organisation wanted to continue with. |
| 2.6 | There was no recruitment above the March 2024 baseline planned for 2024-25, and this was an important step change in the way that ONR operates. Should the demand on ONR for civil or defence new build exceed current assumptions in-year, Board’s prior approval to increase headcount would be sought. |
| 2.7 | The Head of Finance and Commercial highlighted to the Board the risks relating to the assumptions on Generic Design Assessment (GDA) and the impacts on the budget. She also highlighted other areas including ONR’s commitment to expanding the graduate programme and the pay award. |
| 2.8 | Efficiencies had been found through the budget-setting process and staff across the organisation to find as many efficiencies and cost savings as possible. This would be used to fund any new red rated items for which there was currently no provision. |
| 2.9 | She outlined the amber and red expenditure breakdown and provided assurance that there was sufficient capacity in place to deliver within the year. |
| 2.10 | She provided a three year view that showed the trajectory of the budget going forward. This included high-level assumptions modelled on pay increases, estates, IT Managed Service Provider (ITSP) and GDA. |
| 2.11 | In discussion the Board:   * Discussed potential savings from the pay award that was currently being modelled on a 5% pay award. * It would be helpful for Board to see a three year horizon of deferred spending. * Noted DWP and DEZNZ’s initial feedback on the high level budget. * Discussed the plans in place to mitigate the potential pressures and impact on GDAs to ONR’s headcount and whether there was the ability to reset the baseline if needed. * Noted how the organisation was focusing on being more efficient and targeted in regulation and the importance of having a strong narrative in communications to dutyholders. * Noted the revised approach to cost recovery. |
| 2.12 | The Board thanked the team for their work and approved the 2024-25  budget. |
| 3 | **Corporate Plan 2024/25** |
| 3.1 | The CE/CNI introduced the item which was a continued evolvement of ONR’s corporate plan. |
| 3.2 | Head of International Strategy and Public Correspondence introduced the draft Corporate Plan. This retained the same style, format and succinct reporting from the previous year which had been well received. There were explicit links within the plan to the high level business priorities and Organisational Effectiveness Indicators (OEIs). The plan was framed around three priorities; people (capacity and capability), our organisation and ways of working, and ONR’s strategic themes. |
| 3.3 | The plan also looked at the consolidation of progress within the last year of the strategy, the new challenges for 2024-25 and risks being actively managed throughout the year. |
| 3.4 | She updated the Board on feedback that had been received from internal and external stakeholders and how these were being addressed. |
| 3.5 | In discussion the Board:   * Noted and endorsed the feedback received on the plan from DWP, DESNZ and MOD. * Commented on progression in relation to integration across ONR’s purposes but noted that the report was light on transport matters and that this element could be strengthened. * Noted the priorities for the next year and how these would be communicated to the industry. * Commented on the need to bring out the implementation of the Organisational Review more strongly within the Plan. * Commented on the need for references to the Environment Agency to be weaved into the report as a co-regulator [given ONR’s dependency on their approach.] |
| 3.6 | The Board approved the draft ONR Corporate Plan 2024/25 and delegated accountability for final changes to the CE/CNI and Chair. |
| 4. | **Any Other Business** |
| 4.1 | There was no other business raised. The Chair formally closed the meeting. |