

## Regulator Assessment: Qualifying Regulatory Provisions

<b>Title of proposal</b>	New guidance - Licence Condition 2 (LC2) Marking of the site boundary
<b>Lead Regulator</b>	Office for Nuclear Regulation
<b>Contact for enquiries</b>	Paul Smith, ONR professional lead, Felicity Robinson, ONR Policy

<b>Date of assessment</b>	16 January 2017 (retrospective)
<b>Commencement date</b>	May 2016
<b>Origin</b>	Domestic
<b>Does this include implementation of a Cutting Red Tape review?</b>	No
<b>Which areas of the UK will be affected?</b>	GB
<b>Internal ONR reference</b>	2017/14082
<b>RPC BIT ref</b>	RPC 3680(1) DECC-ONR

### Summary of costs and benefits

Price base year	Implementation date	Duration of policy (years)	Net Present Value	Business Net Present Value	Net cost to business (EANDCB)	BIT score
2015	May 2016	10	0	0	0	0

### Brief outline of proposed new, withdrawn, or amended regulatory activity

ONR attaches 36 licence conditions to each nuclear site licence; with which licensees are required to operate. These set goals requiring the licensee to create and implement 'adequate arrangements' for compliance with the licence condition, as well as some more prescriptive requirements.

ONR produces guides to support ONR inspectors undertaking compliance inspection with licence conditions and also with the arrangements made under them.

The Licence Condition 2 (LC2) guide is a new document which provides guidance on inspection of arrangements and their implementation in relation to the marking of the licensed site boundary to ensure the public is protected from danger by preventing inadvertent or unauthorised entry. In addition, marking the boundary helps to ensure everybody knows whether they are on or off the licensed site so that they can take the correct actions in the event of an emergency.

The guidance complements existing arrangements to facilitate a consistent approach and provides additional guidance on the inspection of the arrangements for other records required

by the site licence condition.

Under ONR's openness and transparency policy the guidance is published and available for dutyholders to read on the ONR website.

**Which type of business/industry will be affected? How many are estimated to be affected?**

ONR regulates the civil nuclear sector, and its main dutyholders are the single large entities that own and operate civil nuclear sites in the UK. The new guidance would be immediately relevant to the 37 dutyholders who hold nuclear site licences. The guidance is not applied to contracting entities on each site or the larger base of SMEs who transport radioactive materials around the UK.

**Please set out the impact to business/industry clearly with a breakdown of costs and benefits**

The direct effect is expected relate to one-off familiarisation with the new guidance. However, the expectation is that this work should already be happening on all nuclear sites and the content is aimed at ensuring inspectors make consistent regulatory judgements.

No dutyholder is required to read the guidance. However, ONR anticipates from past experience with this type of guidance that a single middle manager of each of the 37 sites will voluntarily read it for background information. The guidance is 3 pages (1523 words). It could be easily be read and digested in 23 minutes (0.38 hour)<sup>1</sup>, inclusive of three full reads of the document for understanding (given the technical nature of the guidance). The cost incurred to industry in the first year is therefore calculated as approximately:

- $0.38 \times 37 \times \text{hourly rate } (\pounds 47.86^2) = \pounds 674.24$  one off cost in year 1.

With regard to subsequent years, it is realistic that a number of employees of the dutyholder who is subject to this type of assessment may wish to read the guidance for background information. However, given that the behaviour of the regulator and the dutyholder has not been changed we do not consider this to incur any additional cost.

Implementation of the new guidance will not increase the number, frequency or duration of regulatory inspections. No additional work will be required by the dutyholders on the basis that the guidance is based on well-established guidance already in place in the nuclear sector.

**Please provide any additional information (if required) that may assist the RPC to validate the BIT Score**

As the net impact to business is estimated at less than £50k per annum, the BIT score is rounded to zero, in accordance with the Better Regulation Framework Manual.

<sup>1</sup> Based on RAS Group Guidance: valuation of guidance gives an estimate of around 200 words per minute and assuming that three readings are required for understanding ( $1523 / 200 = 7.6$  minutes x 3)

<sup>2</sup> Based on ASHE 2015 figures for 'professional occupation' of £716.70 per week which we have doubled to £1433.40, given the skilled nature of nuclear assessment work and the profit margins of an operating facility (diversion of labour), over a 36 hour week and uplifted by 20.2% to account for non-wage labour costs.