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| ONR Technical Inspection Guide (TIG)  LC 3 – Control of Property Transactions |



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LC 3 – Control of Property Transactions

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Revision commentary

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| Issue | Description of update(s) |
| 1.2 | Updated template and format.  No change to the intent of LC 3 |

# Introduction

1. Technical Inspection Guides (TIGs) assist inspectors in making regulatory judgments and providing advice on Licence Conditions (LCs). Most LCs are goal-setting, leaving the specifics of arrangements to the dutyholder, who is ultimately responsible for safety. This guidance aims to support consistent inspection of LC 3 – Control of property transactions.
2. While not exhaustive or mandatory, the guidance offers a clear framework for inspectors to assess the adequacy of compliance. Additional relevant information on record management is available in the Technical Assessment Guide (TAG) on “Control of Property Transactions on Licenced Sites” [1].
3. Inspectors should also refer to the ONR procedure on Risk-Informed and Targeted Engagements (RITE) [2], which guides risk-based prioritisation in regulatory interventions and supports decisions on engaging with dutyholders.

## Purpose of LC 3

1. The purpose of LC 3 is to ensure that the licensee remains in control of the whole of the nuclear licensed site, and the activities performed on it, at all times [1].
2. This guidance is for inspecting LC 3 compliance related to dutyholder arrangements and their implementation. Any LC 3 related permissioning follows our procedures on permissioning [3].

# Guidance on inspection of arrangements, and guidance on inspection of implementation

| Licence Condition | Regulatory outcome | Guidance on inspection of arrangements | Guidance on inspection of implementation of arrangements |
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| 1. The licensee shall make and implement adequate arrangements to control all property transactions[[1]](#footnote-2) affecting the site or any part of the site to ensure that the licensee remains in overall control of the site. | The regulatory outcome being sought by LC3 is to ensure that the licensee remains in control of the whole of the nuclear licensed site, and the activities performed on it, at all times [1].  This includes having rights of access to all parts of the licensed site. Any transaction which transfers property rights outside the licensee organisation has the potential to affect the licensee’s control.  Applications which involve either enlarging or reducing the area of a licensed site are outside the scope of this licence condition. In these circumstances variation of the licence or relicensing will be necessary, as required by section 3 of the Nuclear Installations Act 1965. | Arrangements should ensure early and routine communication of proposed property transactions to ONR, along with access to documentation and records, so that ONR can confirm the licensee retains control and manages transactions appropriately. | Obtain a copy of the property transactions register and check that it is up to date and includes sufficient detail of the transaction and its significance and confirm that all property transactions are captured. |
| 1. The arrangements shall include provision for the classification of all property transactions according to their safety significance and their impact on the licensee’s control of the site. The arrangements shall include a requirement for the provision of adequate documentation to justify the classification of property transactions and shall where appropriately provide for the submission of this documentation to ONR. |  | Arrangements should contain a categorisation system for transactions which takes account and factors licensee control and nuclear safety significance.  The licensee should conduct an impact assessment for any proposed transaction. The overall assessment should reflect the aspect with the highest significance. For transactions for which either of the two factors above are categorised as ‘high’, the licensee should obtain ONR’s permission before proceeding. Examples of categories of property transactions are given in Annex D of ONRs TAG, “Control of Property Transactions on Licenced Sites” [2] | Inspect the licensee’s safety classification system for property transactions. Check a sample of transactions; challenge as necessary. Including for ‘low’ and ‘medium’ categories.  The arrangements should contain provision for independent review of the assessment of property transactions. Confirm that the arrangements have an appropriate review and approval route for each category of transaction. For transactions which require ONR Consent confirm that:   * Independent Review has been undertaken * Nuclear Safety Committee advice has been sought and, if not accepted, there is appropriate justification * Submission to ONR has taken place in accordance with timescale outlined in the management arrangements |
| 1. The licensee shall submit to ONR for approval such part or parts of the arrangements as ONR may specify. |  | The requirement to submit for approval to the ONR those parts of the arrangements the ONR may specify.  The arrangements should give ONR the option to require the licensee to submit ‘medium’ category transactions for assessment. | Inspect the licensee’s arrangements for the retention of documents, records, authorities and certificates relating to the property transactions. The terms of any right granted should be recorded in order to avoid disputes. |
| 1. The licensee shall ensure that once approved no alteration or amendment is made to the approved arrangements unless ONR has approved such alteration or amendment. |  | The requirement that once approved by the ONR arrangements cannot be altered or amended without the approval of the ONR |  |
| 1. The licensee shall not transfer its freehold or assign its leasehold interest in the site or any part of the site without the consent of ONR. In addition, if ONR so specifies the licensee shall not carry out any property transaction, or any property transaction of the description or descriptions specified by ONR, without the consent of ONR. |  | The requirement that where the ONR so specifies, the licensee shall not carry out any property transaction without the consent of ONR. |  |
| 1. The licensee, if so directed by ONR, shall not complete the property transaction specified in that direction without the consent of ONR. |  | The requirement to halt the property transaction if so directed by the ONR and not to recommence without the consent of the ONR |  |
| Alternative Versions of LC 3 Attached to the Licences of Certain Defence-Related Sites (e.g., AWE plc):   1. The licensee shall not convey, assign, transfer, let or part with possession of the site or any part thereof or grant any licence in relation thereto except to the Secretary of State for Defence without the consent of ONR. 2. The licensee shall notify ONR forthwith if occupancy of the site or any part thereof is taken by the Secretary of State for Defence. | The alternative version of LC 3 attached to the licences of certain defence-related sites (AWE plc) recognises that commercial companies may be conducting licensable activities on land owned by the Secretary of State for Defence.  In such cases the licensee still requires ONR consent if they wish to convey, assign, transfer, let or part with possession of the site; or any part of the site to any party; or grant any licence in relation to the site or part of the site to other than the Secretary of State for Defence. Licensee should have LC 3 management arrangements to obtain ONR consent for these transactions.  If the Secretary of State for Defence wishes to take occupancy of the site or any part of the site, the licensee should have LC 3 management arrangements to notify ONR. | The requirement for ONR consent to convey, assign, transfer, let or part with possession of the site or any part of the site or grant any licence in relation to the site or part of the site, except to the Secretary of State for Defence.  The requirement to notify ONR if the occupancy of the site or any part of the site is taken by the Secretary of State for Defence. |  |

# References

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| [1] | ONR, “NS-TAST-GD-087 - Control of Property Tranasctions on Licenced Sites”. |
| [2] | ONR, “Risk Informed and Targeted Engagements (ONR-RD-POL-002)”. |
| [3] | ONR, “Nuclear Safety Permissioning (NS-PER-GD-001)”. |

1. LC 1 defines a property transaction as “any property transaction including a transfer, conveyance, assignment, demise, letting, under-letting, parting with possession, sharing occupation or use, or granting or reserving any property licence, easement or wayleave over or in relation to the site or any part of it, but excluding a right of access or any right of occupation, use or possession to or with a party performing statutory, regulatory or international obligations, or a party delivering contracted services solely to or for the benefit of the licensee in relation to that nuclear licensed site.” [↑](#footnote-ref-2)