



**Office for Nuclear Regulation (ONR)
Quarterly Site Report for
Rolls-Royce Marine Power Operations Limited
(RRMPOL) Raynesway, Derby
Nuclear Fuel Production Plant (NFPP) and Neptune
Reactor Licensed Sites**

Report for period 1 July 2014 to 30 September 2014

Foreword

This report is issued as part of ONR's commitment to make information about inspection and regulatory activities relating to the above sites available to the public. Reports are distributed quarterly to members of the Rolls-Royce Local Liaison Committee and are also available on the ONR website (<http://www.onr.org.uk/lc/>).

Site Inspectors from ONR usually attend the Rolls-Royce Local Liaison Committee meetings and will respond to any questions raised there. Any person wishing to enquire about matters covered by this report should contact ONR.

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1 INSPECTIONS

1.1 Dates of inspection

The ONR Site Inspector made inspections or held other intervention activities on the following dates during the quarter:

- 1,2 & 11 July
- 3,8,10,17,18 & 19 September

Other ONR Inspectors participated in interventions with the licensee on the following dates in the quarter:

- 1 & 11 July
- 3,9,10,15,16,17 & 18 September

The Head of ONR's Propulsion Sub-Programme participated in interventions with the licensee on the 24 July and 19 September. The ONR Defence Programme Director participated in interventions with the licensee on the 19 September.

NB. The majority of interventions take place on the licensed sites. Occasionally they take place at other locations e.g. ONR offices.

2 ROUTINE MATTERS

2.1 Inspections

Inspections are undertaken as part of the process for monitoring compliance with:

- the conditions attached by ONR to the nuclear site licence granted under the Nuclear Installations Act 1965 (NIA65) (as amended);
- provisions of the Energy Act 2013
- the Health and Safety at Work Act 1974 (HSWA74); and
- regulations made under HSWA74, for example the Ionising Radiations Regulations 1999 (IRR99) and the Management of Health and Safety at Work Regulations 1999 (MHSWR99).

The inspections entail monitoring the licensee's (i.e. RRMPOL's) actions on the site in relation to incidents, operations, maintenance, projects, modifications, safety case changes and any other matters that may affect safety. The licensee is required to make and implement adequate arrangements under the conditions attached to the licence in order to ensure legal compliance. Inspections seek to judge both the adequacy of these arrangements and their implementation.

In this period, routine ONR inspections covered the following:

- Licence Condition (LC)36 Organisational Capability;

In this inspection ONR judged that the arrangements made and implemented by the site were not adequate. RRMPOL has made satisfactory commitments to address the issues, and the Site Inspector will monitor progress during future visits and a follow up inspection. Should it prove necessary, ONR would take formal regulatory enforcement action to ensure that appropriate remedial measures are implemented to reasonably practicable timescales.

RRMPOL have continued construction activities as part of the Core Production Capability Regeneration Project. During this period RRMPOL have reported progress against their plans to improve the build assurance arrangements. On the 18 September an ONR Fire Safety Inspector undertook a follow-up intervention on the regeneration part of the Nuclear Fuel Production Plant (NFPP) site. No matters of evident concern were identified in this area. Where the ONR inspector considered that improvements were considered necessary the licensee made satisfactory commitments to address the issues. During this period, ONR Inspectors attended an early engagement meeting at which RRMPOL outlined their approach to designing the foundations for the new Product Assembly Building part of the regeneration project. ONR have raised some observations on the proposed approach.

On the 17 and 18 September, an ONR Conventional Safety Inspector undertook interventions on both licensed sites. The topics considered included: (a) statutory maintenance, (b) working at height, and (c) risk assessments. Where improvements were considered necessary the licensee made satisfactory commitments to address the issues.

For the NFPP Site, ONR have continued engagement with RRMPOL in respect of the Periodic Review of Safety (PRS) for the site. A PRS is required every 10 years as a condition of the nuclear site licence. Our team of specialist inspectors have continued to follow up matters arising from the PRS assessment completed at the end of November 2012, in line with ONR due processes. ONR is due to report on the adequacy of progress at the end of November 2014.

At the Neptune site, ONR has continued early engagement with RRMPOL regarding the plan and scope of three related activities i.e. the PRS for the Neptune site, upgrades to the Neptune reactor, and the production of a new site safety case. As a result of these engagements, RRMPOL are proposing to revise their strategy for optimising the activities. ONR are expecting to re-engage early in 2015 once RRMPOL's revised approach is confirmed. The conclusion of the PRS is currently set for 30 June 2017.

On the 19 September the ONR Defence Programme Director, Head of ONR's Propulsion Sub-Programme, and the Site Inspector attended a joint regulatory interface meeting with senior Rolls Royce Managers and Environment Agency inspectors. Such meetings are typically held annually on licensed sites. During the meeting, RRMPOL explained that it had produced a business improvement strategy and was developing a supporting improvement programme. RRMPOL noted that the improvement strategy and plan were necessary in order to co-ordinate improvements that will assist RRMPOL in delivering on business commitments to the MoD. RRMPOL explained that the improvements planned had taken account of a number of factors which included findings from ONR interventions. ONR will be monitoring delivery against relevant aspects of the improvement programme as part of routine regulatory business.

2.2 Other work

During this period the Site Inspector held a routine meeting with safety representatives, to support their function of representing employees and receiving information on matters affecting their health, safety and welfare at work.

3 NON-ROUTINE MATTERS

Licensees are required to have arrangements to respond to non-routine matters and events. ONR inspectors judge the adequacy of the licensee's response, including actions taken to implement any necessary improvements. During this period there was one non-routine incident reported under RRMPOL's arrangements made for compliance with LC 7 (Incidents on the Site). The incident was identified as part of the RRMPOL ongoing programme to ensure the integrity of the database containing information regarding statutory inspections. RRMPOL identified a number of inspection reports for which actions had yet to be completed.

The affected components were subsequently isolated and the plant shutdown until the necessary maintenance had been undertaken. RRMPOL confirmed that none of the components were identified within the safety case as Systems Structures or Components with a nuclear safety function. However, RRMPOL concluded that it was prudent to formally report it to ONR under the licence condition arrangements. The ONR Site Inspector is satisfied that the actions taken by RRMPOL are appropriate and in accordance with those expected of a licensed site. ONR are monitoring the follow-up by RRMPOL to apply lessons learned from this incident. Prior to this incident, ONR had been engaging with RRMPOL over improvements RRMPOL is making to its arrangements to satisfy LC 28 i.e. Examination, Inspection, Maintenance and Testing and an inspection is currently planned for December 2014. An ONR Conventional Safety Inspector considered the conventional safety implications during interventions on the 17 September – as reported in Section 2.1 above.

4 REGULATORY ACTIVITY

ONR inspectors may issue formal documents to ensure compliance with regulatory requirements. Under nuclear site licence conditions, ONR issues regulatory documents, which either permit an activity or require some form of action to be taken; these are usually collectively termed 'Licence Instruments' (LIs), but can take other forms. In addition, inspectors may issue Enforcement Notices to secure improvements to safety. No LIs or Enforcement Notices were issued during the period. However, during this period ONR has received for assessment the safety case for installing plant and equipment within the Core Production Capability Regeneration Project Manufacturing 1st Build (MF1B) facility. Subject to a satisfactory assessment, ONR are currently planning to issue a LI in the first quarter of 2015 to permission the activity of installing plant and equipment within the MF1B facility.

5 NEWS FROM ONR

Insight into ONR's work as an independent regulator of the nuclear industry can be found in ONR's Quarterly News. The online publication (<http://www.onr.org.uk/onr-quarterly-report.htm>) reports on the key themes and developments in each of ONR's regulatory programmes and provides an update about the ongoing changes at ONR. <http://www.onr.org.uk/index.htm>. For the latest news and updates from ONR visit the website and sign up for our ebulletin.

6 CONTACTS

Office for Nuclear Regulation
Redgrave Court
Merton Road
Bootle
Merseyside
L20 7HS

website: www.onr.org.uk

email: ONREnquiries@onr.gsi.gov.uk

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