

## Regulator Assessment: Qualifying Regulatory Provisions

<b>Title of proposal</b>	New Guidance on Land Quality Management
<b>Lead Regulator</b>	Office for Nuclear Regulation
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<b>Date of assessment</b>	08 March 2017
<b>Commencement date</b>	December 2015
<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>ONR internal reference</b>	2017/43622
<b>RPC BIT ref</b>	RPC 3702 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
2017	Dec 2015	10	0	0	0	0

### Brief outline of proposed new, withdrawn, or amended regulatory activity

1. Land quality management refers to the prevention of contamination of both land and groundwater, and extends to remediation (including control and monitoring) of contamination on the surface of the ground, in the ground, and in groundwater. The ONR has vires for regulating radioactively contaminated land on GB nuclear sites under the Nuclear Installations Act 1965 and the Energy Act 2013.
2. This is new guidance for ONR inspectors and assessors. It gives a clearer understanding of regulatory expectations in this area following on from changes to Government guidance, new externally-published joint regulatory expectations with the environment agencies, and amendment to one of ONR's Licence Conditions to clarify that ONR is the regulator for radioactively-contaminated land and groundwater on nuclear sites.
3. Although aimed at ONR staff, it is also very relevant to ONR's 37 nuclear site licence holders and ONR anticipates it will influence their existing arrangements and working practices. The guidance helps to clarify the regulatory position, and should help to eliminate the uncertainties on this subject that were previously widespread throughout

the industry and the regulatory community.

4. The guidance has not changed ONR expectations or introduced any burden. It provides legal underpinning to the expectations laid out in the Environment Agencies Joint Expectations (July 2014) and the relevant Safety Assessment Principles (SAPs) introduced by ONR in 2006. SAPs are used to guide ONR inspectors' regulatory judgements and recommendations when undertaking technical assessments of nuclear site licensee's safety submissions.
5. The nuclear industry was heavily involved and consulted in the preparation of the new guidance. They saw the need for it and actively supported its production.

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

6. ONR conservatively estimates 90 organisations will be interested in this new guidance. This comprises of all of ONR's licensees (37), prospective licensees at new nuclear build power stations (3), and tenant organisations operating at licensed sites (10). Additionally, there are estimated to be approximately 30-40 supply chain organisations with specialist capability in this area on which the guidance may have an impact, albeit to a lesser extent.
7. It is anticipated that the type of roles that the guidance may have a direct impact upon will be those such as "Waste Manager", or "Environment Manager", as these roles typically have responsibility for managing land quality at licensed sites.
8. Per duty holder, we anticipate that 1 or 2 persons would have course to familiarise themselves with the guidance. However, we note that larger licensees with multiple sites will be more likely to develop 'corporate arrangements' that are implemented at the site level, potentially reducing the need for site based staff to familiarise themselves with ONR guidance. In the supply chain, again it is estimated only 1 or 2 persons may have course to familiarise themselves with the guidance.
9. We anticipate that there will not be negative on-going effect resulting from the guidance. Instead a small positive benefit may be expected.

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

10. ONR regulates the civil nuclear sector, and its main duty holders are the single large entities that own and operate civil nuclear sites in the UK – both operating and in decommissioning phases. There are 37 of these dutyholders with primary responsibility for the safety of the sites they are licensed to run, with a number of contracting entities on each site (not directly liable) on each site. Considering the number of duty holders and the size of specialist supply chain, it could be estimated there are approximately 90 separate entities in the UK who would have an interest in this guidance, as it could affect them directly (ie. discharging duties placed on them by legislation) or indirectly (eg. bidding for contracts at licensed sites).
11. There will not be an increase in inspections on this topic resulting from this guidance.

However, LQM is becoming an increasingly relevant topic as more sites move towards their end state resulting from lifecycle changes.

12. No stakeholders are required to read the guidance – the target audience is ONR inspectors. However, we know licensees use ONR's guidance to its inspectors to inform themselves of ONR's expectations and ensure that their arrangements meet those expectations. Therefore, it is anticipated all interested organisations listed previously will read the guidance.

13. The guidance is 31 pages and approximately 11,500 words in length, including all tables, footnotes and references. This could be read and digested in 2.9 hours<sup>1</sup>, which includes three full reads of the document.

14. As mentioned previously, we estimate that an average of 1.5 persons per duty holder or supply chain organisation may be recommended to read the guidance which would result in a conservative estimate of 135 persons across all interested organisations. This results in a familiarisation impact of the new guidance in year one as:

$$2.9 \times 135 \text{ personnel} \times £47.86^2 = \underline{\underline{£18,737}}$$

15. With regard to subsequent years it is realistic that a number of employees of the affected organisations may wish to reread the guidance each year. However, given the behaviour of the regulator and the dutyholder has not changed we do not consider this to incur any additional cost.

### **Benefits of the guidance**

16. Publication of the guidance contributes to enabling duty holders to implement ONR's expectations following clarification of legal underpinning – this should strengthen the duty holders' ability to achieve sustained compliance with the law.

17. Successful contractors in the supply chain may utilise the guidance to inform development of their own business tenders to win work from duty holders at licensed sites, this could have the effect of improved delivery of safety and may result in less regulatory attention.

18. Nuclear Safety Committee members, Trade Union reps and Site Stakeholder Group representatives may also be interested in the guidance for information purposes. However, this is at no cost to industry but may result in a better informed audience and enable development of stakeholder engagement.

19. Publication of the guidance has;

- a reputational benefit to ONR. The guidance closed an apparent gap which had been noticed and commented upon by stakeholders. This was captured as a contributory factor in a programme risk, for which publication of this guidance was one of the mitigating actions;
- promoted consistency in regulatory decision making across sites and programmes within ONR, as it provides clear guidance and legal underpinning to established expectations and,

<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 (11500/200 = 57 x 3 = 172 mins)

<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.

- resulted in an improved relationship with the environment agencies as it helps to clarify legal vires between ONR and the agencies and provides positive affirmation that this is a topic ONR is engaged with.

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

20. 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.