Office for Nuclear Regulation

Annual Report and Accounts 2025/26

HC 354

Office for
Nuclear Regulation

Annual Report and Accounts

2025/26 for the year ended 31 March 2026

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Contents

Performance report

Performance overview 3

Performance analysis 13

Accountability report

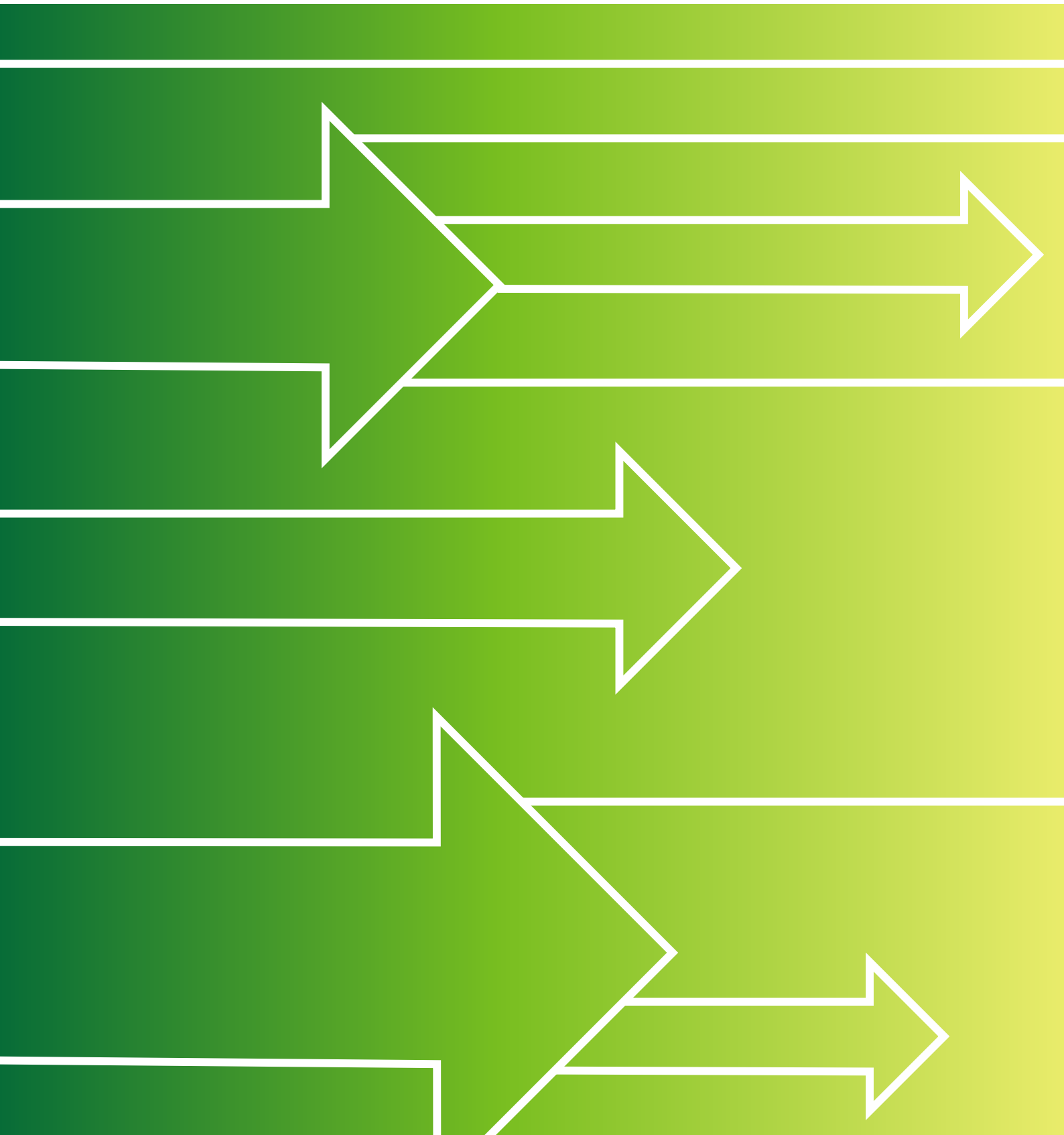
Corporate governance report 63

Remuneration and staff report 84

Parliamentary accountability and audit report 102

Financial statements 111

Performance report



Performance overview

This section provides information about the Office for Nuclear Regulation (ONR) and a summary of our performance in the year.

Foreword

We are pleased to present the ONR Annual Report and Accounts (ARA) for 2025/26, covering a year of continued strong delivery, organisational change and sustained focus on our core purpose: protecting society by securing safe nuclear operations.

Notably, this year saw the conclusion of, and the government's response to, the Nuclear Regulatory Review 2025, which examined the UK's regulatory framework. As we step into the nuclear renaissance, we recognise the need to adapt and evolve to support the government's growth agenda. This includes continuing to remove unnecessary burden from the regulatory framework, while maintaining rigorous safety standards and ensuring world-class regulation for future generations.

We worked closely with the review team and have begun implementing its recommendations through a significant programme of activity. A key recommendation is the establishment of a lead regulator model as the first step towards a UK Commission for Nuclear Regulation. Work has progressed well in this area and will continue at pace into the next financial year. Our funding regime is also under review in response to the findings, to ensure it remains resilient and fit for purpose for the evolving demands of the sector.

Meanwhile, it has been a year of leadership transition at ONR, with Mike Finnerty succeeding Mark Foy as Chief Executive and Chief Nuclear Inspector (CE/CNI) from 1 July 2025. We would like to thank Mark for his contribution to ONR over his eight-year term as CE/CNI, as well as Tracey Matthews, who stepped down as Non-Executive Director at the end of her five-year term. We were also pleased to welcome Matthew Rees and Lynne Clow as new Non-Executive Directors. Joining the Board at a pivotal time for the organisation, they bring a wealth of expertise and experience that will further strengthen our leadership.

Our organisation has navigated this period of change effectively, maintaining strong governance and regulatory stability. A strengthened leadership structure will come into effect in 2026/27 to support long-term resilience and delivery of key priorities, including those arising from the Nuclear Regulatory Review.

These ambitions have informed the development of our new ONR Strategy, 'ONR Together', which we consulted on during the year and expect to lay in Parliament in early 2026/27. The Strategy will guide us to become a more modern, agile and

productive regulator, underpinned by public trust and strong standards of nuclear safety and security[1].

During the year, we maintained a stable financial position and risk profile, strengthened our resilience, and continued to promote openness and transparency. We made good progress against our 2025/26 Corporate Plan, delivering the majority of our commitments in full and demonstrating a disciplined and effective approach to operations and regulation.

As Great Britain (GB)'s independent nuclear regulator, we maintained effective oversight across the nuclear estate, providing assurance to government and the public that nuclear activities meet the high standards we expect. Regulatory highlights for 2025/26 include:

- a continued focus on improvements at sites in enhanced and significantly enhanced attention. We moved Devonport Royal Dockyard back into a routine regulatory attention level, and reduced Sellafield Ltd's regulatory attention level for cyber security and information assurance to enhanced. We also placed Hartlepool into significantly enhanced regulatory attention to drive further improvements needed at the site;
- supporting government's strategic ambitions for new nuclear. We progressed Step 3 of the Rolls-Royce SMR Ltd Generic Design Assessment (GDA), and completed GDA Step 2 for both the GE Vernova Hitachi BWRX-300 SMR design, and the Holtec International SMR-300 SMR design. We also engaged on regulatory process and technical matters with TerraPower for their Natrium reactor technology;
- continuing our work to influence timely hazard and risk reduction at Sellafield. There was good progress in the programme for plutonium disposition, granting significant permissions to allow construction of critical facilities, and also in treating bulk liquid high level waste, with the largest amount of waste vitrified for several years;
- enabling appropriate management of the ageing advanced gas-cooled reactor (AGR) fleet. A notable achievement was permissioning the transfer of Hunterston B to Nuclear Restoration Services following fuel-free verification, the first AGR to achieve this status, to allow the new Nuclear Site Licence to come into effect on the 1 April 2026;
- progressing defence priorities. Engaging with dutyholders and the Department for Energy Security and Net Zero (DESNZ) to ensure clear regulatory expectations, to enable and support delivery of High-Assay Low-Enriched Uranium (HALEU) and Nuclear Fuel Programmes (NFP);
- applying stakeholder learning. We engaged with and learned from our stakeholders, particularly on application of 'As Low As Reasonably Practicable' (ALARP) to improve proportionality and reduce unnecessary regulatory burden;
- future programmes. We secured further funding from the Department for Work and

1 Although this falls outside the reporting period, it is important to note the government's announcement on 2 July 2026 that a Machinery of Government (MoG) change will transfer our administrative sponsorship from DWP to DESNZ on 1 August 2026. We are grateful to DWP for its support and collaborative partnership over the past 12 years.

Pensions (DWP) to build on our work with government and the Maritime & Coastguard Agency (MCA), in preparation for the potential use of future civil maritime deployment of nuclear power; and

- innovation and AI. We delivered a funded programme of AI pilot activity, using secure sandboxing to assess the regulatory benefits and risks.

More broadly, we were pleased to see progress from industry on the 2025/26 CNI themes – nuclear site health and safety (NSHS) and cyber security. We also published the report on the CNI's Themed Inspection on Climate Change, concluding a two-year targeted regulatory focus on this topic. The next CNI Themed Inspection will launch in 2026/27, looking further at NSHS and fire safety activities.

Once again, we enabled the UK to meet all its international safeguards' obligations, delivered the required International Atomic Energy Agency (IAEA) safeguards reporting on time, and effectively facilitated IAEA safeguards activities in the UK.

We have maintained our global reputation and continued to play a key role internationally this year. The government's response to the Nuclear Regulatory Review recognised that we are leading the way in international harmonisation work, positioning us at the forefront of shaping global approaches to nuclear regulation. Some of our achievements in this space over the last financial year include:

- influencing the development of international standards and guidance, ensuring right outcomes for UK;
- effectively influencing national and international practice by shaping government policy, including the Advanced Nuclear Framework;
- continuing to maximise the value of overseas regulatory collaboration through close working with the US Nuclear Regulatory Commission (NRC) and the Canadian Nuclear Safety Commission (CNSC), establishing efficient, harmonised approaches to reactor design assessment for Small Modular Reactors (SMRs) and Advanced Modular Reactors (AMRs); and
- reducing duplication and accelerating second-jurisdiction reviews through the Atlantic Partnership with the US NRC and European partners.

Within ONR, alongside preparing for the implementation of our new leadership structure, we focused on our people and culture, as well as modernising our processes and systems. Namely, we:

- launched our People Plan and associated succession and talent management arrangements, to help us build the skills, capabilities and culture needed to deliver our future ambitions;
- achieved the NES and Disability Confident Leader award for the third time, demonstrating our continued commitment to leading inclusion practice;
- continued to work collaboratively with stakeholders across government on the implementation of the Shared Services Strategy for Government;

- delivered the majority of recommendations from the Board Effectiveness Review, to enhance our Corporate Governance practices;
- further strengthened cyber security controls, business continuity arrangements and incident preparedness in response to the evolving threat landscape;
- successfully migrated our management system and intranet to SharePoint, delivering a best-in-class, optimised and accessible platform for ONR colleagues;
- rolled out AI capability across the organisation, embracing innovation and efficiency; and
- embedded our new health and safety training programme, to build capability across our organisation.

We recognise that our effectiveness depends on our people and a healthy culture. While we have taken positive steps, there is always more we can do to become a fully inclusive workplace. Ongoing challenges such as the sector-wide skills shortage, gender representation in technical roles, and the ability to attract and retain underrepresented groups, will remain priorities in the next financial year.

As we close a successful 2025/26, we look forward to launching and embedding our new Strategy and further progressing our work to deliver the recommendations of the Nuclear Regulatory Review – supporting safe, innovative growth across the sector and contributing to a thriving national economy. Working collaboratively with government, industry and international partners, we are well placed to meet the opportunities and challenges ahead.

With firm foundations, and the support of our talented, dedicated staff, we look ahead with confidence – ready to adapt, ready to deliver, and ready to ensure the continued safety and security of the UK's nuclear operations.

Dr Nicola Crauford
Chair

Mike Finnerty
Chief Executive / Chief Nuclear Inspector

Our role as the UK's independent Nuclear Regulator

ONR is the United Kingdom's independent statutory regulator for nuclear safety, civil nuclear security, safeguards and conventional health and safety on licensed sites. Through our independent decision making and oversight, we provide confidence that nuclear activities in GB meet the standards expected by Parliament and the public, ensuring people and the environment are protected. Our responsibilities span the full lifecycle of nuclear operations from the existing reactor fleet and fuel cycle facilities, through waste management and decommissioning, including defence and other licensed and authorised sites. We also regulate the safe transport of civil nuclear and radioactive materials, oversee the protection of sensitive nuclear information (SNI) and account for civil nuclear materials in line with the UK's international safeguards obligations. As new reactor designs, SMRs, and advanced nuclear technologies (ANTs) emerge, we play an essential role in enabling innovation to progress safely and securely.

You can find out more **about us**, **our structure** and **our regulation** on our website: **onr.org.uk**

* Simplified graphic showing our regulatory reach.

ONR

Mission:
To protect society by securing safe nuclear operations

Vision:
To be a modern, transparent regulator delivering trusted outcomes and value

Accountable | **Open-minded** | **Fair** | **Supportive**

Influencing proportionate improvements

Inspiring stakeholder confidence

Creating a culture of inclusion and excellence

Modernising how we work

Our performance indicators

This ARA highlights progress against our 'Corporate Plan 2025/26', with commitments reported in alignment with our strategic themes. Deliverables from ONR's 'Roadmap 2025/26' have been aligned to the strategic priorities for 2025/26, as set out in the Corporate Plan, and are reported under 'Delivery Highlights'.

Overall, we have made strong progress in delivering our Corporate Plan, with a small number of activities expected to be completed in early 2026/27. The performance overview, followed by more detailed performance analysis, describes what we have delivered and provides assurance to our Board, government and the public on the effectiveness and efficiency of ONR's regulation.

Delivery highlights – Top four priorities

PRIORITY 1

Capacity and capability (P1)

Having the right people with the right skills in the right place to safely deliver UK nuclear ambitions now and in the future.

- continued to enhance our succession planning and identified improvements for the integrated talent management processes, ensuring they support the development and retention of future leaders;
- reviewed and updated our Regulatory Competency Framework to ensure it supports the development of skills and capabilities needed to safely deliver the UK's nuclear ambitions, now and in the future;
- completed the Organisational Learning and Knowledge Management (OL/KM) discovery project and began preparations for a longer-term implementation programme that will enhance our capabilities in this area;
- developed the People Plan that supports the growth of our workforce and builds the skills, capabilities and culture needed to deliver current and future needs;

- developed an approach to Strategic Workforce Planning methodology to enable us to forecast future workforce needs to ensure we have the right people, with the right skills, in the right roles, at the right time; and
- began enhancements to the organisational end-to-end business planning process that aligns operational activities with Strategic Objectives.

PRIORITY 2

Funding and charging (P2)

Improving our funding arrangements to ensure they are appropriate whilst implementing a simplified charging approach to provide the flexibility we need to invest in our future.

- produced and presented to the ONR Board an 'options' paper summarising the key findings of the funding review to inform updates to mitigations and controls for affected Strategic Risks and progress options;
- maintained a charging regime throughout the performance year that funded our work with dutyholders, government departments and international bodies. We kept under review the funding routes available to us, ensuring compliance with relevant legislation while maintaining financial stability;
- operated a robust cost recovery model, underpinned by the statutory framework and supported by strong financial planning, governance, and ongoing engagement with dutyholders and government, ensuring full funding for new and continuing regulatory and government support activities; and
- began a review of our funding regime in response to the findings and recommendations of the Nuclear Regulatory Review 2025, to ensure it remains resilient and fit for purpose in meeting the current and evolving demands of the nuclear sector.

PRIORITY 3

Digital modernisation (P3)

Making the best use of available technology, providing the best tools for the job as a modern regulator.

- began development of the 2026-2030 Technology Plan, aligned with our strategy, with publication planned for Q1 2026/27;
- explored AI opportunities and implemented the Microsoft Copilot AI assistant across all staff;
- implemented Well Informed Regulatory Decisions (WIReD) platform improvements;
- redesigned our core IT infrastructure to mitigate the risk associated with single IT service provider;
- refreshed meeting room technology across all offices;
- released SIMRS version 6 to ensure continued efficient reporting on nuclear material to IAEA;
- successfully proven IT restoration from our backup services;
- transitioned our intranet into a SharePoint platform; and
- procured and successfully onboarded GovPrint as a shared service.

PRIORITY 4

Building external profile and influence (P4)

Carrying out targeted work to ensure our role and impact is well understood and valued, influencing effectively to ensure the best outcomes for nuclear safety and growth, domestically and internationally.

- drafted and consulted upon our new strategy, 'ONR Together', ensuring it reflects Nuclear Regulatory Review recommendations, internal priorities and external stakeholder input, setting a clear future direction;
- submitted and published evidence for the Nuclear Regulatory Taskforce to agreed deadlines, supporting the Taskforce in developing accurate understanding of ONR, the opportunities that we see and the constraints we operate in. Feedback from the Taskforce and its secretariat has been consistently high on the quality of evidence received;
- influenced the government's formal response to the Nuclear Regulatory Taskforce report and began an implementation programme to deliver on the recommendations;
- continued to raise our public profile and understanding of who we are and how we regulate by growing our social media presence. We now have more than 36,000 followers on LinkedIn, achieving more than 1.7 million impressions in the last year; and
- continued to build our in-house video capability, experimenting on YouTube during a development and exploration phase in advance of increasing our social media channels during 2026/27. This approach, and associated work to expand our reach among new stakeholders, will be outlined in a new Communications and Engagement plan published in the next 12 months.

Corporate Plan delivery – performance analysis

This section provides a more detailed analysis of how we performed against our ONR Corporate Plan 2025/26, the progress made towards our Strategy 2020-25 and management of our strategic risks. Additional activities linked to our priorities are identified within the performance analysis section and are marked using the following indicators: (P1), (P2), (P3) and (P4).

Strategic theme 1
Influencing regulatory improvements

Corporate Plan 2025/26 commitments			
We said we would:	**Which included:**	**Status**	**Further detail**
Continue our work to ensure improvements are made at sites that are in Enhanced and Significantly Enhanced regulatory attention, or facilitate timely return of dutyholders to a routine level of regulatory attention.	Sellafield Ltd. – continue to influence timely hazard and risk reduction activities at legacy facilities across the whole site, for which an Enhanced regulatory attention level (RAL) remains assigned, and the First Generation Magnox Storage Pond, Magnox Swarf Storage Silo, Pile Fuel Cladding Silo and Special Nuclear Materials facilities, which are in Significantly Enhanced RAL.	COMPLETE	We have retained Enhanced and Significantly Enhanced regulatory attention levels at Sellafield to drive timely hazard and risk reduction across the site. Retrievals from ponds and silos have progressed, and we have adopted a flexible and engagement-led approach to support Sellafield in overcoming challenges relating to reliability and availability of critical equipment. We have focused on ensuring Sellafield Ltd maintains momentum in the programme for plutonium disposition, while ensuring that the associated risks are appropriately controlled and balanced against the need for timely progress. This has enabled the safe processing of the first can of plutonium residue into a stable waste form.

Corporate Plan 2025/26 commitments			
We said we would:	**Which included:**	**Status**	**Further detail**
	Sellafield Ltd – complete an assessment of Sellafield Ltd. on its progress to achieve Enhanced RAL for cyber security.	COMPLETE	We completed our assessment against the seven outcomes we expected Sellafield to achieve in November 2025. Recognising the good progress made in strengthening Sellafield Ltd's cyber security arrangements, we reduced the site's RAL for Cyber Security and Information Assurance (CS&IA) from Significantly Enhanced to Enhanced. We have also agreed with Sellafield five outcomes for delivery over the next two years which will enable a transition to a Routine RAL for CS&IA.
	Sellafield's Analytical Services – having moved into Significantly Enhanced RAL in 2024/25, agree and actively monitor progress of the licensee's programme to support key functions to the site, support high hazard risk reduction and move to Routine RAL.	COMPLETE	Sellafield's Analytical Services has made good progress against its agreed plan. The remaining milestones are on track, and we will retain close oversight to ensure that adequate priority is given by Sellafield to their delivery over the next year and into 2027.
	Nuclear Restoration Services (NRS) Dounreay – having moved into Enhanced RAL in 2024/25, agree and actively monitor progress of licensee's programme for return to Routine RAL.	COMPLETE	We are managing Dounreay's return to a Routine RAL and completed a number of planned interventions to monitor the dutyholder's progress against their agreed action plan. Further assessment of Dounreay's delivery of safety improvements to support this will be conducted in 2026-27.

Corporate Plan 2025/26 commitments			
We said we would:	**Which included:**	**Status**	**Further detail**
	Hartlepool Nuclear Power Station – having moved into Enhanced RAL for 2025/26, we will agree a strategy with EDF Energy (Nuclear Generation) Limited (NGL) to implement and secure improvements and actively monitor progress for return to Routine RAL.	COMPLETE	We have undertaken extensive work to support and oversee the station's development of an improvement plan aligned to our areas of concern. Their implementation has, however, been slowed by a protracted double reactor outage, which has led to a deteriorating position with reportable events, high and medium potential events, and other important indicators all worsening. Accordingly, we have now placed the station into Significantly Enhanced RAL, with a range of regulatory actions placed on the dutyholder that will be actively monitored.
	Springfields Fuels Ltd. – develop and implement a targeted intervention plan to monitor implementation of Springfields delivery programme and to enable the site to return to Routine RAL.	COMPLETE	A targeted intervention plan is in place, and will continue into 2026-27. Interventions delivered over the year have provided confidence that Springfields Fuels Ltd remains on track to be removed from Enhanced RAL for cyber security in 2026.
	Devonport Royal Dockyard Ltd. (DRDL) – complete assessment of DRDL's evidence of, and readiness to support, a move to Routine RAL.	COMPLETE	DRDL have been moved into Routine RAL, having demonstrated sustained improvements in safety performance, supported by stronger leadership, improved assurance, and more effective control of work.

Corporate Plan 2025/26 commitments			
We said we would:	**Which included:**	**Status**	**Further detail**
	EDF NGL (Corporate) cyber security – assess EDF NGL's evidence in delivery of improved cyber security leadership, governance, assurance, risk and vulnerability management arrangements to support a return to Enhanced, then Routine, RAL.	COMPLETE	Evidence of EDFs progress was assessed and a decision made at the Annual Nuclear Security Review that they should remain at Significantly Enhanced RAL for cyber security for the time being.
Support government's strategic ambitions for new nuclear.	Progress step 3 of the Generic Design Assessment (GDA) of the Rolls-Royce SMR Ltd.	COMPLETE	Step 3 of the Rolls-Royce SMR Ltd GDA was progressed in year, and as anticipated, will continue throughout the next year.
	Issue GDA step 2 statement for GE-Hitachi BWRX-300 SMR.	COMPLETE	The GDA Step 2 statement for GE-Hitachi BWRX-300 SMR was published on 11 December 2025. Read the **GDA Step 2 statement for the GE-Hitachi BWRX-300 SMR**.
	Issue GDA step 2 statement for Holtec SMR-300.	COMPLETE	The GDA Step 2 statement for Holtec SMR-300 was published on 31 March 2026. Read the **GDA Step 2 statement for Holtec SMR-300**.
	Commence GDA step 1 for Westinghouse Electric Company's AP300 SMR.	NOT MET – DEFERRED	DESNZ requested that ONR commence a GDA for the AP300 SMR but Westinghouse has yet to confirm a start date.

Corporate Plan 2025/26 commitments			
We said we would:	**Which included:**	**Status**	**Further detail**
	Progress regulatory early engagement with prospective UK market entrants.	COMPLETE	We have progressed early engagement activities with a number of UK market entrants over the year, including: • conclusion of Preliminary Design Review (PDR) on 3 topic areas relating to Last Energy's PWR20 plans in the UK; • engagement on regulatory process and technical matters with TerraPower on their Natrium reactor technology; • six workshops with X-energy in September and October 2025 on their Xe-100 reactor technology; and • commencement of a PDR on a pilot topic selected by X-energy. This ongoing review is being planned in cooperation with the US NRC and CNSC under the auspices of our tripartite Memorandum of Cooperation (MoC).
	Complete government's High Temperature Gas Reactors (HTGR) Phase B project.	COMPLETE	We completed the HTGR Phase B project in December 2025. This included delivering PDRs of selected aspects of two HTGR reactors and a fuel fabrication facility, as well as a number of supporting project deliverables for DESNZ. All deliverables were accepted by DESNZ and reactor and fuel vendors, and enabled the regulators to develop and test the PDR approaches that are currently part of our early engagement offering.

Corporate Plan 2025/26 commitments			
We said we would:	**Which included:**	**Status**	**Further detail**
Continue our work to influence timely hazard and risk reduction at Sellafield.	Demonstrable progress in respect of hazard and risk reduction is observed across the Sellafield site.	COMPLETE	We have continued to take an enabling approach to influence reduction of hazard and risk at Sellafield. We agreed in year to the commencement of transfers of plutonium contaminated material to the Waste Treatment Complex for processing, marking an important step in hazard and risk reduction. We have also continued to regulate new facilities for waste retrievals from legacy ponds and silos and granted some significant permissions to allow construction of critical facilities, such as the second Box Encapsulation Plant Product Store. Sellafield Ltd. has also made significant progress in treating bulk liquid high level waste, with the best waste vitrification performance for several years.

Corporate Plan 2025/26 commitments			
We said we would:	**Which included:**	**Status**	**Further detail**
Enabling ageing AGR cores to operate and shutdown in a demonstrably safe state.	Appropriate targeted and risk informed inspection, assessment and permissioning of safety cases and security plans for continued operation, defueling and lifetime extension of AGRs.	COMPLETE	Our broad range of regulatory activities included: • Fuel Free Verification inspections were completed for Hunterston B and Hinkley Point B, Environmental Impact Assessment for Decommissioning Regulations (EIADR) consent granted for Hinkley Point B, fuel free security plan approvals given for both stations, all enabling progress towards relicensing to NRS. • Holding constructive and open-minded discussions with EDF to understand how the licensee might justify further AGR lifetime extensions. • Reviewing defueling safety cases for Torness and Heysham 2 and lifting the implementation hold point. This provides early confidence for the licensee in hazard reduction for a range of lifetime extension scenarios. • Carrying out a targeted assessment of the updated safety case for graphite weight loss at Hartlepool, giving us confidence to lift a regulatory hold point and enabling site to increase core burn-up limits (operate for longer).
Enable transfer of the EDF NGL AGR stations to NRS.	Complete permissioning of the transfer of the EDF NGL AGR stations to NRS.	COMPLETE	We completed permissioning of the transfer to NRS of the first of the AGRs, Hunterston B, in year, which allowed the relicensing to come into effect on the 1 April 2026. In addition, ONR produced safety and security intervention plans in year to enable the effective transfer of Hinkley Point B site inspections between ONR's Operating Facilities, and Sellafield, Decommissioning, Fuel and Waste Directorates

Corporate Plan 2025/26 commitments			
We said we would:	**Which included:**	**Status**	**Further detail**
Enable the safe and innovative delivery of critical nuclear defence projects.	Complete permissioning of Rolls-Royce Submarines Ltd. (RRSL)'s revised site licence for the Nuclear Fuel Production Plant (NFPP) at Raynesway in readiness for facility construction for future naval core capability.	NOT MET – DEFERRED	Rolls-Royce Submarines Ltd. has revised the internal strategy and timescales for the submission of the revised site licence application. ONR's site inspector continues to liaise with RRSL to understand the effect on programme delivery, while providing ongoing regulatory advice to ensure a legally-compliant and successful licence application is made in due course.
	Assess AWE's permissioning approach, enabling their strategy for all future Capital projects.	COMPLETE	We assessed AWE's permissioning strategy in year, and are satisfied with their approach. The new Enriched Uranium Plant will be used as a test bed for these new arrangements, and any necessary changes will be made as projects progress.
Support government strategic ambitions for advanced nuclear fuel for new nuclear power plants.	Progress early regulatory engagement with Urenco and DESNZ to provide clear regulatory expectations and ensure readiness to deliver the High-Assay Low-Enriched Uranium (HALEU) project.	COMPLETE	We engaged fully with dutyholders and DESNZ to set clear regulatory expectations to enable and support their efficient delivery of the HALEU and Nuclear Fuel Programmes (NFP). Our engagements have been in line with our governance strategy and permissioning and engagement plan, which defines the permissioning approach for each of the HALEU and NFP facilities, and has been extended to support Framatome and Quantum Leap Energy. At Springfields, we engaged with the dutyholder, MoD and DESNZ to understand plans for the site. At Capenhurst, we provided advice to the licensee in relation to Criticality/ Shielding and Construction (Design and Management) (CDM) arrangements, pending the site's first submissions, expected in 2026. We have also provided early advice and guidance on licensing and permissioning to Framatome and Quantum Leap Energy. Our interventions to monitor the readiness of dutyholders to deliver fuel packages will continue next year.

Corporate Plan 2025/26 commitments			
We said we would:	**Which included:**	**Status**	**Further detail**
Deliver an integrated regulatory response to the priority themes in the CNI Annual Report to drive industry-wide ownership and progress.	Publish the CNI Climate Change Themed Inspection report on industry's consideration of climate change in safety cases. Publish and implement a Construction Health and Safety Regulatory Strategy, aligned with our NSHS purpose strategy, to drive strategic improvements in NSHS compliance across the sector.	COMPLETE	The report on the CNI's Themed Inspection on Climate Change was published in July 2025, concluding a two-year targeted regulatory focus on the topic. The report can be accessed in the **Chief Nuclear Inspector's Themed Inspection on Climate Change report (July 2025)**. We have completed development of ONR's Construction Health and Safety Regulatory Plan, establishing defined priorities for our regulation. This plan is being implemented through the CNI Themed Inspection on Construction Health and Safety, launched on 23 April 2026.
	Complete programme of thematic interventions and board level engagements to test governance arrangements and leadership of cyber security and resulting culture across dutyholder organisations.	COMPLETE	We completed our targeted campaign of face-to-face board level engagements followed by a series of thematic interventions assessing the adequacy of cyber security leadership, governance and culture across 11 dutyholders. A report highlighting consolidated lessons and findings will be shared with industry and government in 2026.
Ensure that we deliver in our role as domestic safeguards regulator enabling the UK to meet its international obligations.	Meet all international safeguards obligations under the UK's Voluntary Offer Agreement and Additional Protocol, and international bilateral safeguards obligations under the UK's Nuclear Cooperation Agreements and other safeguards agreements.	COMPLETE	We have enabled the UK to meet all its international safeguards' obligations, delivered the required IAEA safeguards reporting on time, and effectively facilitated IAEA safeguards activities in the UK. Our annual safeguards report, explaining the critical work we do to enable the UK to deliver these obligations, has been published on our website. Read the **Safeguards Annual Report 2025**.

Corporate Plan 2025/26 commitments			
We said we would:	**Which included:**	**Status**	**Further detail**
Continue our work to improve collaboration, cooperation, proportionality, and consistency across our purposes.	Review and simplify our regulatory guidance, targeting reductions in guidance and length of documents.	COMPLETE	We have completed an initial phase of work to improve regulatory guidance, applying an artificial intelligence (AI) informed simplification process across all in-scope Technical Inspection and Assessment Guides (TIGs and TAGs). This process sought to improve clarity and readability, and reduce duplication, and resulted in an average reduction in word count of 36%.
	Commission a review and update of our Safety Assessment Principles (SAPs).	COMPLETE	We have commissioned, and successfully completed an agreed programme of work to review and update the SAPs to improve focus on safety outcomes, align with the latest international standards, and remove unnecessary complexity. We are awaiting the findings from the government's expert panel on risk tolerability before starting a public consultation on the revised document.
	Implement the findings and recommendations from the Security Assessment Principles (SyAPs) review, developing a suite of security training courses for the UK civil industry.	COMPLETE	We have contracted the services of Global Nuclear Security Partners (GNSP) and Ubique Risk Management to collaboratively design and produce a suite of executive, practitioner and specialist level Nuclear Security training courses for industry. The design and quality assurance phase of this project concluded on 31 March 2026 with course delivery having begun in May 2026, and running to September 2026.
Use regulatory intelligence to inform effective, strategic and intelligence-informed risk based interventions.	Demonstrate how risk-informed and targeted engagements (RITE) are embedded as an integral part of our regulatory practice to inform effective, targeted intervention planning.	NOT MET – IN PROGRESS	We completed our planned activities, developing and applying a framework for measuring the effectiveness of our RITE policy, which was presented and accepted by Regulatory Directors. However, feedback from the Nuclear Regulatory Taskforce shows that we have more to do to fully embed RITE, and further work is therefore planned in 2026-27 to deliver these outcomes.

Corporate Plan 2025/26 commitments			
We said we would:	**Which included:**	**Status**	**Further detail**
Embrace innovation in both how we regulate, and in the adoption of innovative solutions by the nuclear industry and its supply chain.	Implement our revised innovation strategy including: • engaging and interacting with industry, academia and other interested parties within innovation spaces to promote, support and implement new solutions and approaches; • developing and implementing a number of pilots that use AI across regulatory activities and processes to assess the benefits and inform the approaches to wider roll-out; and • rolling out internal training to ensure ONR remains open to innovation.	COMPLETE	We continue to implement our revised innovation strategy through external engagement, targeted AI pilots and internal capability building. During the year, we engaged a number of industry, academic and international partners through conferences, forums and direct collaboration to promote innovation, clarify regulatory expectations and address perceived barriers. We also delivered a funded programme of AI pilot activity (September 2025–March 2026), using secure sandboxing to assess the regulatory benefits and risks of AI, informing senior leadership decision making on future adoption. Internally, our continuing openness to innovation was supported through regular innovation drop-in sessions, and delivery of two internal TryLab trials, supporting organisational learning, skills development and engagement with innovation in regulatory practice.

Strategic theme 1 case study – new regulatory approach for former Magnox nuclear sites

As part of a commitment to ensuring regulation is targeted at the highest hazard risks, we have introduced a new approach to the regulation of the 12 former Magnox nuclear power stations licensed to NRS.

With each site at a different stage of decommissioning, it is industrial rather than nuclear hazards that now dominate. To ensure that we continue to regulate effectively, our approach is evolving – placing greater focus on conventional health and safety risk rather than nuclear risk.

Rather than directing regulatory attention across all licence conditions attached to these sites, we will now focus on those most relevant to the lifecycle position of decommissioning sites, including licence conditions most closely related to:

- management systems;
- radioactive waste management;
- asset management; and
- people

We are focusing more on CDM regulations and related legislation to ensure the highest risks (conventional health and safety) are adequately managed.

Under the new approach, we will introduce themed inspections focused on people, processes and asset management, with greater emphasis placed on decommissioning progress. Drawing on learning from our approach at Sellafield, we will use key decommissioning milestones to hold NRS to account for making timely and sustained progress across their sites.

A key forum has been established to support delivery of proportionate and innovative solutions. The NRS 'D8' brings together regulators with NRS to collaborate, challenge, provide advice and support to maximise improvements in decommissioning, sustainability and public value outcomes across NRS sites, and provides the focus needed to fully embed Risk Informed Targeted Engagement.

Strategic theme 2
Inspiring stakeholder confidence

Corporate Plan 2025/26 commitments			
We said we would:	**Which included:**	**Status**	**Further detail**
Maintain stakeholder and dutyholder confidence in our regulation of the industry	Launch Strategy 2030 formal consultation	COMPLETE	We developed and formally consulted on our new Strategy. The Strategy will guide the organisation to become a Modern, Agile and Productive regulator.
	Host annual stakeholder conference	COMPLETE	We held our annual conference in October, bringing together over 100 delegates from more than 50 organisations from across the nuclear sector. The conference focused on how regulators can enable and support growth, reflecting the wider conversation taking place across industry about the role of regulation in unlocking opportunity and innovation
	Hold two Non-Governmental Organisations (NGO) Forums, and bespoke workshops where required	COMPLETE	We held two NGO forums, bringing together representatives from 16 NGOs and ONR's Senior Leadership Team. The forums provided an opportunity to strengthen relationships with the NGO community through open and honest dialogue, and to better understand the concerns of interested groups. Discussions covered Taskforce recommendations, new build projects, the status of design in GDA, and the Atlantic Partnership.
	Launch 2025 stakeholder survey and review and respond to its findings	NOT MET – DEFERRED	The stakeholder survey has been postponed to 2026/27 to prevent survey fatigue among dutyholders whose primary focus in 2025/26 was supporting Nuclear Taskforce activity.

Corporate Plan 2025/26 commitments			
We said we would:	**Which included:**	**Status**	**Further detail**
Learn from domestic regulators, other UK stakeholders and internationally to improve our effectiveness.	Maintain leadership of, and engagement with, the UK Health and Safety Regulators Network to share learning between UK health, safety and environmental regulators.	COMPLETE	Through continued leadership of the UK Health and Safety Regulators Network, we helped strengthen collaboration between UK health, safety and environmental regulators. The network met three times in 2025/26, supporting continued sharing of learning and experience on policy implementation, and common organisational and technological challenges. The planned handover of the Chair to the Office of Rail and Road (ORR) in October 2025, following six years of ONR stewardship, reflects the enduring value of the network re-established under ONR's leadership.
	Maintain leadership and participation in key international organisations to influence the development of international standards and guidance ensuring right outcomes for UK.	COMPLETE	We maintained our global leadership and influence through securing leadership positions on key international forums across our purposes including: • IAEA Safety Standards and Security Guidance Committees; • interim Chair of the Standing Advisory Group on Safeguards Implementation (SAGSI); • Nuclear Energy Agency's Committee on Nuclear Regulatory Activities (CNRA); • NEA Committee and Working Groups on Leadership and Safety Culture, Expert Group Public Communications (EGPC), Reactor Oversight and New Technologies; • NEA Committee on Safety of Nuclear Installations (CSNI) Working Groups, and CSNI Working Group on Risk Assessment and Probabilistic Safety Analysis (WGRISK); • Heads of the European Radiological Protection Competent Authorities (HERCA) Board of Chairs; and • leadership role at the International Commission on Radiological Protection (ICRP).

Corporate Plan 2025/26 commitments			
We said we would:	**Which included:**	**Status**	**Further detail**
Inform UK nuclear policy (P4).	Provide timely advice and support to government on the development, or review, of government nuclear policy at the earliest possible stages.	COMPLETE	Advice included our published submissions to the government's Nuclear Regulatory Taskforce and advice on implementation of resulting taskforce recommendations.
	Working with government to agree policy positions on new nuclear, ALARP and ONR future funding. (P2).	COMPLETE	We worked with government to agree policy positions including on the government's Advanced Nuclear Framework (ANF). We advised on ALARP application through our engagement with the taskforce and are committed to supporting the government in implementing the recommendations on proportionality. In response to the findings and recommendations of the Nuclear Regulatory Review 2025, we have also engaged with government and provided our position on future funding. To prepare to regulate future civil maritime deployment of nuclear we secured further funding for 2026/27 financial year from DWP to build on our work with government and the MCA.

Corporate Plan 2025/26 commitments			
We said we would:	**Which included:**	**Status**	**Further detail**
Continue to work with international regulators on areas of common interest and to influence standards (P4).	Evidence how we effectively influence national and international practice and learn from our stakeholders to improve our impact and reduce regulatory burden.	COMPLETE	We effectively influenced national and international practice by shaping government policy, including the Advanced Nuclear Framework, and by leading UK input across all IAEA safety, security and safeguards committees. Through active engagement with taskforces, industry, and international regulators, we applied stakeholder learning to improve proportionality, notably on ALARP, and reduce unnecessary regulatory burden. Our promotion of collaborative approaches, regulatory sandboxing and trilateral working with the US and Canada streamlined assessments while maintaining high standards. International recognition and strong adoption of UK good practice demonstrate increased impact through enabling, outcome focused regulation.
	Maximise the value of overseas regulatory work through multilateral collaboration with international regulatory bodies to enable the sharing of regulatory assessments and facilitate greater efficiency.	COMPLETE	We continue to maximise the value of overseas regulatory collaboration through close working with the US NRC and Canada's CNSC, establishing efficient, harmonised approaches to reactor design assessment for SMRs and AMRs. Our renewed agreement with the US NRC strengthens information sharing and aligned regulatory approaches to support safe, timely deployment of new technologies. Through the Atlantic Partnership with the US NRC and European partners, we are reducing duplication and accelerating second-jurisdiction reviews. We play a leading role in IAEA and NEA initiatives and are working with government on a joint international regulatory strategy to drive global regulatory harmonisation.
	Review and publish Strategic Framework for International Engagement 2030.	NOT MET – DEFERRED	The Strategic Framework for International Engagement 2030 has been deferred to Quarter 3 of 2026/27 to ensure it aligns with the newly published ONR Strategy.

Corporate Plan 2025/26 commitments			
We said we would:	**Which included:**	**Status**	**Further detail**
Deliver engaging and accessible publications.	Publish corporate publications that meet accessibility guidelines, including: • Strategy 2030; • Corporate Plan 25/26; and • Annual Report and Accounts 24/25.	NOT MET – IN PROGRESS	We published the following key statutory corporate publications: • ONR Corporate Plan 2025/26 • Annual Report and Accounts 2024/25 • We developed and consulted on our new Strategy
	Publish Chief Nuclear Inspector's Annual Report 2025.	COMPLETE	We published our Chief Nuclear Inspector's Annual Report 2025.
	Publish Climate Change Themed Inspection Report 2025.	COMPLETE	We published our Climate Change Themed Inspection Report 2025.
Support effective openness and transparency about our growing portfolio of regulatory activities.	Publish Communications and Engagement Plan.	NOT MET – DEFERRED	The Communications and Engagement Plan has been deferred to 2026/27 to ensure it aligns with the newly published ONR Strategy.

Corporate Plan 2025/26 commitments			
We said we would:	**Which included:**	**Status**	**Further detail**
	Publish clear, accessible information and engage openly and constructively.	COMPLETE	Throughout the last financial year, we continued to use our website as a primary channel for publishing clear, accessible information about our work, including regulatory guidance, corporate publications, inspection outputs and site stakeholder group reports. The website is maintained to meet accessibility requirements and follows recognised standards to ensure content is easy to navigate and usable by a wide range of audiences, supporting openness and transparency. Ensuring stakeholders have meaningful opportunities to comment on our work remains a high priority; we proactively seek stakeholder input on issues where we consider it to be of value.
	Review and build on our commitments set out in our Openness and Transparency Policy.	COMPLETE	We engaged regularly with the NGO forum to remain open and transparent in our communications. We responded to 765 enquiries, which represents a 26% increase, comprising Freedom of Information (FOI)/Environmental Information Regulations (EIR) responses, concerns and complaints, high profile and general enquiries, internal reviews and Parliamentary Questions (PQs) whilst still meeting statutory deadlines (within Information Commissioner's Office (ICO) limits). There were no referrals to the ICO. We rolled out FOI training across the organisation to build knowledge and capability. Our Openness and Transparency policy will be reviewed in 2026/27 to align with our new Strategy and consider areas where we can further strengthen openness and transparency.

Corporate Plan 2025/26 commitments			
We said we would:	**Which included:**	**Status**	**Further detail**
	Complete the annual review of our publication scheme.	COMPLETE	Our publication scheme describes the categories of information we publish and explains how to access that information. We reviewed our scheme to ensure our information continues to be proactively available.
Enhance the accessibility of our information to the public and user experience.	Continue to use NGO and other stakeholder forums to enhance our dialogue with interested stakeholders on regulatory processes and practices, including topics of specific interest.	COMPLETE	We regularly hold meetings with NGOs and local campaign groups which enable us to have honest, open and constructive dialogues resulting in improved levels of trust. Details of these meetings can be found in our **NGO and stakeholder engagement meeting summaries**.

Strategic theme 2 case study – enabling innovation and growth

This year, ONR has positioned itself to deliver its new vision, strengthening how we enable innovation and growth across the nuclear sector while continuing to protect people and society. This readiness has been built through sustained, two-way engagement with stakeholders and by modernising how we work and collaborate.

As the UK's independent regulator for safety, security and safeguards, ONR played a central role in the Nuclear Regulatory Review. We engaged proactively throughout the Taskforce's work, including workshops, evidence submissions, and transparent dialogue, using the review as a catalyst for more modern and effective regulation. We delivered early progress against key recommendations, working closely with regulators and industry. Notably, in March we convened the first 'lead regulator' meeting, delivering Recommendation 3. We also held a senior operator forum that secured firm commitments to simplify safety case structures and drive the cultural change required to meet Recommendation 5.

This year also saw the development of our new rolling strategy, ONR Together, setting a clear strategic direction through a transformative period for the sector. A formal consultation, running from December 2025 to January 2026, drew responses from government, industry, NGOs and the public. Feedback strengthened the strategy, particularly in clarifying ONR's independent role in protecting the public, and was reflected in our published You Said, We Did response.

We continued regular engagement with Parliament through Select Committee sessions and progressed delivery of the government's Regulation Action Plan, outlining four aligned workstreams to reduce unnecessary burden while maintaining rigorous safety standards.

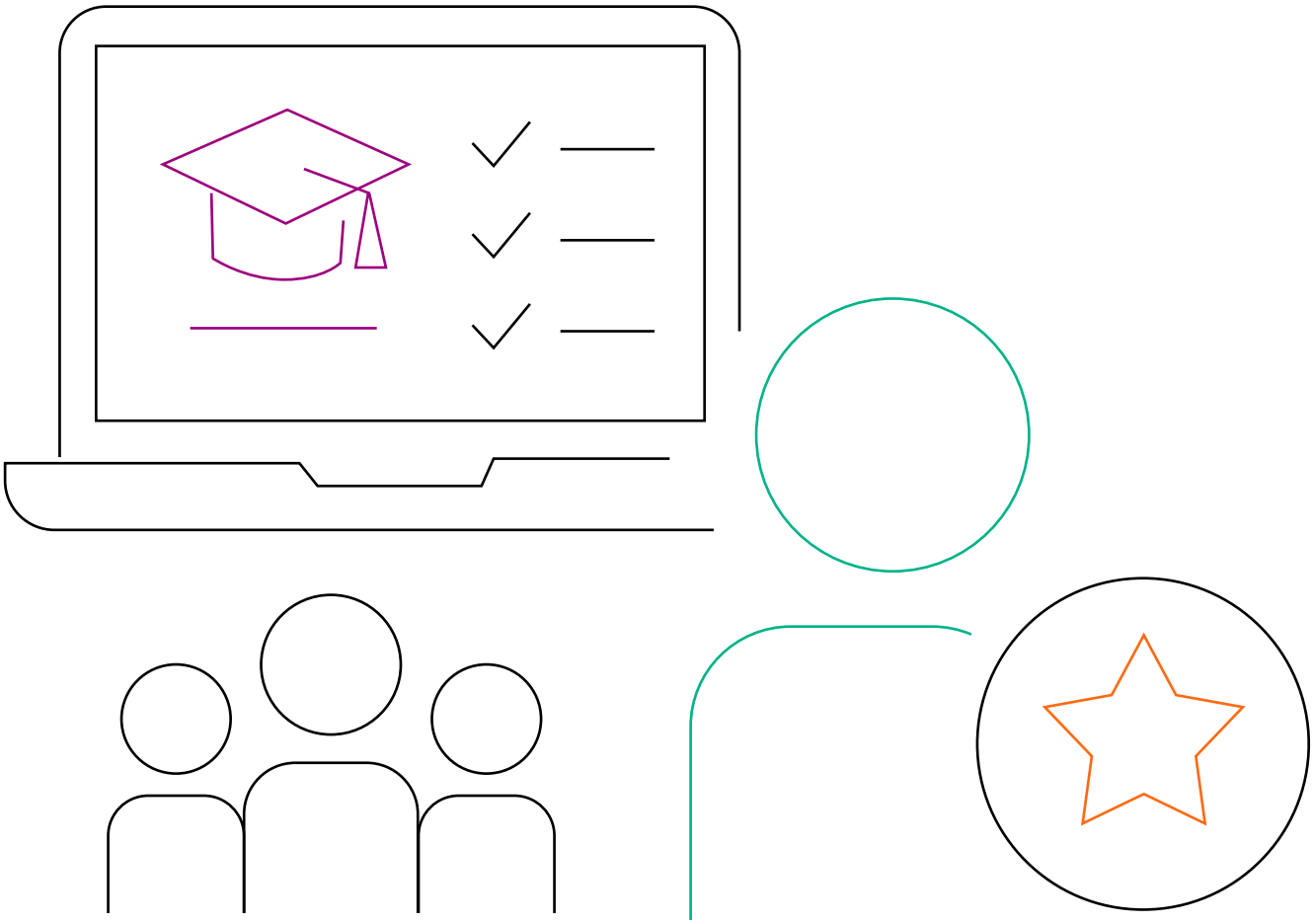
Our best-attended annual industry conference further reinforced collaboration, confidence, and shared commitment to growth and innovation.

Together, these actions demonstrate that ONR is ready to enable innovation and growth while delivering robust, independent regulation that protects people and society.

Strategic theme 3
Creating a culture of inclusion and excellence

Corporate Plan 2025/26 commitments			
We said we would:	**Which included:**	**Status**	**Further detail**
Influence a joined-up, industry wide approach to building and sustaining a resilient and capable workforce for the future (P1)	Maintain our support to the nuclear sector-wide approach to delivering the capacity and capability to meet projected needs.	COMPLETE	We are active members of the Nuclear Skills Delivery Board who are charged with delivery of the Nuclear Skills Plan supporting the Nuclear sector's approach to delivering the capacity and capability required to deliver the UK government's Nuclear Strategy.
Strengthen workforce flexibility, resilience and capability (P1)	Conduct an impact review to assess the effectiveness of the ONR Academy activities.	COMPLETE	We undertook an assessment of scale of delivery, uptake and reception of Academy training by ONR employees. In 2025/26, employees accessed 277 different course titles, with 95% of employees attending at least one instructor-led course. 97% of attendees agreed that eLearning covers relevant subject matter and 89% agreed that instructor-led courses develop knowledge and skills that will be useful in their day to day role.
	Conduct an organisation-wide learning needs analysis that identifies priority areas and addresses strategic gaps.	NOT MET – IN PROGRESS	Progress has been made in strengthening the organisation's understanding of learning and capability needs through a range of targeted reviews. Organisation-wide learning needs analysis is ongoing. In 2025/26 a number of priority areas were reviewed such as the Band 3 Development Programme for Inspectors, Band 4 DDS Manager Development Programme, Report writing training for GDA colleagues and Regulatory Competence Framework.

Corporate Plan 2025/26 commitments			
We said we would:	**Which included:**	**Status**	**Further detail**
	Review and update the regulatory competency framework, ensuring we have the foundations to develop people with the right skills for now and the future to safely deliver UK nuclear ambitions	COMPLETE	The Regulatory Competence framework has been reviewed and updated to introduce a consistent model that explicitly considers the regulatory competencies we require for our current and future capability needs, aligned where appropriate with work undertaken through the National Regulators Forum skills subgroup. The Regulatory Competency Framework will be published early in 2026/27, supporting further work associated with development of an organisation wide competence model being led by the ONR Academy.



Corporate Plan 2025/26 commitments			
We said we would:	**Which included:**	**Status**	**Further detail**
	Embed and enhance our succession planning and talent management processes and approach.	NOT MET – IN PROGRESS	We have made significant progress in strengthening ONR's approach to succession planning. We agreed a refreshed talent management approach, which incorporates succession planning as a core component. We delivered a revised mid-year succession planning exercise, successfully identifying business critical roles in line with the business continuity process. We also introduced a standardised template to capture succession plans at Director level, improving consistency and transparency.
Continue to shape a culture of inclusion and excellence.	Deliver 'Leading ONR' events to align organisation and leadership on culture.	NOT MET – DEFERRED	'Leading ONR' events have been deferred, given senior leadership changes and the forthcoming release of the new Strategy, Corporate Plan, and People Plan. Deferring the work ensures that the Leadership Events can be fully aligned with the organisation's direction, priorities, and key messages.
	Deliver staff survey and review findings.	NOT MET – DEFERRED	The staff survey has been deferred to 2026/27 to ensure sufficient time elapsed between implementing actions from 2024/25 survey and staff experiencing any resulting changes to provide meaningful results.

Corporate Plan 2025/26 commitments			
We said we would:	**Which included:**	**Status**	**Further detail**
	Continue to embed diversity and inclusivity initiatives to ensure that every colleague feels valued and is treated in a fair and equal manner.	COMPLETE	Diversity and inclusivity initiatives continued to be delivered in ONR in 2025/26. ONR achieved external re-accreditation for Disability Confident Leader status and the National Equality Standard for the third consecutive time, demonstrating measurable impact against national and global EDI benchmarks. This progress was supported by targeted leadership programmes that strengthen future capability, resilience, and staff engagement. The National Equality Standard (NES) identified ONR as best practice in addressing workplace stress at source, highlighting its Health, Safety & Wellbeing Strategy across three pillars: Relationships, Support, and Control. The review also praised accessible digital spaces, the impact of reciprocal mentoring, and ONR's collaboration to develop a diverse nuclear talent pipeline. The NES accreditation findings form part of the revised ONR People Plan ensuring recommendations from the report are incorporated into the enhancement of ONR's key people processes.
	Complete two assurance exercises to assess the implementation of our safety management system controls across ONR.	COMPLETE	We have successfully completed two audit exercises providing assurance over Safety Management System controls for international travel, UK travel (achieving moderate assurance), and driving for work (with recommendations shared with ONR Directors and published internally).
	Embed our new health and safety training programme to build health and safety capability across all our purposes.	COMPLETE	We have successfully communicated and embedded our new health and safety training programme (including Fire and emergency evacuation completed by 86% of staff, Driver training completed by 98% of staff, and occupational stress training), to build health and safety capability across our organisation.

Strategic theme 3 case study – Supporting culture of inclusion and excellence

We continuously strive to develop a culture of inclusion and excellence. We have again achieved the National Equality Standard and Disability Confident Leader, our third consecutive awards. Both assessments were independently conducted and demonstrate our continued commitment to leading inclusion practice.

These accreditations recognise our achievements to date and while the progress is encouraging further improvement remains essential and there is still work ahead.

Building on our strengths

We continue to strengthen our efforts to attract and retain underrepresented groups through collaboration with the Nuclear Regulatory Taskforce, the National Nuclear Strategic Plan for Nuclear Skills and Nuclear Destination. We also continue to maintain strong partnerships with the Liverpool City Region Fair Employment Charter, Purple Tuesday, an organisation supporting disabled people and external networks including Inclusion and Diversity in Nuclear and Women in Nuclear.

Feedback from senior leaders and focus groups with other colleagues shows that reciprocal mentoring remains highly positive with participants reflecting curiosity, openness and a willingness to learn from different perspectives. The programme has been mandatory for senior leadership groups since 2024.

Our 2025 employee engagement survey showed that 87% of our respondents agreed their line manager cares about their wellbeing. To support continued improvement, we have introduced 'Preventing Workplace Stress at Source' training aligned with HSE management standards, focusing on relationships, support and control.

Our partnership with VERCIDA is helping us to promote roles to a wider and more diverse audience while highlighting our inclusive benefits as an employer. Working with Purple Tuesday, we have continued to enhance our workplace accessibility. Their independent audit, implemented in 2025, is strengthening our recruitment processes to better support candidates with disabilities.

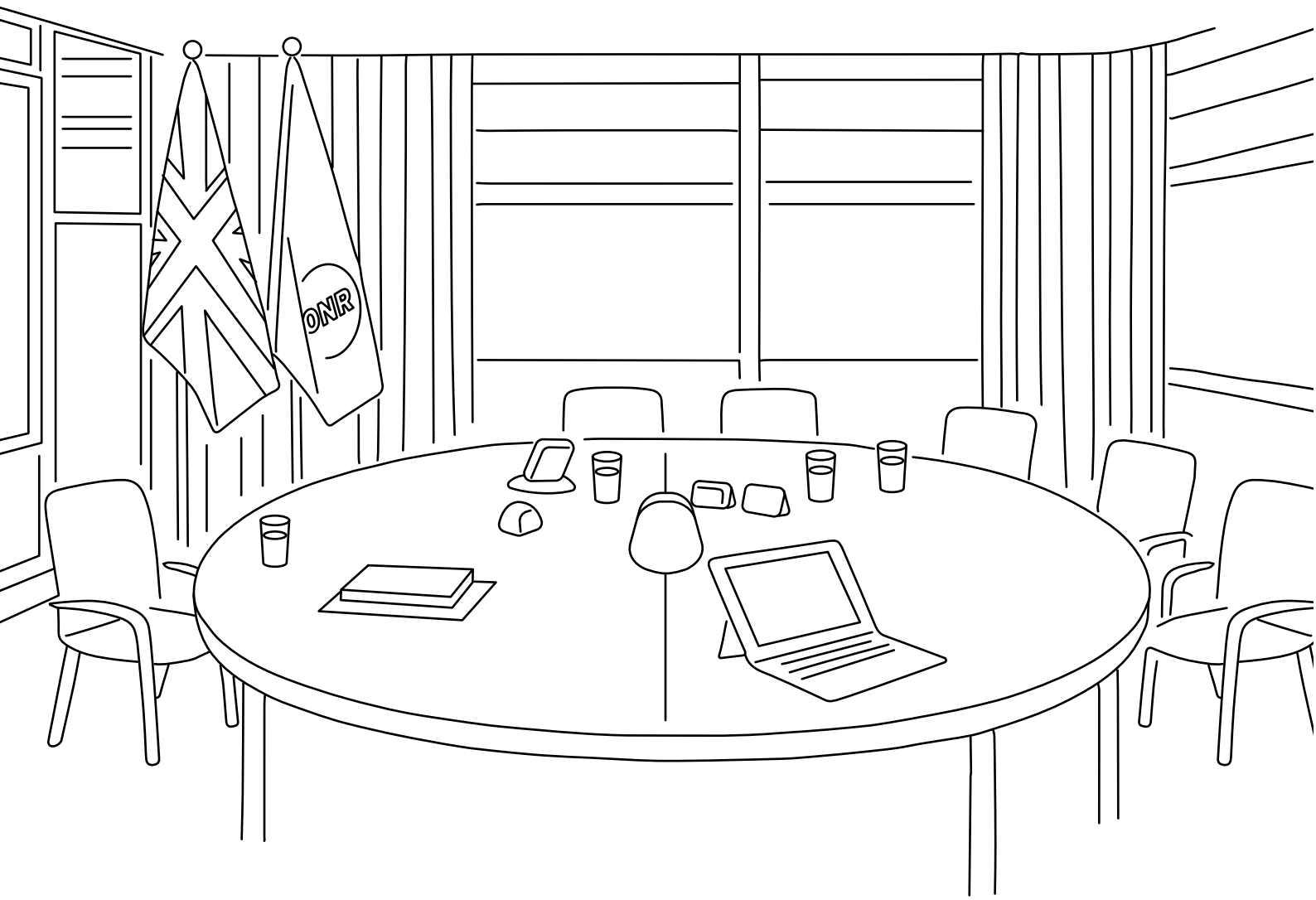
Areas for continued development

We will continue to build on our strengths, taking both a practical and proportionate approach to ensure that while we meet Public Sector Equality Duty, we continue to embed inclusion within our everyday activities. We have sought to strengthen our leadership development by incorporating ONR specific case studies and enhancing role

profiles related to inclusive and safe working practices. We are looking to improve our future staff surveys with more targeted questions around psychological safety and the confidence to speak up. We will take a more joined up approach and future focused approach with clearer expectations to assess inclusive leadership and strengthen leadership accountability.

Working together

There is more to do to ensure we have an inclusive workplace and that inclusivity is created throughout our everyday interactions and we will do this by continuing to collaborate, communicate and support each other.



Strategic theme 4
Modernising the way we work

Corporate Plan 2025/26 commitments			
We said we would:	**Which included:**	**Status**	**Further detail**
Continue to deliver improvements in digitisation, IT service management and data (P3)	Develop and implement 2025-30 Digital Strategy.	NOT MET – IN PROGRESS	We are currently working on the development of our '2026-2030 Technology Plan' which will be aligned to the new ONR Strategy. It is anticipated to be published at the end of Quarter 1 of 2026/27.
	Work with DWP to shape Synergy, the new shared service framework, and identify opportunities and efficiencies to streamline and modernise our processes including the use of SharePoint.	COMPLETE	Throughout 2025/26, we continued to work collaboratively with DWP on the implementation of Synergy. In May 2026, a decision was taken in ONR (following DWP Programme Board endorsement) to stand down all Synergy related work.
	Complete transfer support for the Safeguards Information Management and Reporting System (SIMRS) system – a critical element of the UK's safeguards system to Information, Technology and Delivery Directorate (ITDD).	NOT MET – IN PROGRESS	We are currently working to complete the transfer support for SIMRS by the end of Quarter 2 of 2026/27.
Timely and effectively project delivery	Increase PMO maturity to support our Change Investment Board.	NOT MET – DEFERRED	This has been deferred to 2026/27 to allow for the appointment of a new Transformation Director.

Corporate Plan 2025/26 commitments			
We said we would:	**Which included:**	**Status**	**Further detail**
Focus attention on the maintenance of the (WIReD) platform and continue to embed processes and drive benefits of WIReD (P3)	Deliver further enhancements to WIReD with a focus on user experience and user interface, and expanding its capability.	COMPLETE	In October 2025, the WIReD team launched the WIReD: Access, Navigation and Support' elearning package to support user experience, and strengthen WIReD-related training. The team have also continued to engage with colleagues across ONR to support ongoing enhancements to WIReD: • to understand their management information needs and how WIReD can support them • to improve accessibility of WIReD information via the deployment on the ONR intranet of linked PowerBI pages, and • to ensure that developments are included within our Artificial Intelligence blueprint, currently in development.
Drive improvements in our charging arrangements (P2)	Maintain a sustainable, fit for purpose, comprehensive funding regime.	COMPLETE	Throughout the performance year, we maintained a charging regime which funded our work with dutyholders, government departments and international bodies.
	Consider all available funding routes, taking account of appropriate legislation, to future-proof our financial stability.	COMPLETE	We considered available funding routes during the year, taking account of appropriate legislation, and maintained our financial stability.

Corporate Plan 2025/26 commitments			
We said we would:	**Which included:**	**Status**	**Further detail**
Mature our workforce planning approach	Implement a revised regulatory tactical workforce planning process to support agile resource management for all activities.	COMPLETE	ONR's Technical Directorate undertook an extensive lessons learned exercise to identify opportunities to streamline regulatory tactical workforce planning processes. This supports more agile resource management and strengthens ownership of resources by delivery teams. A new documented process was developed and implemented during the 2026/27 planning round.
Ensure office facilities meet our future requirements in light of hybrid working arrangements	Develop a new Estates Strategy to provide flexibility to adapt seamlessly to evolving operational requirements.	COMPLETE	An estates strategy, titled "Estates Plan 2026-2030", has been developed and has the aim of providing office accommodation that is accessible, adaptable, secure and fit for purpose.
Develop mature security and resilience capability	Undertake a full-scale IT exercise to test business recovery capability in the event of a major disruptive event.	NOT MET – IN PROGRESS	Disaster recovery exercises have been successfully completed. The final stage, a desktop exercise to test restore runbooks, will take place in early 2026/27.
Build on our strong Environmental, Social and Governance (ESG) credentials	Report against requirements of Phase II TCFD (Taskforce on Climate-related Financial Disclosures) Compliance Framework.	COMPLETE	We report voluntarily against the TCFD framework as a public corporation. ONR has completed our required reporting against Phase II of the TCFD framework. 2025/26 will also see ONR complete reporting against the final phase (phase III) of the TCFD framework's implementation across central government.

Corporate Plan 2025/26 commitments			
We said we would:	**Which included:**	**Status**	**Further detail**
	Implement Board Effectiveness Review recommendations to enhance Corporate Governance practices.	NOT MET – IN PROGRESS	The majority of the Board Effectiveness Review recommendations have been delivered including delivery of Board Development session; enhanced relationship building at Board level and increased time at meetings to focus on performance. There are actions outstanding including completion of a skills audit and the Corporate Governance Framework revision which will be completed by July 2026.

Strategic theme 4 case study – Delivering a modern Document Management capability with SharePoint

Since ONR successfully migrated its IT services to the cloud, we have been maintaining a number of document management applications which were inherited from our previous IT service. These applications were beginning to pose risks to ONR due to service and support issues, incompatibility with new and future technologies, accessibility constraints, and declining use amongst a digitally maturing workforce which had embraced the benefits of the new IT services ONR had provided since adopting a cloud first platform.

ONR wished to modernise its document management capability in order to:

- Reduce the risks associated with application maintenance and support.
- Realise cost savings through optimising storage, maintenance, and licencing costs.
- Optimise efficiency improvements in supplier management, and support, through bringing multiple disparate applications into one.
- Deliver new document management technology that would stay in line with upgrades to capability, accessibility, security, and AI compatibility.
- Deliver a best-in-class document management platform for ONR colleagues to effectively support regulation and align with the rest of the IT estate.

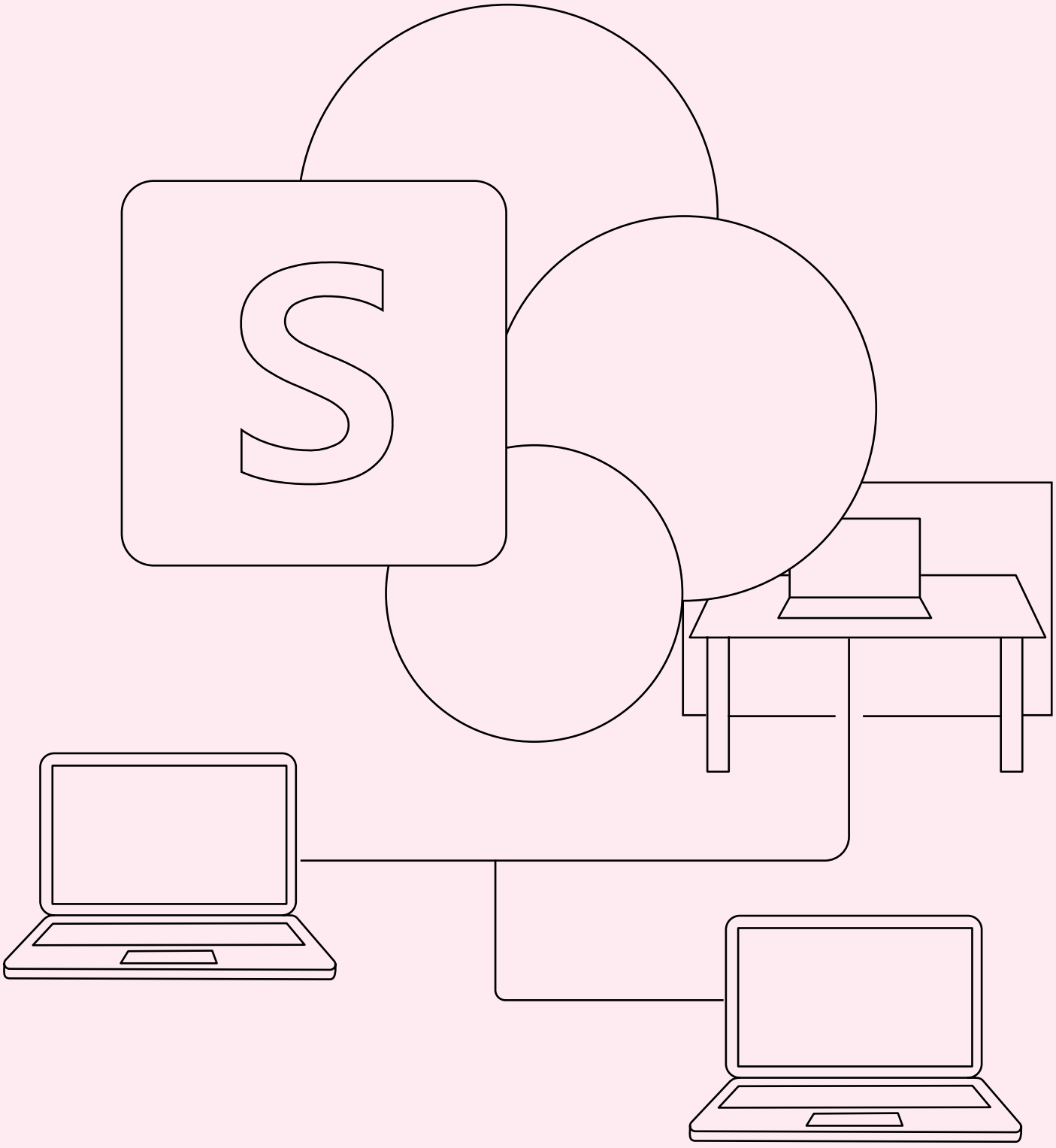
We undertook a discovery exercise with our managed service IT partner, which involved surveying the digital maturity of our colleagues, assessing how they interacted with our document management processes, and a horizon scan of available technologies to meet ONR's requirements. The result of the discovery exercise was a clear recommendation to migrate the capability and data of three document management applications within ONR into a new SharePoint platform.

The SharePoint Transformation Programme was commissioned to migrate ONR's Intranet, Management System, and Corporate Records Repository to SharePoint. The programme was structured using a hybrid approach of programme tranches and agile sprints to carry out the design, development, data migration, and assurance testing required to deliver the new applications and associated benefits.

The programme has been progressing over the last 18 months and to date has delivered the successful migration of the management system and intranet to SharePoint. We are currently migrating our corporate records repository with successful programme completion anticipated in the next few months.

Throughout the programme we have tried to keep benefit realisation at the forefront of all design decisions. ONR engaged a specialist accessibility partner to support the

design of the new applications and testing against relevant standards. A specialist security consultancy was also commissioned to review designs, assess access control configurations, and test the new platform before sensitive information was migrated. ONR enlisted a dedicated change management partner to establish champions networks, bespoke training, run focus groups, and produce communication assets to support colleague adoption of the new platform.



Our strategic risks

Our risk management framework is summarised within the Governance Statement on page 77.

Throughout 2025/26, we maintained a disciplined and proportionate approach to strategic risk management, further embedding it to support delivery of our statutory objectives. Our strategic risk profile reflects the challenges of a changing operating environment, including security threats, workforce pressures, financial sustainability and technological change.

During the year, we reviewed our strategic risks against our strategic objectives and refreshed our overall risk profile to ensure it remained current, evidence-led and aligned with our external and internal operating environment.

Our strategic risks continue to focus on organisational capability, financial sustainability, regulatory effectiveness, security and resilience, and organisational culture. We also recognised knowledge management as a key enabling risk area and continued to mitigate this through completion of an Organisational Learning and Knowledge Management discovery project and the phased implementation of SharePoint. This continues to improve the accessibility, consistency and resilience of corporate information across the organisation.

Senior leadership capacity was affected during the year by a period of significant organisational change and leadership movement. This position has now stabilised, with appropriate arrangements in place and strengthened governance and oversight structures established. In addition, we introduced a specific cultural risk to reflect the impact that sustained internal change can have on engagement, morale and organisational cohesion.

We further strengthened cyber security controls, business continuity arrangements and incident preparedness in response to a dynamic and evolving threat landscape. Across our internal change programmes, we maintained consistent governance and benefits realisation oversight to ensure that delivery of change resulted in measurable improvement without adversely impacting core regulatory operations.

We will continue to monitor the external environment closely and respond proportionately to emerging risks, ensuring that we remain an effective, trusted and resilient regulator.

Strategic risk summary

Increasing risk | Stable risk | Decreasing risk

Risk description	Movement in Year	Commentary
Business Continuity Plan Failure: There is a risk of failing to deliver strategic objectives due to the inability to manage and respond effectively to incidents.	↔	This risk has remained stable during the year as we continued to deliver our business continuity programme, including the rollout of business continuity plans across all business-critical areas. These activities have strengthened organisational resilience to disruptive events and increased alignment with the international standard for business continuity management (ISO 22301).
Corporate Security: There is a risk that ONR security controls, in the physical, personal and cyber domains, are not sufficient to protect it from a deliberate or accidental compromise leading to damage to buildings, people or information systems.	↔	This risk remains within tolerance and has been actively managed throughout the year through continuous review of the threat landscape, ensuring that ONR remains up to date across all areas of protective security. We maintained Cyber Essentials Plus and ISO 27001 recertification during the year. We also continued to deliver a programme of security improvements and staff awareness activity to address the evolving capabilities of external threats.
Culture: There is a risk that ONR's culture does not consistently promote accountability, collaboration, learning and appropriate risk-taking. This may lead to siloed working, resistance to change, reduced innovation and behaviours that are misaligned with the ambition to be a modern, agile and productive regulator.	↔	This new risk remained stable throughout the year, while several actions progressed to strengthen key controls. Looking forwards we embedded culture throughout the Strategy and Corporate Plan and developed a People Plan for the coming financial year. Our values remain unchanged and continue to shape our culture, decisions and organisational impact. A strategic objective will further support the development of a forward-looking organisational culture that empowers staff to live our values, work as one ONR, embrace innovation and deliver our mission.

Risk description	Movement in Year	Commentary
Funding model: ONR's current funding model consisting of charges to dutyholders and licence applicants in the nuclear sector plus funding, including loans, from government departments. There is a risk that this funding model does not generate sufficient money to fully fund ONR's proposed future investments.		This risk has reduced during the year as the current funding model allows for appropriate investment in the future, including access to borrowing through our loan agreement to support capital investment. We will continue to monitor this risk closely and remain alert to any investment needs that cannot be met through charging, government funding or loan arrangements. We are also progressing work to review our charging model and exploring other funding opportunities.
Impact of significant change in senior leadership: There is a risk that significant simultaneous change in personnel at Senior Executive and Board level could lead to organisational instability and disruption in staff morale and the future reputation of ONR.		The risk score reduced during the year as we implemented effective controls, including well-defined transition arrangements for the new Chief Executive Officer/Chief Nuclear Inspector, successful Non-Executive Director and Deputy Chief Nuclear Inspector recruitment campaigns, and confirmation of the senior leadership structure in January 2026. Significant, simultaneous changes in personnel at Senior Leadership and Board level required active management of this risk to prevent organisational instability and potential impacts on staff morale. We continue to progress further actions to reduce this risk, including the later stages of recruitment for the Transformation Director and Strategy and Corporate Affairs Director roles.
Ineffective Regulation: A failure to regulate effectively (i.e. proportionately, consistently, and in a timely manner, based on risk-informed intelligence) resulting in ONR being ineffective in discharging its duties under one or more of its regulatory purposes.		This risk has remained stable as we continued to manage the risk of failure to regulate effectively and proportionately, based on timely, risk-informed intelligence. Effective regulation remains critical to preventing significant harm to workers or the public. Actions progressed during the year included work on the Atlantic partnership and implementation of recommendations from the Nuclear Taskforce report. Further mitigating actions remain on track, including the rationalisation of ONR documentation and a review of regulatory learning and competence arrangements

Risk description	Movement in Year	Commentary
Knowledge Management: Due to the absence of effective knowledge management systems and practices there is a risk that critical information is lost resulting in a decrease in operational effectiveness and impaired regulatory and organisational decision making.		Progress on a dedicated Knowledge Management improvement project has been central to mitigating this risk during the year. The project reviewed the current state of knowledge management practices across ONR and identified key areas for improvement. Actions are in place and progressing to address issues such as the absence of a centralised knowledge repository and inconsistent processes for capturing and sharing knowledge. We also completed the upgrade of the Electronic Management System from CM9 to SharePoint.
Organisational Capability: There is a risk that a lack of workforce capability results in the inability to deliver ONR's organisational strategy and regulate efficiently and effectively leading to a strategy that is diluted, delayed or not achieved, leading to reduced stakeholder confidence due to ONR's inability to maintain high standards of safety and performance across the nuclear sector.		This risk has remained stable as we continued to implement a range of workstreams aimed at strengthening regulatory competence, leadership capability and organisational resilience. Key actions included introducing a new technical competence process, enhancing succession planning, progressing an organisation-wide competence framework and undertaking skills assessments for line management. Senior leaders also endorsed the introduction of strategic workforce planning, beginning with operational inspection, to build a clearer view of future capability and capacity. People Plan proposals are being refined to align with strategic and roadmap priorities, further mitigating this risk in 2026/27.

Going concern

We are funded primarily by charges to the nuclear industry through cost recovery from dutyholders and charges to government for specific commissioned activities, together with grant funding from our sponsoring body, DWP, which is around 4.65% of our budget for 2026/27. The grant covers activities we are not permitted to recover from industry, such as fire safety and aspects of transport regulation. The income generated from cost recovery funds our regulation of the industry.

The grant is agreed for the current Spending Review period and our funding allocation for 2026/27 has been agreed with DWP. For 2025/26, net assets totalling £12.6 million were recorded at the end of the financial year. Although we have loans with DWP (see notes 11 and 18 to the accounts), we have no outstanding liabilities that threaten our ability to continue.

As a result of the MoG announcement, we anticipate that grant funding for 2026/27 will be transferred from DWP to DESNZ at Supplementary Estimate. There will be no change to policy functions or new policy functions created because of the MoG change. The only functions that will transfer relate to DWP's sponsorship activity and its assurance and governance of ONR as the current parent department. DESNZ, DWP and ONR are currently discussing the financial arrangements relating to loan repayments and how these will be transferred to DESNZ.

Consequently, the Board has adopted the going concern basis for the preparation of the financial statements in this ARA.

Our financial performance

Expenditure	2021-22 £m's	2022-23 £m's	2023-24 £m's	2024-25 Restated £m's	2025-26 £m's
Staff costs	60.5	64.6	71.0	74.0	76.5
Travel and subsistence	1.1	2.5	3.1	3.3	3.3
Training and conferences	0.9	1.3	0.9	1.1	1.3
Accommodation and estates	5.1	2.5	2.9	2.2	1.8
IS/IT & telecommunications	4.3	5.5	6.0	7.0	6.7
Research & support – external	2.5	2.5	3.2	2.4	2.6
Technical support	2.9	1.0	1.2	2.3	3.6
Other costs	7.1	8.5	10.6	8.8	7.6
Operating expenditure	**84.4**	**88.4**	**98.9**	**101.1**	**103.4**
Capital (excluding right-of-use assets)	**1.0**	**1.2**	**0.7**	**1.1**	**0.1**
Total ONR expenditure	**85.4**	**89.6**	**99.6**	**102.2**	**103.5**
UK Security Vetting (UKSV)**	**1.7**	**3.7**	**3.9**	**3.4**	**2.2**
Total Expenditure****	**87.1**	**93.3**	**103.5**	**105.6**	**105.7**
Income					
Nuclear Industry	(74.8)	(89.5)	(97.5)	(98.6)	(98.5)
Grants	(2.1)	(2.4)	(3.2)	(3.7)	(4.6)
EURATOM	(7.4)	0.0	0.0	0.0	0.0
Advanced Nuclear Technologies***	(1.4)	(0.9)	(1.6)	(1.1)	(0.8)
Other	(0.2)	(0.0)	(0.3)	(0.9)	(1.6)
TOTAL INCOME****	**(85.9)**	**(92.8)**	**(102.6)**	**(104.3)**	**(105.5)**
Capital (right-of-use assets)*	-	**0.5**	**0.3**	**9.7**	**0.2**

* Capital expenditure on right-of-use assets relates to additions, modifications and reassessments of leases under IFRS 16 (no capital loans were required). Total ONR expenditure for 2023/24 now excludes capital spend on right-of-use assets. ONR adopted IFRS 16 from 1 April 2022. At that date, the value of right-of-use assets was £8.2m.

** These are pass through costs that are charged by UKSV to ONR and then directly recovered from industry.

*** These costs were charged to DESNZ.

**** Our financial performance table differs from the financial statements for 2025/26 due to presentational differences in the categorisation of income and expenditure. The 2024/25 accommodation and estates line was restated from £2.1m to £2.2m to align with other reported figures.

Our final outturn expenditure for 2025/26 was £105.7 million (2024/25: £105.6 million). This represents a £0.1 million increase on the previous year, movements include:

- a 3.25% pay award for staff;
- a planned reduction in accommodation and estates costs; and
- a decrease in costs for UKSV that were passed through to dutyholders.

The Board received regular updates on financial developments during the year to understand the impact of key issues on outcomes and costs.

Expenditure	**2024-25 Actual £m's**	**2025-26 Budget £m's**	**2025-26 Actual £m's**
Staff costs	74.0	77.2	76.5
Travel and subsistence	3.3	3.8	3.3
Training and conferences	1.1	1.5	1.3
Accommodation and estates	2.2	1.8	1.8
IS/IT and telecommunications	7.0	6.4	6.7
Research & support – external	2.4	2.8	2.6
Technical support	2.3	8.0	3.6
Other costs	8.8	7.1	7.6
Operating expenditure	**101.1**	**108.6**	**103.4**
Capital (excluding right-of -use assets)	1.1	0.6	0.1
Total ONR expenditure	**102.2**	**109.2**	**103.5**
UKSV	**3.4**	**3.1**	**2.2**
Total Expenditure	**105.6**	**112.3**	**105.7**

No capital budget was set for right-of-use assets.

Our most significant variances between our actual expenditure and budget for 2025/26 included;

- a £4.4m underspend in Technical Support Contracts. The anticipated level of TSC required for GDAs at the beginning of year did not materialise, due to timings of programmes, the requirements of advice and the alternative use of internal ONR resources. The performance section outlines how this has had minimal impact on the delivery of these programmes;
- £0.3m overspend relating to IT costs within operating expenditure that was budgeted for as capital expenditure;
- £0.7m underspend in staff costs, largely due to reductions in workforce size being achieved earlier than baseline forecast; and
- £0.5m underspend relating to reduced travel costs through concerted effort throughout the organisation to travel when only necessary and consider the most cost effective location for larger meetings.

Statement of financial position

Our net assets decreased from £12.8m at 31 March 2025 to £12.6m at 31 March 2026. This is primarily driven by a decision not to include amortisation costs on grant-funded assets within our charges, (reflecting that these assets were funded upfront) as well as by a downward revaluation of fixed assets.

The decrease in non current assets (from £16.3m to £13.3m) mainly reflects depreciation and amortisation (particularly on right of use assets) and asset disposals, partly offset by the annual Bootle lease reassessment and digital technology acquisitions for Cheltenham.

Similarly, the decrease in non-current liabilities (from £16.0m to £12.4m) is due to the decrease in lease liabilities relating to right-of-use assets and loan repayments. The Statement of Financial Position on page 113 provides more detail.

Sustainability

We acknowledge and accept our responsibility to manage and reduce the impact that our activities have as a public corporation and as a regulator have on the environment. By reducing our consumption of resources, using those we must consume more efficiently and where possible balancing unavoidable emissions, we aim to minimise the environmental impacts of our operations. We will also bear in mind the need to seek fit for purpose sustainable solutions as we undertake our regulatory activities.

Greening Government Commitments

We are committed to meeting our obligations as a public body under the **Greening Government Commitments** (GGCs); submitting quarterly returns on our Scope 1, 2 and 3 emissions to DWP.

In accordance with the **2021-25 edition of the GGCs**, we established a reporting baseline in 2017/18 that included data on our emissions associated with the use of our estate and business travel activities.

Headlines:

- our total emissions for 2025/26 were approx. 553 tCO_2e[2] – a decrease of 23% on the previous reporting year and 34% below our 2017/18 baseline of 832 tCO_2e[3];
- emissions associated with business travel (scope 3) for 2025/26 were approximately 519 tCO_2e – a decrease of 24% on the previous reporting year;
- emissions associated with flights (domestic and international, scope 3) have fallen for the first time since 2021/22; a decrease of approximately 34% on the previous reporting year; and
- emissions associated with the use of our estate[4] (purchased energy) for 2025/26 were approx. 28 tCO_2e – a decrease of 23% when compared with the reporting previous year.

This year we have also begun reporting on our emissions associated with the use of our IT data centres, including those hosted both on and off premises. For 2025/26, emissions equated to approximately 5 tCO_2e (scope 3). We will continue to monitor and report on our energy consumption associated with use of our IT data centres in subsequent years.

Looking ahead, we will continue in our aim to meet our legal obligations and promote

2 Total emissions are provided in tonnes of carbon dioxide equivalent (tCO_2e) and encompasses all of our Scope 1-3 emissions.

3 Baseline value updated from previously reported total of 786 tCO_2e following a review into non-fleet travel data (scope 3).

4 Emissions from our office locations in London (Buckingham Palace Road) and Cheltenham (St. James' House) are calculated based on the percentage of floor space we occupy. Emissions from our office location in Bootle (Redgrave Court) are omitted from our reporting as these are included as part of a building-wide submission, managed by the primary occupier, HSE.

sustainable best-practices throughout our organisation and across our supply chain.

Our approach to **environmental and sustainability** brings together a set of environmental-related aims and commitments, with our existing social inclusion and corporate governance commitments.

Performance against GGCs categories [5]

	2017-18 [6]	2021-22	2022-23	2023-24	2024-25	2025-26
Total Greenhouse Gas (GHG) emissions (Scopes 1-3)	**832** [7]	**242**	**442**	**682**	**722**	**553**
Scope 1 GHG emissions (direct) [8]	1	24	20	22	13	10 [9]
Scope 2 GHG emissions (direct) [10]	38	37	38	37	24	19 [11]
Scope 3 GHG emissions	793 [12]	181	384	623	685	524 [13]
Distance travelled by domestic business flights (km)	142,270	56,969	37,876	58,699	67,253	57,269
Emissions from domestic flights (tCO_2e)	20	7	5	10	11	8
Total number of domestic business flights	165	70	59	113	149	83
Distance travelled by international business flights (km)	1,998,558	91,608	876,245	880,967	1,533,660	1,316,090
Emissions from international flights (tCO_2e)	305	26	117	158	308	204
Total number of international flights	475	25	290	599	736	466
Paper usage (A4 reams equiv.)	2,675	205	575	585	280	310
Water consumption (m^3) [14]	Not available	450	507	604	320	271 [15]

5 Data on our emissions is presented against the reporting categories of the 2020-2025 GGCs. The 2025-30 edition of the GGCs excludes the requirement to report on international flight emissions. However, for completeness, transparency and to aid comparison with previous year's performance, they have been included in this year's report.

6 GGC 2021-25 reporting baseline. Baseline data for Scope 3 GHG emissions and emissions from international flights have been restated as a result of new information available.

7 Value updated from 786 tCO_2e following a review into non-fleet travel data (scope 3).

8 Scope 1 emission data (i.e., purchased energy) from our office locations in London (Buckingham Palace Road) and Cheltenham (St. James' House) is calculated based on the percentage of floor space we occupy at each location. Emissions data associated with the use of our primary office location in Bootle (Redgrave Court) is omitted from our reporting as these are included as part of a building-wide submission, managed by the primary occupier, HSE.

9 Emissions value has been estimated due to reporting deadlines. Data for Q4 was unavailable at time of reporting. Total emission value was calculated by using an average value of data ranging from Q1–Q3 2025/26.

10 Scope 2 emission data (i.e., purchased energy) from our office locations in London (Buckingham Palace Road) and Cheltenham (St. James' House) is calculated based on the percentage of floor space we occupy at each location. Emissions data associated with the use of our primary office location in Bootle (Redgrave Court) is omitted from our reporting as these are included as part of a building-wide submission, managed by the primary occupier, HSE.

11 Emissions value has been estimated due to reporting deadlines. Data for Q4 was unavailable at time of reporting. Total emission value was calculated by using an average value of data ranging from Q1–Q3 2025/26.

12 Value updated from 747 tCO_2e following a review into non-fleet travel data (scope 3).

13 2025/26 data includes scope 3 emissions related to the use of our IT data centres, on and off-site. This is the first reporting year to include this data.

14 Water consumption data from our office locations in London (Buckingham Palace Road) and Cheltenham (St. James' House) are calculated based on the percentage of floor space we occupy. Water consumption data from our office location in Bootle (Redgrave Court) are omitted from our reporting as these are included as part of a building-wide submission, managed by the primary occupier, HSE.

15 Consumption value has been estimated due to reporting deadlines. Data for Q4 was unavailable at time of reporting. Total consumption value was calculated by using an average value of data ranging from Q1–Q3 2025/26.

Climate-related financial information

The UK government recognised the recommendations of the Taskforce on Climate-related Financial Disclosures (TCFD) as one of the most effective frameworks for organisations to analyse, understand, and ultimately disclose climate-related financial information against. The TCFD's recommendations and disclosures set out how organisations across sectors and geographies can assess and disclose their Governance, Strategy, Risk Management and Metrics and Targets related to climate change. TCFD's aim is for these disclosures to promote the management of climate-related financial risk and opportunities across the economy and financial system.

While the TCFD recommendations were designed for the private sector, with the aim of providing markets with clear, comprehensive, high-quality climate-related information for financial decision-making, the public sector similarly requires climate-related information for decision-making and accountability to annual report users.

As a public corporation, we are not mandated to report against the recommendations and disclosures of the TCFD framework. However, we have chosen to do so in a voluntary capacity.

TCFD compliance statement

We have reported on climate-related financial disclosures consistent with the phased approach in government's **TCFD-aligned disclosure application guidance**, which interprets and adapts the framework for the UK public sector.

In this year's report, we have demonstrated compliance with the TCFD recommendations and disclosures around:

- strategy;
- governance;
- risk management; and
- metrics and targets.

This is in line with the government's phased implementation of the TCFD framework.

Governance

As a public sector body and regulator, we recognise the importance of incorporating environmental-social-governance (ESG) factors into our decision-making processes to ensure climate-related issues are effectively considered.

In 2024, we formalised our **risk appetite for environment and sustainability**, setting out our commitment to take calculated risks in the pursuit of ESG-related objectives, balancing the potential rewards with the challenges posed by a rapidly changing world. We aim to play a proactive role in addressing critical challenges such as climate change, social inequality, and responsible governance.

At a management level, our Head of Risk and Assurance is responsible for the day-to-day management and oversight of the ESG-related risks. Accountability for delivery of strategic and operational-level objectives that relate to our ESG commitments rests with Directors across the organisation.

All climate-related risks and opportunities are managed in accordance with our existing risk management and corporate governance frameworks.

Climate-related risks that pose a threat to the organisation are managed internally within the corporate body of the organisation, whilst climate-related issues/threats that may impact the UK nuclear industry are overseen by inspectors across the regulatory directorates.

Strategy

We report voluntarily against the TCFD framework as a public corporation. The disclosures in this section reflect the requirements and interpretations set out within HM Treasury's **TCFD-aligned disclosure for public sector – Application guidance**, including the enhanced Strategy pillar introduced for reporting periods beginning 2025/26. In line with this guidance, we apply a materiality led approach to identify climate-related risks and opportunities relevant to its organisational operations; consistent with the reporting boundaries defined for public sector bodies. The disclosures below do not extend to our regulatory oversight of the UK nuclear industry, as this falls outside the scope of voluntary TCFD reporting for a public corporation.

Climate-related risks and opportunities

We have undertaken an internal assessment to identify the climate-related risks and opportunities that may influence its ability to deliver organisational objectives and maintain operational resilience.

Risks:

- operational resilience risks: Increased frequency of extreme weather events could disrupt our estate, ICT systems or access to office locations, affecting continuity of operations;
- workforce related risks: Heatwaves, severe weather and associated travel disruption may affect staff wellbeing and workforce availability;
- financial risks: Pressures on utilities, insurance, ICT resilience and procurement costs arising from climate-related impacts;
- supply chain resilience: Climate driven disruption affecting digital, estates and professional service suppliers; and
- transition risks: Future policy and market shifts that may influence our operating costs or sustainability related expectations for public bodies.

Opportunities:

- estate efficiency improvements: Investment in energy-efficient buildings could reduce long-term running costs;
- digital transformation: Remote and hybrid working capabilities strengthen organisational resilience during climate-related disruptions; and
- sustainable procurement: Opportunities to adopt low carbon or resilient solutions that may reduce future risk exposure.

These risks and opportunities relate solely to our corporate centre and do not encompass climate-related risks associated with UK nuclear dutyholders, which fall under our regulatory purposes and are outside the boundary of disclosure.

Impact on ONR's strategy and financial planning

TCFD guidance requires organisations to describe how climate-related risks and opportunities may influence their business model and strategy.

Impact on organisational strategy:

- climate-related considerations inform our People, Digital and Estate strategies, particularly around business continuity planning; flexible working; ICT resilience; and estate modernisation; and
- our 2020-25 strategy makes an explicit commitment to reduce our environmental and carbon impact, in line with broader government objectives for net zero.

Impact on financial planning:

- climate-related risks to the condition of our estate, ICT and business continuity may drive increases in planned investment for building resilience, digital platforms, and energy efficient office environments; and
- financial planning incorporates potential cost variations linked to utilities, site resilience and sustainability expectations for public sector operations.

Impact on our business model:

- our hybrid working model reduces vulnerability to localised climate impacts and supports continuity of regulatory and corporate functions; and
- climate-related considerations are incorporated into internal planning assumptions, procurement frameworks and long-term capability strategies.

Climate scenario analysis and strategic resilience

The **TCFD-aligned disclosure for public sector – Application guidance** requires scenario analysis to test strategic resilience under a range of plausible climate futures.

We have therefore conducted a qualitative scenario analysis using three indicative climate pathways consistent with the guidance:

Scenario 1: High warming/limited mitigation:

- increased heatwaves, storms and flooding heighten estate, ICT and workforce risks; and
- we may require additional investment in estate resilience, digital redundancy, and continuity measures to ensure sustained regulatory performance.

Scenario 2: Orderly transition:

- gradual strengthening of climate and sustainability standards increases expectations on public bodies for emissions performance, procurement and estate management; and
- We may face moderate cost pressures associated with upgrading estate and ICT systems to meet evolving standards.

Scenario 3: Delayed transition:

- heightened volatility in costs (i.e., energy, infrastructure, insurance); and
- medium-term uncertainty may drive more conservative financial planning and prioritisation of resilience strengthening measures.

Across all three scenarios, our hybrid working model, digital capability and business continuity frameworks act as our primary organisational resilience measures. The analysis indicates that climate-related impacts are unlikely to affect our long-term viability as a public corporation but will require continued adaptation and investment in resilience.

Reporting boundary:

Our reporting boundary is restricted to ONR as a public corporation, covering:

- ONR's internal operations;
- corporate governance, strategy and risk management;
- estates, ICT, workforce and financial planning; and
- organisational resilience and business continuity.

What is out of scope:

- disclosures do not cover climate-related risk or resilience issues relating to UK nuclear licensees, dutyholders or the nuclear industry; and
- our regulatory activities and the performance of dutyholders are not included in our disclosures and remain subject to separate processes outside this reporting framework.

Materiality approach

We apply the materiality principles as outlined in **TCFD-aligned disclosure for public sector – Application guidance**. These are:

- climate-related information is disclosed **where it is material to ONR's ability to operate effectively as an organisation**;
- materiality assessments focus solely on our organisational strategy, financial planning and operational resilience; and
- we do not publish the full materiality assessment, in line with the guidance (which requires disclosures to be materiality led but does not require publication of the assessment itself).

Risk management

The ONR Board and Senior Leadership Team (SLT) are fully committed to ensuring we maintain an effective risk management strategy that is an essential part of governance and leadership, and fundamental to how ONR is directed, managed, and controlled at all levels.

Strategic risks are the responsibility of the Board. The Board identify risks throughout the year and there are escalation routes for risks as they increase from below strategic level. Advised by the Directors, the Board set risk appetites for a range of categories, including 'Environmental and Sustainability' and the Directors provide accompanying advisory statements.

The identification of risk is a continuous process within ONR. All individuals across ONR are responsible for identifying and assessing risks in their respective areas of work, and, where appropriate taking action to mitigate these risks and escalating them. The ONR Board and its Audit and Risk Assurance Committee (ARAC) also undertake 'horizon scanning' on a regular basis where new and emerging risks are discussed and included within the strategic risk register as required.

ONR has embedded a systematic and disciplined approach to the implementation of policies, procedures and practices for risk identification and assessment, treatment, monitoring and reporting. ONR's risk management process controls how ONR undertakes the following steps:

- risk identification and assessment to determine and prioritise how the risks should be managed;
- the selection, design and implementation of risk treatment options that support achievement of intended outcomes and manage risks to an acceptable level;

- the design and operation of integrated, insightful, and informative risk monitoring; and
- timely, accurate and useful risk reporting to enhance the quality of decision-making and to support management and oversight bodies in meeting their responsibilities.

Metrics and targets

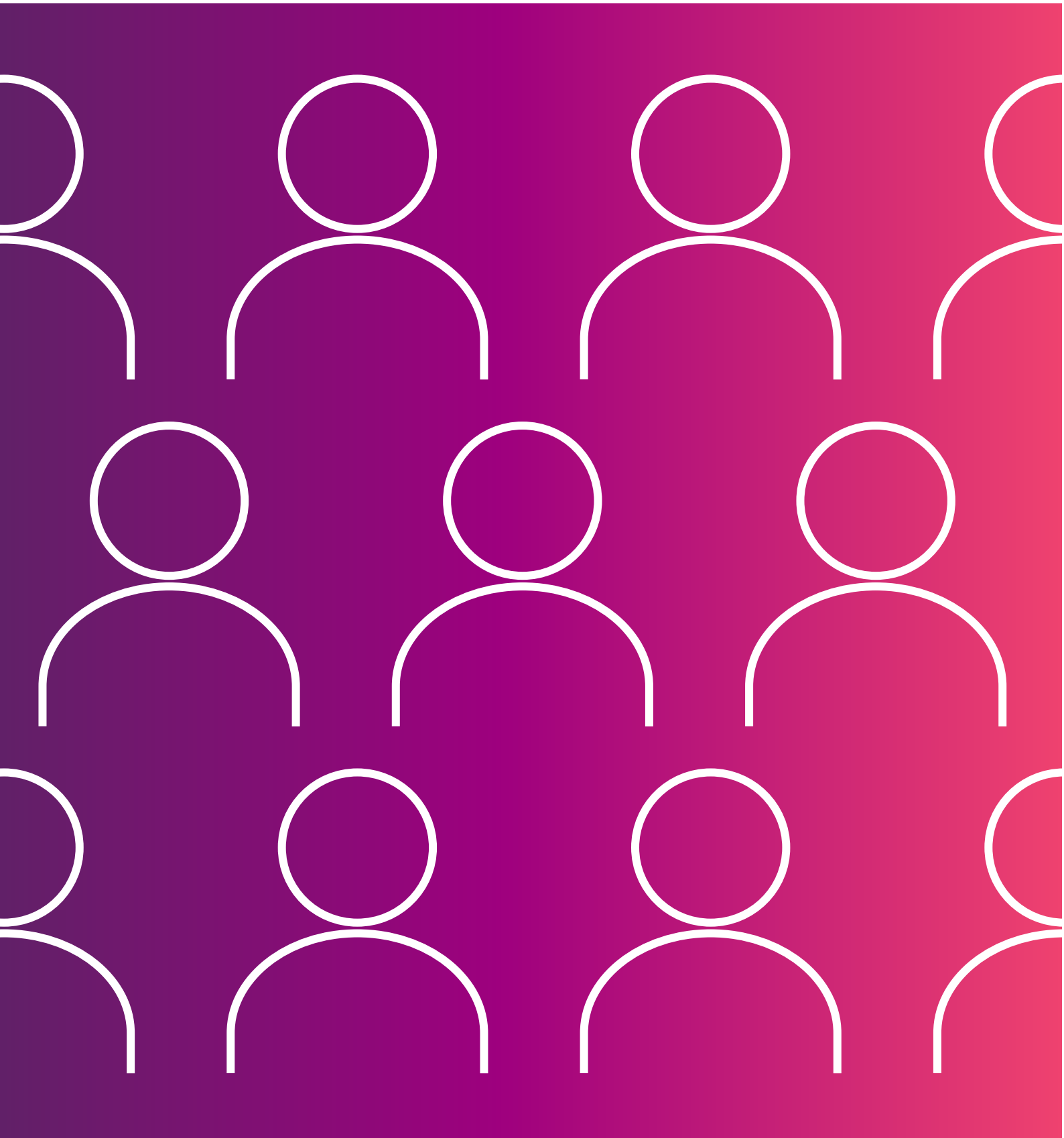
Data relating to our Scope 1, Scope 2 and Scope 3 GHG emissions can be found in the Greening Government Commitments section of this report on page 54.

Emission factors for all categories are calculated using the emissions factor calculations provided to us by Defra as part of the Greening Government Commitments.

Mike Finnerty
Chief Executive and Chief Nuclear Inspector
Office for Nuclear Regulation

6 July 2026

Accountability report



Corporate governance report

This report provides information on our governance structures and how they support the achievement of our objectives. It includes the Directors' report, the Statement of Chief Executive's responsibilities and the Governance statement.

Directors' report

ONR Board at 31 March 2026

Non-executives

Dr Nicola Crauford

Jean Llewellyn OBE

Dr Janet Wilson

Matthew Rees

Roger Hardy

Lynne Clow

Our executives

Mike Finnerty
Chief Executive/
Chief Nuclear Inspector

David Wilson
Finance Director

Further details on our organisational structure can be found at: Who we are.

Changes to Board membership

Name	Date	Event	Role
Mark Foy	30 June 2025	Stepped down as CE/CNI in advance of retirement on 31 October 2025	Executive Member/Board Member
Michael Finnerty	1 July 2025	Appointed	Executive Member/Board Member
Matthew Rees	1 October 2025	Appointed	Non-Executive Director/Board Member
Lynne Clow	9 February 2026	Appointed	Non-Executive Director/Board Member
Tracey Matthews	31 August 2025	Term of office concluded	Non-Executive Director/Board Member
Paul Fyfe	11 January 2026	End of temporary appointment to the Board	Executive Member
Rachel Grant	30 June 2025	End of temporary appointment to the Board	Interim Executive Member
Linda Aylmore	12 September 2025	Resigned	Executive Member
David Wilson	12 January 2026	Appointed	Executive Member/Board Member

Register of interests

All Board members were required to record outside interests and maintain an up-to-date register of interests. Individual **Registers of interest** are maintained for each Board member.

Personal data related incidents

Details of personal related incidents are included within the Governance Statement on page 82.

Statement of Chief Executive's responsibilities

Under paragraph 21(1) b of Schedule 7 of the Energy Act 2013, ONR is required to prepare a statement of accounts for each financial year in the form and on the basis determined by the Secretary of State for Work and Pensions, with the consent of HM Treasury. The accounts are prepared on an accruals basis and give a true and fair view of ONR's state of affairs at the year-end and of its net income and expenditure, Statement of Financial Position and cash flows for the financial year.

In preparing its accounts, ONR is required to comply with, and has complied with the requirements of the government Financial Reporting Manual, and in particular to:

- observe the Accounts Directions issued by DWP, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- make judgements and estimates on a reasonable basis;
- state whether applicable accounting standards, as set out in the government Financial Reporting Manual, have been followed and disclose and explain any material departures in the accounts;
- prepare the accounts on a going concern basis, unless it is inappropriate to presume that ONR will continue in operation; and
- confirm that the Annual Report and Accounts as a whole is fair, balanced and understandable and take personal responsibility for the Annual Report and Accounts and the judgements required for determining that it is fair, balanced and understandable.

The Chief Executive of ONR has responsibilities for the propriety and regularity of the public finances for which the Chief Executive is answerable, for keeping proper records and for safeguarding assets as set out in 'Managing Public Money' published by HM Treasury.

Chief Executive's statement

As the Chief Executive for ONR, I am responsible for maintaining a sound system of internal control while safeguarding the public funds and assets for which I am personally responsible, in accordance with the responsibilities assigned to me in HM Treasury's 'Managing Public Money'.

I have taken all the steps that I ought to have taken to make myself aware of any relevant audit information and to establish that ONR's auditors are aware of that information. So far as I am aware, there is no relevant audit information of which the auditors are unaware.

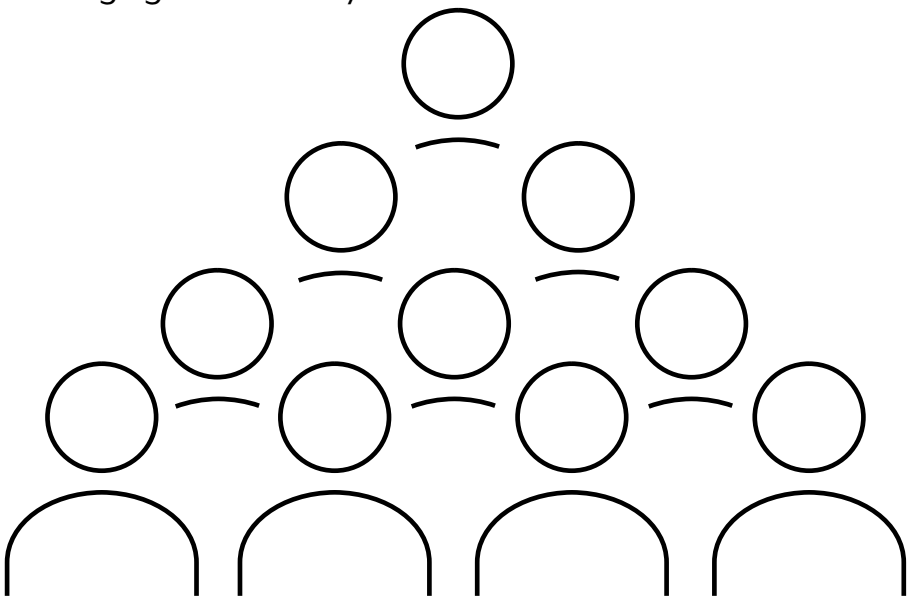
Governance statement

This statement sets out our system of governance, internal control and risk management designed to manage rather than eliminate the risk of failure to achieve policy aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. It applies to the financial year 1 April 2025 to 31 March 2026 and up to the approval of the Annual Report and Accounts. As reported last year, Mark Foy was the CE/CNI up until 30 June 2025. I was appointed as CE/CNI with effect from 1 July 2025. Mark provided me with appropriate assurance, confirming the effectiveness of ONR's system of internal control. He also confirmed that he was not aware of any matter that I may not be aware of and which should be highlighted in this statement.

Although we are not bound by the 'Corporate governance in central government departments: code of good practice', our corporate governance structure reflects its principles and the particular requirements for effective independent nuclear regulation. I am satisfied that the principles have been complied with where practical and appropriate.

We are governed through three complementary routes:

- the Principal Accounting Officer for DWP, who is responsible for ensuring the financial and management controls applied by the department are appropriate and sufficient to safeguard public funds and that those applied by arm's length bodies (ALB), such as ONR, conform to the requirements of both propriety and good financial management;
- the Board, created by the Energy Act 2013 when establishing ONR as an independent public corporation; and
- the CE/CNI's responsibilities, designated by the Principal Accounting Officer for ONR's management and expenditure in accordance with the principles set out in HM Treasury's 'Managing Public Money'.



Accountability to Parliament

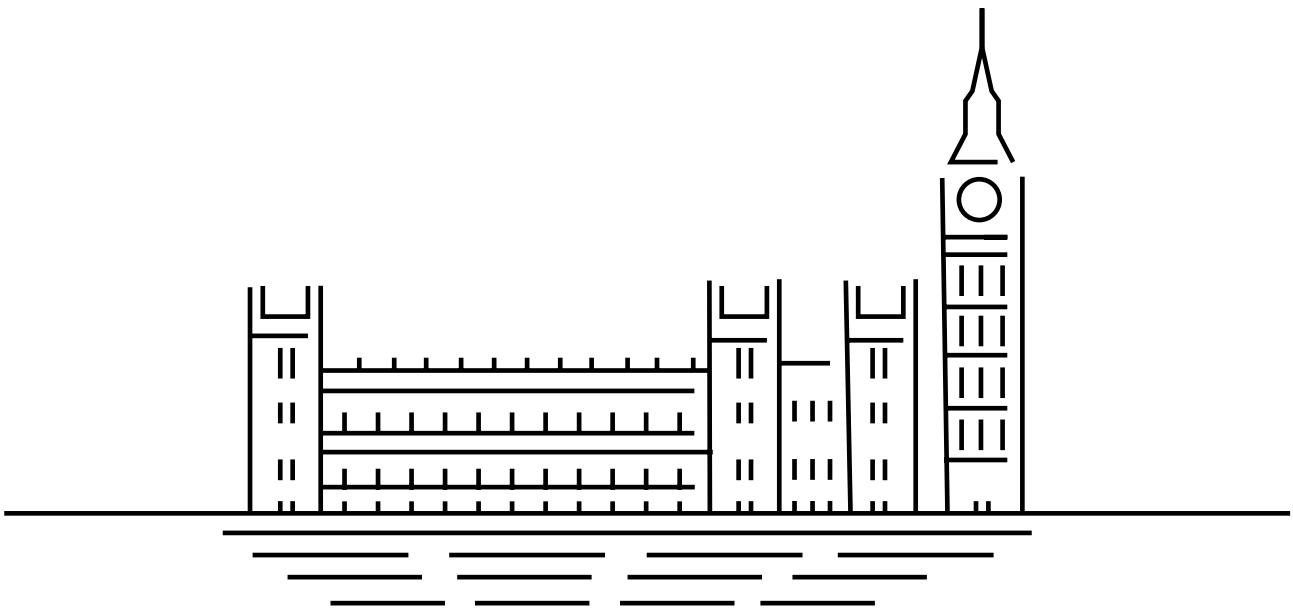
We are directly accountable to DWP as our sponsor department. The Secretary of State for Work and Pensions has the principal responsibility to Parliament for our governance, finance and performance in relation to conventional health and safety.

These responsibilities are delegated to the responsible minister, who will account for these matters in Parliament.

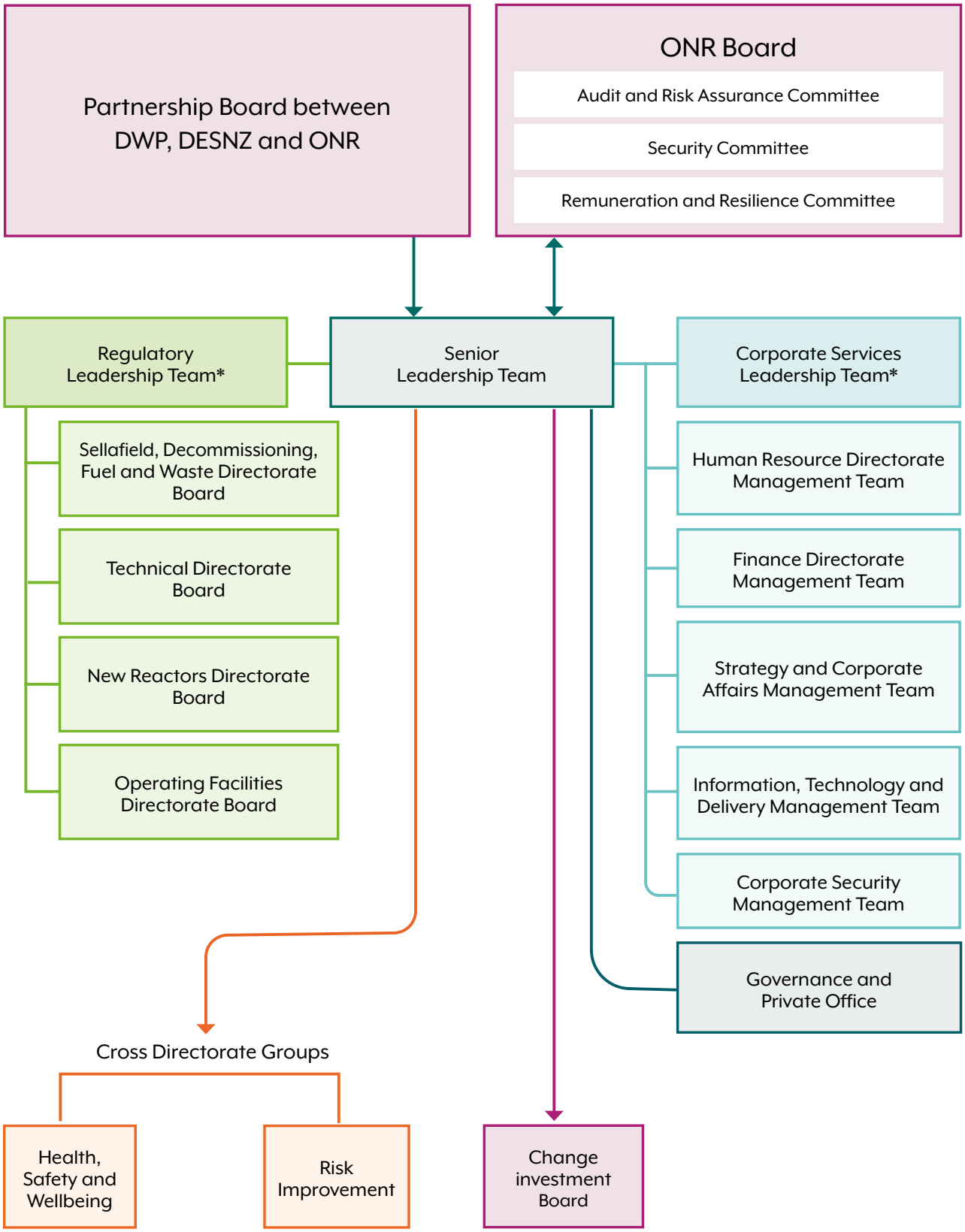
Details of our governance arrangements are provided in the **ONR/DWP framework document**. This sets out the roles and responsibilities of DWP, our Board and Chair, and our Chief Executive/Chief Nuclear Inspector and their personal responsibilities for running ONR in accordance with the principles set out in HM Treasury's 'Managing Public Money'. As DWP does not have government responsibility for civil or defence nuclear policy, the framework covers our relationship with DESNZ and MoD.

We provided assurance to ministers on our regulatory effectiveness and performance in nuclear safety, security and safeguards relevant to their respective portfolio.

The sponsorship role was formally discharged through the Quarterly Accountability Review (QAR) meetings, attended by senior officials from DWP, DESNZ, MoD, and ONR. The QAR reviewed our progress towards our delivery of corporate plan commitments; financial performance; policy requirements; key strategic risks and emerging issues. The day-to-day sponsorship role continued to be discharged by the Head of DWP's ALB Partnership Division.



Corporate and Executive Governance Framework as at 31 March 2026



*Changes to the senior leadership structure were implemented from 1 April 2026. Further information relating to the new structure can be found at page 76.

The Board

The Board is specifically responsible for:

- establishing and delivering our strategic aims and objectives consistent with our overall strategic direction and within the agreed government policy and the resources framework approved by the Secretary of State;
- ensuring that the responsible minister is kept informed of any changes that are likely to impact on our strategic direction or on the attainability of our targets, and determining the steps needed to deal with such changes;
- ensuring we comply with any statutory or administrative requirements for the use of public funds;
- setting up an ARAC, in accordance with the **Corporate governance in central government departments: code of good practice** and **Audit and Risk Assurance Committee Handbook** and chaired by a non-executive member, to provide independent advice;
- demonstrating and ensuring high standards of corporate governance and probity at all times, including using ARAC to help the Board address key financial and other risks;
- ensuring that effective arrangements are in place to provide assurance that ONR is providing efficient and effective regulation of the nuclear industry, holding it to account on behalf of the public;
- appointment of the CE and the CNI, subject to ministerial approval and setting performance objectives for the CE (this is currently a combined role); and
- proposing the CE/CNI's remuneration, which must be agreed by the responsible minister, after consulting the Chief Secretary to the Treasury where required.

Work of the Board

Board agendas were balanced between corporate and regulatory business and the Board Forward Plan was periodically reviewed to ensure it continued to support delivery of our strategic intent.

Board oversight and challenge focused on high-risk matters, in particular:

- undertaking an annual review of the Strategic Risk Register; approval of the Risk Appetite Statement; and Risk Management Framework;
- seeking assurance of our management of stakeholder and public interest issues;
- continuing to exercise scrutiny and oversight of our strategic projects;

- providing a robust challenge of the budget for 2026/27 reflecting the continued focus of driving a more efficient organisation supported by improved organisational effectiveness, resilience and enhanced leadership capability;
- strengthening ONR's financial control environment;
- setting the ONR Strategy to 2030 and beyond providing agreement to proceed to ministerial approval and laying in parliament;
- approval of changes to the ONR senior structure, including senior leadership recruitment;
- providing oversight of the Nuclear Taskforce Regulatory Review findings and engagement both internally and externally;
- ensuring we continued to influence improvements in nuclear safety and security;
- received the CNI's Annual Themed Inspection which focused on climate change; and
- taking an enhanced interest in regulatory assurance, risk and risk appetite.

The board agenda supported focused discussions on key issues, compliant with the principles in 'Corporate governance in central government departments: code of good practice'. Executive Board members sponsored agenda items and ensured that paperwork met agreed standards; management information on areas such as performance was cleared by the SLT in advance of meetings. This ensured paperwork was of a consistent quality and supported focused discussions on key issues.

The annual Board strategy session took place in October 2025. In addition to providing insights into progress against delivery of our current strategy, the session provided an opportunity to inform development of the Strategy to 2030 and beyond and to ensure ONR is fit for the future. Senior officials from DWP, DESNZ and MoD also attended to provide an update on departmental strategic priorities, the government's nuclear agenda and an external perspective on the energy environment. In addition, a Non-Executive Director from the Environment Agency joined the session to enable aligned discussion. Our ARAC Independent Member also provided insights on their experience of transformational change.

Board-to-board engagement with licensees continued with a collaborative session with Hinkley Point C in September 2025. The Chair, and ONR's newly appointed CE/CNI continued a programme of site visits across industry throughout 2025/26.

During 2025/26, the Board was supported by its three Committees: Audit and Risk Assurance Committee (ARAC), the Remuneration and Resilience Committee (RRC) and the Security Committee (SC). The terms of reference for each are detailed in the **Corporate Governance Framework**.

Audit and Risk Assurance Committee (ARAC)

ARAC has oversight of ONR's risk management processes and is responsible for providing assurance to the Board on the maintenance of appropriate and adequate audit processes, and for the governance of internal and external audit programmes.

ARAC met five times in 2025/26. Throughout the year, areas of focus included:

- quarterly reviews of the strategic risk register in order to gain assurance that risks were being managed and effective mitigations were in place;
- a series of deep dives into areas of greatest risk and/or where other sources of assurance were requested to gain an understanding of the underlying causes, the latest position and how we intended to mitigate the risk;
- assessing reports from our Internal Auditor, Government Internal Audit Agency (GIAA), and ONR's Regulatory Assurance function to gain independent assurance on our control environment in line with our Audit and Assurance Framework, including approval of audit plans and review of progress in addressing audit recommendations;
- the ARA, including the Governance Statement; and
- the Policy Compliance Report, which details levels of compliance in respect of organisational obligations.

Remuneration and Resilience Committee (RRC)

RRC has oversight over all matters relating to the remuneration and performance of Executive Board Members and the framework for Director level (Senior Civil Servant (SCS) equivalent) staff. It is responsible for making recommendations to the Board and the sponsorship team for ministerial decision on the appointment of the CE/CNI. It takes a strategic approach to succession planning for the Board and oversight of the approach for the wider organisation.

RRC met seven times in 2025/26. Throughout the year, areas of focus included:

- senior staff mid and end of year performance against strategic objectives;
- consideration of senior team remuneration (consistent with UK government expectations) and an external review of the pay award structure;
- consideration of performance related bonuses for senior staff and consideration of the

pay award that was effective from 1 April 2025;

- the wider Director community development journey, and the approach to setting and assessing performance objectives for 2025/26;
- changes to the performance framework and objective guidance for directors for 2026/27;
- updates on the executive and senior leadership structure; Non-Executive Director/ Board member and director appointments, and the pay award for wider ONR staff;
- updates on the People Plan; the approach to pivotal role allowances and progress on the recommendations from the GIAA report on succession planning and regulatory review on realising our potential.

To support its remuneration considerations, the Committee considered a broad range of information and material, including Cabinet Office guidance; existing levels of remuneration and the restructure of some senior roles; market intelligence on pay levels via benchmarking; an external review of the pay award structure; comparators across the public and private sector; and economic factors.

Security Committee (SC)

The SC is responsible for examining the ONR Annual Review of Security Report to provide assurance to the Board that ONR is providing efficient and effective security regulation of the nuclear industry, holding it to account on behalf of the public.

Additionally, the SC reviews and discusses key security topics that are of significance and relevance to the sector.

The Senior Director of Regulation (now Director of Regulation – Futures) and Deputy Technical Director attended, along with senior officials from DESNZ, Civil Nuclear Constabulary, National Cyber Security Centre, MoD, and National Protective Security Authority, providing challenge and bringing different perspectives. Key contacts from industry and independent organisations attended for singular items where required.

Throughout the year, areas of focus included:

- response to physical threat;
- industry training;
- security strategy from attendees including MoD and DESNZ; and
- supply chain market experiences, led by Rolls-Royce.

SC met three times in 2025/26 and reviewed standing items such as the Annual Review of Security and other key topics identified by members/attendees.

Monitoring performance of the Board and its Committees

The Board routinely received written updates from Committee Chairs and formal minutes where appropriate.

ARAC, the RRC and the SC provide annual reports to the Board, delivering assurance that each had acted in accordance with its delegated powers.

An external effectiveness review of Board and its Committees was undertaken, the findings of which were reported in early 2025. This included a number of recommendations to strengthen the operation of the Board and its Committees. ONR's Chair worked with the Board Secretary to address the recommendations, with a small number for completion during 2026/27. In light of changes to the Board composition during the year, a Board development day was held with a focus on ways of working, roles and responsibilities and strategic priorities.

The ONR Chair, who took up post on 1 March 2025, had a formal performance review with our sponsor Department, DWP, on 30 March 2026. The Chair carried out both mid-year and end-year appraisals with each NED and the CE/CNI. The review process included a short self-assessment and confirmation of their respective Register of Interests declarations. An agreed written record of the end of year discussion was completed and confirmation that appraisals had taken place was sent to DWP. NED and CE/CNI priorities for the next year will be agreed by the Chair in consultation with the ONR Board.

Board member attendance at meetings 1 April 2025 to 31 March 2026

	Board (8)	ARAC (5)	RRC (7)	SC (3)
Non-executive members				
Dr Nicki Crauford	8 (of 8)	5 (of 5)*	6 (of 7)	3 (of 3)
Matthew Rees	4 (of 4)	2 (of 2)	N/A	N/A
Dr Janet Wilson	7 (of 8)	2 (of 2)**	7 (of 7)	3 (of 3)
Tracey Matthews	3 (of 3)	N/A	2 (of 2)	N/A
Jean Llewellyn OBE	7 (of 8)	5 (of 5)	3 (of 3)***	3 (of 3)
Roger Hardy	8 (of 8)	5 (of 5)	N/A	N/A
Lynne Clow	1 (of 1)	N/A	1 (of 1)	N/A
Sarah Smart (ARAC Independent Member)	1 (of 1)****	5 (of 5)	N/A	N/A
Executive members				
Mark Foy	2 (of 2)	2 (of 2)	1 (of 1)	N/A
Michael Finnerty	6 (of 6)	3 (of 3)	6 (of 6)	N/A
Rachel Grant	2 (of 2)	N/A	N/A	N/A
Linda Aylmore	4 (of 4)	3 (of 3)	N/A	N/A
David Wilson	2 (of 2)	1 (of 1)	N/A	N/A
Paul Fyfe	5 (of 6)	N/A	N/A	3 (of 3)

* Attended ARAC meetings as an attendee only.

** Appointed as an ARAC member from 1 June to 30 September 2025.

*** Appointed as an RRC member from 1 September 2025 to 09 February 2026.

**** Attended the Annual Board Strategy Session.

Managing conflicts of interest

Our Corporate Governance Framework sets out the process to be followed should a Board member identify a potential conflict of interest. There is a robust process for managing conflicts of interest and all members were asked to declare potential conflicts of interests at each Board and committee meeting. The register of interests is included in all Board agenda packs for transparency.

A total of five conflicts of interest were received from the CE/CNI and/or HR Director (in relation to their own performance or remuneration), during which time they withdrew from the meetings as appropriate, as recorded in the minutes of the RRC.

Transparency

The Board's strategy promotes openness and transparency about our regulation and work, based on a presumption of disclosure. In line with our Publication Scheme, we publish **Board minutes** on our website.

We received 88 requests under the Freedom of Information Act 2000 and five under the Environmental Information Regulations 2004. Of the 93 requests, three were subject to an internal review with the outcome for one remaining unchanged, two reviews have yet to conclude. None were referred to the Information Commissioner's Office (ICO). Further information about how we handle requests, and our responses are **publicly available.**

We received 17 Subject Rights Requests under the UK General Data Protection Regulation (GDPR)/Data Protection (DPA) Act 2018. Nine requests were resolved or closed within a calendar month, with six subject to extensions to the deadline due to their complexity. Two requests remain open. One response was subject to internal appeal, which was not upheld. One complaint relating to ONR's processing of personal data has been received and is under review.

Five complaints were received (originating externally in relation to part of our work), 55 concerns (from members of the public or employees relating to a wrongdoing in a workplace in relation to a matter that we regulate) were received. All complaints were unsubstantiated, and none have been referred to the ombudsman. Further information about ONR's complaints policy can be found on **our website**. All concerns were completed to the third parties' satisfaction.

Whistleblowing

Internal

No internal reports were raised.

External

We handled 45 protected disclosures across our regulatory directorates, in relation to sites we regulate and other dutyholder activity.

Of the 45 disclosures, nine were carried forward from 2024/25 and one was carried forward from 2023/24, with 35 new disclosures reported in 2025/26.

We closed 19 cases in year, and 26 will be carried forward into the new financial year as enquiries continue. Of the 19 cases closed in year, 13 required no regulatory action, three will be part of routine regulatory oversight, two resulted in enforcement action, and one led to an investigation (which led to prosecution). Whether or not disclosures led to formal action, all were used as an important source of regulatory intelligence.

We also received one appeal relating to a case closed in 2025/26. The appeal is likely to conclude in 2026/27.

Effectiveness of whistleblowing arrangements

Whistleblowing arrangements were reviewed as part of the 2025/2026 Internal Audit and Assurance plan. The management letter concluded that our processes for whistleblowing were judged to be, overall, fit for purpose. Our work in this area was observed to be handled in line with ONR's guidance. There are areas identified for improvement in relation to governance and resourcing, which will be addressed in 2026/27, as part of a planned review of our whistleblowing arrangements.

Senior Leadership Team (SLT)/ Executive Leadership Team (ELT)

During 2025/26, the SLT promoted inclusion, unity and organisational awareness, while supporting fair, accountable and balanced debate and decision-making. The SLT provided ONR with strategic leadership and clear top-level governance direction.

In early 2026, the organisation implemented changes to its leadership structure. As a result of this, new arrangements for leadership meetings were introduced. These changes were designed to promote the ONR Together approach and minimise overlap

and duplication. An ELT was established from 1 April 2026 as the most senior executive decision-making body, supporting the Accountable Officer and working alongside the ONR Board, to ensure that ONR effectively fulfils its statutory, regulatory, operational, and administrative responsibilities. The SLT name was retained for a group comprising all Directors and Deputy Directors, tasked with delivering the organisation's strategy and supporting its vision of becoming a modern, agile, and productive regulator that fosters innovation and growth. Additionally, the separate Corporate Services and Regulatory Leadership team meetings were discontinued.

Regulatory Leadership Team (RLT) and Corporate Services Leadership Team (CSLT)

RLT provided Regulatory Directorate strategic, operational and business leadership and performance management, to ensure the CNI's statutory role and related delegated regulatory authorities retain visibility and independence.

CSLT provided strategic leadership for operational and business delivery and performance across Corporate Services directorates as delegated by SLT.

In 2025/26, both were responsible for role modelling a 'one ONR' approach and creating a healthy, inclusive and collaborative culture aligned to ONR's values.

To minimise overlap and duplication, both RLT and CSLT were stood down on 1 April 2026 as part of a leadership restructure with their responsibilities captured within the SLT.

Director Leadership

In recognition of recent Board membership changes and the leadership restructure, ONR has commissioned external support to facilitate development and team building cohesion.

Risk management, compliance and internal control

ONR operated a Risk Management Framework aligned to HM Treasury's Orange Book principles, reflecting recognised good practice and clearly defining the roles and

responsibilities of the Board, the Accountable Officer (CE/CNI) and the Audit and Risk Assurance Committee (ARAC).

The Board satisfied itself on the integrity of budget setting to deliver objectives and financial information, reporting against budgets, financial controls, and ensured the systems of risk management were robust and defensible. The Board also demonstrated and ensured high standards of corporate governance and probity at all times, including using ARAC to help the Board address key financial and other risks.

During 2025/26, ONR maintained clear lines of accountability for risk management across the organisation. The Risk Improvement Group (RIG) provided structured oversight of the Strategic Risk Register, undertaking regular review and challenge of strategic risks. RIG advised the SLT who in turn advised ARAC on the escalation and de-escalation of risks and assessed the effectiveness of mitigating actions.

The SLT exercised active ownership of strategic risks, undertaking periodic reviews and deep dives to strengthen understanding and control of risk exposure. ARAC reviewed the Strategic Risk Register quarterly, providing independent assurance to the Board on the effectiveness of risk management arrangements.

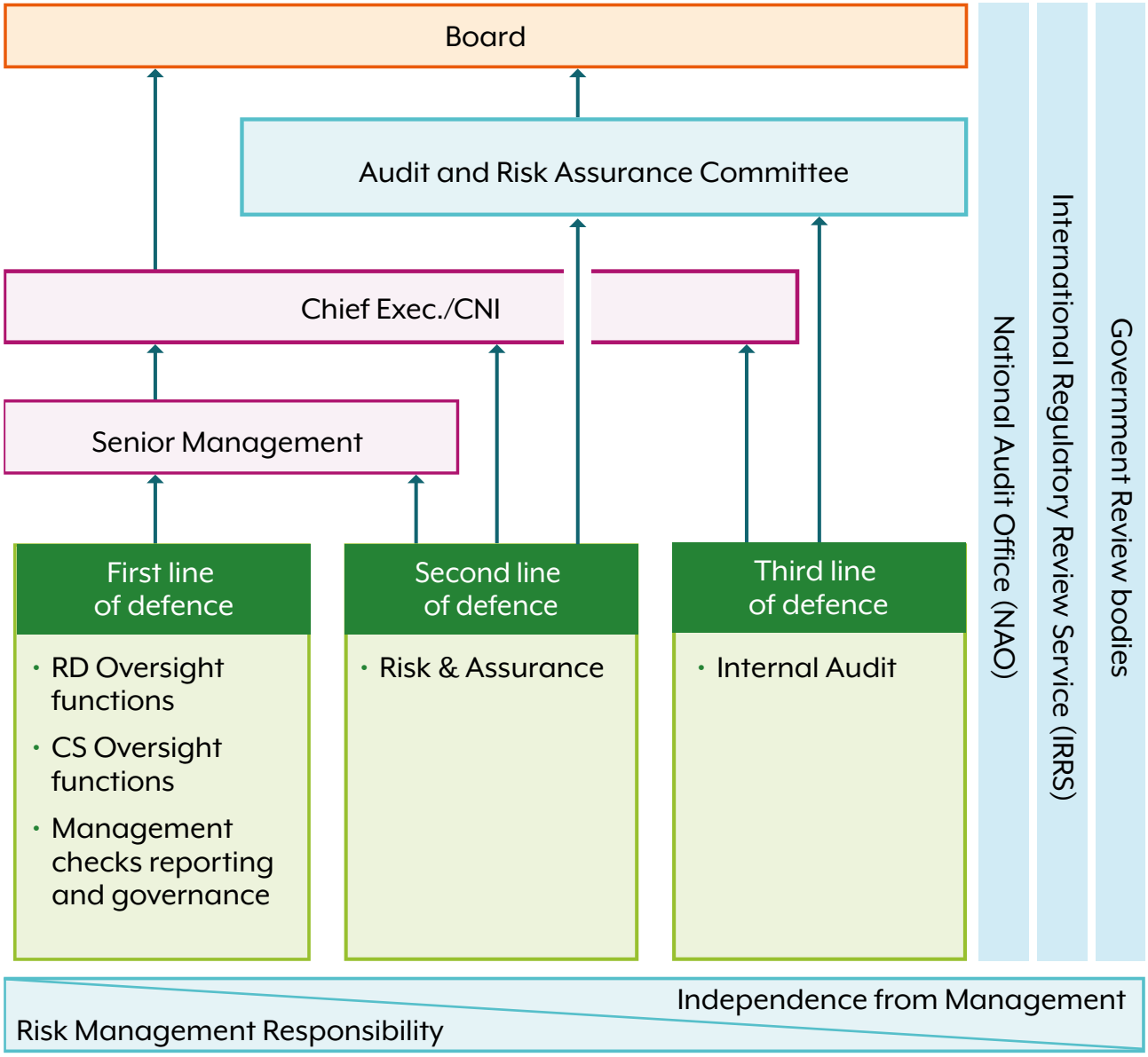
The Board received quarterly updates on the Strategic Risk Register and undertook an annual review of both the Register and the Risk Management Framework. It also reviewed and approved the organisation's risk appetite on an annual basis, with the updated risk appetite statement published as part of the Corporate Plan.

Strategic risks are set out and described on page 45.

Chief Executive/Chief Nuclear Inspector's (CE/CNI) review of effectiveness

As CE/CNI, I have reviewed the sources of assurance available to me, in line with the integrated audit and assurance framework. This is based on HM Treasury's assurance frameworks guidance, which uses a 'Three Lines of Defence' approach to provide a complete, coherent and integrated audit and assurance framework (shown below) for the organisation. Reporting within this framework is aligned with corporate and executive governance arrangements.

ONR integrated audit and assurance framework 2025/26



The annual integrated audit and assurance plan was agreed by ARAC with the flexibility in year to respond to changes in priorities.

Government Internal Audit Agency (GIAA)

Our internal audit function is provided by GIAA. Based on the audits undertaken, the Head of Internal Audit provided an overall 'limited' assurance in respect of the adequacy and effectiveness of the framework for governance, risk management and control. This opinion also considers the letter of assurance provided by Government People Group (GPG) to the CE/CNI, for Shared Services; and the overall 'moderate' assurance opinion provided by the ONR Head of Risk and Assurance.

2025-26 has seen a period of instability in senior leadership across ONR, which has led to a review of senior roles within the organisation resulting in the introduction of a revised

senior structure including the reintroduction of the role of Deputy Chief Nuclear Inspector and introduction of the new role of Transformation Director.

Once embedded the revised structure should provide a platform to drive much needed stability across the organisation. In addition, during 2025-26 ONR has developed and launched a new Corporate Strategy and supporting Corporate Plan that, if delivered successfully, should drive demonstrable improvements that will enable a strengthening of corporate governance, risk management and framework of internal control, moving forwards.

Internal Audit activity conducted by GIAA in 2025-26 has highlighted the following areas of strength:

- cyber security governance is robust, aligned with leading frameworks and is continuously improving, and cybersecurity protection is demonstrated through successful relevant certifications; and
- contract management is well-structured, supported by an effective Commercial and Procurement team.

However, where these strengths are acknowledged, Internal Audit work has identified significant thematic issues and inconsistencies across the organisation in relation to the overall operation of the framework of corporate governance, risk management, and internal control; issues identified include:

- insufficient formalisation, and/or inconsistent application, of processes and governance frameworks;
- challenges in integrating, coordinating, and providing comprehensive oversight across key organisational functions and initiatives; and
- challenges in leadership stability in 2025-26, which have been further compounded by some corporate capacity constraints, and gaps in capability that have negatively impacted business effectiveness.

Regulatory assurance

The ONR Internal Assurance function provided independent assurance to the Accountable Officer (CE/CNI) on the adequacy and effectiveness of governance, risk management and internal controls. This assurance supported confidence that ONR operated as intended and fulfilled its regulatory responsibilities in accordance with the Energy Act 2013.

Internal Assurance concluded that, during 2025/26, ONR operated as an adequate and effective regulator across all areas reviewed. The internal assurance programme did not identify any significant matters that undermined confidence in the robustness of ONR's regulatory decision-making. This provided assurance that ONR regulated the industry in line with its statutory purposes under the Energy Act 2013.

The overall 'moderate' assurance rating, which reflected a combination of one limited and two substantial opinions, recognised that further improvements were required to strengthen the effectiveness of the governance, risk management and control framework. Management initiated and progressed actions to address these areas, with delivery actively monitored.

Shared Services Connected Ltd (SSCL)

SSCL is our outsourced provider of payroll, finance, HR and procurement transactional services.

The Government People Group (GPG), the Cabinet Office function responsible for overseeing the outsourced shared services contract with SSCL, has issued me with a Letter of Assurance in respect of SSCL's performance during the year.

GPG have summarised the findings as follows:

- Pricewaterhouse Coopers LLP (PwC), SSCL's independent auditors, provided "reasonable assurance" following seven government specific audits. This is consistent with the opinion provided last year. One audit was rated as "satisfactory" and six were rated as "satisfactory with exceptions". While no critical or high-risk findings were identified this year, a similar number of findings was reported, with 14 medium and 11 low risk findings identified across all seven audits; and

- GIAA provided a "moderate" overall opinion, consistent with last year, based on three audits. All three audits were rated as moderate.

No rectification plans were required in relation to ONR and there are no specific concerns expected to have a material impact on the financial statements in the Annual Report and Accounts.

These findings provide me with adequate assurance of the effectiveness of the controls operated by SSCL that were examined during the year.

Other sources of assurance and cyber security

Cyber Security

Assurance of our security was provided to Board and the Senior Leadership Team via external assurance and monthly Management Information reports.

We continue to mature our security posture with a programme of continuous improvement. We maintained both Cyber Essentials Plus and ISO/IEC 27001 certifications in year, providing independent assurance that security controls and risk management approaches are proportionate and effective. ONR continued to undertake compliance assessments against GovAssure and the Departmental Security Health Check, both of which highlighted ONR performed above average and its security posture remained strong. Recommendations progressed through continuous improvement processes.

ONR's Incident Management and Business Continuity arrangements, including planning and exercising, continue to mature with a strategy to align with recognised best practice, including the Business Continuity Institute (BCI) and the international standard ISO/IEC 22301.

Policy Compliance

Assurance was provided to ARAC via the quarterly Policy Compliance Report, which detailed the level of compliance, instances of non-compliance, and any mitigating action to reduce and prevent repetition of non-compliance. The quarterly reports included:

Data protection/GDPR compliance

Data protection capability and Data Protection by Design and Default throughout the organisation continued across 2025/26. Work has progressed against the data protection Compliance Monitoring Framework (CMF). Data Protection by Design and Default remains embedded throughout ONR and in particular against strategic projects. We continue to take a proactive approach, looking to new technologies that will impact the protection of personal data, such as development of a data protection casework management application and use of Artificial Intelligence (AI) following guidance from the Information Commissioner's Office.

All staff are required to complete a mandatory eLearning module to ensure a fundamental understanding of data protection. At 31 March 2026, 92% of staff had completed the Data Protection Fundamentals eLearning module, with non-completions being actively targeted to enhance organisational understanding.

91% of those eligible completed the mandatory training module for staff who process Special Category Data, giving greater education to staff who work in higher risk areas. Non-completions are actively being followed up. The eLearning modules were supplemented with regular all-staff communications for areas identified as high risk. ONR also took part in the government-wide campaign, The Ripple Effect, which highlights the severe and long-term impact data breaches have on people and the steps staff can take to minimise the impact.

Data security breaches relating to personal data

31 potential data breaches were reported during 2025/26, with 26 confirmed, four categorised as near misses and one categorised as non-personal data upon further investigation. Of the 31 cases, 18 originated with ONR and the remaining 13 originated with external stakeholders.

All potential and confirmed breaches were investigated and none were determined as likely to result in a risk to the rights and freedoms of individuals. None met the threshold for reporting to the Information Commissioner. We use learnings from incidents to deliver process enhancements, training, and awareness activities where appropriate.

Business expenses

During the financial year, we carried out regular checks to ensure compliance with our policy. Where travel bookings or expense claims were outside of the policy, we sought reimbursement and, where appropriate, took disciplinary action.

As part of our commitment to continuous improvement, we have sought to learn from the instances of non-compliance and to address weaknesses in our controls by strengthening our policies, procedures and systems. This process of continuous improvement has included an independent review by specialists from GIAA.

To strengthen our detective controls, our improvements have included increasing the percentage of travel bookings and expense claims that are subject to compliance checks.

To strengthen our preventative controls, we have conducted a thorough review of our Business Expenses Manual (BEM), which will be launched in 2026/27. The updated BEM will assist our people in complying with our expenses policy by providing simpler, clearer guidance alongside a strengthening of our approval and monitoring processes.

We recognise the importance of robust controls and, in line with our value of accountability, we acted promptly to rectify issues in controls identified during 2025/26.

Gifts and hospitality

A register was maintained during the financial year, recording any gifts or hospitality offered to or by staff, and Board members, and confirming whether any were accepted. Compliance was within policy with staff regularly completing and submitting the appropriate returns with evidence of approval by their managers.

Fraud, anti-bribery and corruption

Staff were required to comply with established policies relating to fraud, anti-bribery and corruption; no instances (actual or suspected) were reported.

Conclusion by the CE/CNI

In light of the assurances I have received, together with the GIAA end-of-year opinion, I am confident that the ongoing risk management improvement activity (continuing into 2026/27), supported by the wider organisational activities, such as developments in our leadership team and cultural enhancements, will deliver the necessary improvements to our overall control environment. I am clear on the priority areas requiring focus to support the Board's ambition of securing a substantial Internal Audit opinion in due course.

While the Board considers the overall control environment to be adequate, it recognises that there are specific exceptions which require appropriate consideration, control and response. These are reflected in our strategic risks (as set out on page 45). I am satisfied that robust and effective plans are in place to address these areas and to secure continuous improvement.

Remuneration and staff report

This report sets out our remuneration policy for directors, how it was implemented, the amounts awarded to Board members, and additional information on remuneration and staff.

Service contracts

Our principle is that appointments should be made on merit based on open and fair competition as set out in the Civil Service Commissioners' Recruitment Code.

Unless otherwise stated below, the officials covered by this report hold appointments that are open-ended. Early termination by ONR, other than for misconduct, would result in the individual receiving compensation as set out in the Civil Service Compensation Scheme.

Further information about the work of the Civil Service Commission can be found at www.civilservicecommission.org.uk.

Remuneration policy

Recommendations on SCS pay are provided by the Senior Salaries Review Body in an annual report to the Prime Minister to inform policy and guidance on senior staff pay in the public sector.

In line with Cabinet Office guidance, pay and non-consolidated awards for the Board and other senior staff (SCS equivalent) are then decided by the ONR Remuneration and Resilience Committee.

Remuneration and pension entitlements for Board members

Board members' pay (this information is subject to audit)

	Salary (£'000)		Bonus payments (£'000)		Benefits-in-kind (to nearest £100)		Pension benefits (£'000) (a)		Total (£'000)	
	2025 /26	2024 /25	2025 /26	2024 /25	2025 /26	2024/25 restated [16]	2025 /26	2024 /25 (b)	2025 /26	2024 /25
Non-executives										
Nicola Crauford (c)	55-60	0-5	-	-	8,800	-	-	-	65-70	0-5
Janet Wilson	10-15	10-15	-	-	600	-	-	-	15-20	10-15
Jean Llewellyn	10-15	10-15	-	-	400	100	-	-	15-20	15-20
Roger Hardy (d)	10-15	10-15	-	-	400	-	-	-	15-20	10-15
Matthew Rees (e)	5-10	-	-	-	200	-	-	-	5-10	-
Judith Hackitt (f)	-	45-50	-	-	-	4,800	-	-	-	50-55
Sarika Patel (g)	-	10-15	-	-	-	400	-	-	-	15-20
Tracey Matthews (h)	5-10	10-15	-	-	-	-	-	-	5-10	10-15
Lynne Clow (i)	0-5	-	-	-	-	-		-	0-5	-
Executives										
Chief Executive and Chief Nuclear Inspector Mike Finnerty (j)	155-160	-	0-5	-		-	60	-	220-225	-
Director of Finance David Wilson (k)	25-30	-	0-5	-	-	-	8	-	35-40	-
Chief Executive and Chief Nuclear Inspector Mark Foy (l)	50-55	215-220	-	15-20	-	-	-3	409	50-55	640-645
Senior Director of Regulation Paul Fyfe (m)	120-125	115-120	5-10	10-15	-	-	59	45	185-190	170-175
Director of Strategy and Corporate Affairs Rachel Grant (n)	25-30	90-95	-	5-10		-	32	119	60-65	220-225
Finance Director Linda Aylmore (o)	90-95	60-65	-	5-10	200	300	34	24	125-130	90-95
Deputy Chief Executive Sarah High (p)	-	135-140	-	-	-	-	-	67	-	200-205

16 Benefits-in-kind have been restated to include taxable travel and subsistence payments for one individual (see note o)

Notes:

(a) The value of pension benefits accrued during the year is calculated as the real increase in pension multiplied by 20 plus the real increase in any lump sum less the contributions made by the individual. The real increase excludes increases due to inflation or any increases or decreases due to a transfer of pension rights.

(b) Accrued pension benefits included in this table for any individual affected by the Public Service Pensions Remedy have been calculated based on their inclusion in the legacy scheme for the period between 1 April 2015 and 31 March 2022, following the McCloud judgment. The Public Service Pensions Remedy applies to individuals that were members, or eligible to be members, of a public service pension scheme on 31 March 2012 and were members of a public service pension scheme between 1 April 2015 and 31 March 2022. The basis for the calculation reflects the legal position that impacted members have been rolled back into the relevant legacy scheme for the remedy period and that this will apply unless the member actively exercises their entitlement on retirement to decide instead to receive benefits calculated under the terms of the Alpha scheme for the period from 1 April 2015 to 31 March 2022.

(c) Nicola Crauford joined ONR on 1 March 2025. Full-year equivalent salary was £55-60k.

(d) Roger Hardy joined ONR on 1 February 2024. Full-year equivalent salary was £10-15k.

(e) Matthew Rees joined ONR on 1 October 2025. Full-year equivalent salary was £10-15k.

(f) Judith Hackitt left ONR on 28 February 2025. Full-year equivalent salary was £50-55k.

(g) Sarika Patel left ONR on 31 March 2025.

(h) Tracey Matthews left ONR on 31 August 2025. Full-year equivalent salary was £10-15k.

(i) Lynne Clow joined ONR on 9 February 2026. Full-year equivalent salary was £10-15k.

(j) Mike Finnerty joined ONR on 1 July 2025. Full-year equivalent salary was £210-215k.

(k) David Wilson joined ONR on secondment from the Department of Education (DfE) on 12 January 2026. The secondment ends on 11 January 2027. Full-year equivalent salary was £120-125k. David was remunerated by DfE during 2025-26.

(l) The increase in pension benefits in 2024/25 for Mark Foy was as a result of transitioning to a different pension scheme. Mark ceased to be a Board member on 30 June 2025. Full-year equivalent salary was £225-230k.

(m) Paul Fyfe became a Board member on 1 July 2024. Full-year equivalent salary was £145-150k. Paul ceased to be a Board member on 11 January 2026. Full-year equivalent salary was £155-160k.

(n) Rachel Grant became a Board member on 1 July 2024. Full-year equivalent salary was £115-120k. Rachel ceased to be a Board member on 30 June 2025. Full-year-equivalent salary was £125-130k.

(o) Linda Aylmore joined ONR on 1 October 2024. Full-year equivalent salary was £120-125k. Linda left ONR on 10 December 2025. Full-year equivalent salary was £125-130k. Linda's final payment included £6k for untaken annual leave. 2024/25 figures have been restated to include benefits-in-kind for taxable travel and subsistence payments.

(p) Sarah High left ONR on 31 January 2025. Sarah received 2 months' salary in lieu of notice. Full-year equivalent salary was £150-155k.

Remuneration shown is for periods of Board appointment only.

Salary
For executives, 'salary' includes gross salary, which may include allowances, subject to UK taxation. This report is based on accrued payments made by ONR and thus recorded in the annual accounts.

Benefits-in-kind
The monetary value of benefits-in-kind covers any benefits provided by ONR and treated by HMRC as a taxable emolument. These benefits for Board members include travel and subsistence payments as appropriate.

Bonuses
Bonuses are based on performance levels attained and behaviours demonstrated and are made as part of the appraisal process. For executives and senior officers, this is agreed by the Remuneration and Resilience Committee (RRC). The value of bonuses is dependent upon several factors and is subject to the total amount of available funds. Bonuses relate to the performance in the year in which they become payable to the individuals. The bonuses reported in 2025/26 relate to performance in 2025/26 and comparative bonuses for 2024/25 are based on 2024/25 performance.

No bonuses are paid to non-executive directors.

Fair pay disclosures (subject to audit)
Reporting bodies are required to disclose the relationship between the remuneration of the highest-paid director in their organisation and the median remuneration of the organisation's workforce.

The banded remuneration of the highest-paid director in ONR in the financial year 2025/26 was £210,000 – £215,000 (2024/25: £230,000 – £235,000). This was 2.44 (2024/25: 2.78) times the median remuneration of the workforce, which was £87,184 (2024/25: £83,713).

In 2025/26 and 2024/25, no employees received remuneration in excess of the highest-paid director. Remuneration ranged from £25,122 to £153,472 (2024/25: £23,992 to £186,959), excluding the highest paid director.

Total remuneration includes salary, non-consolidated performance-related pay and benefits-in-kind. It does not include severance payments, employer pension contributions and the cash equivalent transfer value of pensions.

	25th percentile pay ratio	Median pay ratio	75th percentile pay ratio
2025-26	3.92:1	2.44:1	1.97:1
2024-25	4.57:1	2.78:1	2.24:1

	25th percentile total remuneration		Median total remuneration		75th percentile total remuneration	
Year	Total pay and benefits	Salary component	Total pay and benefits	Salary component	Total pay and benefits	Salary component
2025-26	£54,259	£53,759	£87,184	£86,434	£107,842	£107,092
2024-25	£50,899	£50,086	£83,713	£83,713	£103,720	£103,720

The median pay ratio for 2025/26 has decreased slightly from 2024/25 and is consistent with our pay, reward and progression policies for our employees taken as a whole. We continue to offer competency pay progression for eligible staff, in addition to targeted retention schemes for niche skillsets.

Percentage change in remuneration from 2024/25 (subject to audit)

	Salary and allowances	Performance pay and bonuses payable
Highest paid director	-4.6%	-86%
All employees	3.8%	9.5%

Highest paid director – the mid-point bonus payable for 2025/26 was £2,500 (2024/25 – £17,500). This is due to a change in staff, with the bonus figure reflective of the time spent in office.

Average bonuses payable to all employees in relation to 2025/26 performance increased by 9.5%. Bonuses were awarded for sustained contribution and were distributed as part of our Realising our Potential scheme.

Pension benefits (subject to audit)

	Accrued pension at pension age as at 31/03/26 and related lump sum	Real increase in pension and related lump sum at pension age	CETV at 31/03/26	CETV at 31/03/25	Real increase in CETV
	£'000	£'000	£'000	£'000	£'000
Mike Finnerty	10-15	2.5-5	165	105	47
David Wilson	10-15	0-2.5	149	143	5
Mark Foy	115-120 plus a lump sum of 300-305	0-2.5 plus a lump of 0	2,698	2,701	-13
Paul Fyfe	35-40	2.5-5	592	516	46
Rachel Grant	45-50	0-2.5	769	716	16
Linda Aylmore	0-5	0-2.5	53	22	24
Sarah High	-	-	-	1,059	-

CETV are shown in respect of periods of Board appointment only.

Accrued pension benefits included in this table for any individual affected by the Public Service Pensions Remedy have been calculated based on their inclusion in the legacy scheme for the period between 1 April 2015 and 31 March 2022, following the McCloud judgment. The Public Service Pensions Remedy applies to individuals that were members, or eligible to be members, of a public service pension scheme on 31 March 2012 and were members of a public service pension scheme between 1 April 2015 and 31 March 2022. The basis for the calculation reflects the legal position that impacted members have been rolled back into the relevant legacy scheme for the remedy period and that this will apply unless the member actively exercises their entitlement on retirement to decide instead to receive benefits calculated under the terms of the Alpha scheme for the period from 1 April 2015 to 31 March 2022.

Civil Service Pensions

Pension benefits are provided through the Civil Service pension arrangements. Before 1 April 2015, the only scheme was the Principal Civil Service Pension Scheme (PCSPS), which is divided into a few different sections – classic, premium, and classic plus provide benefits on a final salary basis, whilst nuvos provides benefits on a career average basis. From 1

April 2015 a new pension scheme for civil servants was introduced – the Civil Servants and Others Pension Scheme or alpha, which provides benefits on a career average basis. All newly appointed civil servants, and the majority of those already in service, are in alpha.

The PCSPS and alpha are unfunded statutory schemes. Employees and employers make contributions (employee contributions range between 4.6% and 8.05%, depending on salary). The balance of the cost of benefits in payment is met by monies voted by Parliament each year. Pensions in payment are increased annually in line with the Pensions Increase legislation. Instead of the defined benefit arrangements, employees may opt for a defined contribution pension with an employer contribution, the partnership pension account.

In alpha, pension builds up at a rate of 2.32% of pensionable earnings each year, and the total amount accrued is adjusted annually in line with a rate set by HM Treasury. Members may opt to give up (commute) pension for a lump sum up to the limits set by the Finance Act 2004. All members who switched to alpha from the PCSPS had their PCSPS benefits 'banked', with those with earlier benefits in one of the final salary sections of the PCSPS having those benefits based on their final salary when they leave alpha.

The accrued pensions shown in this report are the pension the member is entitled to receive when they reach normal pension age, or immediately on ceasing to be an active member of the scheme if they are already at or over normal pension age. Normal pension age is 60 for members of classic, premium, and classic plus, 65 for members of nuvos, and the higher of 65 or State Pension Age for members of alpha. The pension figures in this report show pension earned in PCSPS or alpha – as appropriate. Where a member has benefits in both the PCSPS and alpha, the figures show the combined value of their benefits in the two schemes but note that the constituent parts of that pension may be payable from different ages.

When the Government introduced new public service pension schemes in 2015, there were transitional arrangements which treated existing scheme members differently based on their age. Older members of the PCSPS remained in that scheme, rather than moving to alpha. In 2018, the Court of Appeal found that the transitional arrangements in the public service pension schemes unlawfully discriminated against younger members.

As a result, steps are being taken to remedy those 2015 reforms, making the pension scheme provisions fair to all members. The public service pensions remedy[17] is made up of two parts. The first part closed the PCSPS on 31 March 2022, with all active members becoming members of alpha from 1 April 2022. The second part removes the age discrimination for the remedy period, between 1 April 2015 and 31 March 2022, by moving the membership of eligible members during this period back into the PCSPS on 1 October 2023. This is known as "rollback".

17 How the public service pensions remedy affects your pension

For members who are in scope of the public service pension remedy, the calculation of their benefits for the purpose of calculating their Cash Equivalent Transfer Value and their single total figure of remuneration, as of 31 March 2025 and 31 March 2026, reflects the fact that membership between 1 April 2015 and 31 March 2022 has been rolled back into the PCSPS. Although members will in due course get an option to decide whether that period should count towards PCSPS or alpha benefits, the figures show the rolled back position i.e. PCSPS benefits for that period.

The partnership pension account is an occupational defined contribution pension arrangement which is part of the Legal & General Mastertrust. The employer makes a basic contribution of between 8% and 14.75% (depending on the age of the member). The employee does not have to contribute but, where they do make contributions, the employer will match these up to a limit of 3% of pensionable salary (in addition to the employer's basic contribution). Employers also contribute a further 0.5% of pensionable salary to cover the cost of centrally provided risk benefit cover (death in service and ill health retirement).

Further details about the Civil Service pension arrangements can be found at **www.civilservicepensionscheme.org.uk**

Cash Equivalent Transfer Values
A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies.

The figures include the value of any pension benefit in another scheme or arrangement that the member has transferred to the Civil Service pension arrangements. They also include any additional pension benefit accrued to the member as a result of their buying additional pension benefits at their own cost.

CETVs are worked out in accordance with The Occupational Pension Schemes (Transfer Values) (Amendment) Regulations 2008 and do not take account of any actual or potential reduction to benefits resulting from Lifetime Allowance Tax that may be due when pension benefits are taken.

The real increase in CETV
This reflects the increase in CETV that is funded by the employer. It does not include the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period.

Compensation for loss of office (subject to audit)
No compensation payments for loss of office were made by ONR during the period of this report.

Fees and expenses for independent members of ARAC (subject to audit)

	Salary £'000		Benefits in kind (to the nearest £100)		Total £'000	
	2025/26	2024/25	2025/26	2024/25	2025/26	2024/25
Sarah Smart	0-5	0-5	-	-	0-5	0-5

Staff information

Senior Civil Service (equivalent)

There were 11 Senior Civil Service (equivalent) posts as at 31 March 2026 (10 at 31 March 2025).

SCS posts as at 31 March 2026

Full-time equivalents by pay band	31 March 2026	31 March 2025
SCS 2 Equivalent	1	1.6
SCS 1 Equivalent	10	8
Total	**11**	**9.6**

Staff numbers (subject to audit)

Average FTE

	Permanent staff [1]	Other staff [2]	Total
2025/26	654	4	658
2024/25	665	3	668

Notes:

1 Permanent staff includes those on permanent or fixed term contracts. This includes staff on secondment out of ONR, for whom the organisation remains responsible. The calculation excludes non-executive members of the ONR Board.

2 Other staff includes those engaged on the objectives of ONR (for example short-term contract staff, agency/temporary staff, or inward secondments where ONR is paying for the whole or the majority of their costs).

Diversity and inclusion

We are committed to the three aims of the public sector equality duty. To support these aims, we continue to:

- eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Equality Act 2010;
- advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; and
- foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

Staff policies relating to disability

We continue to focus on disability-smart best practice and to ensure that we have the right policies and practices in place, and we have sought to help colleagues understand the importance of disability inclusion to enable them to support team members more effectively.

We continually review and develop our policies and practices to support staff with disabilities. Those already in place include:

- recruitment and selection – we continue to offer a guaranteed interview scheme for candidates with a disability who meet the minimum criteria and invite candidates to notify us of any special requirements and to make adjustments at all stages of our selection processes and arrangements for individuals as appropriate;
- our partnership with VERCIDA, a careers site that collaborates with employers who

respect a culture of inclusivity, diversity and accessibility in order to broaden the reach of our roles amongst under-represented groups;

- we are members of Purple and Northwest DWP, a Disability Confident Leader network to allow us access to a host of multiple resources that focus on disability-smart best practice; and help us to be informed of 'hidden' disabilities;
- our Accessibility Working Group, continues to improve the accessibility of our publications, people processes, digital services and offices, to ensure we comply with accessibility requirements and are proactive in creating inclusive working practices;
- we have achieved National Equality and Disability Confident Leader Accreditation for the third time;
- to support and enable disabled staff or those who have long-term health conditions, we have in place a number of mechanisms, including DSE assessments, Occupational Health services and an Employee Assistance Programme;
- a key supportive process is the Workplace Adjustment Passport, to record and manage adjustments that have been implemented and to help remove barriers for disabled staff at work;
- as a Disability Confident Leader, we have been recognised by the Liverpool City Region and awarded Fair Employment Charter status; and
- our mental health strategy and stress management policies, are helping to break the stigma of mental health in the workplace and provide practical tools and aids to enable managers to better support colleagues.

Gender diversity

The **ONR Gender Pay Report 2025** is based on a snapshot of the pay of all ONR employees as of 31 March 2025, as well as annual payments and bonuses paid between 1 April 2024 and 31 March 2025.

Overview of gender pay gap results

The 2025 report highlights a setback, with ONR's overall gender pay gap increasing compared with previous years. ONR's overall mean gender pay gap has increased by 1.6% to 26.0%, with the median gap rising by 7% to 38.98%. The mean bonus gap now marginally favours men at 0.4%. We have seen a more balanced distribution of bonuses with 71.4% of women recognised, and the data shows there is a positive trend towards greater equity. We believe this demonstrates our praise and recognition scheme, introduced in November 2022, is having a positive impact in this area.

Despite sustained efforts to reduce disparities, ONR acknowledges that progress in 2024–25 did not meet expectations, and that further work is required to make a meaningful impact on long-standing structural challenges in the nuclear sector.

Women represented 37.8% of ONR's workforce in 2025, marking continued progress toward the Nuclear Sector Deal target of 40% female representation by 2030.

The report emphasises that the gender pay gap reflects the demographic makeup of the workforce—especially the lower proportion of women in STEM fields nationally and in technical, higher-paid regulatory roles within ONR.

Key factors affecting the gender pay gap

ONR's gender pay gap continues to be shaped by external labour-market realities and internal workforce composition, including:

- sector-wide shortage of women in STEM roles, which limits the pool of experienced female candidates for technical and senior regulatory positions;
- historical demographic mix of the nuclear sector, contributing to a workforce where women remain underrepresented in higher grades and technical disciplines; and
- the early stages of long-term interventions (such as apprenticeships and talent programmes) mean their impact on senior-level representation is not yet fully realised.

Progress and positive indicators

ONR continues to invest heavily in creating pathways for women to enter, stay, and progress within the organisation. The 2025 report highlights several positive developments:

- a third of ONR's nuclear engineering degree apprentices are now women, demonstrating early success in widening entry routes into regulatory roles;
- ONR is increasing support for existing female employees through reciprocal mentoring, leadership development, and improved talent and succession planning; and
- continued commitment to building a workplace where all roles, including senior positions, are accessible and attractive to women.

While these early indicators are promising, ONR acknowledges that the full benefits—especially for the pay gap—will materialise over the medium to long term.

Actions taken to reduce the gender pay gap

The organisation has committed to a series of targeted interventions aimed at reducing structural barriers and supporting a more gender-balanced workforce. These include:

Recruitment and selection

- continued use of name and gender-anonymous job applications to mitigate bias;
- ensuring female representation on recruitment panels to support diverse decision-making; and
- using gender-neutral language in all recruitment materials.

Partnerships and outreach

- strengthening collaboration with diversity-focused organisations such as VERCIDA; and
- supporting sector-wide initiatives through the Nuclear Skills Delivery Board (NSDB) to encourage girls to study science and pursue careers in STEM from primary through secondary education.

Development and progression

- expanded mentoring opportunities, including internal leadership development and external programmes such as Women in Nuclear mentoring initiatives; and
- ongoing refinement of talent and succession planning to ensure female colleagues are supported to progress into more senior roles.

Flexible working and culture

- a renewed focus on flexible working arrangements to improve work–life balance and retain female talent; and
- continued delivery of Diversity & Inclusion and Allyship training, building a more inclusive culture across ONR.

Looking ahead

While 2025 saw an increase in the gender pay gap, ONR remains fully committed to tackling long-term barriers. Leadership emphasises that any meaningful improvement requires sustained action and collaboration across the sector as well as the organisation.

ONR's strategy for the coming years focuses on:

- expanding entry routes (e.g. apprenticeships, graduate programmes);
- enhancing leadership development for women;
- targeting the root causes of under-representation in technical and senior roles; and
- continued transparent reporting and sector collaboration.

Together these create the building blocks to achieve improved gender balance, strengthen ONR's capability, and deliver on its commitment to being a modern, fair, inclusive regulator.

Workforce gender composition

The 2025 report states that women make up 37.8% of ONR's workforce. This continues an upward trend and moves the organisation closer to its 2030 target.

The structural imbalance—particularly in senior technical roles—remains a key contributor to the pay gap and a focus of long-term strategic action.

Promoting equity, diversity and inclusion is essential for delivering our mission as a modern, world-class regulator. A gender-balanced workforce supports our innovation ambitions and brings diversity of thought and better decision-making, creating a

workplace where everyone can achieve their potential, and directly contribute to our strategic aims and public obligations in nuclear safety and security.

The breakdown of our staff by gender is detailed in the following table

Headcount by gender

	31 March 2026		31 March 2025	
Number of staff by gender (headcount)	**Male (% of total)**	**Female (% of total)**	**Male (% of total)**	**Female (% of total)**
Senior Civil Service equivalents	6 (0.9)	0 (0)	7 (1.0)	3 (0.4)
Permanently appointed staff **(Bands 1–6)**	417 (61.4)	256 (37.7)	432 (61.8)	257 (36.8)
Total	**423 (62.3)**	**256 (37.7)**	**439 (62.8)**	**260 (37.2)**

At 31 March 2026, non-executives on our Board consisted of four females and two males.

Staff turnover

Our turnover rate for 2025/26 was 6.1%, a decrease of 0.6% compared to 2024/25.

Retirements and resignations were the main reasons for staff leaving during the year.

Leavers from the organisation during the year caused no concern from a capacity perspective.

Engagement with trade unions

We continue to maintain a positive relationship with trade unions, using a framework agreement that promotes an open, transparent, and collaborative approach to engagement. This includes regular and early sharing of proposed policy changes and improvements, early sharing of plans for key projects and strategic changes and agreeing an engagement plan that is clear about our proposals and the manner and timeframes in which we will negotiate, consult, or inform as appropriate.

We will continue to meet formally, six to eight times a year, and maintain an open and constructive dialogue, including several informal, off-line, and specific discussions to ensure early engagement. This will include face-to-face meetings with the HR Director to build on the current relationship. The CE/CNI and members of our SLT will attend meetings with the trade unions periodically as part of maintaining senior dialogue on the strategic direction for ONR.

Staff costs (subject to audit)

	2025/26			2024/25
	Permanently employed staff	Others	Total	Total
	£'000	£'000	£'000	£'000
Wages and salaries	52,990	797	53,787	52,727
Social security costs	7,643		7,643	6,516
Other pension costs	15,103		15,103	14,727
Total per Statement of Comprehensive Net Expenditure	**75,736**	**797**	**76,533**	**73,970**
Less recoveries in respect of outward secondments	**(140)**		**(140)**	**(224)**
Net total	**75,596**	**797**	**76,393**	**73,746**

The Principal Civil Service Pension Scheme (PCSPS) and the Civil Servant and Other Pension Scheme (CSOPS) – known as "Alpha" – are unfunded multi-employer defined benefit schemes but we are unable to identify our share of the underlying assets and liabilities. The Scheme Actuary valued the PCSPS as at 31 March 2016. You can request details of the Cabinet Office: Civil Superannuation resource accounts by contacting: resourceaccounts@civilservicepensionsheme.org.uk

For 2025/26, employers' contributions of £15.0 million were payable to the CSOPS (2024/25 £14.6 million) at 28.97% of pensionable earnings. The Scheme Actuary reviews employer contributions usually every four years following a full scheme valuation. The contribution rates are set to meet the cost of the benefits accruing during 2025/26 to be paid when the member retires and not the benefits paid during this period to existing pensioners.

Employees can opt to open a partnership pension account, a stakeholder pension with an employer contribution. Employers' contributions of £82,189 were paid to one or more of the panel of three appointed stakeholder pension providers. Employer contributions are age-related and ranged from 8% to 14.75%. Employers also match employee contributions up to 3% of pensionable earnings. In addition, employer contributions of £2,465, 0.5% of pensionable pay, were payable to the CSOPS to cover the cost of the future provision of lump sum benefits on death in service or ill-health retirement of these employees.

Contributions due to the partnership pension providers at 31 March 2026 were £6,797. Contributions prepaid at that date were nil.

In 2025/26, no individuals retired early on ill-health grounds (2024/25: two). The total additional accrued pension liabilities in the year amounted to nil (2024/25: £40,682).

Sickness absence information

The average number of working days lost due to sickness in 2025/26 was 5.3 per person (2024/25 – 6.45), which is below the national average of 8.2. We continue to build an inclusive work environment and maintain our commitment to promote and support positive mental health and wellbeing in our workplace. A generic risk assessment is in place mapping our organisational controls against each of the HSE management standards. Management system controls are in place – supporting directorates to minimise the risk of stress in their teams and supporting staff who do experience stress. A suite of training on work-related stress is available through the Academy to educate and upskill colleagues and line managers. Ongoing work is focusing on educating directorates, embedding actions in risk registers, and using communications to increase training completion. Early intervention arrangements are in place: the HR casework team supports line managers once a sickness absence becomes long-term (>20 working days). In cases of stress-related absences, line managers are contacted as soon as the absence is identified through reporting.

Health, safety and wellbeing

The health, safety and wellbeing (HSW) of our staff remains our number one priority. This means we are developing a culture where everyone shows accountability to positively influence culture, setting direction and values through annual strategy. We expect all staff to consider the impact of health and safety proactively and routinely in their work activities to enable greater collaboration, sharing of best practice and support learning to drive continuous improvement.

We made good progress with our Achieving Cultural Excellence strategy to drive health and safety improvements and embed our approach to effective health and safety management. This included engaging consistently with our leaders and managers to build our culture and drive health and safety improvements and collaborating with our staff to shape and rebuild our management system controls to enable everyone to stay safe, healthy, and well.

Exit packages – Civil Service and other compensation schemes (subject to audit)

Redundancy and other departure costs are paid in accordance with the provisions of the Civil Service Compensation Scheme, a statutory scheme made under the Superannuation Act 1972. Exit costs are accounted for in full in the year of departure.

Where we agreed early retirements, the additional costs were met by ONR and not by the Civil Service Pension Scheme. Ill-health retirement costs were met by the pension scheme and are not included in the table.

There were no compulsory redundancies in 2025/26 (nil 2024/25).

Other departures

Exit package cost band	Number of other departures agreed	
	2025/26	2024/25
<£10,000	-	-
£10,001 – £25,000	-	-
£25,001 – £50,000	-	-
£50,001 – £100,000	-	-
£100,001 – £150,000	-	-
£150,001 – £200,000	-	-
£200,001 – £250,000	-	-
£250,001 – £300,000	-	1
Total number of exit packages	-	1
Total cost /£'000	**-**	**258**

Off-payroll staff (includes temporary and consultancy)

Highly paid off-payroll engagements as at 31 March 2026, earning £245 per day or greater

Number of existing engagements as of 31 March 2026	7
Of which, the number that existed at the time of reporting for:	
Less than 1 year	5
Between 1 and 2 years	0
Between 2 and 3 years	0
Between 3 and 4 years	0
For 4 or more years	2

All highly paid off-payroll workers engaged at any point during the year ended 31 March 2026, earning £245 per day or greater

Number of temporary off-payroll workers engaged during the year ended 31 March 2026	9
Of which:	
Not subject to off-payroll legislation	2
Subject to off-payroll legislation and determined as in-scope of IR35	4
Subject to off-payroll legislation and determined as out-of-scope of IR35	3
Number of engagements reassessed for compliance or assurance purposes during the year	1
Of which:	
Number of engagements that saw a change to IR35 status following review	0

For any off-payroll engagements of board members and/or senior officials with significant financial responsibility, between 1 April 2025 and 31 March 2026

Number of off-payroll engagements of board members, and/or, senior officials with significant financial responsibility during the financial year	0
Total number of individuals on-payroll and off-payroll that have been deemed "board members, and/or, senior officials with significant financial responsibility" during the financial year. This figure includes both on-payroll and off-payroll engagements	21

Consultancy

Our expenditure on consultancy was £0.4 million (£0.1 million in 2024/25). Consultancy support has been used across the organisation in a variety of areas. These include a Knowledge Management project to ensure that organisational knowledge is retained when staff leave the organisation. There has also been a pay and grading review undertaken by the HR directorate and consultancy support for business planning within the finance directorate.

Contingent labour

Our expenditure on contingent labour was £0.7 million (£0.5 million in 2024/25). The increase in expenditure was due to:

- maintaining a Finance Business Partnering Team. These costs ended in April 2026;
- providing Programme Manager support within the New Directors Directorate; and
- providing support to develop the SIMRS software utilised within Safeguards.

Parliamentary accountability and audit report

This report brings together the key Parliamentary accountability documents; regularity of expenditure and the Certificate and Report of the Comptroller and Auditor General to the Houses of Parliament.

Regularity of expenditure (subject to audit)

The Accounting Officer for DWP has designated the CE/CNI of ONR with responsibilities for the propriety and regularity of the public finances for which they are answerable, for keeping proper records and for safeguarding assets as set out in HM Treasury's 'Managing Public Money'.

Fees and charges (subject to audit)

Under the Energy Act 2013, ONR recovers the full cost of certain chargeable services and receives grant funding from DWP for non-chargeable activities such as fire safety and some transport inspection. We continue to review our financial arrangements in the context of prevailing fees regulations.

Breakdown of fees and charges

	2025/26			2024/25		
	Income	Cost	Surplus/ (deficit)	Income	Cost	Surplus/ (deficit)
	£'000	£'000	£'000	£'000	£'000	£'000
Licensing of nuclear installations	58,004	58,008	(4)	57,804	57,804	-
Civil Nuclear Security	14,244	14,245	(1)	15,217	15,217	-
Generic Design Assessment	18,060	18,061	(1)	17,966	17,966	-
Safeguards	7,100	7,255	(155)	6,655	6,861	(206)
Radioactive Materials Transport	1,135	1,135	-	773	773	-
Advanced Nuclear Technologies	784	784	-	1,143	1,143	-
Sub total	**99,327**	**99,488**	**(161)**	**99,558**	**99,764**	**(206)**
Other fees and charges	140	140	-	129	150	(21)
Total fees and charges	**99,467**	**99,628**	**(161)**	**99,687**	**99,914**	**(227)**

DWP provided £66k of capital funding (from the CIF) for digital technology upgrades, which was recognised in "Other Operating Income" in 2025/26, creating an initial surplus. Depreciation on this asset was not charged to industry, resulting in a deficit of £6,000 in 2025/26, with the remaining depreciation reducing any surplus in future years.

* Safeguards

The Nuclear Safeguards (Fees) Regulations 2021 came into force on 1 April 2022, giving us the powers to charge the majority of Safeguards costs directly to industry. As DESNZ provided capital funding for the Safeguards asset until 31 March 2022, we did not include amortisation costs to industry relating to this funding. This resulted in a deficit of £155,000 for 2025/26.

** Advanced nuclear technologies

These costs were charged to DESNZ.

Statement of losses and special payments (subject to audit)

Individually or collectively, losses and special payments do not exceed the £300,000 reporting threshold. No special severance payments were made.

Remote contingent liabilities (subject to audit)

ONR does not have any remote contingent liabilities.

Mike Finnerty
Chief Executive and Chief Nuclear Inspector
Office for Nuclear Regulation

6 July 2026

The Certificate and Report of the Comptroller and Auditor General to the Houses of Parliament

Opinion on financial statements

I certify that I have audited the financial statements of the Office for Nuclear Regulation for the year ended 31 March 2026 under the Energy Act 2013.

The financial statements comprise the Office for Nuclear Regulation's

- Statement of Financial Position as at 31 March 2026;
- Statement of Comprehensive Net Expenditure, Statement of Cash Flows and Statement of Changes in Taxpayers' Equity for the year then ended; and
- the related notes including the significant accounting policies.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and UK adopted international accounting standards.

In my opinion, the financial statements:

- give a true and fair view of the state of the Office for Nuclear Regulation's affairs as at 31 March 2026 and its net operating cost for the year then ended; and
- have been properly prepared in accordance with the Energy Act 2013 and Secretary of State directions issued thereunder.

Opinion on regularity

In my opinion, in all material respects, the income and expenditure recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

Basis for opinions

I conducted my audit in accordance with International Standards on Auditing (UK) (ISAs UK), applicable law and Practice Note 10 Audit of Financial Statements and Regularity of Public Sector Bodies in the United Kingdom (2024). My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of my certificate.

Those standards require me and my staff to comply with the Financial Reporting Council's Revised Ethical Standard 2024. I am independent of the Office for Nuclear

Regulation in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK. My staff and I have fulfilled our other ethical responsibilities in accordance with these requirements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions relating to going concern

In auditing the financial statements, I have concluded that the Office for Nuclear Regulation's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Office for Nuclear Regulation's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

My responsibilities and the responsibilities of the Chief Executive with respect to going concern are described in the relevant sections of this certificate.

The going concern basis of accounting for the Office for Nuclear Regulation is adopted in consideration of the requirements set out in HM Treasury's Government Financial Reporting Manual, which requires entities to adopt the going concern basis of accounting in the preparation of the financial statements where it is anticipated that the services which they provide will continue into the future.

Other information

The other information comprises information included in the Annual Report, but does not include the financial statements and my auditor's certificate thereon. The Chief Executive is responsible for the other information.

My opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in my certificate, I do not express any form of assurance conclusion thereon.

My responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

Opinion on other matters

In my opinion the part of the Remuneration and Staff Report to be audited has been properly prepared in accordance with Secretary of State directions issued under the Energy Act 2013.

In my opinion, based on the work undertaken in the course of the audit:

- the parts of the Accountability Report subject to audit have been properly prepared in accordance with Secretary of State directions made under the Energy Act 2013; and
- the information given in the Performance and Accountability Reports for the financial year for which the financial statements are prepared is consistent with the financial statements and is in accordance with the applicable legal requirements.

Matters on which I report by exception

In the light of the knowledge and understanding of the Office for Nuclear Regulation and its environment obtained in the course of the audit, I have not identified material misstatements in the Performance and Accountability Reports.

I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- adequate accounting records have not been kept by the Office for Nuclear Regulation or returns adequate for my audit have not been received from branches not visited by my staff; or
- I have not received all of the information and explanations I require for my audit; or
- the financial statements and the parts of the Accountability Report subject to audit are not in agreement with the accounting records and returns; or
- certain disclosures of remuneration specified by HM Treasury's Government Financial Reporting Manual have not been made or parts of the Remuneration and Staff Report to be audited is not in agreement with the accounting records and returns; or
- the Governance Statement does not reflect compliance with HM Treasury's guidance.

Responsibilities of the Chief Executive for the financial statements

As explained more fully in the Statement of Chief Executive's Responsibilities, the Chief Executive is responsible for:

- maintaining proper accounting records;
- providing the C&AG with access to all information of which management is aware that is relevant to the preparation of the financial statements such as records, documentation and other matters;
- providing the C&AG with additional information and explanations needed for his audit;

- providing the C&AG with unrestricted access to persons within the Office for Nuclear Regulation from whom the auditor determines it necessary to obtain audit evidence;
- ensuring such internal controls are in place as deemed necessary to enable the preparation of financial statements to be free from material misstatement, whether due to fraud or error;
- preparing financial statements which give a true and fair view in accordance with Secretary of State directions issued under the Energy Act 2013;
- preparing the annual report, which includes the Remuneration and Staff Report, in accordance with Secretary of State directions issued under the Energy Act 2013; and
- assessing the Office for Nuclear Regulation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Chief Executive anticipates that the services provided by the Office for Nuclear Regulation will not continue to be provided in the future.

Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit, certify and report on the financial statements in accordance with the Energy Act 2013.

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a certificate that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Extent to which the audit was considered capable of detecting non-compliance with laws and regulations including fraud

I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of non-compliance with laws and regulations, including fraud. The extent to which my procedures are capable of detecting non-compliance with laws and regulations, including fraud is detailed below.

Identifying and assessing potential risks related to non-compliance with laws and regulations, including fraud

In identifying and assessing risks of material misstatement in respect of non-compliance with laws and regulations, including fraud, I:

- considered the nature of the sector, control environment and operational performance including the design of the Office for Nuclear Regulation's accounting policies, key

performance indicators and performance incentives.

- inquired of management, the Office for Nuclear Regulation's head of internal audit and those charged with governance, including obtaining and reviewing supporting documentation relating to the Office for Nuclear Regulation's policies and procedures on:
  - identifying, evaluating and complying with laws and regulations;
  - detecting and responding to the risks of fraud; and
  - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations including the Office for Nuclear Regulation's controls relating to the Office for Nuclear Regulation's compliance with the Energy Act 2013 and Managing Public Money;
- inquired of management, the Office for Nuclear Regulation's head of internal audit and those charged with governance whether:
  - they were aware of any instances of non-compliance with laws and regulations;
  - they had knowledge of any actual, suspected, or alleged fraud;
- discussed with the engagement team and relevant internal specialists engaged on data analytics regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, I considered the opportunities and incentives that may exist within the Office for Nuclear Regulation for fraud and identified the greatest potential for fraud in the following areas: revenue recognition, posting of unusual journals, complex transaction and bias in management estimates. In common with all audits under ISAs (UK), I am required to perform specific procedures to respond to the risk of management override.

I obtained an understanding of the Office for Nuclear Regulation's framework of authority and other legal and regulatory frameworks in which the Office for Nuclear Regulation operates. I focused on those laws and regulations that had a direct effect on material amounts and disclosures in the financial statements or that had a fundamental effect on the operations of the Office for Nuclear Regulation. The key laws and regulations I considered in this context included the Energy Act 2013, Managing Public Money, employment law, tax legislation and relevant legislation relating to fees charged by the Office for Nuclear Regulation.

Audit response to identified risk

To respond to the identified risks resulting from the above procedures:

- I reviewed the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described above as having direct effect on the financial statements;

- I enquired of management, the Audit and Risk Assurance Committee and in-house legal counsel concerning actual and potential litigation and claims;
- I reviewed minutes of meetings of those charged with governance and the Board and internal audit reports;
- I addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and other adjustments; assessing whether the judgements on estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business; and
- I communicated relevant identified laws and regulations and potential risks of fraud to all engagement team members including internal specialists and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

A further description of my responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of my certificate.

Other auditor's responsibilities

I am required to obtain sufficient appropriate audit evidence to give reasonable assurance that the expenditure and income recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control I identify during my audit.

Report

I have no observations to make on these financial statements.

Gareth Davies
Comptroller and Auditor General

National Audit Office
157-197 Buckingham Palace Road
Victoria
London
SW1W 9SP

7 July 2026

Financial statements

Statement of Comprehensive Net Expenditure for the period ended 31 March 2026

	Note	2025/26 £'000	2024/25 £'000
Expenditure			
Staff costs	2	76,533	73,970
Other operating costs	3	28,408	29,975
Finance costs	3	662	594
Operating costs		**105,603**	**104,539**
Revenue from contracts with customers	4	(99,467)	(99,687)
Other operating income	4	(6,041)	(4,626)
Total operating income		**(105,508)**	**(104,313)**
Net operating cost for the year		**95**	**226**
Other comprehensive net income			
Items which will not be reclassified to net operating costs:			
Net loss/(gain) on revaluation of intangible assets		29	(315)
Comprehensive net expenditure/(income) for the year		**124**	**(89)**

All income and expenditure is derived from continuing operations.

The notes on pages 116 to 140 form part of these accounts.

Statement of Financial Position as at 31 March 2026

	Note	31 March 2026 £'000	31 March 2025 £'000
Non-current assets			
Property, plant and equipment	5	1,297	1,492
Right-of-use assets	6	7,971	9,739
Intangible assets	7	4,046	5,101
Total non-current assets		**13,314**	**16,332**
Current assets			
Trade and other receivables	8	19,482	20,917
Cash and cash equivalents	9	7,752	8,191
Total current assets		**27,234**	**29,108**
Total assets		**40,548**	**45,440**
Current liabilities			
Trade and other payables	10	(13,578)	(14,720)
Lease liabilities	10	(1,926)	(1,892)
Provisions	14	-	(42)
Total current liabilities		**(15,504)**	**(16,654)**
Non-current liabilities			
Trade and other payables	10	(5,957)	(7,812)
Lease liabilities	10	(6,439)	(8,202)
Total non-current liabilities		**(12,396)**	**(16,014)**
Assets less liabilities		**12,648**	**12,772**
Equity			
General fund		12,086	12,087
Revaluation reserve		562	685
Total equity		**12,648**	**12,772**

The notes on pages 116 to 140 form part of these accounts

Mike Finnerty
Chief Executive and Chief Nuclear Inspector
Office for Nuclear Regulation

6 July 2026

Statement of Cash Flows for the period ended 31 March 2026

	Note	2025/26 £'000	2024/25 £'000
Cash flows from operating activities			
Net operating cost		(95)	(226)
Adjustments for non-cash transactions	3	3,082	4,069
Decrease/(increase) in trade and other receivables	8	1,435	(1,274)
Less movements in receivables relating to items not passing through the Statement of Comprehensive Net Expenditure	3	-	(1)
(Decrease) in trade payables	10	(1,260)	(940)
Add movements in payables relating to items not passing through the Statement of Comprehensive Net Expenditure		682	305
Utilisation of provisions	14	(42)	-
Net cash inflow from operating activities		**3,802**	**1,933**
Cash flows from investing activities			
Purchase of property, plant and equipment	5a	(228)	(825)
Purchase of right-of-use		-	3
Purchase of intangible assets	7a	59	(194)
Net cash outflow from investing activities		**(169)**	**(1,016)**
Cash flows from financing activities			
Loans drawn down from DWP	11	-	1,200
Loan capital repayments to DWP	11	(1,737)	(1,654)
Repayment of lease liabilities		(1,916)	(2,861)
Interest paid on leases		(419)	(377)
Net financing		**(4,072)**	**(3,692)**
Net decrease in cash and cash equivalents in the year		**(439)**	**(2,775)**
Cash and cash equivalents at the beginning of the year	9	**8,191**	**10,966**
Cash and cash equivalents at the end of the year	9	**7,752**	**8,191**

The notes on pages 116 to 140 form part of these accounts.

Statement of Changes in Taxpayers' Equity for the year ended 31 March 2026

	General Fund £'000	Revaluation Reserve £'000	Total Equity £'000
Balance at 1 April 2024	**12,157**	**527**	**12,684**
Comprehensive net income for the year	89	-	89
Payments to Consolidated Fund	(1)	-	(1)
Revaluation gains	-	315	315
Recognised in Statement of Comprehensive Net income	(315)	-	(315)
Transfer between reserves	157	(157)	-
Balance at 31 March 2025	**12,087**	**685**	**12,772**
Comprehensive net expenditure for the year	(124)	-	(124)
Revaluation decrease	-	(29)	(29)
Recognised in Statement of Comprehensive Net Expenditure	29	-	29
Transfers between reserves	94	(94)	-
Balance at 31 March 2026	**12,086**	**562**	**12,648**

The General Fund represents the total assets less liabilities of ONR to the extent that the total is not represented by other reserves and financing items.

The revaluation reserve reflects the cumulative changes in the value of ONR intangible assets over time, resulting from previous revaluations to reflect fair market value. The surplus or deficit from revaluation is transferred to the revaluation reserve account.

The notes on pages 116 to 140 form part of these accounts.

Notes to the accounts

1 Statement of accounting policies

1.1 Basis of preparation and statement of compliance

These financial statements have been prepared on a going concern basis and in accordance with the 2025/26 Government Financial Reporting Manual (FReM) issued by HM Treasury.

The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector context.

Where the FReM permits a choice of accounting policy, the accounting policy that is judged to be most appropriate to our particular circumstances for the purposes of giving a true and fair view has been selected. The particular accounting policies adopted by us are set out below. They have been applied consistently in dealing with the items that are considered material in relation to the accounts.

These accounts have been prepared under a direction issued by DWP in accordance with the Energy Act 2013.

1.2 Accounting standards, interpretations and amendments

All IFRS, interpretations and amendments to published standards, effective at 31 March 2026, have been adopted in these financial statements, taking into account the specific interpretations and adaptations included within the FReM.

New accounting standards adopted in the year

IFRS 17 'Insurance Contracts' replaces IFRS 4 'Insurance Contracts' and aims to make risk transfer contracts more comparable. IFRS 17 was applied by HM Treasury in the FReM from 1 April 2025. ONR has not identified any contracts within the scope of IFRS 17, therefore there is no impact on our financial statements.

Applicable accounting standards issued but not yet adopted

IFRS 18 (Presentation and Disclosure in Financial Statements) was issued in April 2024 and applies to annual reporting periods after 1 January 2027. The standard has not yet been considered for adaptations and interpretations under the FReM.

IFRS 19 (Subsidiaries without Public Accountability: Disclosures) was issued in May 2024 and applies to annual reporting periods after 1 January 2027. The standard has not yet been considered for adaptations and interpretations under the FReM.

1.3 Accounting convention

These financial statements have been prepared under the historical cost convention modified to account for the revaluation of certain assets and liabilities at fair value.

1.4 Interest on capital

Under 'Managing Public Money', we are required to charge interest on capital (cost of capital) as a percentage of net assets. The amounts generated by this charge are retained by us and offset against any grant requirement (cash) from the sponsoring body (DWP). The charge is shown as interest on capital and the gross grant recorded as income. Interest on capital is charged at 3.5% of net assets and included in our calculation of fees and charges.

1.5 Government grants

Grant from DWP – we are partly financed by a grant from the DWP, which covers costs that are not statutorily recoverable from industry. The grant is credited to the Statement of Comprehensive Net Expenditure (SoCNE) in the year in which it is receivable from DWP. The grant is recognised as income due to our status as a public corporation.

Grant from DWP's Continuous Improvement Fund (CIF) – we received additional funding for activities to improve efficiency for ONR. Activities included a digital technology upgrade, digital skills funding and support for the safe introduction of AI in ONR.

Grant from the Department for Science, Innovation and Technology's (DSIT) AI Capability Fund – we received funding in 2025/26 for a project looking at the safe and secure deployment of AI in nuclear installations.

Grant from the Apprenticeship Fund – payments to the Apprenticeship Levy are recorded against staff costs as social security costs. Drawdowns from the Apprenticeship Fund for training are recorded as notional income and expenditure in accordance with IAS 20 – Accounting for Government Grants.

(See also Prosecutions, 1.9 below).

1.6 Staff costs

Staff costs include wages and salaries, social security costs and pension costs. We recognise these costs, including untaken annual leave and flexi-leave, when we have an obligation to pay.

IAS 19 requires us to recognise a short-term employee benefit liability when an employee has provided service in exchange for those benefits. Included in the accounts is an accrual for the outstanding employee annual leave and flexi entitlement calculated at the period end date.

1.7 Taxation

Most of our activities are outside the scope of value added tax (VAT) and, in general, output tax does not apply and input tax on purchases is not recoverable. Irrecoverable VAT is charged to the relevant expenditure category or included in the capitalised purchase cost of non-current assets.

Where output tax is charged or input tax is recoverable, the amounts are stated net of VAT.

ONR is registered for Corporation Tax. Any trading activities would be liable to Corporation Tax.

1.8 Insurance

Under the Energy Act 2013, we are not permitted to receive certain cover under Crown indemnity and have therefore purchased the following commercial insurances:

- employer's liability, public & products insurance
- motor insurance for hire car users
- professional indemnity insurance
- overseas business travel insurance
- insurance for contents and tenants improvements
- Insurance costs are included in 'other expenditure'.

1.9 Income recognition

In line with IFRS 15, our significant contracts with customers relate to statutory work (Note 4 provides further detail).

Income is recognised over time as this work has no alternative use for us and there would be an enforceable right to payment for work done to date. Income is calculated using time recording information to calculate recoverable costs.

We analyse income and include the required disclosures if more than 10% of total revenue is received from a single customer during the financial year.

Prosecutions

The fees regulations that underpin our charging methodology allow us to recover the full cost of providing nuclear regulation. However, the regulations do not extend to recovering the costs associated with undertaking a prosecution.
Costs associated with a prosecution are funded by a ring-fenced grant from DWP.
This grant includes costs such as legal advice and representation as well as staff costs incurred once a decision has been made to prosecute a dutyholder.

If a prosecution is successful, any costs awarded will be re-imbursed to DWP and accounted for as income in our accounts. Where costs awarded are lower than costs incurred, we will retain the element of the grant that exceeds costs awarded. If a prosecution is unsuccessful, we retain the DWP grant to cover our costs.

Contract liabilities

Contract liabilities relate to payments received by us for goods or services that have not yet been delivered. We record these payments as a liability until delivery of the goods or services, when income is recognised.

These payments are mainly grants for specific activities provided by DWP in advance.

These deferred amounts are released to income as costs are incurred in carrying out the

specific activities for which the grant was awarded. Typically, grants are provided on a quarterly basis so the amount deferred usually covers one to two months activity.

1.10 Operating segments

IFRS 8 requires operating segments to be identified on the basis of internal reports that are regularly reviewed by the chief operating decision maker to allocate resources to segments of ONR and also to assess their performance. For 2025/26, the Board has identified our CE/CNI as the chief operating decision maker.

The CE/CNI reviews our operational and financial performance at an aggregated level and these accounts, therefore, do not include a statement of operating costs by operating segment.

1.11 Non-current assets

General

Assets are capitalised where they have an expected useful life of more than one year and where the original cost of the item exceeds the capitalisation threshold (£5,000 except for leasehold improvements, which is £100,000). Items are pooled where a number of lower value assets in the same category (for example furniture) are purchased. Pooled items must be purchased in the same financial year to allow for capitalisation.

Intangible assets

Intangible assets are measured at cost and up to 31 March 2025 they were subsequently measured at fair value.

From 1 April 2025, HM Treasury amended the FReM to remove the option to apply the revaluation model to intangible assets. As a result, the carrying amounts of intangible assets at the transition date have been treated as deemed cost, with subsequent measurement on a historical cost basis. This change has been applied prospectively from the date of transition. There has been no material impact on opening balances or on the revaluation reserve as a result of this change.

When non-current assets are built over time, they are treated as assets under construction and are not capitalised until completion. While costs are being accumulated no amortisation is applied. Once the asset is available for use, all costs associated with the asset are capitalised and amortisation commences.

Costs are monitored to ensure only specific development costs and direct purchases are recorded. Once the asset is available for use it is transferred to the relevant non-current asset register immediately.

Amortisation

Amortisation is charged on intangible assets using the straight-line method, as this reflects the expected pattern of consumption of economic benefits. The rates used are calculated to write assets down to their estimated residual value over their expected useful lives.

Asset category	Amortisation/useful life
Internally developed software	5 to 10 years (or predominant limiting factor inherent in the intangible asset)
Software licences	Shorter of the licence period and 5 years
Websites	5 to 10 years

Property, plant and equipment (PPE)
PPE is stated at fair value. However, in accordance with the FReM, we have elected to adopt a depreciated historical cost basis as a proxy for fair value where non-property assets have a short useful economic life or are of relatively low value. This, therefore, applies to most IT hardware and furniture and fittings.

On initial recognition, assets are measured at cost, including any costs, such as installation, which are directly attributable to bringing them into working condition and any associated decommissioning costs (if known at the outset). Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to us and the cost of the item can be measured reliably.

All expenditure on repairs and maintenance is charged to the SoCNE during the financial period in which it is incurred.

Depreciation
Depreciation is charged on PPE using the straight-line method, as this reflects the expected pattern of consumption of economic benefits. The rates used are calculated to write assets down to their estimated residual value over their expected useful lives.

Asset category	Depreciation/useful life
Leasehold improvements	Over the period remaining on lease
IT hardware	3 to 7 years
Furniture and fittings	5 to 15 years
Plant & machinery	5 to 10 years

Impairment of non-current assets
All non-current assets are reviewed annually for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

Impairment losses that result from a clear consumption of economic benefit are taken directly to the SoCNE.

1.12 Financial assets and liabilities

Financial assets and liabilities are recognised when we become party to the contracts that give rise to them. It is our policy that no trading in financial instruments is undertaken.

Loans and receivables

The fair value of trade and other receivables is usually the original invoiced amount. Any changes in value are recognised in the SoCNE.

Cash and cash equivalents comprise current balances with banks and similar institutions, which are readily convertible to known amounts of cash and which are not subject to significant changes in value. We do not currently hold any petty cash balances.

We have assessed that there is a low risk of credit losses relating to receivables and consequently we estimate that the impact of IFRS 9 to be immaterial.

We consider invoices more than 90 days past due to have increased risk, unless individual assessment indicates they are expected to be recovered in full. We will report the value of these invoices and the associated expected credit losses where material.

As the material elements of our income are recovered from the nuclear industry under legislation or from other government departments, we do not ordinarily recognise any credit losses.

Financial liabilities

Financial liabilities are measured at amortised cost. Financial liabilities include trade and other payables and loans.

Impairment of financial assets

We assess at each reporting date whether there is evidence that the carrying amounts of financial assets may not be recoverable.

1.13 Pensions

Most past and present employees are covered by the provisions of the Civil Service Pension Arrangements that are unfunded and contributory defined benefit schemes. We recognise the expected cost of future pension liabilities, on a systematic and rational basis over the period during which it benefits from employees' services, by payment to the Civil Service Pension Arrangements of amounts calculated on an accruing basis. Liability for payment of future benefits is a charge on the Civil Service Pension arrangements.

The appointment of non-executive board members is non-pensionable.

1.14 Leases

The definition of a contract is expanded under the FReM definition to include intra-UK government agreements where non-performance may not be enforceable by law. This includes, for example, Memorandum of Understanding (MOU) agreements.

We account for IFRS 16 Leases as adapted and interpreted by the FReM.

At the commencement date for the leasing arrangement we recognise a right-of-use asset and corresponding lease liability. We use the historical cost model for the subsequent measurement of our right-of-use assets as this is considered to be an appropriate proxy for current value in existing use or fair value in line with the accounting policy for owned assets.

Irrecoverable VAT is expensed in the period to which it relates and therefore not included in the measurement of the lease liability and consequently the value of the right-of-use asset.

Where changes in future lease payments result from a change in an index or rate or rent review, the lease liabilities are remeasured using an unchanged discount rate.

Where there is a change in a lease term we apply a revised rate to the remaining lease liability.

Where existing leases are modified we determine whether the arrangement constitutes a separate lease and apply the standard accordingly. Modification occurs when there is a change in the scope of a lease, or consideration for a lease that was not part of the original terms and conditions, such as adding or terminating the right to use one or more underlying assets or extending or shortening the contractual lease term.

Lease payments are recognised as an expense over the lease term, where the lease term is in substance 12 months or less, or is a lease containing low value underlying asset.

Capitalisation and depreciation
Depreciation is charged on right-of-use assets using the straight-line method, as this reflects the expected pattern of consumption of economic benefits. The rates used are calculated to write assets down to the value of the lease over their expected useful lives.

Asset category	Capitalisation threshold	Depreciation/useful life
Right-of-use assets	£5,000	Over the period of the lease

1.15 Contingent liabilities
Contingent liabilities are disclosed in accordance with IAS 37.

We recognise a contingent liability when there are possible obligations that arise from past events whose existence will be confirmed by uncertain future events that are not wholly within our control. Contingent liabilities also include obligations that are not recognised because they cannot be measured reliably, or settlement is not probable.

1.16 Provisions
Provisions are recognised in accordance with IAS 37

Provisions are recognised when it is probable that an outflow of economic benefits

will be required to settle a present obligation (legal or constructive) that can be reliably measured and which results from a past event. Where the time value of money is material, the provision is measured at present value using discount rates prescribed by HM Treasury.

ONR is obligated to reimburse landlords for any dilapidations incurred during our tenure on property leased from them. The timing and amount of these liabilities is presently unquantifiable. Where it has been established that an outflow of resources will be required to settle an obligation and a reliable estimate can be made of the amount of the obligation, the amount will be recognised in a dilapidations provision.

2 Staff costs

			2025/26	2024/25
	Permanently employed staff £'000	Others* £'000	Total £'000	Total £'000
Wages and salaries	52,990	797	53,787	52,727
Social security costs	7,643		7,643	6,516
Other pension costs	15,103		15,103	14,727
Total per Statement of Comprehensive Net Expenditure	**75,736**	**797**	**76,533**	**73,970**
Less recoveries in respect of outward secondments	(140)		(140)	(224)
Net total	**75,596**	**797**	**76,393**	**73,746**

* Others includes temporary staff and inward secondments.

Recoveries in respect of outward secondments is included in Note 4 – Other sales/income.

Further details of staff costs and related expenditure can be found on page 98 in the Remuneration and Staff Report.

3 Other operating costs

		2025/26 £'000		2024/25 £'000
Services provided by HSE*				
Accommodation	1,267		1,541	
Other corporate services	50		116	
		1,317		1,657
Travel and subsistence		3,255		3,346
Technical support		3,637		2,321
Training and development		1,298		1,140
Research		2,639		2,419
Industry security vetting		2,217		3,376
IS/IT and telecommunications		6,674		7,035
Other accommodation costs**		482		578
Personnel related costs		966		1,258
Interest on capital		440		443
Auditors' remuneration		90		85
Other expenditure***		2,311		2,248
Non-cash items				
Depreciation and amortisation	2,955		3,873	
Loss on disposal	-		91	
Impairment of PPE/ IA	127		114	
Provision not required written back	-		(10)	
Other non-cash	-		1	
		3,082		4,069
Total other operating costs		**28,408**		**29,975**
Finance costs				
Interest on loan from DWP		243		217
Interest on right-of-use assets		419		377
Total finance costs		**662**		**594**

* Services are provided by HSE because we occupy part of its Bootle site. Building lease costs are recorded as right-of-use assets under IFRS16. These costs are recorded under depreciation and interest. The remaining HSE accommodation costs include service charges, rates and utilities.

** Other accommodation costs relate to our London and Cheltenham offices.

*** Other expenditure mainly comprises professional services and shared services outsourcing.

Auditors' remuneration of £90,000 related solely to audit services provided by the National Audit Office.

4 Income

ONR's activities include certain chargeable services, each of which is subject to a financial objective of full cost recovery. Charges for these activities include provision for the recovery of the cost of capital.

Income	2025/26 £'000	2024/25 £'000
Revenue from contracts with customers (see page 126)	99,467	99,687
Other operating income		
Grant from DWP	3,507	3,640
Grant from DWP – CIF*	494	
Grant from DSIT – Regulatory Innovation Fund	256	-
Grant from Apprenticeship Fund	83	109
Grant from DWP – prosecution	245	(7)
Court awarded costs**	-	93
Other sales/income***	1,456	791
	6,041	4,626
Total operating income	**105,508**	**104,313**

* Funding from DWP's CIF for activities to improve efficiency for ONR. Activities included a digital technology upgrade, digital skills funding and support for the safe introduction of artificial intelligence (AI) in ONR.

** Court awarded costs include prosecution costs and costs of defending legal challenge of licensing decisions.

*** Other sales/income includes £1,258k (2024/25 £481k) of funding from DWP for ONR's participation in the Synergy Programme. Synergy is the cross-government shared services transformation programme to replace department-specific finance, HR and payroll systems with one common operating model and one cloud-based platform used across multiple departments.

Breakdown of revenue from contracts with customers	2025/26 Income £'000	2025/26 Cost £'000	2025/26 Surplus/ (deficit) £'000	2024/25 Income £'000	2024/25 Cost £'000	2024/25 Surplus/ (deficit) £'000
Licensing of nuclear installations	58,004	58,008	(4)	57,804	57,804	-
Civil Nuclear Security	14,244	14,245	(1)	15,217	15,217	-
Generic Design Assessment	18,060	18,061	(1)	17,966	17,966	-
Safeguards	7,100	7,255	(155)	6,655	6,861	(206)
Radioactive Materials Transport	1,135	1,135	-	773	773	-
Advanced Nuclear Technologies	784	784	-	1,143	1,143	-
Sub total	**99,327**	**99,488**	**(161)**	**99,558**	**99,764**	**(206)**
Other fees and charges	140	140	-	129	150	(21)
Total fees and charges	**99,467**	**99,628**	**(161)**	**99,687**	**99,914**	**(227)**

DWP provided £66k of capital funding (from the CIF) for digital technology upgrades, which was recognised in "Other Operating Income" in 2025/26, creating an initial surplus. Depreciation on this asset was not charged to industry, resulting in a £6,000 deficit in 2025/26, with the remaining depreciation reducing any surplus in future years.

Safeguards
The Nuclear Safeguards (Fees) Regulations 2021 came into force on 1 April 2022, giving us the powers to charge Safeguards costs directly to industry. As DESNZ provided capital funding for the Safeguards asset until 31 March 2022, we did not include amortisation costs to industry relating to this funding. This resulted in a deficit of £155,000 in 2025/26.

Advanced Nuclear Technologies
These costs were charged to DESNZ.

Analysis of revenue by major customer (>10% of revenue)

Revenue	2025/26 £'000	2024/25 £'000
Customer 1	33,457	33,445
Customer 2	22,358	21,997

Two dutyholders accounted for more than 10% of ONR's revenue.

Customers are not named for reasons of commercial confidentiality.

5 Property, plant and equipment

2025/26	Leasehold improvements £'000	Plant & machinery £'000	Information technology £'000	Furniture and fittings £'000	Total £'000
Cost or valuation					
At 1 April 2025	**455**	**6**	**403**	**1,266**	**2,130**
Additions	-	-	66	-	66
Disposals	-	-	(26)	(5)	(31)
Reclassifications	-	-	-	-	-
At 31 March 2026	**455**	**6**	**443**	**1,261**	**2,165**
Depreciation					
At 1 April 2025	**179**	**2**	**135**	**322**	**638**
Charged in year	49	1	89	122	261
Disposals	-	-	(26)	(5)	(31)
At 31 March 2026	**228**	**3**	**198**	**439**	**868**
Carrying amount at 31 March 2025	**276**	**4**	**268**	**944**	**1,492**
Carrying amount at 31 March 2026	**227**	**3**	**245**	**822**	**1,297**
Asset financing					
Owned	**227**	**3**	**245**	**822**	**1,297**

In the year, we occupied buildings at three locations: Bootle, Cheltenham and London.

Leasehold improvements relate to the capitalisation of property refurbishment at the Cheltenham and London offices.

Assets funded by central government grant – funding of £66k was received from DWP to support digital technology upgrades within Information Technology. These assets have a current value in existing use of £60k.

2024/25	Leasehold improvements £'000	Plant & machinery £'000	Information technology £'000	Furniture and fittings £'000	Total £'000
Cost or valuation					
At 1 April 2024	**565**	**6**	**824**	**799**	**2,194**
Additions	166	-	160	620	946
Disposals	(276)	-	(641)	(153)	(1,070)
Reclassifications	-	-	60	-	60
At 31 March 2025	**455**	**6**	**403**	**1,266**	**2,130**
Depreciation					
At 1 April 2024	**392**	**1**	**637**	**300**	**1,330**
Charged in year	63	1	139	84	287
Disposals	(276)	-	(641)	(62)	(979)
At 31 March 2025	**179**	**2**	**135**	**322**	**638**
Carrying amount at 31 March 2024	**173**	**5**	**187**	**499**	**864**
Carrying amount at 31 March 2025	**276**	**4**	**268**	**944**	**1,492**
Asset financing					
Owned	**276**	**4**	**268**	**944**	**1,492**

5a Reconciliation of capital additions to the Statement of Cash Flows

	Note	2025/26 £'000
Capital payables and accruals at 1 April		162
Capital additions		66
Capital payables and accruals at 31 March 2026	10	-
Purchase of property, plant and equipment as per Statement of Cash Flows		**228**

6 Right-of-use assets

2025/26	Buildings £'000	Assets under construction £'000	Total £'000
Cost or valuation			
At 1 April 2025	**18,056**	-	**18,056**
Additions	-	-	-
Disposals	-	-	-
Modifications	-	-	-
Reassessment	187	-	187
Reclassifications	-	-	-
At 31 March 2026	**18,243**	-	**18,243**
Depreciation			
At 1 April 2025	**8,317**	-	**8,317**
Charged in year	1,955	-	1,955
Disposals	-	-	-
At 31 March 2026	**10,272**	-	**10,272**
Carrying amount at 31 March 2025	**9,739**	-	**9,739**
Carrying amount at 31 March 2026	**7,971**	-	**7,971**
Asset financing			
Leased	**7,971**	-	**7,971**

Please see note 1.14 for further information on leases.

Reassessment relates to the changes in future lease payments for the Bootle office in line with the Retail Price Index.

2024/25	Buildings £'000	Assets under construction £'000	Total £'000
Cost or valuation			
At 1 April 2024	**8,881**	**43**	**8,924**
Additions	-	1,415	1,415
Disposals	(661)	-	(661)
Modifications	8,143	-	8,143
Reassessment	235	-	235
Reclassifications	1,458	(1,458)	-
At 31 March 2025	**18,056**	**-**	**18,056**
Depreciation			
At 1 April 2024	**6,471**	**-**	**6,471**
Charged in year	2,507	-	2,507
Disposals	(661)	-	(661)
At 31 March 2025	**8,317**	**-**	**8,317**
Carrying amount at 31 March 2024	**2,410**	**43**	**2,453**
Carrying amount at 31 March 2025	**9,739**	**-**	**9,739**
Asset financing			
Leased	**9,739**	**-**	**9,739**

7 Intangible assets

2025/26	Internally developed software £'000	Software £'000	Websites £'000	Assets under construction £'000	Total £'000
Cost or valuation					
At 1 April 2025	**7,944**	**69**	**123**	**160**	**8,296**
Additions	-	-	-	-	-
Reclassifications	-	-	-	(160)	(160)
Disposals	-	(48)	-	-	(48)
Impairments	(238)	-	-	-	(238)
Revaluations	(29)	-	-	-	(29)
At 31 March 2026	**7,677**	**21**	**123**	**-**	**7,821**
Amortisation					
At 1 April 2025	**3,137**	**44**	**14**	**-**	**3,195**
Charged in year	713	14	12	-	739
Disposals	-	(48)	-	-	(48)
Impairments	(99)	-	-	-	(99)
Revaluations	**(12)**	**-**	**-**	**-**	**(12)**
At 31 March 2026	**3,739**	**10**	**26**	**-**	**3,775**
Carrying amount at 31 March 2025	**4,807**	**25**	**109**	**160**	**5,101**
Carrying amount at 31 March 2026	**3,938**	**11**	**97**	**-**	**4,046**
Asset financing					
Owned	**3,938**	**11**	**97**	**-**	**4,046**

Material intangible asset – WIReD

WIReD was developed by ONR to modernise and simplify regulatory processes. It enhances transparency, streamlines processes, accessibility, and integration of information to make regulatory processes more effective, easier to understand and support better-informed regulatory decisions.

The carrying amount of this asset at 31 March 2026 was £3,438k (2025: £3,967k).

The asset is being amortised on a straight-line basis over its estimated useful life of 10 years. The remaining amortisation period at 31 March 2026 was 6.5 years.

Additions and reclassifications

Assets under construction

SharePoint: a new secure place to store, organize, share, and access information from any device. We reassessed the capital expenditure incurred to develop SharePoint in line with IAS 38. We reached the conclusion that the criteria for capitalisation were no longer met and therefore expensed these costs to the Statement of Comprehensive Net Expenditure. In year reclassification: £160k.

Impairments

Back-up resilience: a tool that allows ONR to restore all of its IT systems and data in a short timeframe if ever faced with a catastrophic event such as a major cyber-attack. We reassessed the tool and concluded that it does not meet the criteria for capitalisation in line with IAS 38. It remains functional but the carrying value has been impaired and recognised in the Statement of Comprehensive Net Expenditure. In year impairment: £127k.

2024/25	Internally developed software £'000	Software £'000	Websites £'000	Assets under construction £'000	Total £'000
Cost or valuation					
At 1 April 2024	**12,572**	**153**	**123**	**130**	**12,978**
Additions	-	-	-	160	160
Reclassifications	-	(60)	-	-	(60)
Disposals	(5,063)	(28)	-	-	(5,091)
Impairments	-	-	-	(130)	(130)
Revaluations	435	4	-	-	439
At 31 March 2025	**7,944**	**69**	**123**	**160**	**8,296**
Amortisation					
At 1 April 2024	**7,035**	**48**	**-**	**-**	**7,083**
Charged in year	1,042	23	14	-	1,079
Disposals	(5,063)	(28)	-	-	(5,091)
Revaluations	123	1	-	-	124
At 31 March 2025	**3,137**	**44**	**14**	**-**	**3,195**
Carrying amount at 31 March 2024	**5,537**	**105**	**123**	**130**	**5,895**
Carrying amount at 31 March 2025	**4,807**	**25**	**109**	**160**	**5,101**
Asset financing					
Owned	**4,807**	**25**	**109**	**160**	**5,101**

7a Reconciliation of capital additions to the Statement of Cash Flows

	Note	2025/26 £'000
Capital payables and accruals at 1 April		**101**
Capital additions		-
Reclassification of prior year capital spend to expenditure		(160)
Capital payables and accruals impairment		-
Capital payables and accruals at 31 March 2026	10	-
Purchase of intangible assets as per Statement of Cash Flows		**(59)**

8 Trade and other receivables

	31 March 2026 £'000	31 March 2025 £'000
Amounts falling due within one year		
Trade receivables	5,655	6,669
Deposits and advances	20	45
Prepayments and accrued income	13,807	14,138
Other receivables	-	65
	19,482	**20,917**
Amounts falling due after more than one year		
Trade and other receivables	-	-
Total receivables	**19,482**	**20,917**

9 Cash and cash equivalents

	31 March 2026 £'000	31 March 2025 £'000
Balance at 1 April	8,191	10,966
Net change in cash and cash equivalent balances	(439)	(2,775)
Balance at 31 March	**7,752**	**8,191**
The following balances were held at:		
Government Banking Service	7,752	8,191
Balance at 31 March	**7,752**	**8,191**

10 Trade and other payables

	31 March 2026 £'000	31 March 2025 £'000
Amounts falling due within one year		
Taxation and social security	1,720	1,662
Superannuation	1,611	1,584
VAT	53	94
Trade payables: non-capital	1,138	835
Capital payables and accruals – PPE	-	162
Capital payables and accruals – intangible assets	-	101
Other payables	40	33
Accruals and contract liabilities	7,162	8,512
Loans with DWP	1,854	1,737
	13,578	**14,720**
Amounts falling due after more than one year		
Loans with DWP	5,875	7,729
Accruals and contract liabilities	82	83
	5,957	**7,812**
Total payables	**19,535**	**22,532**

Lease liabilities

	31 March 2026 £'000	31 March 2025 £'000
Amounts falling due within one year		
Lease liabilities	1,926	1,892
Amounts falling due after more than one year		
Lease liabilities	6,439	8,202
Total lease liabilities	**8,365**	**10,094**

11 Loans from DWP

Loans	31 March 2026 £'000	31 March 2025 £'000
Opening balance – 1 April	**9,466**	**9,920**
Additions in period	-	1,200
Capital repayments in year	(1,737)	(1,654)
Loans – closing balance (capital)	7,729	9,466
Opening balance – 1 April	111	139
Accrued interest in year*	35	-
Accrued interest repaid in year	(30)	(28)
Interest – closing balance	116	111
Closing balance at year-end	**7,845**	**9,577**

Interest accrued on the capital loan of £1.2m is being repaid in monthly instalments from November 2025. There was no interest outstanding on the £2 million working capital loan. More detail on the loans can be found in Note 18.

12 Capital commitments

There were no capital commitments as at 31 March 2026.

13 Lease liabilities

Buildings lease liabilities, measured at the present value of future lease payments relating to our offices in Bootle, London and Cheltenham are shown below:

Other commitments relate to operating leases for low value items that are out of scope of IFRS16.

See note 1.14 for further information on leases

	31 March 2026		31 March 2025	
	Buildings	Other	Buildings	Other
Obligations under leases	**£'000**	**£'000**	**£'000**	**£'000**
Not later than one year	2,269	725	2,312	801
Later than one year and not later than five years	5,899	176	7,610	200
Later than five years	1,120	-	1,493	-
Less interest element	(923)	-	(1,321)	-
Total committed	**8,365**	**901**	**10,094**	**1,001**

We hold a lease agreement with the NAO for the rental of office space at the NAO's London office. The lease arrangement between ONR and the NAO is an arm's length transaction in the ordinary course of business and the amount is not material to either ONR or the NAO.

14 Provisions for liabilities and charges

This provision related to our estimated liability for office dilapidations resulting from downsizing our Cheltenham office.

	2025/26 £'000	2024/25 £'000
Balance at 1 April	**42**	**52**
Provided in year	-	-
Provisions not required written back	**-**	**(10)**
Utilised in year	(42)	-
Balance at 31 March	**-**	**42**
Expected timings of future payments		
Falling due within one year	-	42
Total	**-**	**42**

15 Other financial commitments

We have entered into non-cancellable contracts that are not leases or PFI contracts.

These commitments relate to the SMA with HSE (excluding capitalised right-of-use lease commitments), shared services costs and other costs relating to accommodation leases.

The total payments to which ONR is committed are as follows:	31 March 2026 £'000	31 March 2025 £'000
Not later than one year	2,213	2,008
Later than one year and not later than five years	1,949	2,715
Later than five years	-	-
Total committed	**4,162**	**4,723**

16 Contingent liabilities

We are defending a number (currently 4) of civil cases brought by former employees which may result in compensation payments. There is significant uncertainty around timing of the cases (due to the courts being significantly behind). Consequently, the outcome of each case and associated liability and timings are uncertain and cannot be reliably estimated as at 31/3/2026. These uncertainties fluctuate based on factors such as evidence received, witness statements and whether claims proceed to trial or consideration is made to settle early.

ONR is obligated to reimburse landlords for any dilapidations incurred during our tenure on property leased from them. The timing and amount of these liabilities is presently unquantifiable. Where it has been established that an outflow of resources will be required to settle an obligation and a reliable estimate can be made of the amount of the obligation, the amount will be recognised in a dilapidations provision.

17 Related party transactions

We are classified as a public corporation and are sponsored by DWP which is regarded as a related party. During 2025/26, we had significant transactions with DWP.

We had significant transactions with HSE (for which DWP is also the sponsoring department) for the provision of accommodation related services.

In addition, we had a number of significant transactions with DESNZ and Cabinet Office.

No Board members or senior managers have undertaken any significant transactions with ONR or received benefits from our suppliers other than declared hospitality during the year.

Details of remuneration for key management personnel can be found in the remuneration and staff report within the accountability report.

18 Financial instruments

Our cash requirements are met through grant funding provided by DWP and four loans:

Date	Loan Type	Value	Interest rate	Repayment start	Repayment term
2018-19	Working capital	**£2.0m**	**3.50%**	**N/A**	**N/A**

Working Capital Loan: No repayment of the principal amount is due on this loan until such a time a triggering event occurs (such as change to our legal status, a change in sponsor department, certain legislative changes or if we cease to exist). At this time, we would commence repayment through an agreed repayment schedule. This amount is included in the non-current loan liability in note 10. See note 19 for further information on the triggering event (MoG transfer).

Date	Loan Type	Value	Interest rate	Repayment start	Repayment term
2019-20	Capital investment	**£9.8m**	**1.43%**	**Dec-20**	**8 Years**
2021-22	Capital investment	**£2.0m**	**2.19%**	**Nov-22**	**6 Years**
2022-23	Capital investment	**£1.5m**	**4.09%**	**Nov-23**	**6 Years**
2024-25	Capital investment	**£1.2m**	**4.97%**	**Nov-25**	**6 Years**

Capital investment loans: Development of bespoke business process flow platform for regulatory applications. Creation of secure and independent IT infrastructure. Leasehold improvements including furniture & fittings. Other modernisation activities to develop and enhance our infrastructure.

The grant is for activities that are not statutorily recoverable from industry.

Financial instruments play a more limited role in creating and managing risk compared with a non-public sector body. The majority of financial instruments relate to contracts to buy non-financial items in line with our expected purchase and usage requirements and we are, therefore, exposed to little credit, liquidity or market risk.

19 Events after the reporting period

The Annual Report and Accounts were authorised by the Chief Executive Officer for issue on the date the Comptroller and Auditor General certified these financial statements.

Non-adjusting events

On 2 July 2026, the government announced a MoG change to transfer the sponsorship of ONR from DWP to DESNZ. The financial arrangements between DESNZ, DWP and ONR will be agreed over the coming weeks. These arrangements will include the treatment of any loans ONR has with DWP.

The financial statements have not been adjusted as ONR has determined that this is a non-adjusting event.

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