



Office for
Nuclear Regulation

Annual Report and Accounts 2023/24

HC 92





Office for
Nuclear Regulation

Annual Report and Accounts

2023/24 for the year ended 31 March 2024

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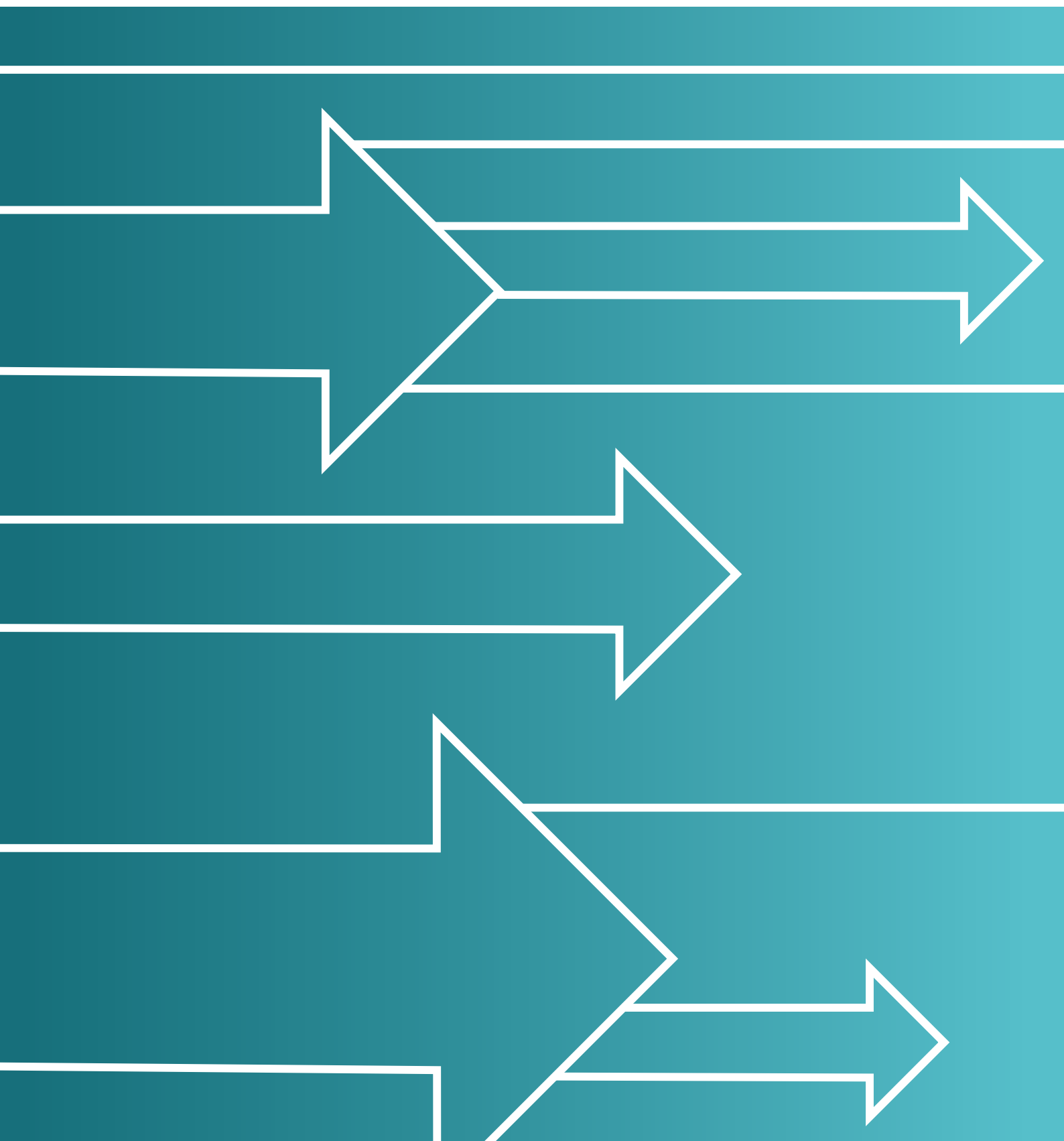
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Performance report



Performance overview

This section provides information about ONR and a summary of our performance in the year.

Foreword

As we conclude the fourth reporting year of [our Strategy 2020-25](#), we are pleased to report on the progress we have made against our top five priorities for 2023/24, and also that we have met the vast majority of the milestones we committed to in our corporate plan.

Our regulation has been effective right across our purposes, and we have focused in particular on enabling long-term improvements at sites in significantly enhanced or enhanced attention. Notably, there has been good progress on high hazard and risk reduction activities at Sellafield Ltd, steady improvement in performance at AWE, and a focus on leadership at Devonport Royal Dockyard Ltd (DRDL) with the introduction of a revised regulatory strategy. During the reporting period, we also targeted cyber security, in line with the Chief Nuclear Inspector (CNI) themes set out in the [2023 CNI Annual Report](#), by setting out our regulatory compliance expectations and assessing the adequacy of licensees' arrangements – and, where appropriate, applying enforcement.

Our teams have undertaken work across the sector that has included commencing two new GDA assessments to support government's strategic ambitions for new nuclear; determined the acceptability of safety justifications relating to the lifetime extension of reactors at Hartlepool and Heysham 1; launched the CNI themed inspection around industry's consideration of climate change and delivered a ground breaking 'sandboxing' pilot project, exploring the application of artificial intelligence (AI) within the nuclear industry.

We have continued to contribute to and influence a joined-up industry-wide approach to building and sustaining a resilient and capable workforce for the future. We took part in the Nuclear Skills Taskforce initiative, an industry wide forum that will seek to address the skills shortages in all areas of Nuclear including regulation, and addressing the future skills pipeline. Internally, we took further steps to ensure robust succession planning and talent management into the future, together with enhancing our ongoing approach for staff learning and development.

Within ONR, we stepped up our commitment to be more efficient across our regulatory and corporate functions, capturing significant productivity improvements. This is now being aided by our development of multi-year high level budgets, to improve the quality of delivery plans and financial forecasts.

We are pleased to see the ongoing maturity of our cyber security posture through the effective delivery of a programme of continuous improvement aligned with our Corporate Security Strategy. In turn, we have enhanced the accessibility of our information to the public and associated user experience by launching our new website.

We have made good progress on our Organisational Review project, notably in aligning internal pay across our regulatory purposes, developing our future structures in readiness for implementation in the next financial year, and taking the first steps to integrate our regulatory purposes. We also developed a programme to support our inspectors in regulating in a more risk-informed and intelligence-led manner. This will be rolled out in the next financial year, realising benefits for ONR and our stakeholders for the long-term.

The launch of our new inspector development programme and the ongoing enhancements to our office environments, together with culture-themed leadership events on the back of our response to the Alliance Manchester Business School (AMBS) research findings – are building on the work of previous years, to realise our ambitions for embedding an inclusive culture.

We are pleased to see our internal risk function now operating at capacity, and therefore our risk maturity continuing to develop throughout 2023/24. In-year, considerable effort was given to the implementation of a risk improvement plan (a Government Internal Audit Agency recommendation) and to enhancements to our risk management system. This plan will help us to embed and mature our risk management capability.

Overall, audit and assurance reviews concluded that we have maintained a satisfactory system of governance, risk management and internal control, with no significant issues reported. The minor exceptions that were identified already have plans in place to ensure continuous improvement in those areas.

We have made significant progress against the recommendations from the 2022 [**Post Implementation Review**](#), this year providing evidence to the Department for Energy Security and Net Zero (DESNZ) that we believe will enable it to agree these can all be closed – demonstrating how far we have come as a maturing organisation in the two years since the review.

We are proud to highlight that we will soon celebrate the 10th anniversary of ONR becoming an independent Public Corporation. We formally separated from the Health and Safety Executive in April 2014 and have evolved considerably in this period. This represents an important milestone for us, and an opportunity to reflect on our many achievements, while looking forward to building on these in the future.

With all of this in mind, it was a good year for ONR and, as a result we remain well positioned to deliver on our 2025 strategic commitments. Our thoughts will now turn to developing our strategy for beyond 2025, which will present us with many new challenges.

We would like to thank our staff for continually taking ONR forward as a modern, transparent regulator delivering trusted outcomes and value – and ultimately, their unwavering commitment to our mission: to protect society by securing safe nuclear operations. We are confident that we continue to deliver on both, and are ready to evolve to meet future needs.



Dame Judith Hackitt DBE
Chair

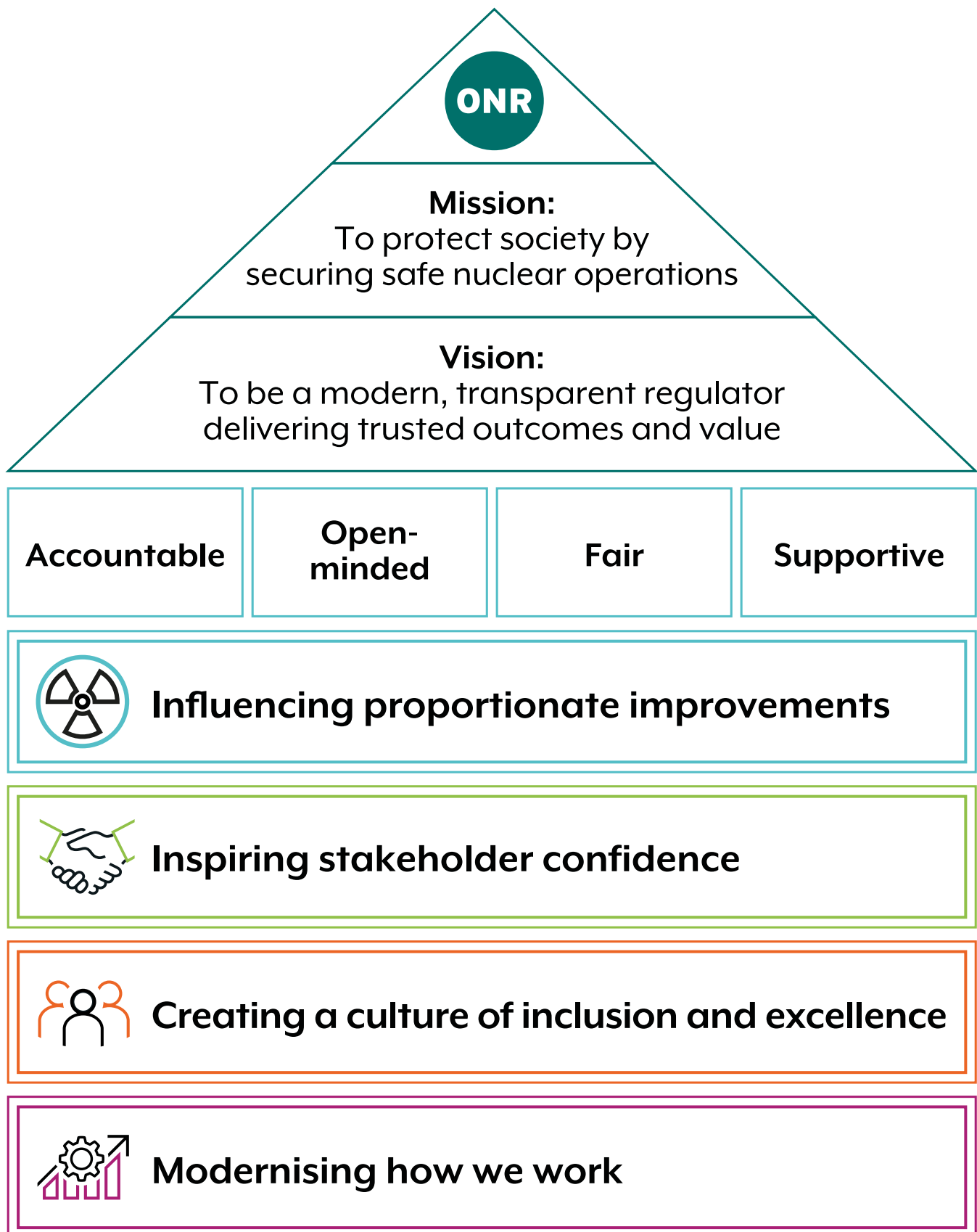
Mark Foy
Chief Executive and Chief Nuclear Inspector

About ONR

We are the UK's independent nuclear regulator, with the legal authority to regulate nuclear safety, civil nuclear security and safeguards, and conventional health and safety at the 35 licensed nuclear sites in Great Britain (GB). This includes the existing fleet of operating reactors, fuel cycle facilities, waste management and decommissioning sites, as well as other licensed and, in part, authorised defence sites, together with the regulation of the design and construction of new nuclear facilities.

We also regulate the transport of civil nuclear and radioactive materials by road, rail and inland waterways. Our nuclear security regulation covers approval of security arrangements within the civil nuclear industry and provides regulatory oversight for the security of transportation of civil nuclear materials and the management of effective arrangements for sensitive nuclear information. Our safeguards regulation serves to ensure that civil nuclear material remains accounted for and controlled to ensure the UK maintains its safeguards obligations as set out under international treaties and agreements, through the operation of the UK State System of Accountancy for and Control of Nuclear Materials (SSAC).

You can find out more [about us](#), our [governance arrangements](#), and [our regulation](#) on our website: www.onr.org.uk.



Our performance indicators

This annual report and accounts highlights progress against the final year of our five-year strategy. Key activities and commitments are presented in alignment with our Organisational Effectiveness Indicator (OEI) framework, which measures performance against our Strategic Themes, and also progress against our Strategy 2020-25 and annual plans, providing a broad evidence base to assure our Board, government, and the public of the efficiency and effectiveness of our regulation.

We made excellent progress against our top priorities for 2024/25. The performance summary below highlights our delivery against those priorities and commitments made in our 2024/25 Corporate Plan.

Delivery highlights – Top three priorities

PRIORITY 1

People – capability and capacity

Invest to build our capability for the future and reward our talent; addressing the findings of the AMBS culture survey; succession planning for the future; and engaging with industry to build 'skills for nuclear', the capacity and capability required to deliver future UK nuclear ambitions safely and securely.



became a full active member of the Nuclear Skills Executive Council and Nuclear Skills Delivery Board to contribute to the delivery of the National Nuclear Strategic Plan for Skills



held an 'all staff' conference to recognise our achievements over ten years since vesting, and to identify opportunities for future innovation



held 'Leading ONR' events to focus teams on living our values and shaping our future strategy



launched foundation and advanced leadership programmes to equip our future leaders with the skills to build capability

-  Approved the Security Assessment Principles (SyAPs) aligned Security Plan for Berkeley. Also, conducted an intervention on the Civilian Guard Force, which provided confirmation that the arrangements were aligned with the revised Site Security Plan and continued to adequately support achieving the security outcome for the site
-  Focused our attention on assessing the adequacy of licensees' cyber governance arrangements, cyber risk management and protection capabilities, and independent intelligence-led assurance activities to evaluate the adequacy of cyber security arrangements within approved security plans
-  Issued letters to licensees in enhanced or significantly enhanced regulatory attention for cyber security reasons, to explain our expectations and require of them the improvement plans they need to deliver for us to consider their transition back to a routine level of regulatory attention
-  Issued formal enforcement to EDF Nuclear Generation Limited to drive required improvements to cyber security governance and risk reduction activity
-  Sustained our focus on Sellafield Ltd's progress against existing formal enforcement, in March announcing our intention to prosecute historical non-compliance against NISR 2003 for cyber security
-  Closed a direction on NNL, following significant improvement in NNL's Cyber Security and Information Assurance (CS&IA) capability

PRIORITY 2

Streamline how we work across all our functions to become more efficient and create increased capacity to respond to future demands

-  Made good progress in our planned efficiency review of regulatory delivery
-  Introduced a structured approach to capture efficiencies and productivity gains, and have captured significant productivity improvements, enabling us to divert resources to meet emerging demands in support of Government priorities in New Build

- ✓ Developed a set of key principles to support our inspectors in targeting their engagements in a risk-informed and intelligence-led manner, and developed a suite of internal guidance, training and coaching to guide how our inspectors should operate, now and in the future. Known as RITE (Risk Informed, Targeted Engagement), we will be rolling out this approach from April 24
- ✓ Established a Project Portfolio Management tool to integrate and support the management of Strategic Projects and Portfolio Management
- ✓ Simplified and streamlined our corporate publications, including the 2023/24 Corporate Plan, and this 2023/24 Annual Report and Accounts
- ✓ Embedded WIRED dutyholder Portal

PRIORITY 3

Influence a joined-up industry-wide approach to building and sustaining a resilient and capable workforce for the future, with the capacity to deliver future programmes safely, securely and effectively

- ✓ Engaged with our existing nuclear skills networks and Great British Nuclear
- ✓ Rolled out an organisation-wide succession planning and talent management approach, including pre-director development programme to future-proof our leadership.
- ✓ Launched academy strategy
- ✓ Streamlined warranting process to realise efficiencies
- ✓ Maintained above target levels of warranted inspectors

PRIORITY 4

Begin to implement the recommendations arising from our Organisational Review project to ensure ONR is fit for the future, improving the effectiveness of our organisational structure and assuring fairness in our pay and grading

-  Embedded a change and communications management workstream to ensure focus on leading our people through change effectively
-  Engaged with staff through various means including face to face, Town Hall and Vlogs to shape the recommendations from the OR project
-  Aligned internal pay across our regulatory purposes to reflect external market difference
-  Prepared for streamlined high level corporate and regulatory structures for the establishment of a combined Technical and CNSS Division
-  Prepared for the transitioning of day-to-day management of our security inspectors into the operational Regulatory Divisions as a first visible step of integration

PRIORITY 5

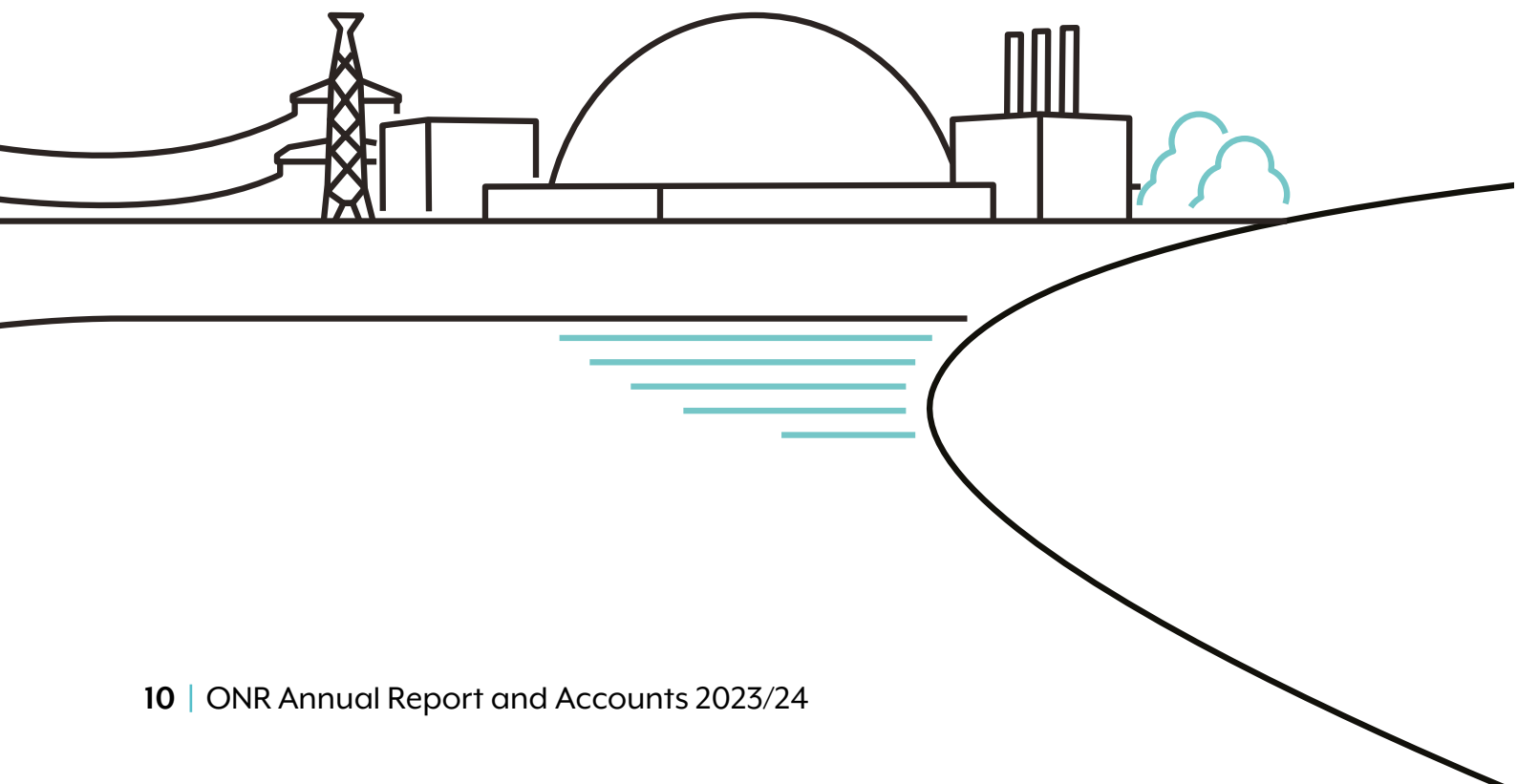
Further embed a supportive, fair and inclusive culture where people are empowered to deliver at pace and honour our commitments

-  Launched a new inspector development programme to ensure new joiners get the support and learning opportunities they need to develop in a hybrid working environment
-  Delivered office re-design in Cheltenham, and commenced engagement to inform plans for London and Bootle to ensure our office environments are inclusive
-  Delivered a 'Leading ONR' event to consider the findings of the culture research undertaken by AMBS and explore the role we all have in living our ONR values

Corporate plan commitments performance by Strategic Theme

Strategic Theme	Delivered	Not delivered	Deferred
Strategic Theme 1	12	-	1
Strategic Theme 2	12	2	-
Strategic Theme 3	10	-	2
Strategic Theme 4	15	-	1
	49	2	4

- In addition to the milestones we committed to in our 2023/24 Corporate Plan, two were brought forward from 2022/23, bringing the total number in-year to 55. These are included in the totals presented in the graphic.
- Both of these milestones related to strategic theme four. One will be carried forward into 2024/25 relating to the finalisation of our revised Framework Document with DWP and the other was the IT backup and resilience project, which was successfully delivered in year.
- Two milestones in Strategic Theme 1 included both safety and security elements and were monitored internally as separate milestones.
- Milestones that were deferred are explained in the performance analysis section below.



Performance analysis

This section provides a more detailed analysis of how we performed against our [Corporate Plan 2023/24](#), the progress made towards our Strategy 2020-25 and management of our strategic risks.



Strategic Theme 1 Influencing regulatory improvements

Organisational Effectiveness Indicator 1: Our regulatory activity drives demonstrable improvements and compliance across our purposes

Commitments in our 2023/24 Corporate Plan		Status	Delivery in Action
We will:	Key deliverables/ milestone		
Continue our work to facilitate timely return of dutyholders to a routine level of regulator attention	Complete assessment of Sellafield Ltd's readiness to return towards a routine level of regulatory attention for physical security	COMPLETE	Although Sellafield Ltd have not yet delivered the Main Site Command Facility Initial Operating Capability due to technical integration challenges, we have assessed Sellafield's proposed solution and agreed a phased delivery of security capability working towards full operating capability, as a 'route to routine' regulatory attention.
Support government's strategic ambitions for new nuclear	Commence Step 1 on two GDAs – subject to Ministerial request	COMPLETE	We commenced our work to assess two new GDAs in 2023/24. We started work on the assessment of Holtec International's SMR-300 in December 2023 and on GE Hitachi's BWRX300 reactor in January 2024. New SMR reactor assessment

Commitments in our 2023/24 Corporate Plan		Status	Delivery in Action
We will:	Key deliverables/ milestone		
Continue our work to influence timely hazard and risk reduction at Sellafield Ltd	Assess and determine the adequacy of Sellafield Ltd's safety justifications to inform a number of permissioning decisions necessary to enable hazard and risk reduction activities	COMPLETE	We completed assessment of a number of significant permissioning requests from Sellafield Ltd over the year, of which three were key in enabling hazard and risk reduction activities to continue. They were to permission: active commissioning and handover to operations for the export of zeolites from the First Generation Magnox Storage Pond active commissioning of the Box Encapsulation Plant Product Store – Direct Import Facility for storage of 3m3 boxes containing waste from Pile Fuel Storage Pond and the Waste Packaging and Encapsulation Plant removal of residues from Special Nuclear Materials Stores
Enable ageing AGR cores to operate and shutdown in a demonstrably safe and secure state	Assess and determine acceptability of safety justifications relating to the lifetime extension of reactors at Hartlepool and Heysham 1, and review their security plans		Our Operating Reactors team completed its review of EDF's submissions in support of lifetime extensions for the Heysham 1 and Hartlepool reactors. We continue to engage EDF in relation to the reactor safety cases and potential further extensions. We conducted a security inspection of EDF Nuclear Operations Heysham 1 and Hartlepool power stations, which provided the necessary regulatory assurance that the Security Standards, Procedures and Arrangements remained adequate to enable them to generate in line with the plant lifetime extension operation until 2026.

Commitments in our 2023/24 Corporate Plan		Status	Delivery in Action
We will:	Key deliverables/ milestone		
Enable the safe and innovative delivery of critical nuclear defence projects	Assess and determine adequacy of safety justifications for planned submarine dockings at Devonport	COMPLETE	A number of safety case submissions were expected from Devonport Royal Dockyard Ltd in support of planned submarine dockings, but these were not submitted within the expected dates, and delays continue. We commenced assessment of partial safety cases where we have been able, but based on the licensee's revised delivery timescales, this work could continue throughout 2024.
Deliver an integrated regulatory response to the priority themes in the CNI Annual Report, to drive industry wide ownership and progress	Deliver themed inspection around industry's consideration of climate change in safety cases	COMPLETE	We launched our themed inspection around industry's consideration of climate change in safety cases. Our initial engagement with industry required self-assessment by licensees. This has informed a sample of sites to take forward to an inspection phase in 2024/25.

Organisational Effectiveness Indicator 2: Our regulatory decisions are proportionate, balanced and unbiased

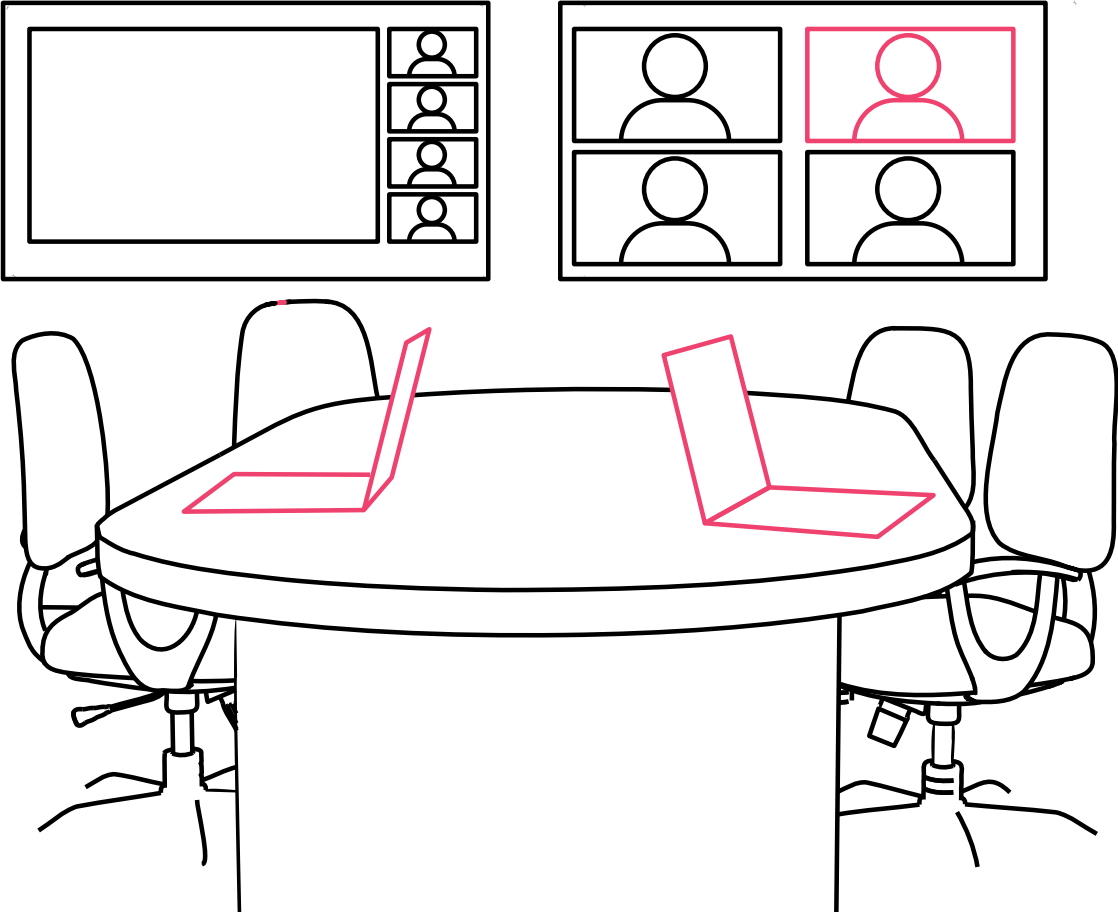
Commitments in our 2023/24 Corporate Plan		Status	Delivery in Action
We will:	Key deliverables/ milestone		
Continue our work to improve collaboration, cooperation, proportionality and consistency across our purposes	Produce guidance supporting the government policy objective for Proportionate Regulatory Controls	DEFERRED	Completion of our guidance is dependent on our review of IAEA documents to ensure that our Technical Assessment Guide is consistent with International guidance. These documents were published in November, resulting in a short, but justifiable delay to our deliverable. No adverse regulatory impact was expected as intelligence indicated there were no anticipated applications to de-licence using Proportionate Regulatory Controls before June 2024.
	Commence work on integration as part of the Organisational Review project	COMPLETE	We commenced work on integration early in the year, with a number of workshops in quarters 2 and 3 focusing on the purpose, scope, approach and timescales for integration in the context of the wider Organisation Review. This was incorporated into the wider review and a project plan approved in January for implementation from April 2024.

Organisational Effectiveness Indicator 3: We have a continuous self-improvement and learning culture

Commitments in our 2023/24 Corporate Plan		Status	Delivery in Action
We will:	Key deliverables/ milestone		
Use knowledge, operational experience and trends from past interventions and other sources to inform more strategic and intelligence-informed risk based interventions	Share our knowledge to inform design and implementation of policies that maintains high standards of safety, security and safeguards	COMPLETE	See Strategic Theme 2 case study 'Informing UK Nuclear Policy'
Progress a planned efficiency review of our regulatory delivery, making appropriate improvements	Conduct a review of our regulatory process for design assessment and licensing to identify opportunities for streamlining/accelerating deployment of new nuclear technologies	COMPLETE	We conducted reviews of our GDA and site licensing processes to identify opportunities for acceleration, resulting in a number of recommendations for process improvement. As a result of these recommendations, we recently launched our framework for early engagement, and are taking forward both an update to our publication 'Licensing Nuclear Installations', and the development of a licensing portal to act as a single point of reference for future licensees. Further guidance to GDA applicants will also be developed and published in due course. <u>Regulators launch early engagement guidance</u>

Organisational Effectiveness Indicator 4: Innovators are confident to test and deploy technology in a UK regulatory framework that embraces innovation

Commitments in our 2023/24 Corporate Plan	Status	Delivery in Action
We will:	Key deliverables/ milestone	
Embrace innovation, new approaches and technologies in how and what we regulate, and share best practice	Deliver and implement regulator sandbox for innovation	COMPLETE We delivered a ground breaking 'sandboxing' pilot project, exploring the regulation of artificial intelligence (AI) within the nuclear industry. <u>Outcomes of nuclear AI regulatory sandbox pilot published</u>



Strategic Theme 1 case study

Influencing long term improvements for the CNI report themes – Nuclear Site Health and Safety (NSHS)

The CNI theme of NSHS remained an area where sustained focus and attention was necessary as we saw increasing numbers of incident reports to ONR. This is at a time when activities such as construction and decommissioning, which inherently pose higher risks to workers' health and safety, gather pace across the sector.

We consequently retained NSHS as a key strategic priority and launched our implementation of the new NSHS regulatory vision and strategy in July 2023. The first pillar of the strategy focuses on our capability and is being achieved through reinforcement of our leadership and cadre of regulatory inspectors with construction and site health and safety specialists. We also invested in building NSHS capability across all warranted inspectors through enhanced training programmes and experiential learning. This is so that we can be efficient, effective and proportionate, and to better leverage our extant regulatory footprint.

The strategy's second and third pillars support risk profiling and improvements in intelligence analysis and targeting. We are reviewing our guidance to support ONR's early influence on dutyholders' compliance arrangements, and to take agile enforcement action where we see shortfalls. Finally, through the strategy's fourth pillar, proactive industry engagement, we have engaged senior leaders across the sector on NSHS, fostering greater collaboration on risk profiling and sharing of learning and benchmarking.



Strategic theme 2

Inspiring stakeholder confidence

Organisational Effectiveness Indicator 5: We engage with UK and International stakeholders to improve the effectiveness of our regulation and to inform UK policy, demonstrable improvements and compliance across our purposes

Commitments in our 2023/24 Corporate Plan		Status	Delivery in Action
We will:	Key deliverables/milestone		
Strengthen relationships with stakeholders through effective engagement and feedback	Host industry conference 2023	COMPLETE	We hosted a successful Annual Conference again this year, providing a valuable opportunity for ONR to engage constructively with a broad cross-section of industry stakeholders and to outline regulatory priorities for the year ahead. You can read more about it here: Regulatory priorities for 2023/24 outlined at ONR annual conference
	Hold NGO Forums	COMPLETE	We held two NGO forums over the reporting period. April's meeting focused on the health impacts of low-level radiation, ethics in decision-making, National Policy Statement, defence regulation and new nuclear. In November 2023, we discussed our role in the post-2025 approach to siting, nuclear skills and capacity, Sizewell C, Sellafield cyber security, and AGR lifespans as well as key drivers that will influence our future strategy going forward. Engaging with Non-Government Organisations (NGOs) and campaign groups
	Launch Stakeholder survey 2024	DEFERRED	We took the decision this year to reduce the frequency of our stakeholder surveys to once every two years in response to stakeholder feedback. This approach will allow us the opportunity to scope out bespoke surveys for intervening years, to ensure we are getting the best value from this engagement channel.

Commitments in our 2023/24 Corporate Plan		Status	Delivery in Action
We will:	Key deliverables/milestone		
	Commence engagement with licensees for the CNI Themed Inspection on climate change	COMPLETE	We hosted an industry event in May to begin engagement on the Themed Inspection for climate change and selected the sites we will take forward to the inspection phase during 2024. Licensee representatives gather for CNI-themed inspection engagement day
Inform nuclear policy with UK government from the earliest stages	Work closely with the Department for Energy Security and Net Zero (DESNZ) and the MoD as they develop nuclear policy in the civil and defence sectors	COMPLETE	We continued to work with government across a number of consultations, which can be found here: ONR's responses to consultations The Strategic Theme 2 case study provides further insight into our policy work.
Continue to work with international regulators on areas of common interest to accelerate regulatory decision making and influence standards	Explore self-assessment against the NEA 'Characteristics of a trusted regulator'	COMPLETE	While we awaited the publication of NEA's characteristics of a trusted regulator¹ we contributed to the NEA Expert Group on Public Communication to develop the self-assessment tool, as well exploring as our own application and benchmarking.

1 Nuclear Energy Agency (NEA) - Characteristics of a Trusted Nuclear Regulator (oecd-nea.org)

Commitments in our 2023/24 Corporate Plan		Status	Delivery in Action
We will:	Key deliverables/milestone		
	Prepare for the IAEA's Integrated Regulatory Review Service (IRRS) follow-up mission to the UK	COMPLETE	The International Atomic Energy Agency's (IAEA) Integrated Regulatory Review Service (IRRS) carried out a follow-up mission in January 2024 to review progress from the full scope mission in 2019 when assessments of the UK's nuclear and radiological safety standards against the IAEA's Safety Standards were carried out. The IRRS team recognised the strong commitment and professionalism from all UK regulatory bodies involved in the review and the significant progress made in response to the 2019 findings. We closed all outstanding actions on us from the 2019 mission, with two specific areas of 'Good Performance': our Policy on Openness and Transparency, and the Independent Culture Assessment of ONR, delivered by the AMBS. IRRS follow-up mission
	Prepare for the International Physical Protection Advisory Service (IPPAS) follow-up mission to the UK	DEFERRED	The invitation to host an IPPAS mission from IAEA was a request of the Government and was postponed.
	Meet all our international Safeguards obligations	COMPLETE	ONR is the State Regulatory Authority for safeguards. Our annual safeguards report shares the critical work we do to enable the UK to meet its international safeguards obligations. Safeguards Annual Report

Organisational Effectiveness Indicator 6: We are transparent and accessible to our stakeholders and the public

Commitments in our 2023/24 Corporate Plan		Status	Delivery in Action
We will:	Key deliverables/ milestone		
Deliver engaging and accessible publications	Publish Corporate Plan 2023/24	COMPLETE	We streamlined and simplified our suite of corporate publications to produce more concise and reader friendly documents that link together to strengthen ONR's strategic narrative and visible line of sight across the strategy, corporate plan and ARA. Publications
	Publish Annual Report and Accounts 2022/23	COMPLETE	
	Publish Chief Nuclear Inspector's Annual Report 2023	COMPLETE	
Support effective openness and transparency about our growing portfolio of regulatory activities	Review publication scheme	COMPLETE	The ONR 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. Publication scheme
Enhance the accessibility of our information to the public and user experience	Launch new website	COMPLETE	Welcome to the Office for Nuclear Regulation We successfully delivered a modern website to provide a streamlined and accessible service to all visitors to the site, supporting our commitment to being open and transparent.

Strategic Theme 2 case study

Informing UK Nuclear Policy

As part of our work to enhance nuclear safety, security, safeguards and radioactive transport in the UK and internationally, we actively participate in key international organisations and contribute to international standards, influencing the right outcomes for the UK. Our strong bilateral partnerships, supported by information exchange arrangements with international nuclear regulators, enabled us to share information, experience and good practice where we believe it to be mutually beneficial and in the UK's national interests. An example of this is the Memorandum of Cooperation with US and Canada on advanced reactor and SMR technologies. This forms a foundation to collaborate with fellow international regulatory colleagues on the assessment of SMR/AMR designs and is seen as a great step forward in regulatory collaboration that will create efficiencies and simplification, allowing best utilisation of regulatory resources.

This year, we continued to engage closely with government on policy development, a key focus being the New Nuclear Roadmap, where we worked collaboratively to agree the elements of the roadmap relating to our readiness to regulate and ongoing commitments to streamlining our processes. We provided advice to government on a range of topics to inform policy development including on the development of the strategic criteria for siting in the government's national policy statement for new nuclear. We also provided written and oral evidence to the environmental audit committees inquiry into SMRs, which recognised the value of our regulation to the UK. As well as informing nuclear policy development our strategic framework for international engagement has informed UK wide international regulatory cooperation policy.

At a jointly hosted event by both the Organisation for Economic Co-operation and Development and also the Department for Business and Trade, our Strategic Framework for International Engagement was recognised by the Minister for Regulatory Reform. It was deemed an "exemplar strategy document" of how to develop and deliver an effective international strategy that sets out clearly the enablers to effectively engage and influence international standards.

We valued the opportunity to share insight and learning about how ONR, recognised as a world leading and effective regulator across all our purposes, works with the international community and other regulatory bodies, and how our collaborative relationship with the Department of Energy Security and Net Zero's international team enables ONR to work effectively with government, where appropriate.



Strategic Theme 3

Creating a culture of inclusion and excellence

Organisational Effectiveness Indicator 7: We have technical competence at our core

Commitments in our 2023/24 Corporate Plan	Status	Delivery in Action
We will:		
	Key deliverables/ milestone	
Influence a joined-up, industry wide approach to building and sustaining a resilience and capable workforce for the future	Oversee the establishment of an industry wide forum that will seek to address the skills shortage	COMPLETE The case study below explains the work we have been doing to influence the sector's skills and capacity and our role in the UK Skills Taskforce. <u>New Taskforce to build UK nuclear skills</u>
	Influence the forum to agree a clear set of actions to deliver the capacity and capability to meet projected industry needs	
Strengthen workforce flexibility, resilience and capability	Launch Academy strategy	COMPLETE We published an internal Academy Strategy and rolled out our succession planning and new inspector programme. This supports our commitment to ensuring the organisation is sustaining a resilient, agile, inclusive, and capable workforce that is fit for the future, and also able to respond to the changing nuclear landscape and demand for skills sector wide.
	Roll out succession planning and talent management approach	COMPLETE We rolled out our initial succession planning process focusing on critical roles across the organisation in three phases during the year to ensure continued focus.
	Launch structured development programme for regulatory specialists	COMPLETE Our new development programme for Band 3 level inspectors specifically considers the needs and requirements to develop the competency of a fully warranted inspector. Split into three modules, each one is supported by on-the-job experiences aimed at embedding learning and a technical mentor to assist with specialist development.

Organisational Effectiveness Indicator 8: We exhibit strong leadership and an inclusive culture that embraces change

Commitments in our 2023/24 Corporate Plan			
Plan		Status	Delivery in Action
We will:	Key deliverables/ milestone		
Engage with our staff to shape and begin to implement the recommendations of the Organisational Review project (P4)	Develop and be ready to implement a revised organisational structure	DEFERRED	The Organisational Review project is part of our strategic change portfolio. The project is looking at how ONR is structured and how we reward people. Our ambition is for an organisational structure, operating model, and pay and reward system that enables us to be more effective, inclusive and resilient so that we can respond to future demands and deliver our mission efficiently. We made significant progress during the year, including the alignment of internal pay differentials across our regulatory purposes to reflect external market difference, as well as implementing other targeted areas for improvement in relation to pay. We also prepared for the delivery of a key milestone for the project – the integration of our statutory purposes from 1 April 2024² – whereby the day-to-day management of security functions will integrate with safety and nuclear site health and safety. With regards to our overall structure, we engaged collaboratively across the organisation to develop director level options and proposed alignment and composition of directorates. The work on the detailed design to support the preferred model has continued at pace and is due to complete in Quarter 1 2024. Implementation of the new structure is now expected to take place in 2024/2025, when we will also complete the planned equality impact assessments.
	Produce delivery plan for response to Pay and Grading activity	COMPLETE	
	Develop and start to implement the agreed principles and costed investment for the Pay and Grading review	COMPLETE	
	Undertake comprehensive equality impact assessment of proposed changes across organisational review implementation	DEFERRED	

2 This was successfully delivered

Commitments in our 2023/24 Corporate Plan		Status	Delivery in Action
We will:	Key deliverables/ milestone		
Continue to shape a culture of inclusion and excellence	Publish our response to Alliance Manchester Business School (AMBS) research findings on culture	COMPLETE	AMBS was commissioned to provide insights into how ONR's organisational culture influences the delivery of its mission. The independent assessment found that ONR has a positive reputation as a supportive, trustworthy and transparent regulator. It also revealed how its culture impacts how it responds to challenge, risk and change, both internally and externally. Our response to the research can be found here: <u>ONR's response to assessment of our culture</u>
	Launch our 'Being a good Ally' toolkit to staff	COMPLETE	We launched a toolkit and associated training to provide practical steps for our staff to support colleagues to understand what it means to be a good ally in the workplace and actively promote and advance a culture of inclusion through intentional, positive, and conscious efforts that benefit ONR and all of its people.
	Analyse the data from the safety climate survey and prioritise actions for delivery through the Achieving Cultural Excellence (ACE) programme	COMPLETE	Our safety climate survey results confirmed that the priorities identified within the ACE programme are the right ones to support our growing health and safety culture as we move through the delivery phase. Across the areas measured, we scored average or above average in comparison with benchmarked. Findings also included the need for more improvements in our health and safety communications, data visibility and improvements to the way we manage the risks associated with driving and occupational stress so these were a particular focus this year to further embed our safety culture.

Strategic Theme 3 case study

Influencing Nuclear Skills

One of the main challenges facing the nuclear sector is the shortage of skills for nuclear, and we have committed to play a part in building the skills and capability base required to deliver the future UK ambition safely and successfully. As longstanding members of the Nuclear Skills Delivery Group (NSDG), we have worked in partnership with both the sector and government to support the new governance and establishment of a Nuclear Skills Delivery Board, and the subsequent development of a ten-year National Nuclear Strategic Plans for Skills (NNSPS). This is a sector-wide commitment to ensure capability is developed and in place, so that the nuclear industry is equipped to deliver future demands by addressing the most significant issues and areas of current and future skills shortages. Delivery of the NNSPS will be overseen by the Nuclear Skills Executive Council, of which our CE/CNI is a current member. The plan underpins the goal of filling 40,000 new jobs by the end of the decade, doubling the number of apprentices and graduates entering the nuclear workforce by academic year 2025/26.

We also continued to chair the NSDG's 'Exciting the Next Generation' group, helping to inspire and deliver school work, supporting children to consider careers in nuclear. This group will help develop their skills for the workplace by supporting the delivery of classroom inspiration work in schools across the country. Our contribution to this work helped deliver a sector-based classroom experience delivering 74,784 lessons across 7,618 Schools, reaching 461,821 pupils to date.

We additionally extended our recruitment and skills networks internationally, sharing our multifaceted approach to recruitment with the Western European Nuclear Regulators Association to support international approaches to the skills for nuclear challenges.

Furthermore, we provided secondees to Great British Nuclear. These secondees have advised on the procurement, regulatory requirements for design assessment, licensing and operating Small Modular Reactors, and on the leadership and management attributes needed to build licensable organisations.



Strategic Theme 4

Modernising the way we work

Organisational Effectiveness Indicator 9: We develop a strong organisational capability: knowledge management; business continuity and emergency preparedness

Commitments in our 2023/24 Corporate Plan		Status	Delivery in Action
We will:	Key deliverables/milestone		
Integrate our incident response arrangements in readiness for a future national level 3 emergency exercise	Put in place cross-organisational response arrangements	COMPLETE	We put robust and exercised response arrangements in place to enable whole organisational responses to significant and major incidents.
Continue to deliver improvements in digitisation and IT service management	Establish an Automation and Data Centre of Excellence	COMPLETE	We made good progress against our digital strategy, including automation of our data to support timely and digitised reporting, a full technology refresh and upgrade to ensure our people have the tools to do their jobs well. We also re-tendered for an IT service provider in readiness for the year ahead.
	Develop quality assured metrics across ONR's performance indicator hierarchy	COMPLETE	We were recredited for ISO27001 following a surveillance audit and maintained our Cyber Essentials + certification.
	Re-tender for digital partner provision	COMPLETE	We also achieved alignment with ISO9001 standard for our Management System and will now work towards certification.
	Technology refresh – laptop, mobile and Windows 11 operating system upgrade	COMPLETE	

Commitments in our 2023/24 Corporate Plan		Status	Delivery in Action
We will:	Key deliverables/milestone		
Continue to embed processes and drive benefits of the WReD platform	Deliver further enhancements to our Well Informed Regulatory Decisions (WReD) dutyholder portal through additional processes, including Reporting of Injuries, Diseases and Dangerous Occurrences Regulations (RIDDOR), Contact Reports and High Activity Sealed Sources (HASS)	COMPLETE	We made a number of enhancements to WReD this year, successfully delivering RIDDOR at the end of the financial year. The contact reports process was prototyped and requirement analysis commenced and will be delivered in the next phase. Due to the potential for a national HASS database, we placed internal development on hold. The case study below explains the focus of WReD enhancements this reporting year.

Organisational Effectiveness Indicator 10: Delivery of our mission is efficient and sustainable

Commitments in our 2023/24 Corporate Plan		Status	Delivery in Action
We will:	Key deliverables/milestone		
Deliver in-year efficiencies to meet additional demand associated with new national strategic programmes	Generate £4.3m in-year cost savings, to outturn in line with our approved budget	COMPLETE	We undertook a significant amount of work this year to identify efficiency opportunities across ONR, which we embedded into our culture. We built an efficiency register, published an internal Efficiency Framework and guidance, established consistent/data assured reporting, ensured efficiency expectations were embedded into planning and assurance arrangements, strengthened our project management arrangements to evidence efficiencies from strategic change projects and also conducted review/learn/ improve exercises from recent process reviews to identify good practices to build into future developments.

Commitments in our 2023/24 Corporate Plan		Status	Delivery in Action
We will:	Key deliverables/ milestone		
Drive improvements in our charging arrangements	Finalise charging strategy	COMPLETE	Following a full assessment of alternative charging models and engagement with stakeholders, we are confident that we are operating with the most appropriate model for our activities and that our charging strategy is fit for purpose.
Improve quality of delivery plans and financial forecasts	Develop multi-year high level budgets	COMPLETE	As part of our budgeting process, we developed 3- year, high-level budgets.
Improve the quality and accuracy of our time recording			Our time recording was cleansed and improved to provide more insightful data and enable effective decision-making and planning.
Mature our workforce planning approach	Establish an effective workforce planning process that provides a single version of the truth and delivers value to operational deployment and informs the annual planning process	COMPLETE	We robustly tested and rolled out streamlined workforce planning processes to inform internal reporting and facilitate the integration into the annual planning and budgeting process from 2025/26.
Secure office facilities that meet our future requirements in light of hybrid working arrangements	Make decision on options for future office footprint	COMPLETE	We secured new leases for a relocation of our London office and a reduced footprint in our Cheltenham office. We commenced engagement and preparations for a smaller footprint in our Bootle office and considered design options to support hybrid working.
	Refresh and/or sign new lease for all office locations	COMPLETE	

Commitments in our 2023/24 Corporate Plan		Status	Delivery in Action
We will:	Key deliverables/ milestone		
Building on our Environmental Statement of Intent, develop, publish and implement an Environmental, Social and Governance (ESG) strategy	Develop clear line of responsibility and accountability for ESG	COMPLETE	We agreed responsibilities and accountabilities for our ESG approach, which will support the work to further embed next year.
	Establish an ESG Working Group to monitor and report on performance	COMPLETE	This year we established and rescoped the working group to support a focus on applicable climate related disclosure frameworks.



Strategic theme 4 case study

WIReD

Following delivery of the WIReD programme in April 2023, WIReD moved out of the project phase and has been integrated into the organisation with robust product ownership and IT support. This first year has seen excellent progress made on important areas such as defect management (bugs), improved platform security, minor product enhancements and compliance assessment. We also accelerated high priority development work to meet business needs, which ensured our resource was focused on the highest priority processes. As a result, we have extended the embed phase to ensure completion of remaining activities.

Significant effort was invested into the reprioritisation and development of new Reporting of Injuries, Diseases and Dangerous Occurrences Regulation (RIDDOR) functionality, which delivered successfully this year, alongside work on List-N completion, to meet the transition target from the NDA platform at the end of 2024.

As part of our ongoing enhancements, we committed to assess the impact of changes to ensure new processes operated as intended without affecting other WIReD system functionality. We worked with a test user community of internal and external stakeholders and communicated our approach to ensure clarity and understanding of changes and expectations before we commenced testing. Regular feedback throughout the test period confirmed functionality improvements were operating as intended and did not affect existing functionality, leading to the smooth and effective integration of changes into the WIReD system.

Our strategic risks

Our Risk Maturity has continued to develop throughout 2023/2024, through the implementation of the ONR Risk Improvement Plan. We provided training across the organisation and Risk Governance was reviewed to ensure that risks are being discussed at the correct level of accountability.

In line with the updates to the Orange Book, which sets out the standards for Risk management in government, the Risk Management Framework has been refreshed and has been embedded into working practices across the organisation, continuing to help drive strategic decision making in the context of risk. This included a review of roles and responsibilities, training and the introduction of key control testing.

We continued to actively monitor our strategic risks over the course of the year. One was de-escalated, to be managed at a Directorate level due to the implementation of mitigating actions and the effectiveness of key controls. One reached its target but was retained as an 'in-sight' risk due to operating in the cyber security field and the potential movement of external environmental factors. One new strategic risk was escalated to the Strategic Risk Register (SRR), reflecting its high-profile impact and requirement for ARAC and Board visibility.

The monitoring and testing of key controls is a critical component of an effective risk management framework, to ensure that the controls put in place to mitigate risks are working as intended and provide valuable insight into areas that need improvement. This was introduced during quarter two and is now undertaken on a quarterly basis, providing additional assurance to the CE/CNI.

We undertook a review of all risk registers from directorate to a sub-divisional level. This large piece of work is helping to provide a consistent approach to risk management across ONR, providing appropriate escalation and de-escalation routes, driving a continual improvement of risk management across ONR.

The capacity of the risk function was reviewed as part of the wider organisation change. It highlighted that additional resource was required to fully embed risk management across ONR and should be centralised to ensure consistency. The function is now operating at capacity.

Enhancements to our Risk Management system, IRIS, to improve functionality is on-going to help drive improvements that will be of most benefit to the operational user. In line with the May 2023 update to the Orange Book, we added on a basic assurance package to allow for Tier 1 key control testing to be performed and recorded.

The full suite of strategic risks we managed during 2023/24 is set out below, including the risk movement in year and a commentary of how the risk is being managed.

Strategic risk summary



Increasing risk



Stable risk



Decreasing risk

Risk description	Movement in Year	Commentary
Insufficient organisational capability and capacity		Due to both internal and external environmental factors, this risk increased during 2023/24. Currently, all controls remain effective and good progress is being made with relevant actions such as the enhanced re-warranting process. The outputs of our Organisational Review will continue to have an impact on the management of this risk.
Failure to deliver efficient regulation in one or more of ONR's purposes		Actions have progressed and controls are working effectively. Progress has been good on the Efficiency Review, with more than 27 full-time equivalents (FTE) of productivity improvements generated in the last year. Our understanding of resource utilisation improved via data analysis, allowing for consideration of optimal utilisation to inform future deployment. RITE will drive more efficient and targeted regulation and help to reduce the residual risk.
Risk of failing to deliver strategic objectives due to the inability to manage and respond effectively to incidents		We saw greater alignment and integration of Emergency Preparedness and Response arrangements with the extant Incident Management Framework arrangements. The identification and agreement of business continuity critical work areas across both the corporate and regulatory areas of ONR enabled a targeted and proportionate roll out of more granular business continuity planning arrangements. This risk is being managed consistently at present through the continued effectiveness of key controls.
Vulnerabilities in ONR's health, safety and wellbeing (HSW) systems and approach		We undertook significant work to mitigate the likelihood and impact of this risk throughout the year. Key controls are operating effectively, and delivery included publication of an ONR site visit risk assessment and guidance to support colleagues involved in the investigation of workplace fatalities or specified injuries. An assurance programme will be initiated to assess the effectiveness of the controls in place and it is anticipated that this will significantly reduce the risk once ONR is able to confirm the systems are embedded and operating as intended.

Risk description	Movement in Year	Commentary
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 is currently being effectively managed through deploying a very wide, diverse range of security controls across all of the security domains to protect its people, information and other business assets. ONR continues to manage a programme of security improvements and awareness of our people, in order to address the ever-changing capabilities of external threats. However, given the strategic nature of the risk, we have retained it on the SRR to ensure ARAC and Board visibility.
ONR's financial regime has the potential to provide concern around the effectiveness and accuracy of its charging		This year saw a maintained focus on continually improving our charging process and supporting processes. We implemented recommendations from the recent rapid improvement assessment to streamline processes. The risk was reduced by implementing the charging strategy. Work is ongoing with DESNZ and DWP to ensure that any areas of ONR concern are resolved in a timely manner.
ONR fails to support key national civil and defence infrastructure projects		This risk was de-escalated due to the implementation of inspector development and enhanced cross-government liaison.
Safeguards Information Management and Reporting System (SIMRS) availability, capability and resilience		SIMRS is a strategic IT asset for ONR and the UK, failure of which would result in the UK failing to meet its international safeguards obligations and productivity loss in the CNSS Safeguards sub-division. The system is utilised daily and is hosted by an external supplier presenting additional third-party risks and has limited resilience in our current system. Furthermore, ONR currently lacks the in-house IT capabilities to support the system. Temporary arrangements through continuation of contractors are in place to mitigate any issues until permanent replacements are found. This risk was, therefore, escalated to the SRR. Key controls have been identified, including enhancing in-house support, and actions to ensure effective mitigation are being developed, alongside contingency options.

De-escalated risks

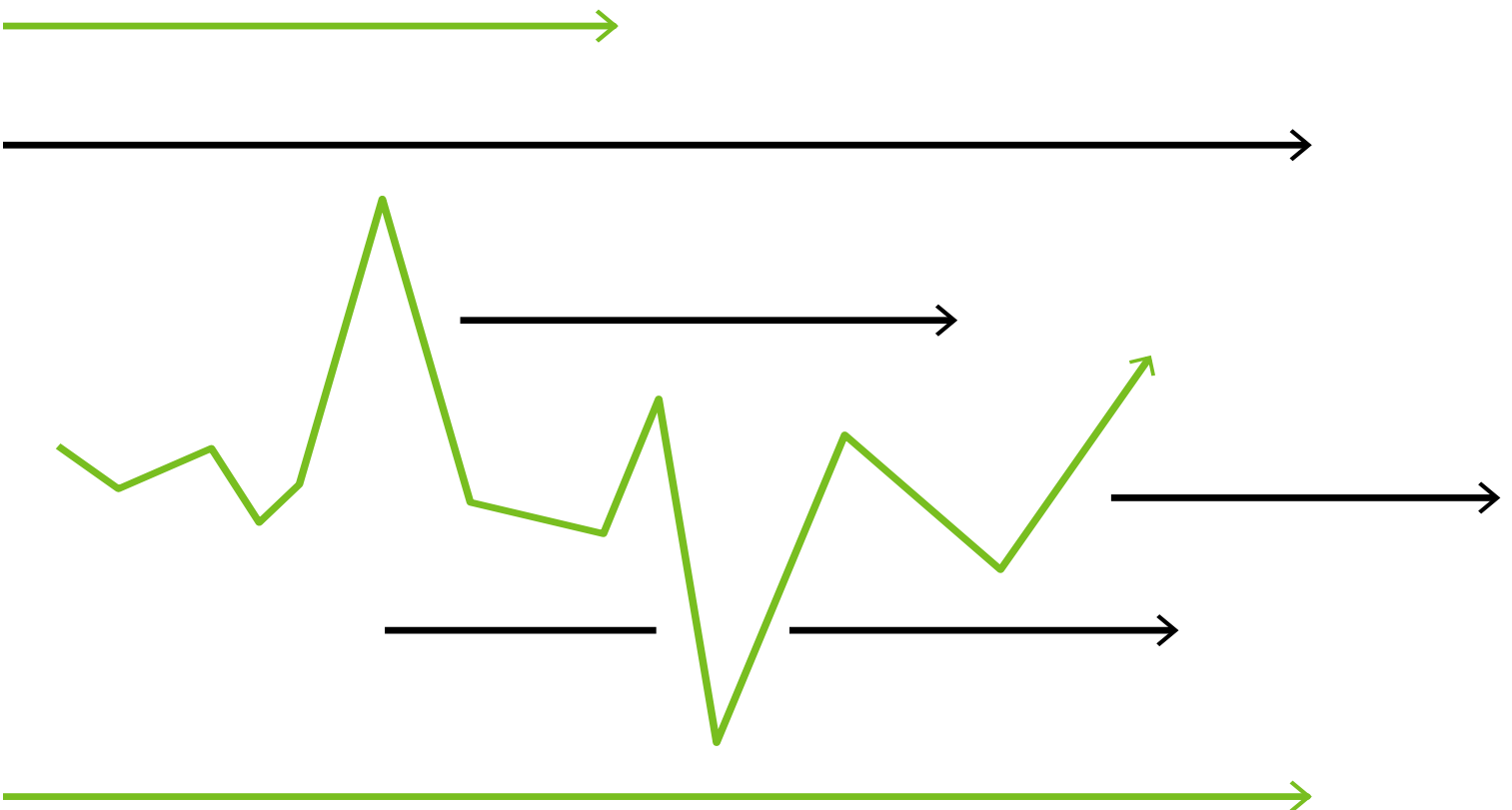
Risk description	Movement in Year	Commentary
Vulnerability in ONR's ESG		Following the publication of the ESG Strategy this risk has been de-escalated to the Governance directorate risk register as agreed at ARAC. All key controls remain operating effectively.

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 2.8% of our budget for 2024/25. 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 2024/25 has been agreed with DWP. For 2023/24, net assets totalling £12.7 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.

Consequently, the Board has adopted the going concern basis for the preparation of the financial statements in this Annual Report and Accounts.



Our financial performance

	2019-20	2020-21	2021-22	2022-23	2023-24
	£m's	£m's	£m's	£m's	£m's
Expenditure					
Staff costs	57.2	60.9	60.5	64.6	71.0
Travel and subsistence	4.1	0.3	1.1	2.5	3.1
Training and conferences	1.0	0.7	0.9	1.3	0.9
Accommodation and estates	5.0	5.1	5.1	2.5	2.9
IS/IT & telecommunications	4.8	5.5	4.3	5.5	6.0
Research & support – external	2.7	2.4	2.5	2.5	3.2
Technical support	3.8	7.2	2.9	1.0	1.2
Other costs	5.9	7.2	7.1	8.5	10.6
Operating expenditure	84.5	89.3	84.4	88.4	98.9
Capital	5.4	3.2	1.0	1.2	1.0
Total ONR expenditure	89.9	92.5	85.4	89.6	99.9
UK Security Vetting (UKSV)*	2.4	4.0	1.7	3.7	3.9
Total Expenditure	92.3	96.5	87.1	93.3	103.8
Income					
Nuclear Industry	(76.3)	(81.7)	(74.8)	(89.5)	(97.5)
Grants	(1.4)	(1.9)	(2.1)	(2.4)	(3.2)
EURATOM	(7.8)	(7.7)	(7.4)	0.0	0.0
Advanced Nuclear Technologies**	1.4	1.7	1.4	0.9	1.6
Other	0.0	(0.2)	(0.2)	0.0	(0.3)
TOTAL INCOME	(86.9)	(93.2)	(85.9)	(92.8)	(102.6)

* 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 final outturn for 2023/24 was £103.8million (2022/23: £93.3 million). This represents a £10.5m increase on previous year, primarily driven by;

- an increase in our staff numbers to meet new regulatory demands;
- a 5% pay award for staff;
- a one-off payment to staff of £1,500, to match the Civil Service offer; and
- planned increases in IT and other projects.

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

Expenditure	2022-23	2023-24	
	Actual £m's	Budget £m's	Actual £m's
Staff costs	64.6	71.8	71.0
Travel and subsistence	2.5	2.9	3.1
Training and conferences	1.3	1.6	0.9
Accommodation and estates	2.5	1.8	2.9
IS/IT and telecommunications	5.5	6.8	6.0
Research & support – external	2.5	2.9	3.2
Technical support	1.0	2.3	1.2
Other costs	8.5	11.1	10.6
Centrally managed budget reduction		(4.3)	
Operating expenditure	88.4	96.9	98.9
Capital	1.2	0.4	1.0
Total ONR expenditure	89.6	97.3	99.9
UKSV	3.7	4.8	3.9
Total Expenditure	93.3	102.1	103.8

Significant unbudgeted pressures, in excess of the centrally managed reduction, resulted in our overspend position (excluding the UKSV pass-through costs).

These pressures included;

- £1.1m relating to the one-off payment to staff; and
- £0.6m of additional pay award costs above budgeted increase.

Looking forward

Our [ONR Corporate Plan 2024/25](#) sets out the following top three priorities:

Our top three priorities for 2024/25

Robust, effective and enabling regulation remain at the core of what we do and we will continue to drive demonstrable improvements at sites that are in significantly enhanced or enhanced regulatory attention, and influence long-term improvements for the CNI report themes.

To enable us to be fit for the future and most effectively support our regulation we have identified the following three priorities for this, the final year of our current strategy.

Priority 1 – People – capability and capacity

Invest to build our capability for the future and reward our talent; addressing the findings of the AMBS culture survey; succession planning for the future; and engaging with industry to build 'skills for nuclear', the capacity and capability required to deliver future UK nuclear ambitions safely and securely.

Priority 2 – Our organisation

Implement an integrated organisational structure responsive to future demands and rationalise our estate and infrastructure, optimising our use of space to promote effective collaboration and complement our hybrid working arrangements.

Priority 3 – Our ways of working

Deliver efficiencies and strive for continuous improvement, streamlining our regulatory approaches and how we work across our functions, adopting innovative solutions and being less risk averse in our decisions while maintaining high standards of regulatory oversight.

Sustainability

We acknowledge and accept our responsibility to manage and reduce the impact that our activities 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.

Our Strategy 2020-25 specifically references the need to consider how we can reduce our environmental and carbon impact in line with broader government objectives for net zero.

Greening Government Commitments

We are committed to meeting our obligations as a public body under the [2021-25 greening government commitments](#) (GGCs); submitting quarterly returns on our Scope 1, 2 and 3 emissions to DWP.

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

	2017-2018 Baseline	2021 -2022	2022 -2023	2023 -2024
Total Greenhouse Gas (GHG) Emissions – scope 1,2 & 3	786	242	442	682
Scope 1 (direct) GHG emissions	1	24	20	22
Scope 2 (direct) GHG emissions	38	37	38	37
Scope 3 (business travel only) GHG emissions	747	181	384	623
Distance travelled by domestic business flights (km)	142,270	56,969	37,876	58,699
Emissions from domestic flights tCO ₂ e	20	7	5	10
Total number of domestic business flights	165	70	59	113
Distance travelled by international business flights (km)	1,998,558	91,608	876,245	880,967
Emissions from international flights tCO ₂ e	285	26	117	158
Total number of international flights	475	25	290	599
† Paper usage (reams)	2,675	205	575	585
† Water consumption m ³	Not available	450	507	604

Our total emissions³ for this reporting year for our Scope 1, 2 and 3 activities was 682 tCO₂e. This is a 54% increase on the previous year, recognising a sustained increase in our operational activities, partially associated with the continued easing of restrictions relating to COVID-19. Whilst this is an increase on the previous year, it is approximately 13% lower than our 2017/18 baseline of 786 tCO₂e. This is in line with the 2021-25 GGC target to reduce overall emissions from a 2017/18 baseline.

Total emissions associated with the use of our estate (purchased energy) have increased since 2017/18 from 39 tCO₂e to 59 tCO₂e. However, this is primarily due to an increase in occupied office space (m²) compared to 2017/18.

Our emissions per m² of occupied floor space (tCO₂e/m²) have decreased since 2017/18, from 0.07 tCO₂e/m² to 0.04 tCO₂e/m². Emissions from our office locations in London (Windsor House) and Cheltenham (St. James' House) are calculated based on the percentage of floor space we occupy (approx. 4% and 13% of the total floor space of the buildings respectively). Emissions from our office location in Bootle (Redgrave Court) are omitted as these are included as part of a building-wide submission, managed by the primary occupier, HSE. A total floor space of 585 m² was used for emission calculations when compiling the baseline data for 2017/18. A total floor space of 1,300 m² has been used for calculations from 2021/22 onwards. This reflects changes in the occupancy of office space in our London and Cheltenham offices since 2017/18.

Recognising that travel has increased as COVID-19 restrictions have eased, we continued to encourage the use of public transport for business travel. This is recognised by an increase in the use of rail travel (in kilometres) since 2021/22.

We also continue to make use of digital communication methods and enhanced video conferencing capabilities to help reduce the need for employees to travel to meetings and thereby lowering the level of the associated emissions. This is recognised by a 53% reduction in emissions (tCO₂e) associated with domestic business flights compared to 2017/18; in line with the 2021-25 GGC target to reduce emissions from domestic business flights by at least 30% from a 2017/18 baseline.

We have continued to work collaboratively with our landlords to support building-wide initiatives in reducing our environmental impact; helping us to achieve our longer-term sustainability commitments. These include the 'nil to landfill' policy operated at our Head Office in Bootle, and recycling waste such as plastic, glass, metal, paper, electrical and fluorescent bulbs, and food (which goes to make biofuels). We also took steps to reduce our energy consumption by installing LED lighting throughout our office space, as well as reducing our water consumption and paper usage.

Our position as a minor tenant across our three office locations means that we are unable to make significant changes to our building infrastructure in an effort to reduce

³ Total emissions are provided in tonnes of carbon dioxide equivalent (tCO₂e).

water consumption. However, we continue to work collaboratively with our landlords to seek opportunities to reduce water consumption. This was evidenced during the year at our Bootle office, when we worked with the landlord to install auto-stop taps in our staff toilets and kitchen areas.

We support a sustainable procurement programme, proactively seeking to engage with suppliers that adopt a positive approach to environmental and sustainability matters, such as our furniture supplier, which has a robust recycling policy that we take active advantage of when possible.

Our contribution to the broader sustainability agenda is also reinforced by our decision to reduce our office footprint across our estate; driven by the impact of hybrid working on office occupancy. This year we were able to reduce our total footprint in our Cheltenham office by 45% and later in 2024, we will be progressing downsizing options for our offices in Bootle and London that will reduce our estate footprint further. In addition, we will proactively seek and act upon opportunities to reuse existing office furniture across the estate and donate items that are surplus to charity.

Looking ahead, we will continue in our aim to meet our legal obligations and promote sustainable best-practices throughout our organisation and across our supply chain. We have recently formalised our approach to [ESG](#), bringing together a set of environmental-related aims and commitments, with our existing social inclusion and corporate governance commitments.

Climate-related financial information

The government recognised the recommendations of the 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 recommended 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.

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.

We have complied with the TCFD recommendations and recommendations disclosures around:

- governance (all recommended disclosures); and
- metrics and targets.

This is in line with the central government's TCFD-aligned disclosure implementation timetable and we are committed to making disclosures for Strategy, Risk Management and Metrics and Targets in future reporting periods.

Governance

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

In 2024, we formalised our [risk appetite for ESG](#), 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 Corporate Governance and Compliance is responsible for the day-to-day management and oversight of the ESG risk. 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 ONR's existing risk management and corporate governance frameworks.

Climate-related risks which pose a threat to the organisation are managed internally within the corporate support services side of the organisation, whilst climate-related issues/threats which may impact the UK nuclear industry are overseen by inspectors within the regulatory divisions.

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

Mark Foy

Chief Executive and Chief Nuclear Inspector
Office for Nuclear Regulation

11 October 2024

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 2024

Non-executives



Dame Judith Hackitt DBE



Jean Llewellyn OBE



Dr Janet Wilson



Sarika Patel



Tracey Matthews



Roger Hardy

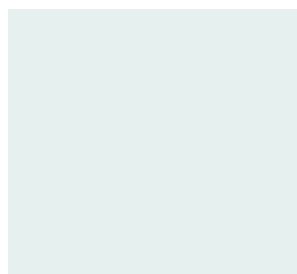
Our executives



Mark Foy
Chief Executive
and Chief Nuclear
Inspector



Sarah High
Deputy Chief Executive



Vacancy
Finance Director

Further details on our organisational structure can be found at: [Who we are.](#)

For information about changes to our executive governance arrangements since 31 March 2024, see page 58.

Changes to Board membership

Name	Date	Event	Role
Mark McAllister	31 December 2023	Resigned to take up new position as OFGEM Chair	Former Non-Executive Director/Board member (Chair)
Dame Judith Hackitt DBE	1 January 2024	Appointed	Non-Executive Director/Board member (Interim Chair)
Dame Susan Catherine Gray DBE	31 January 2024	Completion of 12-month term of office.	Former Non-Executive Director/Board member
Roger Hardy	1 February 2024	Appointed	Non-Executive Director/Board member
Geoff Hawker	18 December 2023	Resigned	Former Executive Member and Finance Director

The Board approved the appointment of:

Paul Fyfe (Senior Director of Regulation) as Board Executive Director due to Donald Urquhart's move into the Special Advisor role; and

Rachel Grant (Director of Policy and Communications) as Interim Board Director to cover Sarah High's absence.

Both roles took effect from 1 July 2024.

Linda Aylmore (Finance Director and Executive Board Member) joined ONR on 1 October 2024.

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 63.

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.

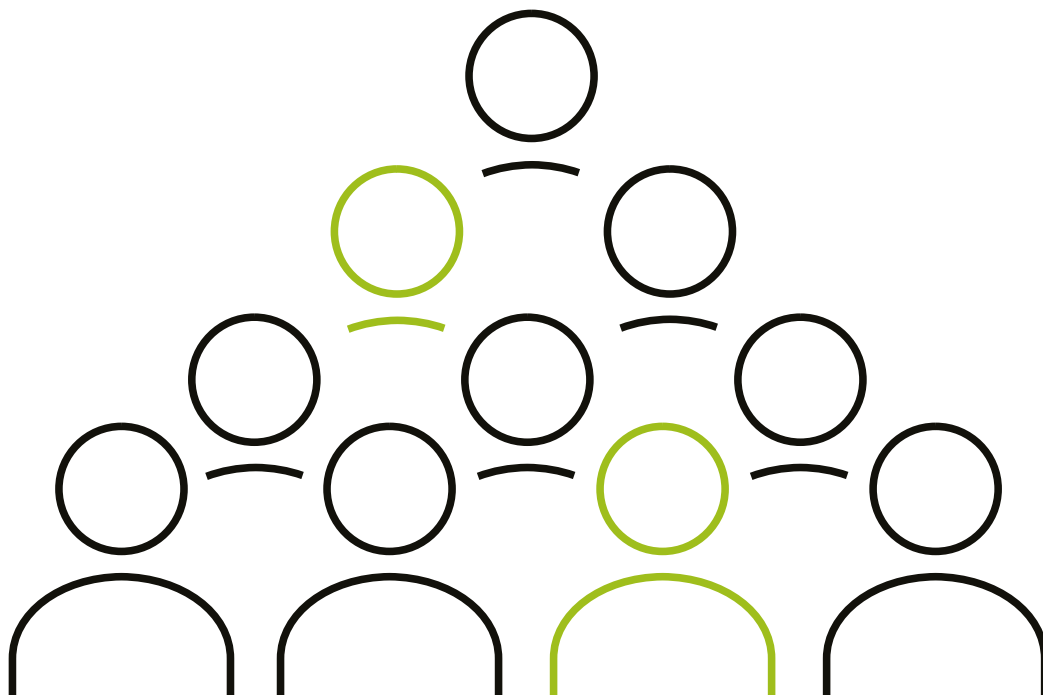
Governance statement

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 2023 to 31 March 2024 and up to the approval of the Annual Report and Accounts.

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.

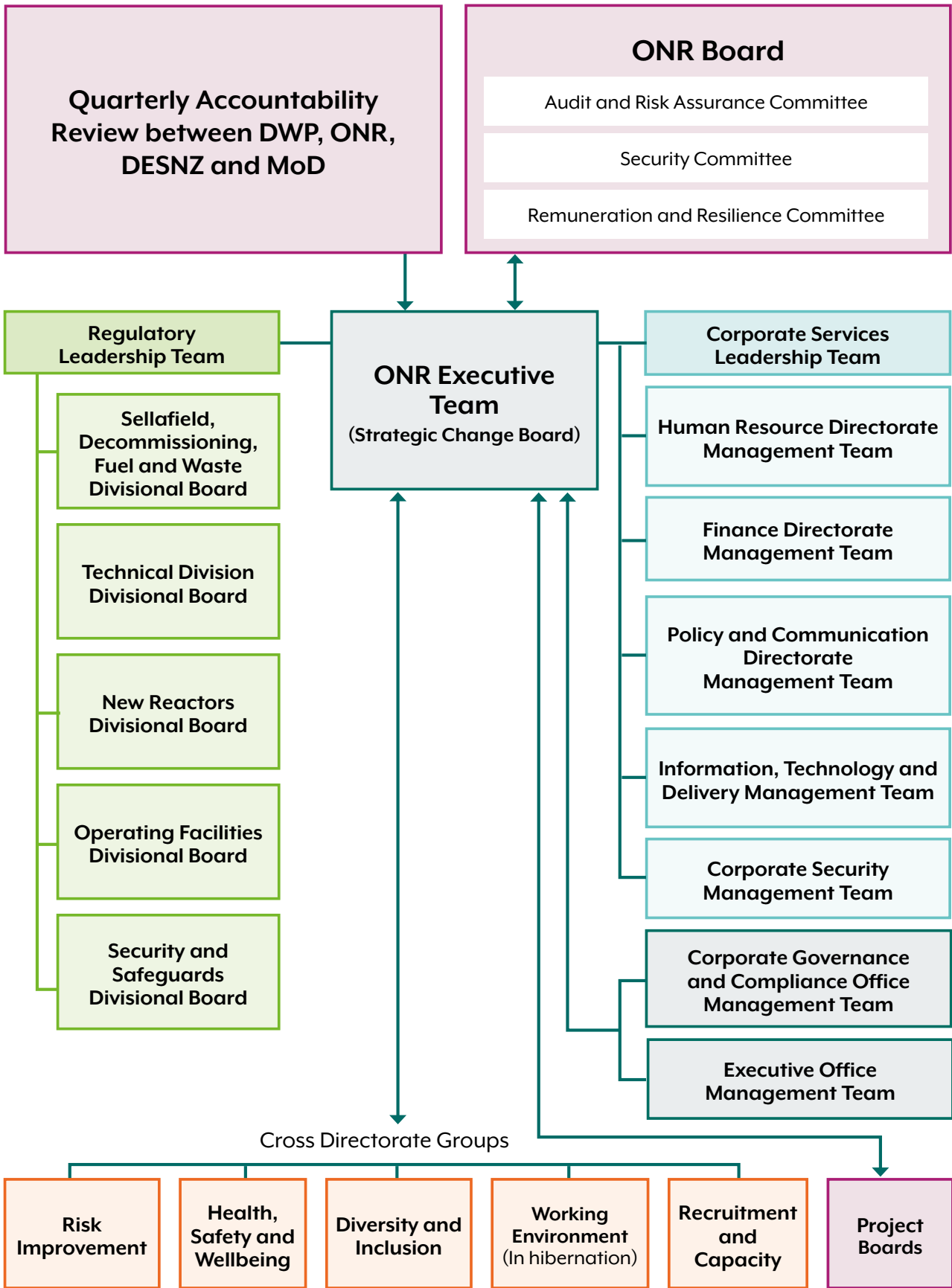
Details of our governance arrangements are provided in the [ONR/DWP framework document](#). This sets out the roles and responsibilities of DWP, our Board and Chair, and our Chief Executive/Chief Nuclear Inspector and their personal responsibilities for running ONR in accordance with the principles set 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 have been working with DWP to refresh the Framework Document to reflect HMT guidance and will publish when finalised.

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 ONR Partnership Board Quarterly Accountability Review (QAR) meetings, attended by senior officials from DWP, DESNZ, MoD, and ONR. The QAR reviewed our progress towards our 2025 strategy; delivery of corporate plan commitments; financial performance; policy requirements; key risks and emerging issues; and our progress against the PIR recommendations. 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 2024



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 Code of Good Practice for Corporate Governance and Audit 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;
- appointing 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. Executive Board members sponsor agenda items to enable focused discussions on key issues.

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;
- seeking assurance in relation to delivery of our Corporate Cyber Security Strategy, which underpins our work to improve ONR's security posture;

- providing a robust challenge of the budget for 2024/25 reflecting the continued focus of driving a more efficient organisation supported by improved organisational effectiveness, resilience and enhanced leadership capability;
- providing oversight of the Organisational Review findings and engagement across the organisation;
- ensuring we continued to influence improvements in nuclear safety and security;
- seeking assurance from the findings of the annual review of regulation, which reviewed the effectiveness of regulatory strategies, and considered the themes for the next CNI report and development of priorities of the year ahead; and
- taking an enhanced interest in regulatory assurance, risk and risk appetite and responding effectively and collaboratively with government and across the international community in support of Ukraine.

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 (formerly) ONR Executive Team (OET) 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 2023 providing an opportunity for Non-Executive Directors (NEDs) to meet colleagues face-to-face. The rich conversations provided an opportunity to inform the content of the 2025-30 Strategy and to ensure ONR is fit for the future. The conversations also provided insights into progress against delivery of our current Strategy, including any challenges that remain and lessons learned. Senior officials from DWP, DESNZ and MoD also attended to provide an update on departmental priorities, the government's nuclear agenda and an external perspective on the nuclear environment and challenges to ONR. The event also provided an opportunity to hear from the Chief Executive Officer for the Nuclear Decommissioning Authority and the Environment Agency.

The Board continued its board-to-board engagement with licensees with a joint Board meeting with AWE in February 2023. The newly appointed Interim Chair, and ONR's CE/CNI have undertaken a programme of site visits across industry, which will continue into 2024/25.

During 2023/24, the Board was supported by its three Committees: 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.

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 to implement recommendations;
- the Annual Report and Accounts, 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.

Throughout the year, areas of focus included:

- senior staff performance against strategic objectives;
- consideration of senior team remuneration (consistent with UK government expectations);
- consideration of senior staff pay proposals for 2023/24;
- the wider Director community development journey, and the approach to setting and assessing performance objectives for 2023/24;
- updates on the Organisational Review and succession planning, including consideration of the senior structure and succession planning for the CE/CNI;
- a review of the conflicts of interests' process; and
- updates on the annual/lifetime allowance, Board member appointments, pre-emptive recruitment and the Recruitment and Capacity Group.

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; comparators across the public and private sector; and economic factors.

An internal effectiveness review of the Committee was completed in 2022/23, which evidenced the Committee is working effectively and that it has acted in accordance with the powers delegated to it by the Board. An external effectiveness review of the committee (along with the Board and its other committees) will be carried out in 2024/25.

Security Committee (SC)

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

The Executive Director of Regulation and Director of Regulation for Civil Nuclear Security and Safeguards 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:

- Cyber security;
- Independent review of ARAC;
- Strategy and updates from key sites, including NDA, EDF and Sellafield Ltd; and
- Insider Threat

In 2023/24, SC met three times and reviewed standing items such as the Annual Review of Security and other key topics identified by members/attendees.

Board member attendance at meetings 1 April 2023 to 31 March 2024

	Board (9)	ARAC (4)	RRC (3)	SC (3)
Non-executive members				
Mark McAllister (Chair)*	6 (of 6)	1 (of 1)	4 (of 4)	3 (of 3)
Dame Judith Hackitt DBE	3 (of 3)	N/A	N/A	N/A
Sarika Patel	8 (of 9)	4 (of 4)	N/A	N/A
Dr Janet Wilson	9 (of 9)	N/A	4 (of 4)	3 (of 3)
Tracey Matthews	8 (of 9)	N/A	4 (of 4)	N/A
Jean Llewellyn OBE	8 (of 9)	4 (of 4)	N/A	3 (of 3)
Dame Susan Catherine Gray DBE	6 (of 6)	4 (of 4)	N/A	N/A
Roger Hardy	2 (of 3)	N/A	N/A	N/A
Chris Wood (ARAC Independent Member)	N/A	2 (of 2)	N/A	N/A
Sarah Smart (ARAC Independent Member)	1 (of 1)	2 (of 2)	N/A	N/A
Executive members				
Mark Foy	8 (of 9)	4 (of 4)	4 (of 4)	N/A
Sarah High	8 (of 9)	4 (of 4)	4 (of 4)	N/A
Donald Urquhart	8 (of 9)	N/A	N/A	2 (of 3)
Geoff Hawker	0 (of 6)	0 (of 3)	N/A	N/A

*The Chair of the Board attended one meeting in line with the ARAC terms of reference.

Geoff Hawker resigned in December 2023. He was unable to attend any meetings in-year before his resignation.

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.

Due to Board membership changes, the scheduled external effectiveness reviews of Board and its Committees were postponed and will now take place during 2024/25 to be more holistic and cost effective.

Due to the timing of departure of the outgoing Chair and the new Interim Chair joining ONR, neither was subject to a formal end-of-year performance review with our sponsor Department, DWP. The outgoing Chair carried out mid-year appraisals with each NED and the CE/CNI, whilst their end-year appraisals were completed by the Interim Chair. The review process included a short self-assessment, priorities for the next year, 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.

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. 16 conflicts of interest were received by executive members (in relation to their own performance or remuneration and the organisational review), 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 69 requests under the Freedom of Information Act 2000 and four under the Environmental Information Regulations 2004. One of these was subject to an internal review request, with the outcome partially upholding the original decision. 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 12 Subject Rights Requests under the UK General Data Protection Regulation (GDPR)/Data Protection (DPA) Act 2018. Nine requests were resolved within a calendar month, one is active and expected to resolve within required timescales, one was completed late and one closed as further information requested from the data subject was not received.

Two complaints were received (originating externally in relation to part of our work), 35 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. Both complaints were upheld in full and none have been referred to the ombudsman. Further information about ONR's complaints policy can be found on our [website](#). All complaints and concerns were completed to the third parties' satisfaction.

Whistleblowing

Internal

No internal cases were raised.

External

We managed 14 protected disclosure cases across our regulatory divisions, in relation to sites we regulate and other dutyholder activity.

Of the 14 cases, one was carried forward from 2021/22 and nine were carried forward from 2022/23, with four new cases in 2023/24.

Ten cases have been closed in-year, with a further two expected to close by the end of quarter one 2024/25. Two cases remain open whilst enquiries continue.

Of the ten cases closed to date, five cases required no regulatory action, four cases required routine regulatory oversight and one case resulted in regulatory advice. Whether or not reports led to formal action, all were used as an important source of regulatory intelligence.

ONR Executive Team (OET)

OET was responsible for providing the strategic leadership and top-level governance intent of ONR. It was the strategic executive decision-making body, supporting the Board to carry out their legislative, policy, operational and administrative functions and requirements. Members were accountable for providing exemplary leadership and delegating work to engage and develop sustainable improvements, staff development, and a positive culture.

OET comprised of the CE/CNI, Deputy Chief Executive (DCE) and Executive Director of Regulation (EDR). Diversity of thought was preserved through attendance from relevant subject matter experts, functional leads and wider representation as required. Two Directors attended each meeting, on a rotation basis, in addition to the Head of Executive Office (also ONR's Efficiency Lead) to act as a critical friend.

OET met monthly throughout 2023/24, with the exception of August 2023.

In June 2024 (following the organisational review), OET was replaced by the Senior Leadership Team to promote inclusion and unity, broader awareness, and support fair, accountable and balanced leadership debate and decision making. The refreshed membership includes the CE/CNI, DCE, all directors and the Head of the Executive Office.

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

RLT provides 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 is an executive leadership team responsible for role modelling a 'one ONR' approach and creating a healthy, inclusive and collaborative culture aligned to ONR's values. CSLT is the decision-making body and strategic leadership forum for operational and business delivery and performance across Corporate Services directorates as delegated by OET.

Director Leadership

The Director cadre met in September 2023 for a 2-day strategic development event and continued to be supported by individual external coaching throughout the year. Both the CSLT and RLT complemented this with separate development workshops focused on their strategic challenges. A new approach is being commissioned in 2024-25 to build on this collective and individual development that reflects the leadership changes that have occurred.

From November 2023, the Directors met on a weekly basis for one hour to share key messages and discuss corporate drivers and welfare issues. The group also receives topical updates from across ONR.

Risk management, compliance and internal control

ONR's Risk Management Framework is based on HM Treasury's Orange Book principles, reflecting relevant good practice, and defining the responsibilities of the Board, the accounting officer equivalent and ARAC.

The Board is responsible for our systems of risk management and internal control.

Risk management is delegated through clear lines of executive accountability. The Risk Improvement Group (RIG) undertakes regular reviews and challenges strategic risks. The group considers and makes recommendations to OET and ARAC on the escalation and de-escalation of risks and the effectiveness of mitigations. OET undertakes a review of risks, including deep dives and ARAC reviews the Strategic Risk Register on a quarterly basis to provide assurance to the Board.

Additionally, the Board receives a quarterly update of the Strategic Risk Register and undertakes an annual review of the Register and the Risk Management Framework. The Board considers the key risks and reviews risk appetite annually, with our updated risk appetite statement published as part of our corporate plan.

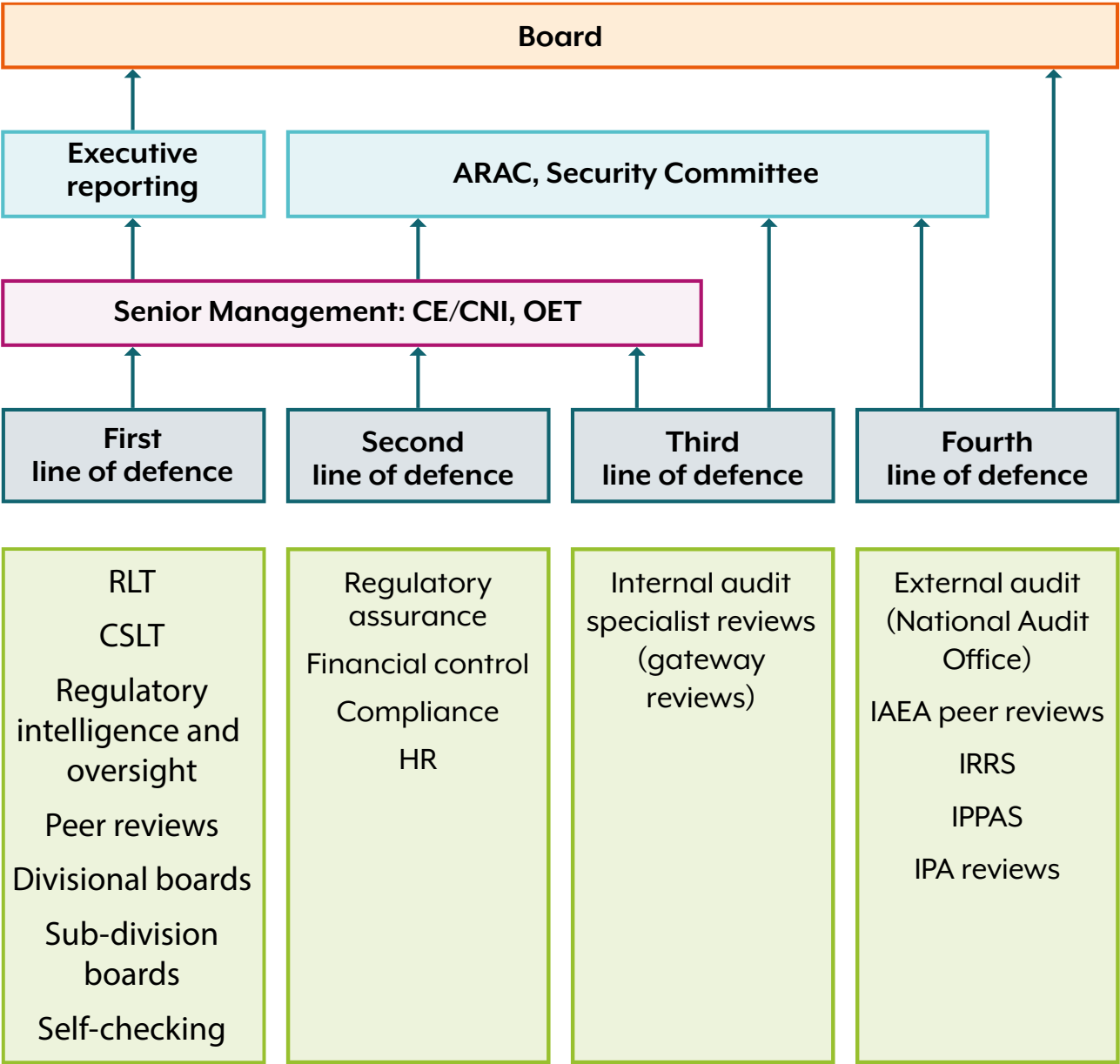
The Scheme of Delegation was reviewed and approved by the Board in September 2023.

Strategic risks are set out and described on page 32.

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 for the organisation. Reporting within this framework is aligned with corporate and executive governance arrangements.

ONR integrated audit and assurance framework 2023/24



IPPAS – International Physical Protection Advisory Service

IPA – Infrastructure and Projects Authority

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 'moderate' assurance in respect of the adequacy and effectiveness of the framework for governance, risk management and control.

Of the audits undertaken during 2023/24, an audit of the Programme Management Office (PMO) found that policies and governance mechanisms have been strengthened to support effective project delivery, but there are inconsistencies in compliance with policies and procedures, and some projects have continued without meeting core requirements. Controls will be further enhanced through consistent compliance, the development of second-line assurance activity, and with increased PMO involvement in annual business planning activities.

A review of key controls relating to Fraud, Bribery and Corruption was undertaken following on from the fraud risk assessment carried out in 2022/23, where an action plan was developed to address the potential areas of risk exposure. Despite good initial progress, many of the agreed actions remain outstanding, and a reinvigorated approach is necessary. The framework of control will be further strengthened through:

- The development and introduction of a counter fraud strategy;
- improving communication and awareness of key policies, processes, and procedures;
- formalising and increasing the visibility of the Fraud Officer role; and
- strengthening fraud reporting within the organisation.

Regulatory assurance

Our internal Regulatory Assurance function provided me and ARAC with assurance on compliance, quality and effectiveness of our core regulatory activities, including decision-making processes and assurance that front line regulatory activities were compliant with our processes.

The Head of Risk and Assurance provided an overall 'moderate' assurance rating for 2023/24, concluding that the reviews did not identify any significant matters that challenge confidence in the robustness of our regulatory decision-making, providing assurance that we are regulating the industry in accordance with our purposes, as required by the Energy Act 2013.

The 'moderate' aggregate score, which includes a small number of limited ratings, acknowledges that some improvements are required to enhance the adequacy and effectiveness of the framework of governance, risk management and control and work is being progressed to address these.

Shared Services Connected Ltd (SSCL)

SSCL continues to operate our employee-related HR, payroll and expenses administration, financial accounting, procurement and relevant IT processes as part of a wider service to government.

Government People Group (GPG), formerly Government Business Services, manages the contract with SSCL and provided me with a letter of assurance in respect of SSCL's performance during the year. The assurance opinion provided by PricewaterhouseCoopers LLP (SSCL's independent auditors) relating to SSCL's system of internal control is "reasonable/moderate assurance", an improvement from last year where the assessment was "limited assurance". The assurance provided by GIAA remains the same as last year at "limited".

A small number of exceptions identified during audit testing related to ONR as part of the wider cluster findings. However, having considered the compensating controls within ONR, I am satisfied that there is no material impact on our financial statements. I am assured that, with the implementation of audit recommendations driving continuous improvement within SSCL's control environment, a sustained decline in exceptions will be reported during 2024/25.

During the year, I was made aware of a cyber attack on SSCL's systems. However, I received assurances that SSCL's systems and network remain secure, operational and have not been compromised.

Other sources of assurance and cyber security

Cyber Security

Assurance of our cyber security was provided to Board via the quarterly Corporate Security Updates.

We continue to mature our cyber security posture with a programme of continuous improvement aligned with our Corporate Security Strategy. We maintained both Cyber Essentials Plus and ISO/IEC 27001 certifications in-year, providing independent assurance that cyber security controls and risk management approaches are proportionate and effective. We continue to maintain our Green rating against Regulation 22 of the Nuclear Industries Security Regulations 2003, demonstrating we adhere to the standards expected of the civil nuclear industry in handling sensitive nuclear information.

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

We continued to mature its data protection capability and embed Data Protection by Design and Default throughout the Organisation. A Compliance Monitoring Framework (CMF) has been embedded and work has been carried out, including dip checks informed from a previous data breach. Data Protection process documentation has been reviewed with updates to documents published in 2024. The team's inaugural data protection deep dive into the dosimetry process has been completed and outputs will lead to enhanced accountability and better compliance with legislation.

There is a mandatory eLearning module available for all staff to have a fundamental understanding of data protection. Over 90% of staff are confirmed as having completed this year and work has begun to introduce an eLearning module for staff who process Special Category Data, giving greater education to staff who work in higher risk areas.

Data security breaches relating to personal data

12 potential data breaches were reported during 2023/24, all of which were investigated and none were determined as likely to result in a risk to the rights and freedoms of individuals. We use learnings from incidents to deliver process enhancements, training, and awareness activities where appropriate.

Gifts and hospitality

A register was maintained during the financial year (for review by the Finance Director), recording any gifts or hospitality offered to or by staff 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; none (actual or suspected) were reported.

Conclusion

Taking into account the assurances I have received, together with other evidence available to me, I conclude that ONR has a satisfactory system of governance, risk management (taking into account the risk management improvement activity that will continue throughout 2024/25) and internal control with effective plans to ensure continuous improvement.

While the Board considers the overall control environment to be adequate, with no significant issues reported, some minor exceptions required appropriate consideration, control and response. These are reflected in our strategic risks, as set out above on page 32 and will continue to be managed in line with planned mitigations.

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)	
	2023 /24	2022 /23	2023 /24	2022 /23	2023 /24	2022 /23	2023 /24	2022 /23 (b)	2023 /24	2022 /23
Non-executives										
Judith Hackitt (c)	10-15	-	-	-	300	-	-	-	10-15	-
Mark McAllister (d)	35-40	50-55	-	-	1,600	600	-	-	40-45	50-55
Sarika Patel	10-15	10-15	-	-	300	300	-	-	15-20	15-20
Simon Lister (e)	-	-	-	-	-	-	-	-	-	-
Janet Wilson	10-15	10-15	-	-	800	600	-	-	15-20	15-20
Tracey Matthews	10-15	10-15	-	-	-	-	-	-	10-15	10-15
Jean Llewellyn	10-15	10-15	-	-	100	200	-	-	15-20	15-20
Roger Hardy (f)	0-5	-	-	-	-	-	-	-	0-5	-
Susan Catherine Gray (g)	10-15	0-5	-	-	-	-	-	-	10-15	-
Executives										
Chief Executive and Chief Nuclear Inspector Mark Foy (h)	200-205	185-190	10-15	10-15	-	-	-11	-19	205-210	180-185
Deputy Chief Executive Sarah High	145-150	135-140	5-10	10-15	-	-	75	19	225-230	165-170
Executive Director of Regulation Donald Urquhart	140-145	125-130	5-10	5-10	-	-	87	59	235-240	195-200
Finance Director Geoff Hawker (i)	100-105	100-105	0-5	0-5	-	-	40	35	140-145	135-140

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) The pension benefits of any members affected by the public service pensions remedy that were reported in 2022-23 on the basis of alpha membership for the period between 1 April 2015 and 31 March 2022 are reported in 2023-24 on the basis of PCSPS membership for the same period.
- (c) Judith Hackitt joined ONR as interim Chair on 1 January 2024. Full-year equivalent salary was £50-55k.
- (d) Mark McAllister left ONR on 31 December 2023. Full-year equivalent salary was £50-55k.
- (e) Simon Lister left ONR on 30 November 2022. Simon was remunerated by BAE Systems plc during 2022/23.
- (f) Roger Hardy joined ONR on 1 February 2024. Full-year equivalent salary was £10-15k.
- (g) Susan Catherine Gray left ONR on 31 January 2024. Full-year equivalent salary was £10-15k.
- (h) The decrease in pension benefits for Mark Foy was as a result of transitioning to a different pension scheme.
- (i) Geoff Hawker left ONR on 18 December 2023. He received three months' salary in lieu of notice.

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, this is agreed by the Remuneration and Resilience Committee. For other senior officers, this is subject to moderation by the ONR Senior Staff Pay Committee and endorsed by the 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 2023/24 relate to performance in 2023/24 and comparative bonuses for 2022/23 are based on 2022/23 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 2023/24 was £215,000 – £220,000 (2022/23: £200,000 – £205,000). This was 2.77 (2022/23: 2.68) times the median remuneration of the workforce, which was £78,511 (2022/23: £75,557).

In 2023/24 and 2022/23, no employees received remuneration in excess of the highest-paid director. Remuneration ranged from £22,939 to £216,233 (2022/23: £21,656 to £202,500).

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.



Percentage change from 2022/23

	Salary and allowances	Performance pay and bonuses payable
Highest paid director	8.0%	0.0%
All employees	5.6%	52.2%

Highest paid director – the midpoint bonus payable for 2023/24 remained the same (£12,500).

Average bonuses payable to all employees in relation to 2023/24 performance increased by 52.2%. Bonuses were awarded for sustained contribution and were distributed as part of our Realising our Potential scheme. From 1 October 2023 monetary awards became available for £250, £500 and £750 compared to £500 in 2022/23.

The calculation for salary and allowances and performance pay and bonuses payable for the highest paid director, is based on the mid-point of the band (in bands of £5,000).

The calculation for salary and allowances for all employees is the total annualised amount, excluding the highest paid director.

The total for performance pay and bonuses payable for all employees excludes the highest paid director.

2023/24	Pay ratio	Total pay and benefits	Salary component of total pay and benefits
25 th percentile	4.52:1	£48,045	£48,045
Median	2.77:1	£78,511	£78,028
75 th percentile	2.17:1	£100,165	£99,955

2022/23	Pay ratio	Total pay and benefits	Salary component of total pay and benefits
25 th percentile	4.63:1	£43,708	£43,318
Median	2.68:1	£75,557	£75,557
75 th percentile	2.12:1	£95,440	£95,440

Pay ratios are calculated by dividing the mid-point of the banded remuneration (in bands of £5,000) of the highest paid director (excluding pension benefits) by the pay and benefits figure of the employee on the 25th, 50th or 75th percentile respectively.

The median pay ratio for 2023/24 has increased slightly from 2022/23 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.

Pension benefits (subject to audit)

	Accrued pension at pension age as at 31/03/24 and related lump sum	Real increase in pension and related lump sum at pension age	CETV at 31/03/24	CETV at 31/03/23	Real increase in CETV
	£'000	£'000	£'000	£'000	£'000
Mark Foy	90-95 plus a lump sum of 255-260	0-2.5	2,281	2,203	-34
Sarah High	50-55	2.5-5	962	824	57
Donald Urquhart	40-45 plus a lump sum of 110-115	2.5-5 plus a lump sum of 2.5-5	1,054	924	78
Geoff Hawker	30-35	0-2.5	507	421	27

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

The pension benefits of any members affected by the public service pensions remedy that were reported in 2022-23 on the basis of alpha membership for the period between 1 April 2015 and 31 March 2022 are reported in 2023-24 on the basis of PCSPS membership for the same period.

Taking account of inflation, the CETV funded by the employer has decreased in real terms.

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, joined the new scheme.

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 that 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 remedy⁴ is made up

4 [How the public service pensions remedy affects your pension - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/news/how-the-public-service-pensions-remedy-affects-your-pension)

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”.

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 2023 and 31 March 2024, 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 (CETV)

This 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

		Salary	Benefits in kind		Total		
		£'000	(to the nearest £100)		£'000		
		2023/24	2022/23	2023/24	2022/23	2023/24	2022/23
Sarah Smart (from 1 July 2023)	0-5	-	-	-	0-5	-	
Chris Wood (until 30 June 2023)	0-5	0-5	-	-	0-5	0-5	

Staff information

Senior Civil Service (equivalent)

There were 10 Senior Civil Service (equivalent) posts as at 31 March 2024 (11 at 31 March 2023).

SCS posts as at 31 March 2024

Full-time equivalents by pay band	31 March 2024	31 March 2023
SCS 2 Equivalent	3	3
SCS 1 Equivalent	7	8
Total	10	11

Staff numbers (subject to audit)

The average number of full-time equivalent posts is shown in the following table.

Average FTE

	Permanent staff ⁽¹⁾	Other staff ⁽²⁾	Total
2023/24	652	8	660
2022/23	635	11	646

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;
- we have undertaken a recruitment audit facilitated by our disability partners Purple to ensure that all of our recruitment processes are inclusive and offer the best opportunities for success to those looking to work for ONR;
- we have partnered 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 a host of multiple resources that focus on disability-smart best practice; and help us to be informed of ‘hidden’ disabilities;
- in conjunction with Purple, we have provided bespoke training to our Business Intelligence team to raise awareness around the need to be inclusive and consider accessibility when developing new applications;
- through the introduction of an Accessibility Working Group, we are continuing 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;
- 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;
- we have developed an inclusive language guide to provide support on using the right words and language around disability and to promote greater inclusivity and breakdown barriers that discourage or prevent open dialogue around disability;

- 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, which are helping to breakdown the stigma of mental health in the workplace and provide practical tools and aids to enable managers to better support colleagues.

Gender diversity

The [Gender Pay Report 2023](#) was based on a snapshot of the pay of all ONR employees as of 31 March 2023, as well as annual payments and bonuses paid between 1 April 2022 and 31 March 2023.

ONR's overall mean gender pay gap remained at a similar level at 27.3% and the median gap reduced by 2.3 % to 37.9%. The pay gap is the difference between the average hourly pay for all men employed by ONR, and the average hourly pay for all women employed by ONR. Although our gender pay gap remains significant, it is largely due to the gender and demographic mix of our workforce and the historical legacy of the industry from which we draw. A lower proportion of women work in STEM (D fields, and this is especially pronounced in the nuclear sector, where only 23% of the UK-based workforce is female.

As an organisation we remain committed to implementing actions that will improve gender diversity at all levels, and with that reduce our gender pay gap and over time eradicate it. To help us reduce the current gender pay gap attract more women and retain a diverse workforce, we must continue to improve our ability to attract women into higher paid roles. Some of the actions we have taken include:

- Having name and gender-anonymous selection and using gender-neutral wording throughout our recruitment process to remove unconscious bias at an early stage;
- Female representation on recruitment selection panels;
- A partnership with VERCIDA, a careers site that works with employers who respect a culture of inclusivity, diversity and accessibility and are committed to these values in order to broaden the reach of our roles amongst under-represented groups;
- Diversity & Inclusion and 'How to be a Good Ally' training and toolkit available for all colleagues;
- Reversed mentoring programme to broaden senior leaders understanding of the lived experiences of colleagues from under-represented groups;
- A revised and refreshed flexible working policy, 'Balancing Your Hours', designed to enable all staff to achieve a healthier work/life balance and to make sure ONR continues to build an increasingly inclusive culture. The organisation believes that adopting more flexible working arrangements is another key step to ONR attracting and retaining female employees;
- Partnerships across the sector working with NSDG, to ensure we promote opportunities for female students to explore maths and science throughout primary and secondary

school and encourage them to pursue career paths in STEM;

- Supporting female external mentoring opportunities including the new 'Women in Nuclear' bitesize mentoring training pilot and their prestigious UK-France mentoring programme;
- Working to broaden the career route into the sector with initiatives such as our Nuclear Degree Apprenticeships; and
- Promoting STEM career opportunities for women through our participation in engagement and activities in local schools and colleges and the STEM Ambassadors programme.

The gender split of the organisation has improved year on year since 2017; 37% of staff are women, representing progress against the target set jointly by industry and government of 40% women in the industry by 2030. We are starting to see positive results in terms of female recruitment: 56% of new hires were women and 46% of new hires for technical roles were women, which is positive when compared with STEM talent pipeline for technical roles including female UK STEM workforce 26%, and female nuclear workforce 23%.

There has also been an increase in women in senior management positions, from 22% to 24%. The Board is now 71% female, and 60% of degree apprentices are women.

We are starting to see positive results in terms of female recruitment and career progression within the organisation; 42% of women were promoted in 2022-23, a favourable indicator when compared with ONR's overall female workforce, demonstrating that women are well represented in terms of promotions to a higher grade.

We recognise the benefits of a more gender balanced workforce to help us meet our strategic aims, by enhancing our professional knowledge, bringing challenge and new perspectives, and providing a working environment in which everyone can achieve their full potential.

Our focus now is creating the building blocks for the future. To do this we are positive that ONR must have a culture that supports women and their progression to greater levels of representation at more senior levels and removing barriers is key to this. ONR is committed to its vision of being a modern transparent regulator delivering trusted outcomes and value.

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

Headcount by gender

Number of staff by gender (headcount)	31 March 2024		31 March 2023	
	Male (% of total)	Female (% of total)	Male (% of total)	Female (% of total)
Senior Civil Service equivalents	7 (1.0)	3 (0.4)	9 (1.3)	2 (0.3)
Permanently appointed staff (Bands 1–6)	431 (62.1)	253 (36.5)	414 (62.0)	243 (36.4)
Total	438 (63.1)	256 (36.9)	423 (63.3)	245 (36.7)

At 31 March 2024, non-executives on our Board consisted of five females and one male.

Staff turnover

Our turnover rate for 2023/24 was 7.0%, an increase of 0.7% compared to 2022/23.

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 and were backfilled as appropriate.

Engagement with trade unions

Our relationship and engagement with trade unions is an important element in how we communicate with staff and a key factor in providing reassurance and positivity around the changes we are introducing.

We continued 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)

	2023/24			2022/23
	Permanently employed staff	Others	Total	Total
	£'000	£'000	£'000	£'000
Wages and salaries	49,434	1,302	50,736	46,056
Social security costs	6,198	-	6,198	5,788
Other pension costs	14,041	-	14,041	12,754
Total per Statement of Comprehensive Net Income	69,673	1,302	70,975	64,598
Less recoveries in respect of:				
Outward secondments	(159)	-	(159)	(33)
Grant from DWP - Kickstart	-	-	-	(5)
Net total	69,514	1,302	70,816	64,560

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. Details can be found in the resource accounts of the **Cabinet Office: Civil Superannuation**.

For 2023/24, employers’ contributions of £13.9 million were payable to the PCSPS (2022/23 £12.6 million) at one of four rates in the range 26.6% to 30.3% of pensionable earnings, based on salary bands.

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 2023/24 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 £113,942 were paid to an appointed stakeholder pension provider. 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 £3,710, 0.5% of pensionable pay, were payable to the

PCSPS 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 2024 were £8,369. Contributions prepaid at that date were nil.

In 2023/24, one individual retired early on ill-health grounds (2022/23: no-one). The total additional accrued pension liabilities in the year amounted to £30,030 (2022/23: £nil).

Sickness absence information

The average number of working days lost due to sickness in 2023/24 was 5.00 per person – below last year’s figure of 5.01 and below the national average of 5.07. We continue to build an inclusive work environment and maintain our commitment to promote and support positive mental health and wellbeing in our workplace, including awareness sessions for staff around mental health, stress, self-care, and wellbeing. In addition to this, managers review the health and wellbeing of their staff during regular 1-1s they have with their staff as part of our ‘Realising our Potential’ approach.

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 2023/24 (nil 2022/23).

Other departures

Exit package cost band	Number of other departures agreed	
	2023/24	2022/23
<£10,000	-	-
£10,000 – £25,000	-	-
£25,000 – £50,000	-	-
£50,000 – £100,000	-	-
£100,000 – £150,000	-	-
£150,000 – £200,000	-	-
Total number of exit packages	-	-
Total cost /£	-	-

Off-payroll staff (includes temporary and consultancy)

Highly paid off-payroll engagements as at 31 March 2024, earning £245 per day or greater

Number of existing engagements as of 31 March 2024	6
Of which, the number that existed at the time of reporting for:	
Less than 1 year	2
Between 1 and 2 years	2
Between 2 and 3 years	1
Between 3 and 4 years	1
For 4 or more years	0

All highly paid off-payroll workers engaged at any point during the year ended 31 March 2024, earning £245 per day or greater

Number of temporary off-payroll workers engaged during the year ended 31 March 2024	13
Of which:	
Not subject to off-payroll legislation	10
Subject to off-payroll legislation and determined as in-scope of IR35	0
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 2023 and 31 March 2024

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	17

Consultancy

Our expenditure on consultancy was £0.5 million (£0.4 million in 2022/23).

Contingent labour

Our operating expenditure on contingent labour was £1.2 million (£1.9 million in 2022/23). In addition, £0.8 million was capitalised during 2022/23, in relation to WIReD.

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

	2023/24			2022/23		
	Income	Cost	Surplus/ (deficit)	Income	Cost	Surplus/ (deficit)
	£'000	£'000	£'000	£'000	£'000	£'000
Licensing of nuclear installations	63,626	63,626	-	61,595	61,595	-
Civil Nuclear Security	16,231	16,231	-	16,186	16,186	-
Generic Design Assessment	10,013	10,013	-	3,708	3,708	-
Safeguards*	6,741	6,947	(206)	6,657	6,863	(206)
Radioactive Materials Transport	740	740	-	799	799	-
Advanced Nuclear Technologies**	1,625	1,625	-	860	860	-
Sub total	98,976	99,182	(206)	89,805	90,011	(206)
Other fees and charges	75	75	-	167	167	-
Total fees and charges	99,051	99,257	(206)	89,972	90,178	(206)

*** 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 will not include amortisation to industry relating to this funding. This resulted in a deficit of £206,000 for 2023/24.

**** Advanced nuclear technologies**

These costs were charged to DESNZ.

Statement of losses and special payments (subject to audit)

There have been no losses or special payments that exceed the £300,000 reporting threshold.

Remote contingent liabilities (subject to audit)

ONR does not have any remote contingent liabilities.

Mark Foy

Chief Executive and Chief Nuclear Inspector
Office for Nuclear Regulation

11 October 2024

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 2024 under the Energy Act 2013.

The financial statements comprise the Office Nuclear Regulation's

- Statement of Financial Position as at 31 March 2024;
- Statement of Comprehensive Net Income, 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 International Accounting Standards as interpreted by HM Treasury's Government Financial Reporting Manual.

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 2024 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 (2022)*. 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 2019*. 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

As explained more fully in the Statement of Accounting Officer'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, 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:
 - o identifying, evaluating and complying with laws and regulations;
 - o detecting and responding to the risks of fraud; and
 - o 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:
 - o they were aware of any instances of non-compliance with laws and regulations;
 - o they had knowledge of any actual, suspected, or alleged fraud;
- discussed with the engagement team 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 transactions, 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 in 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 Committee and 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.

I communicated relevant identified laws and regulations and potential risks of fraud to all engagement team members 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

15 October 2024

Financial statements



Statement of Comprehensive Net Income for the period ended 31 March 2024

	Note	2023/24 £'000	2022/23 £'000
Expenditure			
Staff costs	2	70,975	64,598
Other operating costs	3	31,459	27,214
Finance costs	3	327	297
Operating costs		102,761	92,109
Revenue from contracts with customers	4	(99,051)	(89,972)
Other operating income	4	(3,550)	(2,810)
Total operating income		(102,601)	(92,782)
Net operating cost/(income) for the year		160	(673)
Other comprehensive net income			
Items which will not be reclassified to net operating costs:			
Net gain on revaluation of intangible assets		(427)	(369)
Comprehensive net income for the year		(267)	(1,042)

All income and expenditure is derived from continuing operations.

The notes on pages 95 to 119 form part of these accounts.

Statement of Financial Position as at 31 March 2024

	Note	31 March 2024 £'000	31 March 2023 £'000
Non-current assets			
Property, plant and equipment	5	864	1,015
Right-of-use assets	6	2,453	5,571
Intangible assets	7	5,895	7,136
Trade and other receivables	8	-	14
Total non-current assets		9,212	13,736
Current assets			
Trade and other receivables	8	19,643	19,796
Cash and cash equivalents	9	10,966	9,187
Total current assets		30,609	28,983
Total assets		39,821	42,719
Current liabilities			
Trade and other payables	10	(15,549)	(14,052)
Lease liabilities	13	(1,945)	(3,941)
Provisions	14	(52)	(46)
Total current liabilities		(17,546)	(18,039)
Non-current liabilities			
Trade and other payables	10	(8,377)	(10,026)
Lease liabilities	13	(1,214)	(2,237)
Total non-current liabilities		(9,591)	(12,263)
Assets less liabilities		12,684	12,417
Equity			
General fund		12,157	12,031
Revaluation reserve		527	386
Total equity		12,684	12,417

The notes on pages 95 to 119 form part of these accounts

Mark Foy

Chief Executive and Chief Nuclear Inspector
Office for Nuclear Regulation

11 October 2024

Statement of Cash Flows for the year ended 31 March 2024

	Note	2023/24 £'000	2022/23 £'000
Cash flows from operating activities			
Net operating (cost)/income		(160)	673
Adjustments for non-cash transactions	3	6,001	4,830
Decrease/(increase) in trade and other receivables	8	167	(547)
(Less)/add movements in receivables relating to items not passing through the Statement of Comprehensive Net Income	3	(2)	(4)
Increase in trade payables	10	1,356	996
Add/(less) movements in payables relating to items not passing through the Statement of Comprehensive Net Income	10	(34)	257
Use of provisions	14	(46)	(404)
Add movement in payables on transition to IFRS 16		-	36
Net cash inflow/(outflow) from operating activities		7,282	5,837
Cash flows from investing activities			
Purchase of property, plant and equipment	5a	(115)	(139)
Purchase of right-of-use	6a	(101)	-
Purchase of intangible assets	7a	(517)	(1,284)
Net cash outflow from investing activities		(733)	(1,423)
Cash flows from financing activities			
Loans drawn down from DWP	11	-	1,500
Loan capital repayments to DWP	11	(1,509)	(1,284)
Repayment of lease liabilities		(3,182)	(2,508)
Interest paid on leases		(79)	(68)
Net financing		(4,770)	(2,360)
Net increase in cash and cash equivalents in the year		1,779	2,054
Cash and cash equivalents at the beginning of the year	9	9,187	7,133
Cash and cash equivalents at the end of the year	9	10,966	9,187

The notes on pages 95 to 119 form part of these accounts.

Statement of Changes in Taxpayers' Equity for the year ended 31 March 2024

	General Fund £'000	Revaluation Reserve £'000	Total Equity £'000
Balance at 1 April 2022	11,200	176	11,376
Comprehensive net expenditure for the year	1,042	-	1,042
Payments to Consolidated Fund	(1)	-	(1)
Revaluation gains	-	369	369
Recognised in Statement of Comprehensive Net expenditure	(369)	-	(369)
Transfer between reserves	159	(159)	-
Balance at 31 March 2023	12,031	386	12,417
Comprehensive net income for the year	267	-	267
Revaluation gains	-	427	427
Recognised in Statement of Comprehensive Net Income	(427)	-	(427)
Transfers between reserves	286	(286)	-
Balance at 31 March 2024	12,157	527	12,684

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 notes on pages 95 to 119 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 2023/24 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 2024, 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

No new accounting standards were adopted in 2023/24.

Applicable accounting standards issued but not yet adopted

IFRS 17 'Insurance Contracts'

IFRS 17 'Insurance Contracts' replaces IFRS 4 'Insurance Contracts' and aims to make risk transfer contracts more comparable. IFRS 17 is being applied by HM Treasury in the FReM from 1 April 2025. We don't anticipate any material impact on our financial statements.

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

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 Income (SoCNI) in the year in which it is receivable from DWP. The grant is recognised as income due to our status as a public corporation.

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.

We receive grant funding from the DESNZ Regulators' Pioneer Fund. This grant sponsors projects led by regulators or local authorities that aim to help create a UK regulatory environment that encourages business innovation and investment. We were awarded the grant in 2022/23 until 2023/24 to fund the pilot of a regulatory sandbox on artificial intelligence in the nuclear sector.

(See also Prosecutions, 1.10 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
- cyber 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 unsuccessful, we retain the DWP grant to cover our costs. 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.

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 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 2023/24, 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 initially measured at cost, with subsequent measurement at fair value. As, in general, no active market exists for our intangible assets, we revalue intangible assets using appropriate indices to indicate depreciated replacement cost. Revaluations are carried out at mid-year and year-end, so that the carrying amount of the asset does not differ materially from its fair value.

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. 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 SoCNI 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 SoCNI.

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 SoCNI.

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 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.

2 Staff costs

	2023/24			2022/23
	Permanently employed staff £'000	Others £'000	Total £'000	Total £'000
Wages and salaries	49,434	1,302	50,736	46,056
Social security costs	6,198	-	6,198	5,788
Other pension costs	14,041	-	14,041	12,754
Total per Statement of Comprehensive Net Income	69,673	1,302	70,975	64,598
Less recoveries in respect of outward secondments	(159)	-	(159)	(33)
Grant from DWP – Kickstart	-	-	-	(5)
Net Total	69,514	1,302	70,816	64,560

Further details of staff costs and related expenditure can be found on page 78 in the Remuneration and Staff Report.

3 Other operating costs

	2023/24 £'000	2022/23 £'000 (restated)
Services provided by HSE*		
Accommodation	2,021	1,789
Other corporate services	88	68
	2,109	1,857
Travel and subsistence	3,086	2,445
Training and development	921	1,252
Technical support	1,195	954
Research	3,227	2,496
Industry security vetting	3,895	3,676
IS/IT and telecommunications	6,006	5,494
Other accommodation costs**	847	742
Personnel related costs	1,201	753
Interest on capital	442	398
Interest on loan from DWP***	248	229
Interest on right-of-use assets***	79	68
Auditors' remuneration	82	79
Other expenditure****	2,447	2,238
Non-cash items		
Depreciation and amortisation	5,942	5,300
Provision provided for in year	52	-
Provision not required written back	-	(474)
Other non-cash	7	4
	6,001	4,830
Total	31,786	27,511

* 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.

*** The total of these two interest costs (£327,000) is shown separately as finance costs on the SoCNI on page 91.

**** Other expenditure mainly comprises professional services and shared services outsourcing. Auditors' remuneration of £82,000 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.

	2023/24	2022/23
Income	£'000	£'000
Revenue from contracts with customers (see page 105)	99,051	89,972
Grant from DWP	3,028	2,252
Grant from DESNZ – Regulators' Pioneer Fund	104	39
Grant from DWP – Kickstart	-	5
Grant from Apprenticeship Fund	84	43
Grant from DWP – Prosecution	12	-
Prosecution costs awarded	11	29
DESNZ funding for review of fees regulations (note 14)	46	404
Other sales/income	265	38
Total income	102,601	92,782

	2023/24			2022/23		
Breakdown of revenue from contracts with customers	Income £'000	Cost £'000	Surplus/ (deficit) £'000	Income £'000	Cost £'000	Surplus/ (deficit) £'000
Licensing of nuclear installations	63,626	63,626	-	61,595	61,595	-
Civil Nuclear Security	16,231	16,231	-	16,186	16,186	-
Generic Design Assessment	10,013	10,013	-	3,708	3,708	-
Safeguards	6,741	6,947	(206)	6,657	6,863	(206)
Radioactive Materials Transport	740	740	-	799	799	-
Advanced Nuclear Technologies	1,625	1,625	-	860	860	-
Sub total	98,976	99,182	(206)	89,805	90,011	(206)
Other fees and charges	75	75	-	167	167	-
Total fees and charges	99,051	99,257	(206)	89,972	90,178	(206)

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 will not include amortisation to industry relating to this funding. This resulted in a deficit of £206,000 for 2023/24.

Advanced nuclear technologies

These costs were charged to DESNZ.

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

	2023/24	2022/23
Revenue	£'000	£'000
Customer 1	34,779	33,363
Customer 2	23,708	22,976

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

	Leasehold improvements	Plant & machinery	Information technology	Furniture and fittings	Total
2023/24	£'000	£'000	£'000	£'000	£'000
Cost or valuation					
At 1 April 2023	565	-	788	779	2,132
Additions	-	-	85	71	156
Disposals	-	-	(43)	(51)	(94)
Reclassifications	-	6	(6)	-	-
At 31 March 2024	565	6	824	799	2,194
Depreciation					
At 1 April 2023	315	-	536	266	1,117
Charged in year	77	1	144	72	294
Disposals	-	-	(43)	(38)	(81)
At 31 March 2024	392	1	637	300	1,330
Carrying amount at 31 March 2023					
	250	-	252	513	1,015
Carrying amount at 31 March 2024					
	173	5	187	499	864
Asset financing					
Owned	173	5	187	499	864

	Leasehold Improvements	Information technology	Furniture and fittings	Total
2022/23	£'000	£'000	£'000	£'000
Cost or valuation				
At 1 April 2022	565	782	745	2,092
Additions	-	6	44	50
Disposals	-	-	(10)	(10)
Reclassifications	-	-	-	-
At 31 March 2023	565	788	779	2,132
Depreciation				
At 1 April 2022	238	378	207	823
Charged in year	77	158	69	304
Disposals	-	-	(10)	(10)
At 31 March 2023	315	536	266	1,117
Carrying amount at 31 March 2022	327	404	538	1,269
Carrying amount at 31 March 2023	250	252	513	1,015
Asset financing				
Owned	250	252	513	1,015

In the year, we occupied three buildings: Bootle, Cheltenham and London. We have use of furniture in Bootle as part of the SMA with HSE.

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

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

	Note	2023/24 £'000
Capital payables and accruals at 1 April	-	-
Capital additions	-	156
Capital payables and accruals at 31 March 2024	9	(41)
Purchase of property, plant and equipment as per Statement of Cash Flows	-	115

6 Right-of-use assets

2023/24	Buildings £'000	Assets under construction £'000	Total £'000
Cost or valuation			
At 1 April 2023	8,650	-	8,650
Additions	-	43	43
Modifications	195	-	195
Reassessment	36	-	36
At 31 March 2024	8,881	43	8,924
Depreciation			
At 1 April 2023	3,079	-	3,079
Charged in year	3,392	-	3,392
At 31 March 2024	6,471	-	6,471
Carrying amount at 31 March 2023	5,571	-	5,571
Carrying amount at 31 March 2024	2,410	43	2,453
Asset financing			
Leased	2,410	43	2,453

Please see note 1.15 for further information on leases.

Additions to assets under construction relate to lease set-up costs for a new lease currently under negotiation.

Modifications include downsizing office space and extension to the lease terms of the Cheltenham lease.

Reassessment of costs relates to the in-year RPI increase of the Bootle office lease.

	Buildings
2022/23	£'000
Cost or valuation	
At 1 April 2022 – on adoption of IFRS 16	8,197
Reassessment	453
At 31 March 2023	8,650
Depreciation	
At 1 April 2022 – on adoption of IFRS 16	-
Charged in year	3,079
At 31 March 2023	3,079
Carrying amount at 31 March 2023	5,571

6a Reconciliation of capital additions to the Statement of Cash Flows

	Note	2023/24
		£'000
Capital payables and accruals at 1 April		-
Capital additions		43
Right-of-use modifications		58
Capital payables and accruals at 31 March 2024	9	-
Purchase of property, plant and equipment as per Statement of Cash Flows		101

Cash payments for right-of-use assets relates to lease set-up costs including professional and legal fees for the new London lease and the Cheltenham lease modifications.

7 Intangible assets

	Internally developed software	Software	Websites	Assets under construction	Total
2023/24	£'000	£'000	£'000	£'000	£'000
Cost or valuation					
At 1 April 2023	11,620	224	-	-	11,844
Additions	-	79	-	509	588
Reclassifications	256	-	123	(379)	-
Disposals	-	(164)	-	-	(164)
Revaluations	696	14	-	-	710
At 31 March 2024	12,572	153	123	130	12,978
Amortisation					
At 1 April 2023	4,533	175	-	-	4,708
Charged in year	2,230	26	-	-	2,256
Disposals	-	(164)	-	-	(164)
Revaluations	272	11	-	-	283
At 31 March 2024	7,035	48	-	-	7,083
Carrying amount at 31 March 2023	7,087	49	-	-	7,136
Carrying amount at 31 March 2024	5,537	105	123	130	5,895
Asset financing					
Owned	5,537	105	123	130	5,895

Additions and reclassifications

Software:

- 1 Job evaluation tool: a bespoke tool we use to support the job banding process for new or changing roles. It was developed by PWC and enables robust and consistent banding between roles based upon a list of key factors: In-year additions **£19k**.
- 2 Software licenses. In-year additions **£60k**.

Assets under construction:

- 3 Safeguards Information Management System: this is an IT system that enables us to receive and process nuclear material accountancy declarations from operators, and produce and submit reports to the IAEA, as required under the terms of our safeguards agreements with the IAEA. In-year additions (enhancement to the original asset) and reclassification to internally developed software: **£256k**. The remaining amortisation period is 59 months
- 4 New Website: delivering improved functionality and accessibility in line with government guidelines. In-year additions and reclassification to websites **£123k**. The remaining amortisation period is 60 months
- 5 Content Manager v10: new enterprise document repository management system. In-year additions **£130k**.

	Internally developed software	Software	Assets under construction	Total
2022/23	£'000	£'000	£'000	£'000
Cost or valuation				
At 1 April 2022	6,471	173	3,699	10,343
Additions	-	42	1,141	1,183
Reclassifications	4,840	-	(4,840)	-
Disposals	(185)	-	-	(185)
Revaluations	494	9	-	503
At 31 March 2023	11,620	224	-	11,844
Amortisation				
At 1 April 2022	2,705	137	-	2,842
Charged in year	1,885	32	-	1,917
Disposals	(185)	-	-	(185)
Revaluations	128	6	-	134
At 31 March 2023	4,533	175	-	4,708
Carrying amount at 31 March 2022	3,766	36	3,699	7,501
Carrying amount at 31 March 2023	7,087	49	-	7,136
Asset financing				
Owned	7,087	49	-	7,136

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

	Note	2023/24 £'000
Capital payables and accruals at 1 April	-	80
Capital additions	-	588
Capital payables and accruals at 31 March 2024	10	(151)
Purchase of intangible assets as per Statement of Cash Flows	-	517

8 Trade and other receivables

	31 March 2024 £'000	31 March 2023 £'000
Amounts falling due within one year		
Trade receivables	4,475	6,885
Deposits and advances	49	44
Prepayments and accrued income	15,119	12,685
Other receivables	-	182
	19,643	19,796
Amounts falling due after more than one year		
Trade and other receivables	-	14
Total receivables	19,643	19,810

9 Cash and cash equivalents

	31 March 2024 £'000	31 March 2023 £'000
Balance at 1 April	9,187	7,133
Net change in cash and cash equivalent balances	1,779	2,054
Balance at 31 March	10,966	9,187
The following balances were held at:		
Government Banking Service	10,966	9,187
Balance at 31 March	10,966	9,187

10 Trade and other payables

	31 March 2024 £'000	31 March 2023 £'000
Amounts falling due within one year		
Taxation and social security	1,618	1,471
Superannuation	1,516	1,361
VAT	42	30
Trade payables: non-capital	1,322	1,038
Capital payables and accruals – PPE	41	-
Capital payables and accruals – intangible	151	80
Lease liabilities	1,945	3,941
Other payables	291	92
Accruals and contract liabilities	8,914	8,472
Loans with DWP	1,654	1,508
	17,494	17,993
Amounts falling due after more than one year		
Loans with DWP	8,266	9,921
Lease liabilities	1,214	2,237
Accruals and contract liabilities	111	105
	9,591	12,263
Total payables	27,085	30,256

11 Loans from DWP

Loans	Note	31 March 2024	31 March 2023
		£'000	£'000
Opening balance – 1 April		11,429	11,213
Additions in period	18	-	1,500
Capital repayments in year		(1,509)	(1,284)
Loans – closing balance (capital)		9,920	11,429
Opening balance – 1 April		125	96
Accrued interest in year*	18	36	46
Accrued interest repaid in year		(22)	(17)
Interest – closing balance		139	125
Closing balance at year-end		10,059	11,554

* Interest accrued during 2023/24 on the capital loan of £1.5m and is being repaid in monthly instalments from November 2023. 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

No capital commitments as at 31 March 2024.

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 1.15 for further information on leases

	31 March 2024		31 March 2023	
	Buildings £'000	Other £'000	Buildings £'000	Other £'000
Obligations under leases				
Not later than one year	2,012	771	4,007	324
Later than one year and not later than five years	603	963	2,056	-
Later than five years	809	-	220	-
Less interest element	(265)	-	(105)	-
Total committed	3,159	1,734	6,178	324

We renegotiated the lease terms for St James House, Cheltenham ahead of the lease break of 25 March 2024. This resulted in the downsize of office space and an extension to the lease terms.

ONR has agreed terms with the NAO for the rental of office space at the NAO's London office (the contract started 1 April 2024). 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 relates to our estimated liability for office dilapidations resulting from downsizing our Cheltenham office.

The 2022-23 provision related to our estimated liability resulting from our review of fees regulations covering the period 1 April 2014 to 31 March 2021. The remaining provision was fully utilised in 2023-24.

	2023/24 £'000	2022/23 £'000
Balance at 1 April	46	924
Provided in year	52	-
Provisions not required written back	-	(474)
Utilised in year	(46)	(404)
Balance at 31 March	52	46
Expected timings of future payments:		
Falling due within one year	52	46
Falling due after more than one year	-	-
Total	52	46

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 2024 £'000	31 March 2023 £'000
Not later than one year	1,258	3,124
Later than one year and not later than five years	1,692	1,416
Later than five years	-	-
Total committed	2,950	4,540

16 Contingent liabilities

The civil case brought by a former employee and reported last year has been settled. We are currently defending a civil case brought by a former employee, which may result in a compensation payment. There is significant uncertainty around the estimated liability and the timing of any resulting payment. This uncertainty can fluctuate based on factors such as evidence received, witness statements and whether claims proceed to trial or are settled early.

17 Related party transactions

We are classified as a public corporation and are sponsored by DWP, which is regarded as a related party. During 2023/24, 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 MOD, 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:

- a working capital loan of £2 million. This loan is interest bearing at an annual rate of 3.5%. No repayment of the principal amount is due on this loan until such a time a triggering event occurs (e.g. 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. There is no current expectation that a triggering event will occur within the next 12 months
- a capital loan facility of £9.8 million to support capital expenditure requirements from 2019/20 to mid-2021/22 for modernisation activities to develop and enhance our infrastructure. This loan is interest bearing at an annual rate of 1.43% and repayment commenced in December 2020, originally for five years. In April 2022, we agreed with DWP that the repayment period would be extended by three years to November 2028
- a capital loan facility of £2 million to support capital expenditure requirements from mid-2021/22 to mid-2022/23 to continue the development of modernisation activities to develop and enhance our infrastructure. This loan is interest bearing at an annual rate of 2.19% and repayment commenced in November 2022 for a period of six years
- a capital loan facility of £1.5 million to support capital expenditure requirements from mid-2022/23 to mid-2023/24 to continue the development of our modernisation activities to develop and enhance our infrastructure. This loan is interest bearing at an annual rate of 4.09% and repayment commenced in November 2023 for a period of six years

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

There have been no 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, 15 October 2024.

