

Regulator Assessment: Qualifying Regulatory Provisions

Title of proposal	Revised guidance - Regulation of GB's Defence Nuclear Programme
Lead Regulator	Office for Nuclear Regulation
Contact for enquiries	Paul Smith, ONR professional lead, Felicity Robinson, ONR Policy
Date of assessment	10 January 2017 (retrospective)
Commencement date	January 2016
Origin	Domestic
Does this include implementation of a Cutting Red Tape review?	No
Which areas of the UK will be affected?	GB
Internal ONR reference	2017/10722
RPC BIT ref	RPC 3679(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
2016	January 16	10	0	0	0	0

Brief outline of proposed new, withdrawn, or amended regulatory activity

This assessment relates to the revision of pre-existing guidance (two previous documents have been merged into one), and therefore the costs and benefits are associated with the change which has resulted from the revision; not the guidance in itself.

This guidance is for ONR inspectors involved in the regulation of nuclear, radiological and conventional safety on the Ministry of Defence's defence related nuclear sites.

The unique aspects of regulating the MOD's defence nuclear programme (DNP) are captured in the formal MOD-ONR General Agreement which outlines the legal situation and the relationship between the two organisations in discharging their respective roles and responsibilities for regulation of the DNP. In addition, ONR's Letter of Understanding with the MOD's Defence Nuclear Safety Regulator (DNSR) provides a framework for complete, effective and coordinated regulation of licensed and non-licensed defence-related nuclear sites. This guidance has been updated to reflect changes since the creation of ONR as a separate statutory body in April 2014 and the abovementioned agreements which were concluded in 2015. It has been revised to provide clarity on how ONR regulates the defence nuclear programme and incorporates aspects of regulating non-licensed naval sites, previously contained in guidance which has now been withdrawn.

Whilst there is no direct impact on industry the changes will require a small number of licensees to re-read the guidance to understand the changes.

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?

The revised guidance would be immediately relevant to the 7 licensed nuclear sites at:

- Aldermaston Weapons Manufacturing Site
- Burghfield Weapons Assembly Site
- Devonport Royal Dockyard at Plymouth
- Barrow Dock Hall - Submarine Construction
- Rolls Royce Nuclear Fuel Production at Derby
- Rolls Royce Neptune Test Reactor at Derby
- Rosyth Dockyard; submarine dismantling

Although not directly affected (as they are not subject to the UK licensing regime), the following 5 non-licensed sites owned and operated by MOD, will have an interest in the guidance:

- HM Naval Base Devonport
- DRDL Devonport site (5 Basin adjacent to the licensed site);
- HM Naval Base Clyde (comprising Coulport & Faslane);
- Vulcan Naval Reactor Test Establishment near Dounreay (operated by MOD but owned by NDA); and
- Submarine Operational Berths at nine locations in England and Scotland.

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

No dutyholder is required to read it, but ONR anticipates the guidance will be re-read by representatives of the 12 licensed/non-licensed sites. The revised guidance is of a similar length/nature to the previous two pieces of guidance which totalled 30 pages (10,448 words).

The direct effect expected relate to one-off familiarisation with the revised guidance. It is estimated that the guidance, totalling 21 pages (11,071 words), will take 2.77 hours to read which would comprise three full read of the entire document.¹ ONR anticipates that three reads will be necessary for comprehension because of the technical nature of the document.

ONR anticipates that the 7 licensed sites will pay closer attention to the guidance than the 5 sites not subject to the UK licensing regime. It is further estimated two persons (a senior and middle manager) per licensed site, compared to one senior manager per non-licensed site will read the guidance. Therefore the total time spent re-reading the guidance by industry in year one is as follows:

¹ 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 ($11071 / 200 = 55.3$ minutes $\times 3 = 166$ mins)

- 7 licensed sites: $7 \times 2 \times 2.77 = 38.78$ hours
- 5 non licensed sites: $5 \times 2.77 = 13.85$ hours

This is a total of 52.63 hours spent re-reading the guidance. Assuming an industry hourly rate of £47.86², we anticipate the rereading of the guidance to be **£2,518.88**

With regard to subsequent years, it is realistic that a number of employees of the 7 licensed sites, subject to this regulation may wish to read the guidance for background information. However, given that the behaviour of the regulator and the dutyholder has not been changed, and as such guidance (of a near identical length) would have been read by any dutyholder before it was updated, 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.

² 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.