



**Sellafield, Decommissioning, Fuel and Waste Division**  
**Nuclear Decommissioning Authority – Implementation of ‘One NDA’ Handbook**  
**Preliminary Intervention Findings**

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## EXECUTIVE SUMMARY

### Background

The Office for Nuclear Regulation (ONR) is undertaking an intervention on changes that the Nuclear Decommissioning Authority (NDA) is making under the banner 'One NDA'. These changes are about businesses in the NDA group working together more efficiently and effectively to achieve the clean-up mission, enabled by the corporate centre. NDA has set out its approach in a handbook issued in April 2019 which ONR had the opportunity to review and comment on.

While ONR is supportive of the intent of One NDA, it is concerned that these changes, if inadequately conceived or executed, could adversely impact the obligations of licensees in the NDA group. In response to ONR's input, the One NDA handbook now more clearly recognises this risk and reaffirms the need for duty-holders to have appropriate control over their activities and resources in order to meet their obligations under the nuclear site licence and other requirements. ONR's intervention is therefore about testing whether the implementation of the One NDA handbook aligns with its intent.

ONR's intervention is focussed on two aspects: (i) NDA's new matrixed organisational model (delivery on one axis and functional collaboration on the other), which entails an overall increase in the size of the organisation by around 40%, and (ii) the functional strategies NDA is developing and implementing to guide the enabling, collaborative approach. ONR's intervention comprises meetings and interviews with key role-holders in NDA and licensees, observation of key governance meetings, and a review of underpinning documents. NDA has welcomed ONR's intervention and has engaged openly and constructively throughout. ONR is conducting its intervention in coordination with the Environment Agency (EA).

This report sets out the preliminary findings of ONR's intervention based on several meetings with NDA, interviews with key role-holders in Sellafield Ltd and Magnox Ltd, and a review of the draft functional strategy summaries ("one-pagers"). It also sets out the areas of focus for the next phase of the intervention.

### Preliminary findings

The key findings of ONR's work to date are as follows:

1. *There is broad support among licensees for the intent of One NDA.* ONR's interactions with NDA's businesses have indicated that there is broad support for intent of One NDA in promoting greater collaboration in the NDA group, simpler business processes, improved learning and sharing of good practice.
2. *There are examples of effective collaborative working under One NDA.* Interviews with key role-holders in NDA and its businesses have provided several examples of effective collaborative working, including the initiatives to improve programme and project delivery performance, the response to the challenges of Spending Review 2019 and improvements to business performance reporting.
3. *There is a lack of clarity in how NDA is managing the changes under One NDA.* The One NDA handbook sets out the overall intent and potential benefits of One NDA and describes the new ways of working, the functional organisational model and the key processes underpinning it. There are also more detailed plans in some functional areas. There is however an overall lack of clarity in how NDA is managing the changes under One NDA in terms of:

- The scope, objectives and relative priority of the changes, and how they are being coordinated;
- The risks associated with the changes and how they will be mitigated;
- The specific benefits of the changes and how they will be realised, including alternative measures that could achieve the same outcome;
- The implementation plan in areas where change is prioritised; and
- The arrangements for monitoring, review and assurance of the changes.

NDA is adopting a flexible and collaborative approach to the changes under One NDA and is encouraging businesses to raise any concerns they may have, including through a new quarterly forum with each business lead. However without clarity at a senior level in NDA on the bullet points above, it is difficult for ONR to engage effectively on the more significant areas of change. More importantly, it is difficult for NDA's businesses to understand the improvements NDA is seeking to achieve, the associated priorities and potential impacts, and for licensees to ensure that they are in control of consequential changes in their organisations as per the requirements of the licence conditions.

NDA has recognised the above shortfall and, in response to ONR's observations (and those of EA and its businesses), has advised that it is working to improve the clarity of its approach and engagement with businesses and other stakeholders. NDA has also appointed a new Director of One NDA and Special Projects, commissioned an advisory review of the implementation of One NDA to date and is forming a group One NDA team, with business representation, to promote ownership of the changes.

4. *There is a lack of clarity in the role of the Nuclear Operations function.* Related to 3. above, there is a lack of clarity in particular in the role and responsibilities of the Nuclear Operations function, including the business-facing teams, which are a development of a concept introduced as part of the Sellafield model change in 2016. The Nuclear Operations function has an important role to play in business performance management and assurance, and setting broad policy and strategy in the areas of health and safety, quality, integrated waste management, asset management and continuous improvement. Based on the interviews with licensee staff, clarity is needed in how the Nuclear Operations function interfaces with programmes and projects, lines of reporting, and participation of Nuclear Operations personnel in licensee governance meetings. NDA has recently issued a Nuclear Operations Manual, the purpose of which is to provide greater understanding of the role of Nuclear Operations and the way in which NDA and its businesses work together. This will be subject to review by ONR in the next phase of the intervention (see below).
5. *There has not been any adverse impact on safety and security from the changes made under One NDA to date.* Licensees have not so far reported any adverse consequences of the changes under One NDA as regards site safety and security performance, or timely delivery of hazard and risk reduction projects. However licensees have noted that, without clarity in how One NDA is being implemented (as per 3. above), there is potential for distraction and delay to the clean-up mission, and for new NDA staff members - while well-intentioned - to inadvertently encroach on licensee responsibilities. NDA has recognised this risk and put in place mitigation measures, eg improved induction training. There is also the potential for some of the gains achieved through the G6 approach at Sellafield and the 2016 model change to be inadvertently undone.
6. *There is a lack of clarity in the role of the functional strategies and alignment to NDA's mission.* As per 1. above, there is support among NDA's businesses for increased functional collaboration, sharing and learning. To this end NDA is setting out strategies for each of its functions, which are at various stages of development and implementation. It has sought to consolidate this work by developing consistent "one

paggers” (summaries of these strategies) on which it has consulted both businesses and regulators. However the initial drafts of these documents were not written as strategies and, while providing a summary of the “how”, didn’t clearly articulate the “what” and “why”, or the indicators of progress. A subsequent update has provided greater clarity on the objectives of each function but there is still a lack of clarity in the ongoing role of these “one-pagers” and how the functional strategies align to NDA’s overall clean-up mission and strategy, and the critical enablers to this. Without this alignment to decommissioning and hazard reduction priorities there is a risk that the increased functional collaboration could cause undue distraction to businesses.

In addition to the above findings, ONR notes that there is an opportunity for reform and acceleration of the sanction and business case approval system. In the course of ONR’s intervention to date, both NDA and licensees have consistently expressed frustration with the timescales for sanction and business case approval in government, which appears to be approaching one year for major decisions. NDA has stated its intention - as part of the role and focus of the Nuclear Operations team - to remove the “treacle and cobwebs” of the approvals process. This is a welcome aim and therefore there is an opportunity (as per 3. above) for NDA to provide clarity on how it intends to realise this important benefit.

### **Areas of focus for next phase of intervention**

Given the above findings, ONR has temporarily paused its intervention while it seeks greater clarity on NDA’s overall approach to implementation of the changes under One NDA. Specifically, ONR is seeking confidence that there is adequate definition of the scope and objectives of the changes, the associated priorities, risks and benefits, the implementation plan for the changes and the arrangements for monitoring, review and assurance. This will enable ONR to apply a targeted and proportionate approach to testing the effect of the changes in practice, based on their potential impact on safety and security.

Once the above is in place, key focus areas for ONR in the next phase of the intervention are expected to be as follows:

1. *Role of Nuclear Operations function.* ONR will seek greater clarity on the role and responsibilities of the Nuclear Operations team, including alignment with existing functions in NDA. Particular areas of focus will include the new Nuclear Operations Manual, changes to business performance management arrangements, updates NDA is proposing to the Intercompany Agreements with Sellafield Ltd and Magnox Ltd (key documents supporting previous model changes) and NDA’s integrated waste management programme.
2. *Role of other key functions - Risk and Assurance, and Procurement and Supply Chain.* ONR will seek further detail on the enhancements NDA is making to how assurance is managed across the group, including the types of assurance carried out and the link to the sanction process. ONR will also seek clarity on the added remit of the Procurement and Supply Chain function insofar as it could impact nuclear safety and security, and site operations.
3. *Further development of functional strategies and One NDA handbook.* ONR will maintain targeted engagement on the functional strategies of most relevance to safety and security. This includes understanding how the functional strategies will be developed and used to inform annual operating plan targets for each function, aligned to NDA’s overall clean-up mission and strategy. ONR will also engage in the next update to the One NDA handbook.

In the meantime, ONR will utilise its existing on-site interventions to ensure that there is clarity in the respective roles and responsibilities of NDA and its licensees and will raise any issues accordingly.