**Minutes of the ONR Board**

**4 February 2025**

**Boardroom, Buckingham Palace Road**

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| **Present:**  Judith Hackitt - Chair  Sarika Patel - Non-Executive Director  Jean Llewellyn - Non-Executive Director  Roger Hardy- Non-Executive Director  Mark Foy- Chief Executive and Chief Nuclear Inspector (CE/CNI)  Paul Fyfe- Senior Director Regulation  Rachel Grant- Director, Strategy and Corporate Affairs  Linda Aylmore- Finance Director | **In Attendance:**  Sarah Brown- Head of Policy[[1]](#footnote-1)  Donald Urquhart- Special Advisor to Chief Executive/Chief Nuclear  Inspector[[2]](#footnote-2)  **Observer:**  Debbie Harrison-North- Interim HR Director  Marg Mayne- Campbell Tickell[[3]](#footnote-3)  Mary Champion- Campbell Tickell[[4]](#footnote-4) |

**Secretariat:** Nidhi Misri, Head of Corporate Governance and Compliance (Board Secretary)

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| **1** | **Welcome, Apologies for Absence and Declarations of Interest** |
| 1.1 | The Chair welcomed everyone to the meeting. Apologies for absence had been received on behalf of Janet Wilson and Tracey Matthews.[[5]](#footnote-5) |
| 1.3 | There were no declarations of interest. |
| **2** | **Minutes, matters arising and action points** |
| 2.1 | The minutes of the meeting held on 21 November 2024 were approved as a correct record. |
| 2.2 | The Board noted that all actions were either complete or on track. |
| **3** | **Chair’s report** |
| 3.1 | The Chair reflected on the Board discussion with Lord Hunt on 3 February 2025 and the positive relationship ONR had built with the Minister. |
| 3.2 | She highlighted the opportunity to use the upcoming nuclear regulatory review as an opportunity for ONR to further enhance its reputation as an effective regulatory body with Government. She noted some gaps in our engagement and relationships with the Department for Work and Pensions (DWP) as ONR’s sponsorship department which should be considered as part of the review. |
| 3.3 | In discussion the Board:   1. Commented on the need to understand and set out what the role of the sponsorship body should be for ONR. 2. Highlighted the importance of ONR being independent from policy departments. 3. Highlighted the work of the Nuclear Chairs’ Group who had worked together effectively over the last twelve months over a common purpose. |
| **4.** | **Executive Board report** |
| 4.1 | The CE/CNI provided an update to the Board on key corporate, regulatory, finance, risk and assurance matters. |
| 4.2 | He outlined the position on senior level recruitment, highlighting the appointment of the HR Director who would join ONR on 31 March 2025. He also highlighted that interviews had been held for the CE/CNI post, resulting in the identification of a preferred candidate. Following Board agreement, a Ministerial Submission was sent to DWP on 22 January 2025 seeking Ministerial approval in consultation with the Department for Energy Security (DESNZ) ministers. He acknowledged the number of changes in leadership within the organisation and outlined how the current leadership team was maintaining stability across the organisation to ensure ONR continued to deliver against its mission. |
| 4.3 | He highlighted that ONR’s provisional rating from DWP’s Annual Assurance Assessment (AAA) was medium risk, recognising the alignment as to where ONR was as an organisation and the associated risks. |
| 4. 4 | The synergy programme was ongoing but at slow place and remained at risk for project cancellation. ONR had mitigations in place until 2028, and noted that if work on the project did not go ahead and benefits realisation were not fully formed then ONR could look at bringing elements of the project in-house. |
| 4.5 | He highlighted the impacts of the spending review on the Nuclear Decommissioning Authority (NDA) who were under pressure to find savings. He highlighted his concerns about the impact on future safe stewardship and remediation of the NDA estate from limited funding settlements and outlined the steps that would be taken to agree key areas of concern with NDA and its subsidiary. |
| 4.7 | He highlighted Nuclear Week in Parliament and the recognition from senior leaders of the role that ONR played in striking the balance between enabling and holding dutyholders to account. |
| 4.8 | The Director of Strategy and Corporate Affairs highlighted the completion of the IT Service Provider project. This had been a huge effort by the ONR team in creating a new modern network and an internal helpdesk as a single-entry point, providing full transparency of ONR’s digital estate, creating cost savings of £1.5m and delivering great value in the organisation. |
| 4.9 | She also highlighted the loss of access to public law advice from the Government Legal Department (GLD) following the decision taken by the Health and Safety Executive (HSE) to bring their own legal advice in-house. Work was already being undertaken on a tender for an alternative supplier and meetings were taking place with HSE to ascertain whether a shared service solution could be agreed. GLD would continue to provide litigation support if needed. |
| 4.10 | The Senior Director of Regulation highlighted EDF’s decision in December to extend the lifetimes of the four operational AGR stations. He noted that they could not have taken this decision without ONR’s support and advice. |
| 4.11 | He confirmed that evidence had been observed of improved leadership and decision making by the licensee at Devonport Royal Dockyard Ltd (DRDL). If current performance was sustained, DRDL would be considered for a move to routine regulatory attention in late 2025. |
| 4.12 | The Finance Director (FD) reported on a £7.2m underspend at Q3. She highlighted to the Board the areas where ONR had control of spend and where it was dependent upon external influences (for example in the case of Generic Design Assessment (GDAs)). |
| 4.13 | In discussion the Board:   1. Recorded their thanks to Sarah High for her contributions to ONR in her role as Deputy Chief Executive. 2. Noted the work being done on succession planning in light of the recent government internal audit (GIAA) report and requested that a paper be brought to the Board in three months, following a first review by the Remuneration and Resilience Committee (RRC). 3. Highlighted the need for a business continuity exercise to take place with the Board, noting that testing this would be important given the upcoming turnover in Board membership. 4. Highlighted that ONR would need to work with NDA to identify which activities were essential and must be funded. ONR’s communications with Government on this issue would need to focus on the safety risks based on the plans that NDA have shared with us, the areas that needed to be prioritised, and the impacts on statutory obligations. 5. Discussed the need for a shared service and joint working approach to specialisms such as post quantum cryptography (PQC) that all regulators could rely on. 6. Expressed sympathy for the loss of Pete Wilkinson, a former chair of the ONR NGO Forum, and a significant voice and valued member of the Forum for many years who had recently passed away. 7. Questioned what the actual spend was at the end of Q3 and the need for that to be included in future reports to the Board to indicate forecast and rate of spend. 8. Emphasised the need for a discussion at the upcoming special meeting of the Board being held to approve the budget to understand the trend of underspending year on year. They noted the expectation from DWP on efficiencies and the impacts this would have on ONR. 9. Noted the current recruitment freeze that has been put in place given the current fiscal climate and ONR’s desire to deliver efficiencies. 10. Highlighted the need for a clear funding line for any work being undertaken by ONR.   **Action: HR Director to return to the Board with an update on succession planning following discussion at the RRC.**  **Action: Mark Foy to arrange for a Board business continuity exercise to be provided as a refresher for existing and new Board members.** |
| 4.14 | The Board noted the report. |
| **5** | **Annual Review of Regulation** |
| 5.1 | The Senior Director of Regulation introduced the report which provided the Board with an overview of the findings from the December 2024 Annual Review of Regulation and areas being focussed on for improvement. |
| 5.2 | He noted that a significant amount of work had taken place to make ONR more efficient and to ensure that the right leadership was in place across the regulatory directorates. |
| 5.3 | He highlighted the key themes from the review and actions being undertaken; this would include introducing better measurement and analysis of ONR’s effectiveness and impact of the organisation’s regulation. |
| 5.4 | A review would also be undertaken of Tier One assurance to ensure optimal ability to measure and monitor regulatory performance and a clear delineation of responsibilities between Tier One and Tier Two assurance, with both being as efficient as possible. |
| 5.5 | In discussion the Board:   1. Noted that this was an important report that should come to the Board annually, alongside a progress report with data of where improvements had been made throughout the year. Each regulatory division would have a plan that had clear milestones that would be evidenced and brought back to the Board following the 2025 Annual Review of Regulation. 2. Discussed the growth of the Technical Directorate and the need for a greater understanding of the work being covered in this area, and why it needed to be done in ONR. 3. Discussed the development of the refreshed regulatory competency framework and how this should be aligned to a training needs analysis. This work would be taken forward as a priority for the new HR Director. 4. Discussed the mechanisms for feeding back to industry on their feedback on ONR.   **Action: Shane Turner to present to the Board in June 2025, providing a comprehensive report on the scope of work in the Technical Directorate.** |
| 5.6 | The Board noted the report. |
| **6** | **CE/CNI Senior Adviser Quarterly Update** |
| 6.1 | The Special Advisor to the CNI introduced his report which looked at progress on specific artificial intelligence (AI) user cases identified within his previous report to the Board on Regulating the UK's Nuclear Future. The latter identified key vectors of improvement based on extensive discussions with national and international organisations within and beyond the UK nuclear industry. |
| 6.2 | In discussion the Board:   1. Questioned whether AWE were the right partner for ONR in using AI for the development and assessment of safety cases given the pace of ONR’s ambitions. The Board highlighted that there would be benefit in exploring partnerships with other dutyholders in addition to AWE. 2. Questioned whether ONR was being ambitious enough given AI was becoming more commonplace. 3. Discussed the recent AI Opportunities Action Plan by Max Clifford which noted that regulators would need to adopt AI and publish annually how they have enabled innovation and growth driven by AI in their sector. 4. Noted that ONR was in the process of procuring AI licences which would facilitate moving at pace. 5. Discussed the need to progress quickly with rationalisation of guidance as an easy way of demonstrating what AI could do for the organisation. 6. Commented on the need for AI to be on a system that ONR was confident in and that recommendations from the recent internal audit report on knowledge management were addressed before implementation. 7. Commented on the need to be outcome-focused and to identify the four to five specific benefits that should be realised from this work. These outcomes would be key to bringing this work forward as part of the upcoming Government review of nuclear regulation. 8. Noted the productivity improvements that had already been seen by local authorities which should also be a great opportunity for ONR. 9. Highlighted the need for some AI baselines to be identified so that progress/success could be measured. 10. Discussed the need to understand how much ONR wanted to invest in AI compared to other areas, proving value for money and benefits realisation would be key. |
| 6.3 | The Board noted the report and thanked the Special Advisor to the CNI for the update on his work which would be a fundamental part of ONR’s 2030 Strategy. |
| **7** | **Secondment Programme** |
| 7.1 | The Interim Director of HR introduced the paper which sought support on the proposal for the development of a structured secondment programme in and out of ONR. |
| 7.2 | She highlighted the current ad hoc approach being taken to secondments based on demand from individuals and stakeholders. They were currently often agreed through work-related personal contacts and entirely Regulatory Directorate (RD) focussed. Financial arrangements were also inconsistent (in terms of who funds what). |
| 7.3 | Secondments were seen as a vital part of the mix to address the growing skills challenge in the industry and she noted that since vesting in 2014 ONR have had 87 secondments (43 in and 44 out) plus ONR’s nuclear graduates. She noted that currently the majority of secondments were focussed at the graduate or developing inspectors’ level. This was something that ONR should continue with within the programme, providing the opportunity for professionals early in their career to understand regulation and to take that experience back out to industry. |
| 7.4 | In discussion the Board:   1. Noted the need to look at the approach being taken on secondments across the industry to understand best practice and how best to interchange secondees to ensure people were being put into the right areas of the organisation. 2. Highlighted possible benefits of secondments in and out of the policy teams at DESNZ. 3. Commented that the secondments undertaken as part of the graduate programme created an inflated number and needed to be taken out and reported separately alongside the current figures within the report. 4. Highlighted the importance of secondments in bringing new thinking to challenge the status quo. 5. Noted the need for a planning process that assesses the skills need both outwards and inwards for ONR. 6. Noted that this would be a fundamental shift for ONR, where true secondments had previously been one or two a year. This would align with the nuclear skills taskforce which was building momentum. 7. Discussed the impact on ONR FTE if taken forward. 8. Noted the benefits of exposure for staff, and development and investment in people. 9. Highlighted a need for a mentor for any staff member going out of ONR on secondment to ensure the link back to the organisation and awareness of their position back into the organisation. |
| 7.5 | The paper was noted and the Board confirmed their support of the development of a more structured approach to secondments. |
| **8** | **Baseline resources review** |
| 8.1 | The FD introduced the paper which provided Board members with an update on the 2024/25 ‘baseline FTE review’ as commissioned by CE/CNI. |
| 8.2 | She explained that the paper presented was a draft baseline and that there was more work to do. This was a starting position and work would continue to be undertaken to drive efficiencies. |
| 8.3 | She highlighted the current recruitment freeze which would be in place until the baseline was complete. She noted that 75% of ONR’s cost base was people with the majority of those being fixed costs. |
| 8.4 | Conscious decisions had been made which had resulted in an additional 184 FTE since ONR had vested in order to support growth and development of the organisation. |
| 8.5 | She noted the age dynamics of the organisation as well as the current annual attrition rate of 5%. |
| 8.6 | She highlighted the need for a three-year plan to look ahead and the need to understand the value drivers and ensure long term funding. |
| 8.7 | In discussion the Board:   1. Commended the work the finance team and the Senior Leadership Team (SLT) had done but discussed the need to get a better understanding of the numbers. 2. Noted the need to look at alternate measures across the whole organisation to realise efficiencies. 3. Highlighted that a more targeted action plan for the next three years would drive the desired outcomes. 4. Commented on the need to look at all measures required to get ONR into a place of not being in reactive mode to drive efficiencies. 5. Highlighted the need to benchmark against similar organisations to understand the size of the organisation that was needed. 6. Noted the need to reach out to the Office for Value for Money and understand their thoughts on benchmark targets for regulatory bodies. 7. The need to explore opportunities for shared services. 8. Agreed with the FD that the budget and corporate plan should be produced in parallel and form as a combined document. |
| 8.8 | The Board thanked the FD for the update and provided a steer that the ONR needed to be ambitious in its budget proposal and return to the Board with a three-year action plan that fits in with succession planning and organisational strategy.  **Action: Finance Director to return to the Board with a three-year action plan for baseline resource within ONR.** |
| **9** | **Review of Regulation** |
| 9.1 | The Head of Policy introduced the item which provided an update on the upcoming review of nuclear regulation. This was now moving at pace and the announcement had been brought forward with a press release just shared with ONR. She noted that the draft recommendations from the taskforce would be ambitious. |
| 9.2 | In discussion the Board:   1. Discussed the need to be proactive and supportive to the review, sharing the work and approaches taken by ONR with the review team. 2. Noted the advance conversations that had taken place with Ministry of Defence (MoD) and DESNZ. 3. Noted that a lead for the review had not yet been appointed, and conversations were ongoing on the size and scale of the team that would sit across DESNZ and MoD. 4. Noted the option of having a secondee into the review team and the mutual benefits this would provide. It would be important for the secondee to be well briefed to ensure that the review looked at the full spectrum of regulators. 5. Commented that this review was an opportunity for ONR.   **Action: Mark Foy to write to the Board asking members to consider where they think ONR has been challenged as a regulator in the past, and opportunities that could be addressed through the review across all areas, including legislation.** |
| 9.3 | The Board thanked the team for their update. |
| **10** | **ONR Strategy 2030** |
| 10.1 | The Director, Strategy and Corporate Affairs introduced the paper to the Board which provided an update on the development of ONR’s next Strategy and the need to pause any further engagement until the forthcoming review of nuclear regulation is concluded. |
| 10.2 | She highlighted that the draft Strategy had been developed following feedback on the objectives and outline activity from the Board strategy day and leading ONR staff event. Further feedback had also been provided by DESNZ and NGOs which would be incorporated into the draft before pausing further development and engagement. |
| 10.3 | She noted that the decision to pause was based on a steer from the DESNZ Minister not to publish the Strategy until after the conclusion of the review of nuclear regulation and strong advice from the DWP and DESNZ sponsorship teams that a public consultation on the new Strategy during the review would not be well received. The pause was only in relation to engagement; work on drafting the Strategy would continue throughout the period. |
| 10.4 | In discussion the Board:   1. Commended the draft Strategy as a concise and easy read. 2. Discussed the need for ‘security and safeguards’ to be added to the key enablers highlighted in the draft. 3. Discussed the need for a bridging document during the paused period which acknowledged that the review was taking place and may come up with some ambitious changes looking forward; but that in the interim, and within ONR’s current vires, there is work that ONR could continue within the constraints which the organisation was currently operating. The current Strategy did not stand up to scrutiny against the challenges facing the organisation and the current climate. 4. Highlighted that it was important for ONR to be seen as proactive in making improvements, and the need for a statement to the organisation that we are continuing to drive change and efficiency while we are waiting for the review to conclude. 5. Considered how performance would be measured and noted that this would be short-term and could be linked to the metrics within the corporate plan.   **Action: Director, Strategy and Corporate Affairs to bring a statement of intent that bridges the period between the two Strategies to the Board before April 2025.** |
| 10.5 | The Board noted the draft Strategy and that the statement of intent should be drafted by the April Board. The Chair would write to DWP and DESNZ to confirm that they were content with the bridging document following sign off from the Board. |
| **11** | **Horizon Scanning** |
| 11.1 | The Chair brought the paper above the line and highlighted the need for this to be a discussion paper for the Board going forward. It was also agreed that the paper needed substantial revision to be a truly strategic forward looking paper. |
| **12** | **Summing up and Close** |
| 12.1 | The Board reflected on the meeting and observations on new risks and issues raised in the meeting..It was noted that whilst it should not be a strategic risk for ONR, there should be a risk developed about the delay of the ONR 2030 Strategy, the mitigation for which would be the bridging document highlighted in the meeting. |
| 12.2 | The Board highlighted the need for authors of papers to better articulate emerging risks within papers presented to the Board. |
| 12.3 | The Chair highlighted the importance of the upcoming Board visit to Devonport and encouraged all Board members to ensure their attendance, noting these were important opportunities for the Board. |
| 12.4 | The Chair invited the observer to share her reflections of the meeting. She highlighted the great debate and robust discussion she had observed as well as the key links between SLT and Board discussions. |
| 12.5 | This was the last in-person meeting with the Chair of the Board. The Board recorded their thanks for all of her contributions to ONR over the last twelve months and noted her investment and commitment to the organisation, and the great value she had added to ONR in terms of its reputation and relationship with stakeholders and dutyholders. |
| 12.6 | There was no other business raised. The Chair formally closed the meeting. |
|  | **Date and Location of Next Meeting:** Special meeting (budget) on24 February 2025, MS Teams. |
|  | **Reports for Information:**   * 12. Audit and Risk Assurance Committee Update – 22 January 2025 * 13. Security Committee Minutes – 12 December 2024 * 14. Remuneration and Resilience Committee Update – 26 November * 15. Q3 Corporate Security Dashboard * 16. Board Forward Look |

1. Attended for items 9-11 [↑](#footnote-ref-1)
2. Attended for item 5 [↑](#footnote-ref-2)
3. External Board Effectiveness Observer [↑](#footnote-ref-3)
4. External Board Effectiveness Observer [↑](#footnote-ref-4)
5. To ensure quoracy of the decisions, Tracey Matthews provided approval via correspondence. [↑](#footnote-ref-5)