Office for Nuclear Regulation

Department for Work & Pensions

ONR/DWP Framework Document

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The Department for Work and Pensions (DWP) has drawn up this framework document in consultation with the Office for Nuclear Regulation (ONR). It sets out the broad framework within which ONR will operate. It is signed and dated by DWP and ONR. The document does not convey any legal powers or responsibilities. Copies of the document have been placed in the libraries of both Houses of Parliament and made available to members of the public on the ONR website.

1 Purpose of ONR

1.1 ONR has been established, under Part 3, Section 77 of the Energy Act 2013 (the 2013 Act), as a statutory body in order to support the government's strategic aims and objectives for regulation of the nuclear industry. Its mission is:

To provide efficient and effective regulation of the nuclear industry, holding it to account on behalf of the public

1.2 Its statutory purposes fall into five categories:

- Nuclear safety
- Nuclear site health and safety
- Civil nuclear security
- Nuclear safeguards
- Transport of radioactive materials

1.3 Further details of ONR's purposes are set out in Part 3 of the 2013 Act.

Governance and accountability

2 Legal origins of ONR's powers and duties

2.1 ONR's powers and duties stem from a range of statutes and statutory instruments. These include[1]:

- the 2013 Act;
- Sections 18, 19, and 26 of Schedule 2 to HSWA (and subordinate legislation made under that Act);
- Sections 1, 3 – 6, 22 and 24A of the Nuclear Installations Act 1965;
- [Section 63(3) and Schedule 13 (paragraphs 2(1)(a)–(b), (d)–(h) and (3)) of the Energy Act 2004];
- Uranium Enrichment Technology (Prohibition on Disclosure) Regulations 2004 (SI 2004/1818);
- Nuclear Industries (Fees) Regulations 2005 (SI 2005/1564);
- Sections 1, 2, 4 and 5 of the Nuclear Safeguards Act 2000;
- Section 2(8) of the Nuclear Safeguards and Electricity (Finance) Act 1978;
- Regulations 5, 6, 8–11, 13–15, 16, 17 and 19–24 of the Nuclear Industries Security Regulations 2003 (SI 2003/403);
- Import of Goods (Control) Order 1954 (SI 1954/23)

2.2 ONR also exercises, by virtue of agreements entered into under section 81 of the Energy Act 2013, certain statutory powers and duties conferred on the Secretary of State.

3 Overall aims

3.1 The Secretary of State for Work and Pensions (the Secretary of State) has agreed that, subject to section 1 of this document, ONR's aims are to:

- deliver its mission;
- deliver any key performance indicators agreed for work-related

1 This is an illustrative and not definitive list of the legislation setting out ONR's powers and duties

health, safety, safeguards and security in the nuclear industry and other sectors for which it is responsible.

3.2 ONR will fulfil its purposes in order to:

- protect the health and safety of workers and minimise risks from work to members of the public;
- control the keeping and use of nuclear matter and generally prevent the unlawful acquisition, possession and use of such matter;
- ensure that the nuclear industry manages and controls the risks around its work to a high standard, which enhances assurance and allows the industry to operate with a high degree of public acceptance.

3.3 ONR will seek to:

deliver effective and proportionate regulation across all the sectors for which it is responsible;

- influence people and organisations – dutyholders and stakeholders – in the nuclear industry, and other sectors for which it is responsible, to embrace high standards of health, safety, and security;
- promote the benefits of employers and workers working together to manage health, safety and security sensibly in the nuclear industry;
- investigate incidents, enquire into citizens' complaints and enforce the law in the nuclear industry.

4 Ministerial responsibility

4.1 The Secretary of State has the principal responsibility to Parliament for ONR governance and finance, and performance in relation to conventional health and safety. These responsibilities are delegated to the responsible Minister, who will account for such matters in Parliament.

4.2 A number of other Secretaries of State are answerable in Parliament for aspects of ONR's activity:

- The Secretary of State for Energy and Climate Change is accountable to Parliament for the UK civil nuclear regulatory framework and policies including civil nuclear safety and security; emergency planning and response; nuclear safeguards; and the transport of radioactive material by road, rail and inland waterways.
- The Secretary of State for Defence is accountable to Parliament for nuclear safety and security at nuclear sites operated wholly or mainly for defence purposes.

- The work of ONR is also subject to administrative agreements with several other departments and regulators with related or overlapping functions and responsibilities. A list of these agreements is available on the ONR website.

5 The Principal Accounting Officer's specific accountabilities and responsibilities

5.1 The DWP Permanent Secretary, as Principal Accounting Officer, has designated the Chief Executive of ONR as ONR's Accounting Officer. The respective responsibilities of the Principal Accounting Officer and the ONR Accounting Officer are set out in chapter 3 of *Managing Public Money*[2], which is sent to the Chief Executive, with the formal Accounting Officer Designation letter, on appointment.

5.2 The Principal Accounting Officer is accountable to Parliament for the issue of any grant to ONR. The Principal Accounting Officer is also responsible for advising the responsible Minister:

- on an appropriate framework of objectives and targets for ONR in light of the government's wider strategic aims and priorities;
- on an appropriate budget for ONR in light of DWP's overall public expenditure priorities; and
- on how well ONR is achieving its strategic objectives and whether it is delivering value for money.

5.3 The Principal Accounting Officer is responsible for ensuring arrangements are in place to:

- monitor ONR's activities on a continuous basis, making such interventions as considered necessary;
- periodically carry out an assessment of the risks both to the Department and ONR's objectives and activities;
- inform ONR of relevant government policy in a timely manner;
- maintain regular liaison with DECC and other departments with an interest in ONR business.

5.4 The Health and Safety Sponsorship Team (the Sponsorship Team) in DWP is the primary departmental contact for ONR. It is the main source of advice to the responsible Minister on the discharge of his or her responsibilities in respect of ONR. It also supports the Principal Accounting Officer on their responsibilities towards ONR.

2 www.gov.uk/government/publications/managing-public-money

6 Responsibilities of the ONR Chief Executive as ONR's Accounting Officer

General

6.1 The ONR Chief Executive, as Accounting Officer for ONR, is personally responsible for:

- safeguarding the public funds for which they have charge;
- ensuring propriety and regularity in the handling of those public funds; and
- the day-to-day operations and management of ONR.

6.2 In addition, the Chief Executive should ensure that ONR operates on the basis of the standards, in terms of governance, decision making, and financial management set out in Box 3.1 of *Managing Public Money*.

Responsibilities for accounting to Parliament

6.3 The Chief Executive's responsibilities to Parliament include:

- signing the accounts and ensuring that proper records are kept relating to the accounts and that the accounts are properly prepared and presented in accordance with any directions issued by the Secretary of State;
- preparing and signing a Governance Statement covering corporate governance, risk management, and oversight of any local responsibilities, for inclusion in the annual report and accounts;
- ensuring that effective procedures for handling complaints about ONR are established and made widely known within ONR and to the public;
- acting in accordance with the terms of this document, *Managing Public Money* and other instructions and guidance issued from time to time by DWP, the Treasury and the Cabinet Office; and
- giving evidence, normally with the Principal Accounting Officer, when summoned before the Public Accounts Committee on ONR's stewardship of public funds.

Responsibilities to DWP

6.4 The Chief Executive's particular responsibilities to DWP include:

- establishing, in agreement with the Department, ONR's strategic and annual plans as determined by the ONR Board in light of the government's wider strategic aims;

- informing the Department of ONR's progress in helping to achieve the government's policy objectives and in demonstrating how resources are being used to achieve those objectives; and
- ensuring that timely forecasts and monitoring information on performance and finance are provided to the Department; that the Department is notified promptly if over- or under-spends are likely and that corrective action is taken; and that any significant problems whether financial or otherwise, and whether detected by internal audit or by other means, are notified to the Department in a timely fashion.

Responsibilities to the ONR Board

6.5 The Chief Executive is responsible for:

advising the ONR Board on the discharge of ONR's responsibilities as set out in this document, in the founding legislation and in any other relevant instructions and guidance that may be issued from time to time;

- advising the ONR Board on ONR's performance compared with its aims, objectives and plans;
- ensuring that financial considerations are taken fully into account by the Board at all stages in reaching and executing its decisions, and that financial appraisal techniques are followed;
- taking action as set out in paragraphs 3.8.6 of *Managing Public Money* if the Board, or its Chair, is contemplating a course of action involving a transaction which the Chief Executive considers would infringe the requirements of propriety or regularity or does not represent prudent or economical administration, efficiency or effectiveness, questionable feasibility, or is unethical;
- ensuring the safe handling of personal, customer and other sensitive information. ONR shall meet any relevant government standards in the handling, processing, storing and transferring of personal / sensitive information (regardless of the media used);
- developing robust and tested Business Continuity and Disaster Recovery Plans to ensure that disruption to the delivery of services and operations are minimised. Regular reports shall be delivered to senior management / audit committees or similar within the governance structure.

7 The ONR Board

7.1 The ONR Board should ensure that effective arrangements are in place to provide assurance on governance, risk management and internal control. The Board must set up an Audit Committee chaired by a non-executive member to provide independent advice.

7.2 The ONR Board is specifically responsible for:

- establishing and delivering ONR's strategic aims and objectives consistent with its overall strategic direction and within the agreed government policy and the resources framework determined by the Secretary of State;
- ensuring that the responsible Minister is kept informed of any changes which are likely to impact on ONR's strategic direction or on the attainability of its targets, and determining the steps needed to deal with such changes;
- ensuring that any statutory or administrative requirements for the use of public funds are complied with; that the ONR Board operates within the limits of its statutory authority and any delegated authority agreed with DWP, and in accordance with any other conditions relating to the use of public funds; and that, in reaching decisions, the ONR Board takes into account guidance issued by DWP;
- ensuring that it regularly reviews financial information concerning the management of ONR; is informed in a timely manner about any concerns about the activities of ONR; and provides positive assurance to DWP that appropriate action has been taken on such concerns;
- demonstrating high standards of corporate governance at all times, including by using the independent audit committee to help the Board address key financial and other risks;
- appointing, with the consent of the Secretary of State, the Chief Nuclear Inspector and the Chief Executive Officer and setting performance objectives for these roles, with remuneration terms linked to these objectives.

7.3 The Chair and other non-executive members of the ONR Board will not be responsible for regulatory decisions, such as issuing, revoking or amending nuclear licences. These decisions will be delegated to suitably qualified and experienced staff under the leadership of the Chief Nuclear Inspector.

The Chair's personal responsibilities

7.4 The Chair is responsible to the Secretary of State. Communications between the ONR Board and the responsible Minister should normally

be through the Chair. The Chair is responsible for ensuring that policies and actions support the responsible Minister's and the government's wider strategic policies and that the ONR Board's affairs are conducted with probity. Where appropriate, these policies and actions should be clearly communicated and disseminated throughout ONR.

7.5 In addition, the Chair has the following leadership responsibilities:

overseeing the formulation of the Board's strategy;

- ensuring that the Board, in reaching decisions, takes proper account of guidance provided by the responsible Minister or the Department;
- promoting the efficient and effective use of staff and other resources;
- delivering high standards of regularity and propriety;
- representing the views of the Board to HSE, as an ex-officio member of the HSE Board, either directly or through a representative; and
- representing the views of the ONR Board to the general public.

7.6 The Chair also has an obligation to ensure that:

- the work of the Board and its members are reviewed and are working effectively;
- the Board has a balance of skills appropriate to directing ONR's business across all the areas for which it is responsible, as set out in the Government Code of Good Practice for Corporate Governance;
- Board members are fully briefed on terms of appointment, duties, rights and responsibilities;
- they, together with the other Board members, receives appropriate training on financial management and reporting requirements and on any differences that may exist between private and public sector practice;
- the responsible Minister is advised of ONR's needs when non-executive Board vacancies arise;
- they complete annual assessments on the performance of individual ONR Board members and keep a written record of those assessments;
- there is a code of practice for ONR Board members in place consistent with the Code of Conduct for Board Members of Public Bodies.[3]

3 The ONR Board Members' Code of Practice is at www.onr.org.uk/nuclear/documents/2013/corporate-governance.pdf

Individual Board members' responsibilities

7.7 Individual Board members should:

- act in good faith and in the best interests of ONR and its aims;
- comply at all times with the Code of Conduct for Board Members of Public Bodies and with the rules relating to the use of public funds and to conflicts of interest;
- not misuse information gained in the course of their public service for personal gain or for political profit, nor seek to use the opportunity of public service to promote their private interests or those of connected persons or organisations; and
- comply with the ONR Board's rules on the acceptance of gifts and hospitality, and of business appointments.

8 Annual report and accounts

8.1 ONR must publish an annual report of its activities together with its audited accounts after the end of each financial year.

8.2 The annual report must meet the requirements set out in Schedule 7, section 24 of the 2013 Act. The accounts should be prepared in accordance with the relevant statutes and specific accounts direction issued by the Department as well as with the Treasury's Financial Reporting Manual (FReM).

8.3 A draft of the report should be submitted to the Department in accordance with the publication timetable and at least two weeks before the proposed publication date. The annual report and accounts shall be laid in Parliament and made available on ONR's website.

9 Internal audit

9.1 ONR shall:

in the first instance, utilise the shared Group Internal Audit service available within DWP;

- set up an audit committee of its Board in accordance with the corporate governance in central government departments and the Audit and Risk Committee Handbook.
- Invite a member of the Stewardship Team to attend the audit committee as an observer;
- keep records of, and prepare and forward to the Department an annual report on fraud and theft suffered by ONR and notify DWP of any unusual or major incidents as soon as possible.

10 External audit

10.1 The Comptroller & Auditor General (C&AG) audits ONR's annual accounts and lays them before Parliament, together with their report. In the event that ONR has set up and controls subsidiary companies, ONR will, in light of the provisions in the Companies Act 2006, ensure that the C&AG is appointed auditor of those company subsidiaries that it controls and/or whose accounts are consolidated within its own accounts. ONR shall discuss with DWP the procedures for appointing the C&AG as auditor of the companies.

10.2 The C&AG:

- will consult DWP and ONR on which of either the National Audit Office (NAO) or a commercial auditor will undertake the audit(s) on their behalf, though the final decision rests with the C&AG;
- has a statutory right of access to relevant documents, including, by virtue of section 25(8) of the Government Resources and Accounts Act 2000, those held by another party in receipt of payments or grants from ONR;
- will share with DWP information identified during the audit process and the audit report (together with any other outputs) at the end of the audit, in particular on issues impacting on the Department's responsibilities in relation to financial systems within ONR;
- will, where asked, provide departments and other relevant bodies with Regulatory Compliance Reports and other similar reports, which departments may request at the commencement of the audit and which are compatible with the independent auditor's role.

10.3 The C&AG may carry out examinations into the economy, efficiency and effectiveness with which ONR has used its resources in discharging its functions. For the purpose of these examinations the C&AG has statutory access to documents as provided for under section 8 of the National Audit Act 1983. In addition, ONR shall provide, in conditions to grants and contracts, for the C&AG to exercise such access to documents held by grant recipients and contractors and sub-contractors as may be required for these examinations; and shall use its best endeavours to secure access for the C&AG to any other documents required by the C&AG which are held by other bodies.

Right of access

10.4 DWP has the right of access to all ONR records and personnel for any purpose including, for example, sponsorship audits.

Management and financial responsibilities

11 *Managing Public Money* and other government-wide corporate guidance and instructions

11.1 Unless otherwise agreed by DWP and, as necessary, HM Treasury or the Cabinet Office, ONR shall follow the principles, rules, guidance and advice in *Managing Public Money* and other applicable government-wide guidance and instructions, referring any difficulties or potential bids for exceptions to the Sponsorship Team in the first instance.

11.2 Subject to any restrictions imposed by statute, the responsible Minister's instructions and this document, ONR shall have authority to incur expenditure without further reference to DWP on the following conditions:

- ONR shall comply with *Managing Public Money* regarding novel, contentious or repercussive proposals;
- the need to seek formal departmental approval where any proposed expenditure is outside the delegated limits or is for novel and contentious schemes not previously agreed.

11.3 ONR shall provide DWP with such information about its operations, performance, individual projects or other expenditure as the sponsor department may reasonably require.

11.4 ONR will set fees, charges and levies in accordance with *Managing Public Money* and Part 3, section 101 of the 2013 Act and other applicable government-wide guidance and instructions. Unless otherwise agreed, all ONR income from the sale of goods and services and recovery of its costs will be treated as negative public expenditure and thus offset against its costs.

12 Corporate governance

Composition of the Board

12.1 In accordance with Schedule 7, section 2 of the 2013 Act, the Board will consist of a minimum of four and maximum of seven non-executives, including the Chair and an HSE member, and a maximum of four executives, including the Chief Executive Officer and the Chief Nuclear Inspector, that have a balance of skills and

experience appropriate to effectively direct ONR's business. So far as reasonably practicable, at any given time, there should be at least five non-executives.

Board appointments – the Chair and Board members

12.2 The ONR Chair and non-executive Board members, are appointed by the responsible Minister, on the advice of the Sponsorship Team, with the following exceptions:

- a security non-executive, who is appointed by DECC ministers; and
- the HSE member, who is appointed from the HSE non-executive members by the HSE Chair.

12.3 Ministerial appointments to the Board will comply with the Commissioner for Public Appointments *Code of Practice for Ministerial Appointments to Public Bodies*[4].

12.4 The Chief Nuclear Inspector and Chief Executive are appointed by the ONR Board subject to Ministerial consent.

13 Risk management

13.1 ONR shall ensure that the risks it faces are dealt with in an appropriate manner, in accordance with relevant aspects of best practice in corporate governance, and develop a risk management strategy, in accordance with the Treasury guidance *Management of Risk: Principles and Concepts*[5]. It should inform DWP of significant risks to the Department via the Sponsorship Team. It should adopt and implement policies and practices to safeguard itself against fraud and theft, in line with the Treasury's guide Managing the Risk of Fraud. It should also take all reasonable steps to appraise the financial standing of any firm or other body with which it intends to enter into a contract or to give grant or grant-in-aid.

14 Strategy and annual plan

14.1 In accordance with Schedule 7, section 22 of the 2013 Act, ONR shall submit a strategy for carrying out its functions to the responsible Minister for approval. The first strategy will be submitted to the responsible Minister within eight months of vesting. Thereafter the strategy must be reviewed and updated if necessary, at least every five years. Any revisions to the strategy must be approved by the responsible Minister.

4 Available from www.publicappointmentscommissioner.independent.gov.uk

5 www.gov.uk/government/publications.orange-book

14.2 In accordance with Schedule 7, section 23 of the 2013 Act, each year ONR must submit to the responsible Minister for approval, an annual plan for the performance during that year of its functions. The annual plan shall be updated to include key targets for the year immediately ahead and shall include budgeting information so that resources allocated to achieve specific objectives can be readily identified by DWP.

14.3 The annual plan will take account of funding provision and any forecast receipts, and will include a budget of estimated expenditure and income together with a profile of expected expenditure and of draw-down of any departmental funding and/or other income over the year.

14.4 The following matters should also be included in the plan:

- key objectives and associated key performance indicators;
- key aspects of the risk management strategy (in accordance with paragraph 13.1 above);
- key aspects of ONR's Financial Strategy; and
- other matters as agreed between DWP and ONR.

14.5 The responsible Minister will lay before Parliament copies of the ONR strategy and annual plan, together with a statement as to the exclusion of any material from the published documents on the basis of national security. Subject to any commercial considerations, the strategy and annual plans should be published by ONR on its website, in the form laid before Parliament.

15 Funding and budgeting procedures

15.1 ONR is funded through a combination of:

- a start-up loan from DWP (as explained in section 16 below);
- cost-recovery from dutyholders;
- a grant from DWP (as explained in section 16 below).

Additionally, in accordance with Schedule 7, section 26 of the 2013 Act, ONR may, with the consent of the Secretary of State, borrow money.

15.2 Each year, in light of decisions by DWP on the updated strategy, DWP will send to ONR:

- a formal statement of the annual budgetary provision (the DWP Grant) allocated by DWP in light of competing priorities across DWP and of any forecast income approved by DWP; and
- a statement of any planned change in policies affecting ONR.

16 Loans and grants

16.1 In the first year of operation, the Department will make available to ONR a loan of up to £10 million to ensure ONR has sufficient funding to meet its spending commitments in advance of cost recovery from dutyholders. Details of the loan, and repayment arrangements, are set out in the separate loan agreement between DWP and ONR.

16.2 Any grant provided by DWP for the year in question will be voted in the DWP's Supply Estimate and be subject to Parliamentary control.

16.3 The grant will be paid in instalments (no more frequently than monthly) on the basis of written applications showing evidence of need. ONR will comply with the general principle, that there is no payment in advance of need. Cash balances accumulated during the course of the year from grant or other Exchequer funds shall be kept to a minimum level consistent with the efficient operation of ONR. Grant not drawn down by the end of the financial year shall lapse. Subject to approval by Parliament of the relevant Estimates provision, where a payment is delayed to avoid excess cash balances at the year-end, the Department will make available in the next financial year any such grant that is required to meet any liabilities at the year-end, such as creditors.

16.4 In the event that DWP provides ONR separate grants for specific (ring-fenced) purposes, it would issue the grant as and when ONR needed it on the basis of a written request. ONR would provide evidence that the grant was used for the purposes authorised by DWP. ONR shall not have uncommitted grant funds in hand, nor carry grant funds over to another financial year.

Reliability of income

16.5 ONR will recover relevant costs from dutyholders in the nuclear industry, in line with the relevant statutory provisions. ONR's income could be significantly reduced should a major dutyholder experience financial difficulties. In this situation the government will ensure that ONR has sufficient resources to discharge its functions, thereby also ensuring that government complies with its international duties to ensure that the regulator is adequately resourced.

17 Reporting performance to DWP

17.1 ONR shall operate management, information and accounting systems that enable it to review in a timely and effective manner its financial and non-financial performance against the budgets and targets set out in the annual plan. ONR shall inform DWP of any significant changes that make achievement of objectives more or less difficult. It shall submit quarterly and annual reports to the Sponsorship

Team on financial performance and non-financial performance, including performance in helping to deliver ministers' policies and the achievement of key performance indicators.

17.2 ONR's performance shall be formally reviewed by senior-level, DWP-led Sponsorship Board on a quarterly basis. In addition to DWP and ONR, DECC, MoD and other relevant government bodies will be invited to attend the Sponsorship Board.

17.3 The responsible Minister will meet the Chair and Chief Executive, and with other ONR Board members and officials, as appropriate.

Providing monitoring information to the Department

17.4 As a minimum, ONR shall provide DWP with information monthly that will enable the Department satisfactorily to monitor:

- ONR's cash management;
- its draw-down of grant;
- forecast outturn by resource headings;
- other data required for the OSCAR public spending database; and
- other reasonable requests that are made from time to time.

ONR/DWP working level liaison arrangements

17.5 The Sponsorship Team and relevant finance officials in DWP will liaise regularly with ONR officials to review ONR's financial performance against plans, achievement against ONR targets, and ONR expenditure against its grant allocation. The Sponsorship Team will also take the opportunity to explain wider policy developments that might have an impact on ONR.

18 Delegated authorities

18.1 Subject to the requirements of *Managing Public Money* and any other applicable government guidance, ONR shall set its own delegated authorities, ONR shall obtain the Department's prior written approval before:

- entering into any undertaking to incur any expenditure that falls outside the delegations or which is not provided for in ONR's Annual Ambit of the Vote;
- incurring expenditure for any purpose that is or might be considered novel or contentious, or which has or could have significant future cost implications;

- making any significant change in the scale of operation or funding of any initiative or particular scheme previously approved by the Department;
- making any change of policy or practice which has wider financial implications that might prove repercussive or which might significantly affect the future level of resources required; or
- carrying out policies that go against the principles, rules, guidance and advice in *Managing Public Money*.

19 ONR staff

Broad responsibilities for ONR staff

19.1 Within the arrangements approved by the responsible Minister and HM Treasury, ONR will have responsibility for the recruitment, retention and motivation of its staff. Additionally, as explained at 19.3 below, ONR is responsible for deciding on remuneration levels for its staff taking broader public sector guidelines into account.

19.2 The broad responsibilities of ONR towards its staff are to ensure that:

- the rules for recruitment and management of staff create an inclusive culture in which diversity is fully valued; appointment and advancement is based on merit; there is no discrimination on grounds of gender, marital status, sexual orientation, race, colour, ethnic or national origin, religion, disability, community background or age;
- the level and structure of its staffing, including grading and staff numbers, are appropriate to its functions and the requirements of economy, efficiency and effectiveness;
- the performance of its staff at all levels is satisfactorily appraised and ONR's performance measurement systems are reviewed from time to time;
- its staff are encouraged to acquire the appropriate professional, management and other expertise necessary to achieve ONR's objectives;
- proper consultation with staff takes place on key issues affecting them;
- adequate grievance and disciplinary procedures are in place;
- whistle-blowing procedures consistent with the Public Interest Disclosure Act are in place;
- a code of conduct for staff is in place based on the Cabinet Office's Model Code for Staff of Executive Non-Departmental Public Bodies.

Staff costs

19.2 ONR shall ensure that the creation of any additional posts does not incur forward commitments that will exceed its ability to pay for them.

Pay and conditions of service

19.3 ONR and its staff, although part of the public sector, are not part of the Civil Service. Consequently, subject to any guidance that might apply to the public sector in general, ONR has the flexibility to set its own remuneration levels for its staff.

19.4 Staff terms and conditions should be set out in an Employee Handbook, which should be provided to ONR staff together with subsequent amendments.

19.5 ONR shall operate a performance-related pay scheme that shall form part of the annual aggregate pay budget.

19.6 The travel expenses of Board members shall be tied to the rates allowed to ONR senior staff. Reasonable actual costs shall be reimbursed, subject to any agreed caps that are in place at the time.

19.7 ONR shall comply with the EU Directive on contract workers – the Fixed-Term Employees (Prevention of Less Favourable Treatment) Regulations.

Pensions, redundancy and compensation

19.8 ONR staff shall normally be eligible for a pension provided by the Civil Service Pension Scheme. Staff may opt out of the occupational pension scheme provided by ONR, but ONR's contribution to any personal pension arrangement, including stakeholder pension shall normally be limited to the national insurance rebate level.

19.9 Proposals on severance, redundancy or compensation for loss of office must comply with the rules in chapter 4 of *Managing Public Money*.

20 Review of ONR's status

20.1 ONR will be reviewed in accordance with Part 3, section 118 of the 2013 Act, or as required by the Secretary of State. The outcome of any such review shall be laid before Parliament.

21 Arrangements in the event that ONR is dissolved

21.1 DWP shall put in place arrangements to ensure the orderly dissolution of ONR. In particular it should ensure that the assets and liabilities of ONR are passed to any successor organisation and accounted for properly. (In the event that there is no successor organisation, the

assets and liabilities should revert to DWP.) To this end, DWP shall:

- ensure that procedures are in place in ONR to gain independent assurance on key transactions, financial commitments, cash flows and other information needed to handle the wind-up effectively and to maintain the momentum of work inherited by any residuary body;
- specify the basis for the valuation and accounting treatment of ONR's assets and liabilities;
- ensure that arrangements are in place to prepare closing accounts and pass to the C&AG for external audit, and that funds are in place to pay for such audits. It shall be for the C&AG to lay the final accounts in Parliament, together with his report on the accounts;
- arrange for the most appropriate person to sign the closing accounts. In the event that another arms-length body takes on the role, responsibilities, assets and liabilities, the succeeding Accounting Officer should sign the closing accounts. In the event that the Department inherits the role, responsibilities, assets and liabilities, the Principal Accounting Officer should sign.

21.2 ONR shall provide DWP with full details of all agreements where ONR or its successors have a right to share in the financial gains of developers. It should also pass to DWP details of any other forms of claw-back due to ONR.

Robert Devereux
Permanent Secretary, DWP
(On behalf of DWP)

1 April 2014

John Jenkins
Chief Executive, ONR
(On behalf of ONR)

1 April 2014

Office for Nuclear Regulation

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Published April 2014