

**Minutes of the ONR Board
Wednesday 27 July 2022
MS Teams**

Present:

Mark McAllister - Chair
Sarika Patel - Non-Executive Director
Tracey Matthews - Non-Executive Director
Jean Llewellyn - Non-Executive Director
Janet Wilson - Non-Executive Director
Simon Lister - Non-Executive Director
Mark Foy - Chief Executive/Chief Nuclear Inspector
Sarah High – Deputy Chief Executive
Donald Urquhart – Executive Director of Regulation
Geoff Hawker – Finance Director

In Attendance:

Katie Day - Director Policy and Communications
Simon Coldham - Chief Information Officer (items 5 and 6)
Ruth Jarvis - Corporate Services Business Manager/Executive Assistant to the Deputy Chief Executive, and Jonlee Lockwood - Head of Data and Analytics (item 5)

Observer

Tracey Wylie, HR Health, Safety and Wellbeing Lead

Secretariat: Nikki Howard, Corporate Governance and Compliance Manager

1 Welcome, Apologies for Absence and Declarations of Interest

- 1.1 The Chair welcomed everyone to the meeting.
- 1.2 Apologies for absence were submitted on behalf of the HR Director and Head of Corporate Governance, Organisational Resilience and Compliance.
- 1.3 There were no declarations of interest.

2 Minutes, Matters Arising and Action Points

- 2.1 The minutes of the meeting held on 08 June 2022 were approved as a correct record.
- 2.2 The Board (a) approved an extension of time from September to November for action no. 2 (March 2022) – to seek further efficiencies across our publications in 2023, streamlining where appropriate, whilst satisfying the requirements of TEA13, and (b) noted the remaining actions were either complete or on track.

3 Chair's Report

- 3.1 The Chair reflected positively on the growing level of internal and external engagement.
- 3.2 Externally he provided feedback on: the Chairs of Safety Regulators' Forum

meeting held on 14 June at which the Chair of the Environment Agency, gave a stimulating presentation on climate resilience followed by a lively Q&A session; three Public Chairs Forum (PCF) events, one of which involved him being a panel member for the launch of a NOUS Group-PCF research publication “Profiling the Chair of an Arm’s-Length Body”; catch-up meetings with the Deputy Director, ALBs, Department for Work and Pensions, with the Chairs (separately) of the Nuclear Industry Association, UK Government Investments, Sellafield Limited and Rolls-Royce SMR Limited (he highlighted the need for ONR not to be perceived as a potential barrier to new nuclear activity); and his introductory meeting with the Minister of State for Energy, Clean Growth & Climate Change at the Department for Business, Energy and Industrial Strategy where he was accompanied by the Chief Executive/Chief Nuclear Inspector (CE/CNI).

- 3.3 He provided feedback on his ONR Directorate and Divisional meetings, the most recent being with the Protective Security Specialism Team. These sessions were proving a positive and helpful development following on from his ‘Meet the Chair’ sessions. He commented on the need for the wider Senior Leadership Team (SLT) and the work they are doing on the strategic topics to be more visible within the organisation, and the October Board Strategy session will provide an opportunity for them to present progress on these areas of work.

4 Executive Director Report

- 4.1 The CE/CNI presented his summary report on key strategic, operational and financial matters and respective summary assessments from the ONR Executive Team (OET) and the Finance Director.
- 4.2 He provided an update on the first face to face SLT development session with ICE Creates and how successful it was in developing relationships as a new team. There were open and honest conversations and a shared understanding on how to support each other. A buddying system has been established for SLT colleagues who were unable to attend to ensure the same level of comfort, understanding and awareness, and a further SLT session will be held in September. ICE Creates will also provide a development session for Board Members prior to the Board Strategy Day in October.
- 4.3 He commented on the staff survey results (the detailed analysis for which was still awaited from the independent provider) highlighting the excellent level of engagement from staff, and the high scores for wellbeing, flexible working, work life balance, CDM support, and the level of pride and commitment to ONR and its purposes. However, there is a need to address the lowest score areas. A recent ONR Connect session was used to engage with staff to gain a better insight into comments about SLT, their visibility/accessibility and demonstrating ONR values. Information on how these areas are being addressed (including the term ‘you said - we did’) was

provided at this session which received positive feedback. The staff survey

findings will be factored into the work being done by SLT on the strategic topics.

- 4.4 He highlighted the strong set of results from the recent stakeholder survey which indicated that ONR's overall performance is effective. The lower scoring areas will be picked up as part of the work of the SLT strategic topic groups, and work is already in progress on the 'better regulation' agenda. The full set of survey results will be shared and key areas will help inform the agenda and engagement at the Industry Conference in October.
- 4.5 He provided an update on the progress made in relation to the 'common good' charging project, confirming that the National Audit Office (NAO) are satisfied the methodology and assumptions made are appropriate and agreement is now being sought from BEIS on funding. Funding for the development and continuous improvement of ONR is being explored with DWP and BEIS and these arrangements will be captured in the updates to the ONR/DWP Framework Document.
- 4.6 He advised the Cabinet Office is considering extending its review of the Civil Service to Arm's Length Bodies. It is hoped clarity will be received within the next few weeks, at which point he will highlight any potential impact and risks.
- 4.7 He provided an update on Great British Nuclear (GBN) and the positive feedback on ONR's contribution and engagement. The current ask is for ONR to provide a short paper on synergies that can be achieved through greater international cooperation. This paper will include collaboration opportunities with other regulators on new technologies to help reduce/streamline the potential resources needed.
- 4.8 He highlighted that ONR had been co-operative in providing information requested for the Angolini inquiry, which is investigating serious offences committed by a serving Metropolitan Police Officer, who had previously been a member of the Civil Nuclear Constabulary.
- 4.9 The Executive Director of Regulation (EDR) provided an update on progress to address the challenges of Strategic Risk 197. These cover contingent capability, appropriate prioritisation, funding, the use of the Technical Support Framework and efficiencies. He will submit a report to Board, for the October Strategy session, detailing opportunities to meet future resource and capability needs arising from growing civil and defence infrastructure and other programme demands.
- 4.10 He reported on the shutdown of the Magnox Reprocessing Facility and the need for a clear programme for the facilitation of the remaining fuel storage.
- 4.11 He provided an update on his conversations with the Chief Executive Officer of Sellafield Limited on the action needed to deliver overdue regulatory requirements. A further meeting is scheduled on 1 August.
- 4.12 He provided an update on EDF's reasons, and decision, not to develop a

safety case to extend the lifetime of Hinkley Point B. ONR understood this decision.

- 4.13 He reported on the pressure systems at Hartlepool and work with EDF to regularise these.
- 4.14 He referred to a recent article on the Taishan EPR fuel failure issue and potential implications for Hinkley Point C (HPC). He highlighted (a) ONR remains in contact with other regulators, (b) it will use this knowledge to inform its regulation, (c) HPC will learn from the operational experience at Taishan, and (d) there is sufficient time to address any potential learning, and to make any small design changes to ensure there is no replication at HPC.
- 4.15 He provided an update on a recent successful recruitment exercise for two (potentially three) Safeguards Inspectors. Discussions have been held with Safeguards Professional and Delivery Leads on succession planning for the future.
- 4.16 He reported that the Well-Informed Regulatory Decisions (WIReD) new inspection workflow is now live for regulatory colleagues to manage new inspection activity. It was acknowledged this required a different way of working and that the WIReD team have put in a huge amount of effort to engage with staff. There is work to do with a small number of staff who need a little more training/understanding.
- 4.17 He referred to the stakeholder survey results and his invitation to a selection of managing directors of the industry to discuss and get more insight into some of the comments provided. This will help inform priorities going forward.
- 4.18 The Deputy Chief Executive (DCE) provided an update on the Prospect nuclear skills parliamentary reception. This event was positive affirmation of the contribution thousands of workers make in the industry we regulate.
- 4.19 She provided an update on the Annual Report and Accounts (ARA) which had been submitted to DWP on 20 July for ministerial approval. It is expected to be laid in Parliament in September, prior to which there will be a need to engage with the NAO and the Audit and Risk Assurance Committee (ARAC) to provide assurance there have been no significant changes.
- 4.20 She advised the landlord for our London office will be returning Windsor House to its owner therefore ONR will need to vacate by September 2024. London staff and trade unions have been informed, and the ONR Executive Team (OET) has confirmed it is committed to having a London office.
- 4.21 She reported on the delay in finalising the revised DWP/ONR Framework Document; the aim is to complete and circulate it for sign-off (by correspondence) over the Summer, alongside the Scheme of Delegation, given their interdependencies.
- 4.22 She provided an update on the Civil Nuclear Cyber Security Strategy and

advised ONR have mapped our Corporate Security Strategy against its objectives and ONR's existing security assurances to demonstrate alignment and remediate any gaps.

- 4.23 She provided an update on the stage one ISO27001 Information Security Management external audit and advised that five opportunities for improvement were identified which the Corporate Security team will implement prior to the stage two audit commencing in September.
- 4.24 She provided an update on a number of HR matters including (a) ONR's pay offer 2022 - the trade unions have advised they will be balloting their members on the offer, a response for which is unlikely until early August, and Cabinet Office guidance on the wider pay review is being explored, and (b) the Organisational Review - the external provider will be supporting the pay and grading and matrix management workstreams and staff across all our purposes, bands and sites, and the trade unions will have an opportunity to contribute.
- 4.25 The DCE referred to the huge amount of work undertaken around the licensing announcement for Sizewell C and the excellent collaboration between Policy and Communications, Regulatory Directorate, and the Government Legal Department.
- 4.26 The Finance Director provided the financial position for Quarter 1, advising as of June we are operating £1m under budget. He highlighted the main drivers for this including staff costs being underspent by £0.2m due to recruitment plans not coming to fruition, offset by the 4.5% pay increase; a travel and subsistence underspend of £0.1m; Contractors (and other miscellaneous) £0.3m underspent due to revised resourcing requirements for back-up resilience and safeguards; and a £0.3m saving on capital due to a change in requirement for a number of projects.
- 4.27 He highlighted the full year forecast expenditure of £98.1m against a budget of £97.3m. The main driver for the £0.8m pressure is the pay award increase which needs to be supported by cash and/or productivity gains.
- 4.28 He provided the FTE analysis highlighting the current challenges and the need for recruitment targets to be realistic. The newly-established Resource and Capacity Board will be looking at the recruitment challenges, capacity gaps and potential mitigations; its first meeting will be held in October.
- 4.29 He provided an update on the new risk management reporting system which went live on 9 June 2022. The project is now in its final stages with training being provided to staff over the summer. It will be ready for reporting to ARAC in September. He advised the two highest rated risks on the Strategic Risk Register are being actively managed.
- 4.30 In discussion the Board:

- i. commented on the need for a proportionate response to the staff survey findings, balancing the need to address poor behaviours but also recognising the positive results and those who are role models.
- ii. asked about the budget for the pay offer (the initial budget was 2%, which increased to 3%. The additional 1.5% will be funded by cash/productivity gains).
- iii. commented that leaders and managers need to actively advocate the changes for WIReD; the responsibility for this should not sit solely with the WIReD team.
- iv. was re-assured on the elements of support being provided by the external supplier for the Organisational Review and that any proposed solutions will be specific to ONR, with external supplier carefully monitored to ensure quality and value for money delivered, and commented that any review around capability and capacity will need to be led by the OET.

4.31 The Board noted the report.

Action 1: To provide Board with a copy of the GBN paper on synergies that can be achieved through greater international cooperation – CE/CNI – September 2022.

5 Organisational Performance Indicators (OEs) – Data and Analytics Performance Hierarchy

- 5.1 Following a request from the Board in April, the Chief Information Officer (CIO) provided an update on the different reporting tiers, the hierarchy and control of performance (including the relationship between the OEs and Key Performance Indicators (KPIs), and the activity to date to rationalise this data which will help to establish more formal consistent reporting of ONR's key performance measures.
- 5.2 The Corporate Services Business Manager/Executive Assistant to the DCE provided the history around the hierarchy of reporting and the development of the OEI Framework, outlining the reporting process for each tier. Not all KPIs inform the OEI Framework and this new process will improve visibility and alignment of those key performance measures.
- 5.3 The CIO reported there is a cultural piece of work to do as the whole organisation needs to consider the value of the data they are capturing.
- 5.4 In discussion the Board:
 - i. commented there appears to be a disconnect between reporting at the strategic level and operating level which this activity is trying to resolve. Board was advised bringing together well-founded management information which is aligned will create more visibility on how roles relate to delivery of the Strategy, and automating it will enable greater consistency. Alignment to performance management and support from the Executive Support Office (ESO) in driving this

- forward will help individuals understand their own accountability and increase awareness of how their role links to the delivery of outcomes.
- ii. referred to rationalisation being a key focus of this activity - looking at the full suite of information to determine what is meaningful and the value it adds to ensure the right levelling and quality of data.
 - iii. commented on the important role of the ESO in co-ordinating this activity and the need for leadership support from the OET.
 - iv. was re-assured this activity will link to the capacity and capability review. It will also feed into the work of the Resource and Capacity Board, the aspiration being that all management information will come from one place.

5.5 The Chair thanked the CIO, Corporate Services Business Manager/ Executive Assistant to the DCE and Head of Data and Analytics for a very helpful presentation.

6 Digital Strategy

6.1 The CIO presented the Digital Strategy highlighting this supports all the objectives of the ONR Strategy 2020-25, it adheres to the existing security strategy and, whilst also reducing risk, it will help to improve services through simplification and cost efficiency.

6.2 He reported on the three core workstreams (a) core process and application digitisation, (b) service management, and (c) sourcing approach.

6.3 In discussion the Board:

- i. noted as more activity is brought in-house, this will increase control around the IT support which is provided.
- ii. noted if the IT activity is ongoing it is more cost effective for this to be provided in-house. IT will work with the Procurement Team to establish framework agreements with external providers for any specific areas of work to ensure flexibility/agility in the contract.
- iii. commented on the need to ensure the integration of other IT programmes, such as WIReD and Safeguards Information Management and Reporting (SIMRs), and to consider wider digital activities e.g. digital hubs. Board was advised that WIReD is already part of the core process activity, and that SIMRs will be integrated.
- iv. commented greater engagement/education across the organisation will be required before all perspectives of digitising ONR can be fully embraced.
- v. commented on the need for the strategy to communicate the 'why' to get the message across to the organisation that this is the right thing to do.
- vi. suggested efficiencies could be gained by sharing services with other regulatory ALBs. Board was advised on the conscious decision to develop control of its own IT environment so this would need careful consideration. DWP have a number of ALB Forums which can be utilised to share good practice.
- vii. commented the development of this strategy is a real example of ONR

taking charge of its IT destiny and there was confidence in its delivery.

6.4 The Board thanked the CIO for his presentation.

7 New Ways of Working Update (NWoW)

7.1 The DCE provided an update on the current position regarding the NWoW decisions agreed by the Board in November 2020 and the proposed way forward regarding the Assurance Board.

7.2 She highlighted the activities of the Assurance Board and its role in ensuring the NWoW vision, insight and value is not lost, noting this did not require significant resource. She advised the OET had agreed the NWoW Assurance Board should be maintained in a light touch format for the next 12 months.

7.3 In discussion the Board:

- i. noted the number of members/attendees on the NWoW Assurance Board which included representatives from trade unions.
- ii. asked how all the various threads of work are being captured and co-ordinated. It was suggested a map pulling together all the activities (e.g. SLT topics, organisational review, NWoW, regulatory efficiencies etc.) will help to identify the intended outcomes, ensure alignment and demonstrate where they complement each other.
- iii. expressed concern that these activities do not diminish the work SLT is doing. SLT should be the primary route for this activity. Board was advised NWoW is an assurance function and SLT had responsibility for delivery of the key strategic topics.
- iv. commented on new starters and how their views are captured. Board was advised as the hybrid working arrangements are developed these will include integration and support for new starters.
- v. stressed the importance of being in the office to help integrate new starters and for staff development. Board was advised office attendance had dropped; this will be reassessed after the Summer and a message will be circulated early September to encourage staff to attend the office. Attendance figures will be needed to help inform the Estates Strategy and any further capital expenditure. OET will continue to monitor this.

7.4 The Board noted the report.

Action 2: To provide Board with a map pulling together all the activities (e.g. SLT topics, organisational review, NWoW, regulatory efficiencies etc.) – DCE - October 2022.

8 Any Other Business

- 8.1 **Board Strategy Session – 25 and 26 October 2022** – The CE/CNI reported on the arrangements in progress and the proposed agenda for the October Board Strategy session. He highlighted (a) ICE Creates will provide a development session (for the Board members only) on 25 October, (b) representatives from DWP, BEIS, MoD and GBN will be in attendance, (c) the agenda on 26 October will focus on the three strategic topics (organisational culture, organisational efficiency and succession planning) with SLT Leads outlining the vision, progress to date and what the asks of Board are, and (d) Strategic Risk 197 (including risk lifecycle) and Equality, Diversity and Inclusion will be the other two topics.
- 8.2 The draft agenda would be shared with Board for discussion at their September meeting.

Summing Up and Close

- 8.3 The Chair thanked everyone for their attendance and contribution. He highlighted a number of themes which had flowed through the discussions, in particular the staff survey results making specific reference to increasing SLT visibility, and the high confidence in CDMs and the tremendous work they do to help promote what ONR is trying to achieve.
- 8.4 Tracey Wylie, HR Health, Safety and Wellbeing Lead thanked the Board for the opportunity to observe. Observing the meeting had given her a greater appreciation of the extent of internal engagement; she found the technical discussion fascinating and the importance of leadership, role modelling and the need for everyone to play their part was evident throughout. It was clear the Board want to move ONR forward and all discussion topics were interesting, with each being challenged in a positive and professional way.
- 8.5 In response to a question about whether technical updates/sessions are provided to staff outside the Regulatory Directorate, the EDR suggested this could be improved and agreed to give it some further consideration.
- 8.6 There were no other items of business raised. The Chair formally closed the meeting.

9 Information Papers

- 9.1 The Board noted the following information papers:
- a) PMO Quarterly Update
 - b) Horizon Scan: January 2022-July 2022
 - c) Audit and Risk Assurance Committee Minutes – 24 May and 27 June 2022
 - d) Remuneration and Resilience Committee Update – 14 June and 12 July 2022
 - e) Security Committee Update – 18 July 2022
 - f) Board Forward Look