

## Regulator Assessment: Qualifying Regulatory Provisions

<b>Title of proposal</b>	Revised guidance on flexible permissioning
<b>Lead Regulator</b>	Office for Nuclear Regulation
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<b>Date of assessment</b>	08 March 2017
<b>Commencement date</b>	24 January 2017
<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>	2016/498160
<b>RPC BIT Ref</b>	RPC-3703 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	January 2017	10	0	0	0	0

### Brief outline of proposed new, withdrawn, or amended regulatory activity

ONR has responsibility for granting permission to undertake certain activities on nuclear licensed sites. It is important that the work undertaken by ONR to support the granting of a permission is proportionate to the risk and relevant ONR processes are set out in flexible permissioning guidance. ONR is revising its guidance on flexible permissioning to improve consistency of application of approaches across ONR; to ensure permissioning processes make proportionate use of inspector effort; and to ensure that permissioning decisions are auditable. The changes are the culmination of recommendations from an ONR flexible permission workshop held in July 2016 and a series of consultations since then.

The guidance is for ONR inspectors and comprises of the following package:

1. The permissioning process and guidance on the use of flexible permissioning now require an explicit decision to be made regarding the permissioning strategy; the justification why the approach is effective (proportionate, targeted, consistent, etc.); and the work scope to be committed (specialist advice/assessment/inspection) is to

be recorded on a new Decision Record template.

2. Arrangements for the setting and release of hold points have been clarified and strengthened:
  - Hold points must be only released by ONR inspectors having the necessary delegated authority
  - Justification for release of hold points is to be recorded in the Decision Record
3. Guidance on the internal production of reports have been clarified and aligned with accepted ONR practice,

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

The changes concern the ONR nuclear safety permissioning process and therefore directly affects all 37 dutyholders of a nuclear site licence. The guidance is not applicable to dutyholders affected by ONR on-site regulation (third party contractors that operate onsite, or the nuclear supply chain) or carriers of radioactive waste material.

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

The proposed changes are restricted to internal ONR processes and guidance affecting the issue of a nuclear safety permission. The proposed changes are relatively minor changes to existing documents, plus the introduction of a new template for use by inspectors. There is no change to ONR inspection or assessment practices and standards. The new Decision Record template and modified Nuclear Safety Permissioning process are not contained in guidance documents and will therefore not be published on the ONR website.

It is expected that the modified permissioning process will be in place for at least five years. The impact on industry is minimal, since the changes affect only the process for managing ONR permissioning process and not the basis for ONR regulatory decision making. The changes to these processes will what is actually happening in practice in pockets across the UK.

**FAMILIARISATION**

No stakeholders are required to read the guidance – the target audience is ONR inspectors. However, it is possible that licensee staff will choose to read the modified guidance. Given that licensees are only affected tangentially by the way that guidance is used by inspectors, it is estimated that only two people in each organisation will read the document.

Cost calculation

37 principal duty holders with primary responsibility safety. These are single large entities that own and operate civil nuclear sites in the UK.

The guidance is 28 pages (9,500 words) which could be read and digested in 2.3 hours<sup>1</sup>, which includes three full reads of the document. Based on two personnel per dutyholder reading the guidance, this results in a familiarisation impact of the new guidance in year one is as:

$$2.3 \times 37 \times 2 \times £47.86^2 = £8,411$$

## IMPLEMENTATION

There are no implementation costs that affect licensees since there is no change to the regulatory attention that licensees are likely to receive. Licensees already have arrangements in place to accommodate ONR permissioning processes. Introduction of the proposed changes do not require these arrangements to be changed.

With regard to subsequent years, licensees will rarely refer to this guidance, as the behaviour of the regulator and interaction with the dutyholder has not changed. Therefore no additional costs are incurred.

There are intangible benefits associate with this package of changes, since they are aimed at improving consistency of permissioning across ONR Directorates.

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

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

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<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 ( $9500/200 = 47.5 \times 3 = 142.5$  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.