

Minutes of the Board
10 June 2020
Skype meeting (due to COVID-19 restrictions)

Present:

Members

Mark McAllister - Chair
Oona Muirhead - Non-Executive Director
Sarika Patel - Non-Executive Director (part)
Simon Lister - Non-Executive Director
Janet Wilson - Non-Executive Director
Tracey Matthews - Non-Executive Director
Adrienne Kelbie - Chief Executive
Mark Foy - Chief Nuclear Inspector
Sarah High - Finance Director
Dave Caton - HR Director

Attendees

Katie Day - Director of Policy and Communications
Anthony Hart - Technical Director
Robert Moscrop – WIReD Delivery Lead (item 6)
Mike Finnerty - Director, New Reactors (item 13)

Secretariat: Charlotte Cooper, Head of Corporate Governance (Board Secretary)

1 Welcome, Introductions, Apologies for Absence and Declarations of Interest

- 1.1 The Chair welcomed everyone to the meeting. There were no apologies for absence.
- 1.2 No declarations of interest were received.

2 Minutes of the Last Meeting, Matters Arising, Action Points

- 2.1 The minutes of the meeting held on 28 April 2020 were agreed as a correct record.
- 2.2 All actions on the Action Log had either been closed or were on track.
- 2.3 With regard to the action from 27 November 2019 Board, to conduct an Emergency Preparedness Desktop Exercise, the Board asked that we look to convene a session remotely. The Board Secretary agreed to progress arrangements with the Technical Director.

Action 1: Progress arrangements to convene a remote Board workshop on Emergency Preparedness –Technical Director.

3 Chair's Report

- 3.1 The Chair formally welcomed Tracey Matthews, newly appointed Non-Executive Director with effect from 1 June 2020.
- 3.2 COVID-19 restrictions had impacted on the Chair's external engagement, although he was making use of virtual meetings where possible. Since the last meeting he had:

- i. Two meetings with Baroness Stedman-Scott, ONR's sponsor Minister at the Department for Work and Pensions (DWP): an introductory meeting on 21 May; and an end of year performance review on 4 June.
- ii. Met with Martin Temple, Chair, Health and Safety Executive (HSE) on 13 May. Discussion focused on the impact of COVID-19, long term recovery and eventual return to normal activities.
- iii. Met with Dame Deidre Hutton, Chair, Civil Aviation Authority on 2 June to discuss matters of mutual interest including funding, on-site inspections and plans for phased return to work.
- iv. Met with Colin Matthews, Chair, EDF on 8 June to discuss matters of mutual interest.

4 COVID-19 Update

- 4.1 The Chief Executive shared the COVID-19 Situation Report as at 28 May 2020. This included the Alert Level; Government figures; Government response; ONR current planning assumptions; and a detailed update against ONR's 11 priority areas, which included an update on the operational status of the Civil Nuclear Estate.
- 4.2 She also provided a short presentation covering our recovery principles and outline recovery plan; what staff feel has changed; our strategic approach to learning lessons and defining new ways of working; and the Senior Leadership Team's (SLT) role in identifying the opportunities arising and positively leading change.
- 4.3 She highlighted that in terms of returning to the office, Government is clear that we should continue to work at home wherever possible. Because of the on-going risks associated with the virus, most of ONR will be working at home at least until the beginning of November, but even then, any increase in office working will be small. The Incident Management Team (IMT) is overseeing the special measures needed to minimise the risk of COVID-19 transmission in our office environments. Our decisions will continue to be based on the best available health data. Any broader return remains dependent on a vaccine or effective treatment being available.
- 4.4 In discussion the Board:
 - i. Recognised the significant work being undertaken to ensure the safety and wellbeing of ONR staff.
 - ii. Stressed the importance of maintaining the right balance on internal and external matters in the recovery principles which should reference 'continuing to deliver the Mission.'
 - iii. Acknowledged the different individual NED experiences in terms of returning to work, some of which differed to the ONR position.
 - iv. Welcomed plans to progressively reinstate site-based regulatory activity across the sector in a phased manner over the coming months.
 - v. Noted the assurance on safety and security of the industry.
- 4.5 The Chief Executive concluded by highlighting the difficult issues associated with returning to the office and the limited benefits of increasing office working in a COVID-secure environment where numbers would need to remain low to meet social distancing requirements. She believes that the increased risk to safety,

wellbeing and resilience do not offset the limited benefits, particularly when the majority of staff were working effectively at home.

4.6 The Board noted the report and presentation.

5 IT Separation and Modernisation update

5.1 The IT Separation Senior Responsible Owner (SRO) presented a paper to provide an update on IT Separation and Modernisation.

5.2 IT Separation has been listed as a top five priority in the 2020/21 Corporate Plan and is also a key IMT priority during the COVID-19 restrictions. This reinforces the strategic importance of delivering the project safely, securely and swiftly during the prevailing COVID-19 restrictions and strengthens our ability to sustain working from home whilst mitigating cyber security risks.

5.3 Capability, capacity and resilience to the project has been enhanced through the appointment of an Interim Chief Information Officer, an IT Separation Programme Manager and temporary resource to support service management and end-to-end testing oversight.

5.4 At Project Board on 19 May 2020, a high level remote delivery plan was agreed with a delivery date of October 2020; a detailed delivery plan will be considered at June Project Board. CANCOM can perform the build of the new IT infrastructure remotely. Training, supported by third party provider Hable, will be delivered remotely in the form of both e-learning material and live training sessions using the new MS Teams platform. Colleagues will have access to MS Teams prior to cutover for training and testing purposes. Testing will largely be performed and managed remotely.

5.5 There are however some activities which will require an on-site presence. This is mostly limited to CANCOM engineers and some ONR IT staff to install, configure and test hardware. All on-site activity will be supported by a full risk assessment and conducted with appropriate regard to social distancing requirements.

5.6 We are continuing to review and validate the costs associated with a four-month extension, including extending our existing arrangements with HSE to 31 October 2020 and funding interim project resource costs to provide the required project capability and resilience.

5.7 Formal weekly reporting against clearly defined project work streams is in place providing clarity and structure to the programme and effective oversight of progress to the SRO. Changes to Project Board membership will be implemented in June to provide greater focus on the Board's purpose as a key decision making and escalation forum.

5.8 An updated IT Strategy, to align with and support the 2025 Strategy, is being progressed. The IT Strategy will inform a modernisation Roadmap that will build and manage a suite of solutions to enhance support for the business.

5.9 In discussion the Board:

- i. Asked the SRO about her biggest concern in delivering IT Separation. She highlighted capability and the use of interims in response to being considerably under-resourced in this area. It is critical that we develop self-sufficiency and she has confidence we are developing a strong team base, the right service management and an intelligent customer capability.
- ii. Recognised that the challenge of achieving separation remotely in October looks significant. The SRO confirmed that various contingencies had been built into the plan and the team were confident that we can deliver.
- iii. Referenced the discussion at the Audit and Risk Assurance Committee (ARAC) in June and the request to provide ARAC with a written assessment of the case for IT Separation to provide absolute confidence that IT Separation will bring greater benefits than the current arrangement.
- iv. Referenced the ARAC discussion in June on the cyber and information security benchmarks / standards and the concerns raised about the potentially complicated assurance framework. Whilst there is a desire to reach certain standards this did not mean ONR has to pursue all.
- v. Welcomed the approach in progressing IT Separation and IT Modernisation in parallel to enable the business opportunities to flow.

5.10 Simon Lister, Non-Executive Director, agreed to act as a critical friend to review the detailed plan with the SRO when finalised.

5.11 The Board noted the report.

6 WIReD Phase 2 Implementation Plan

- 6.1 The WIReD SRO, supported by the WIReD Delivery Lead, presented a paper summarising the Implementation Plan for Phase 2, together with the strategy for developing a revised business case for the Project. The proposals set out in the paper had been approved by the WIReD Project Board, following significant discussion of issues on: Security requirements; clarification that WIReD will not be able to deal with certain classified Defence information; ONR Technical Oversight of contractors; and internal costs.
- 6.2 He summarised the implementation plan for Phase 2, outlining the recommended approach to be adopted for defining, developing, testing, piloting and rolling-out of WIReD, as well as covering the proposed arrangements for governance through a series of Stage Gate Reviews.
- 6.3 He highlighted proposals to secure technical support for the Project and the intended change to the proposed software solution.
- 6.4 The Project had considered the commercial supplier options available to support implementation and completion of WIReD Phase 2, with the aim of identifying the preferred option for approval by SLT. This will form a key part of the Phase 2 business case. The Project identified four potential commercial options for WIReD technical support and the benefits and risks associated with each option (1) Perform work in house, (2) Turn-key supplier, (3) Embedded Contractors (via CANCOM), and (4)

Embedded Contractor (Direct Recruitment). The project proposes to proceed with Option 3, whilst also to obtain quotes for Option 4.

- 6.5 The results of a technical review of the existing Microsoft Dynamics and SharePoint software solution had shown that we would gain better value by using an alternative software solution for WIReD, such as Microsoft Power Apps. This is particularly true when through-life support and maintenance costs are considered.
- 6.6 The outline project management plan, together with the associated resource plan and indicative costs, was provided. IT Security to the Project was still a concern given our in house capability in this area was focused on supporting IT Separation.
- 6.7 The Implementation Plan has been reviewed by SLT, who agreed the use of embedded external contractors as technical support to the project and the completion of a proof of concept study to assess Microsoft Power Apps as the technical solution, which must confirm the acceptability of its limitations against Microsoft Dynamics, particularly its offline capability. SLT also agreed that the Project needed to establish adequate arrangements to oversee and manage embedded third party contractors and ensure appropriate security oversight and input to the Project. It also highlighted the need to consider organisational change capacity for WIReD and the importance of reconsidering the ambitious P50 programme. This would likely move timescales four months to the right, with the pilot in April 2021 and full roll out likely in Autumn 2021.
- 6.8 In discussion the Board:
 - i. Were keen to understand the IT capability in the WIReD Project Team and recognised that whilst relationships were being forged with the new CIO, there remained a gap that needed to be addressed by the SRO.
 - ii. Asked to see a number of issues addressed in the Phase 2 Business Case (1) whole life costs, including partnering options, (2) the change on people in terms of their willingness and understanding to make the change.
 - iii. Reinforced the need to properly articulate the benefits to users and asked that Board members are invited to future Show and Tell sessions.
 - iv. Asked the SRO to seek an independent view that our proposed direction of travel is right to inform development of the Phase 2 Business Case.
 - v. Recognised the direction of the project is to configure not customise, welcoming the approach. They highlighted the need for an individual to continually challenge / champion the approach at Project Board / Team.
 - vi. Asked how compliant users are today with our processes. The SRO confirmed we are compliant, but WIReD would also drive greater consistency in ONR.
 - vii. Agreed that a Special Board be convened to consider the Phase 2 Business Case and asked the CNI to agree timing with the Board Secretary.

Action 2: Convene a Special ONR Board meeting to discuss the WIReD Phase 2 Business Case which would need to address the points made by the Board – CNI / Board Secretary.

- 6.9 The Board noted the report.

7 ONR 2025 Strategic Discussion

7.1 The Chair set the context for the sessions that would follow. He referenced the 2025 Strategy which sets out our strategic intent well. He was keen the Board more fully understands what success looks like, how we measure success, to what degree more work was needed and the role of the Board in that.

8. The Big Governance Picture

- 8.1 The Chief Executive presented a paper setting out how ONR intends to govern planning and delivery of our 2025 Strategy, including our new Integrated Strategic Governance Framework. The detail in the paper is primarily intended as context for Board discussion items that would follow.
- 8.2 ONR has had to establish fundamental elements of corporate infrastructure, while changing at pace. Our regulatory planning is robust, having evolved over decades but organisational planning is far newer. Our first annual corporate and directorate business plans were introduced in 2016. Starting from a zero base in many areas, our approach has been to develop and implement policies, frameworks and processes over a three to four year period, complemented by culture shift where staff, managers and senior leaders recognise that developing and governing the organisation is a shared responsibility.
- 8.3 We will work to introduce a fully integrated governance framework, with more efficient and effective end-to-end planning and performance monitoring processes which will include tracking to our 2025 strategic intent from the outset. This requires translation of our strategic priorities into our annual planning to help us better balance short term and medium term priorities and demands.
- 8.4 Our 2025 Roadmap provides an at-a-glance view of our expected strategic/change focus. It sits alongside operational planning, and should support us to better grasp the scale, sequence and skills needed to deliver our strategic intent, and provide corporate priority direction to inform annual business planning cycles. The Strategic Governance Framework diagram shows how our various strategies and plans fit together to deliver our 2025 goals and the paper gives a sense of how our processes fit together coherently, for internal and external consumption. ONR is well positioned to mature its strategic governance, starting from our first year of our new strategy. While some tools are available now, others would rely on improved Business Intelligence.
- 8.5 In discussion the Board:
- i. Welcomed the Strategic Governance Framework diagram set out at paragraph 3.1 showing how our various strategies and plans fit together to deliver our 2025 goals.
 - ii. Questioned why we needed to have a series of underpinning Business Strategies in addition to the 2025 Strategy.
 - iii. Reinforced the importance of organisational alignment (golden thread) running throughout the various strategies and plans to provide a clear line of sight back to ONR's Mission, Vision and Values.

8.6 The Board noted the paper and presentation.

9 2025 Roadmap

9.1 The Finance Director gave a presentation on the 2025 Roadmap to provide an overview of the strategic work needed to deliver ONR's strategic intent, over and above 'core business.' She sought Board views on the sequencing, pace, and coverage of work.

9.2 She explained that the 2025 Roadmap has been developed to articulate the work required, over and above our core activity, to deliver our 2025 Strategy against 20 strategic priorities, including strategic projects. It provided a medium-term planning view to enable better business prioritisation. It also provided a mechanism to: (1) monitor progress against the delivery of the Strategy; (2) allow us to plot and monitor slippage against the plan; (3) highlight the impact of in-year slippage against future delivery plans; and (4) to inform on-going gap analysis in turn to inform future priorities and in-year planning deliverables. It provides a framework against which to set direction for ONR's annual planning cycle and Board strategy sessions to inform annual corporate and directorate plans and budget bids.

9.3 In discussion the Board:

- i. Welcomed the development of the 2025 Roadmap.
- ii. Commented that as a regulator, the emphasis should be on efficient and effective regulation and that this was not clear to see, given the initial focus on non-core activities.
- iii. Disagreed with the distinction between the use of core and non-core activity, which had the potential to cause division and asked for this to be addressed.
- iv. Wanted to understand what completion of our modernisation activity looks like in getting the organisation ready for steady state in the long-term. This should be reflected in an objective for the next two to three years.
- v. Felt the Roadmap was too inward facing.
- vi. Expected to see further challenge on the volume of activity set out on the Roadmap, which felt at too high a level to be really useful.
- vii. Noted the bow wave of activity in year two appeared to be unmanageable and unrealistic.

ACTION 3: Consider Board comments on the 2025 Roadmap relating to sequencing, pace, coverage of the work and presentation – Finance Director.

9.4 The Board noted the presentation.

10 Operational Regulatory Planning

10.1 The CNI presented a paper and presentation to provide assurance to Board that operational planning for the five year horizon within Regulatory Directorate (RD) is appropriate to mitigate strategic capacity and capability risks. The paper set out the scope of operational activities for the next five years.

- 10.2 The regulatory assumptions, reviewed and agreed annually by Board, underpin our strategic and tactical planning. The CNI believes that these remain valid and regulatory planning is aligned.
- 10.3 ONR uses a range of sources to inform our view of the future size and shape of the industry, to allow us to understand the social, political, economic, environment and technological challenges we must prepare for.
- 10.4 The CNI set out the external drivers that influence RD's priorities for the next five years which are well understood, along with the likely size and shape of the industry we have to regulate and the challenges that it will present. These influence RD's forecasting, annual operational planning and the deployment of our people. ONR's planned operational activities align with the strategic priorities in the 2025 Strategy and are included within the 2025 Roadmap.
- 10.5 We work with licensees and duty holders to ensure their plans are well founded, providing confidence in our own aligned strategies and plans. The majority of our work is stable and can be planned with a high degree of certainty. However, planning for new build presented more of a challenge given the past optimism bias in this area across the nuclear sector and successive governments. Consequently, we are conservative when developing our own strategies, whilst remaining agile, and we are also clear in establishing funding for such work.
- 10.6 The COVID-19 pandemic has had an impact on our regulatory plans and priorities, which have been re-baselined. This has resulted in five milestones being deferred to 2021/22, four will be delayed in year and 14 have been removed from the plan. We will continually review the latter, as part of our COVID recovery plan, to determine whether they can be reinstated.
- 10.7 An independent review concluded that RD had an effective framework in place for the planning and deployment of resources, including extended planning over a five year period. However, we recognise there is a need to improve live tactical planning, which we anticipate being addressed by the work of the Strategic Workforce Planning Group (SWPG).
- 10.8 In discussion the Board:
 - i. Recognised the significant funding risk in major pieces of planned work not materialising and against which there is no formal approach to work plan change control with licensees or cover for unexpected changes to the regulatory programme. Arrangements to mitigate this risk were critical.
 - ii. Felt there was still a gap on innovation; how we innovate as a regulator and how we support industry to innovate.
 - iii. Had expected to see recognition of the internal / corporate ambitious drivers as part of the strategic drivers, given we are all part of the same family.
 - iv. Highlighted the importance of this work informing our operational planning.
 - v. Acknowledged the potential long term impact of COVID-19 and that this could have a material impact on the industry and therefore the need to mitigate the risk on the regulatory programme.

10.9 The Board noted the report and the presentation.

11 Approach to Improving Regulatory Consistency and Proportionality

11.1 The CNI presented a paper and presentation highlighting how we are addressing the relatively low ratings highlighted in the feedback from licensees and wider stakeholders regarding the proportionality and consistency of our regulation.

11.2 The 2019 stakeholder survey resulted in excellent feedback on the work of ONR. The survey found that 'professional' (93%), 'independent' (89%) and 'trusted' (85%) are the attributes most strongly associated with ONR. Fundamentally, the results underpin the sense that ONR is right to take pride in the way it conducts its activities and the behaviours that its inspectors display.

11.3 The survey also highlighted potential areas for improvement. Stakeholders are less likely to say that the ONR is 'proportionate' (58%) and also questioned our 'consistency' (62%). This indicates the need to address how stakeholders view ONR's approach to proportionality and consistency.

11.4 Following the results of the stakeholder survey, additional feedback was obtained via the Safety Directors' Forum (SDF) and other stakeholders. Overall this has not been particularly informative and, generally speaking, issues discussed by the SDF did not highlight significant proportionality and consistency concerns.

11.5 The CNI subsequently commissioned a small targeted internal survey of staff, workshops sessions and individual discussions. The Chair, Chief Executive, Deputy Chief Inspectors and senior Regulatory and Policy and Communications staff were included in the process.

11.6 He highlighted the emerging themes and options to improve, and the goal to improve the stakeholder survey response by 10% for proportionality and consistency by 2025.

11.7 In discussion the Board:

- i. Commented that this work needed to find its way into our five year plan.
- ii. Were keen to understand whether there was acknowledgment of the issue amongst the Regulatory cadre. The CNI commented that there was a degree of pessimism regarding the response but much encouragement in the improvements and what would come out of it.
- iii. Welcomed the improvement plan but suggested that this was an issue broader than ONR and that we would need to consider education of industry, thereby reinforcing the importance of two way communications.
- iv. Commented that the timeline felt too slow and we needed to think about some internal 'quick wins'.

11.8 The Board noted the paper and presentation.

12 Stakeholder Engagement Strategy to 2025

- 12.1 The Policy and Communications Director presented the ONR Stakeholder Engagement Strategy to 2025 and sought Board's steer on specific areas to refine the Strategy, ahead of publication later this year. This included any gaps that would prevent us from meeting our 2025 strategic intent; whether additional areas of focus are necessary; whether the metrics / targets proposed are reasonable and appropriate; and how we could engage on an 'innovation cell' without compromising our reputation for independence.
- 12.2 The document is one of our five business strategies (alongside people, regulatory, IT and estates) that set out the five year direction on a thematic area. It is intended to provide an overview of what we will deliver to inspire stakeholder confidence through greater engagement, enabling effective delivery of our regulation, developing our people, and modernising our organisation. It also includes how we will optimise our policy and communications services to align to best-in-class.
- 12.3 External assurance says our stakeholder engagement performance over the last three years has been strong. Our most recent survey demonstrated that we continue to be viewed as professional, independent and trusted. Building on our existing engagement programmes across duty-holders, government, international partners, interested parties, and the wider public, our intention is to go from "good to great" by learning from others, working more transparently and communicating in accessible ways. The aim is to augment our activities, modernise our services and expand our reach beyond our traditional networks.
- 12.4 In discussion the Board:
- i. Welcomed the strategy and recognised that this was a big step forward in setting out our objectives and intentions to inspire confidence across the diverse groups with whom we engage.
 - ii. Noted the focus of the strategy is to build trust and more positive perceptions of ONR, as well as improving transparency.
 - iii. Acknowledged ONR is not a 'household' name and our regulatory approach is known where it is needed.
 - iv. Noted that our engagement with the supply chain could be strengthened.
 - v. Recognised that a stronger Engagement Strategy would enable us to be more pro-active corporately.
 - vi. Acknowledged the positive engagement, professionalism and authority of ONR staff in NGO forums and industry conference. This combined with the CNI Annual Report was recognised as a big step forward.
- 12.5 The Board delegated approval of the final strategy to the Chair / Chief Executive.

13 Resources to deliver the 2025 Strategy

- 13.1 The HR Director, supported by the Director, New Reactors, presented a paper and presentation providing an overview of ONR's current and planned resource profile to deliver our 2025 Strategy and the underpinning assumptions to support that.

- 13.2 He informed Board that we remain confident that the capacity and capability required to meet regulatory demand over the next five years would be met. The overall picture is for an increased net demand in regulatory resource up to 2022/23, significantly around GDA, followed by a reduction to just below present levels arising from completion of GDA activity and reduced demand within defence and the operating fleet. Nuclear SQEP skill set will remain fairly consistent with time limited and niche support available through Technical Support Contracts. The organisational shape and ratio of operational costs to overhead (66%:34%) is not expected to change significantly up to 2023.
- 13.3 ONR would reassess the position through a review in 2022/23 of the organisational blueprint, following expected efficiencies delivered by the WIReD and IT Modernisation Projects. We had not introduced any efficiency targets or drive to reduce the overheads whilst we focus on implementing the strategic projects, and cultural change to enable us to modernise.
- 13.4 We needed to invest in leadership and management capability of staff as well as addressing cultural barriers that hinder improved productivity and adopting new ways of working that can bring efficiencies. Investment in learning and development will continue to build capability at the existing level (c£1.6k per head annually). Our performance management processes will be revised to support greater personal accountability, embed ONR values and standards of behaviour, and support improved effectiveness and efficiency.
- 13.5 The shape of the organisation is not expected to change radically from its present profile with 65% of staff concentrated at Bands 3 and 2, reflecting the 'working grade' for Inspectors.
- 13.6 The Regulatory Directorate accounts for 66% of budgeted costs for 2020/21. This is likely to increase slightly during the period, based on current assumptions, towards 70%. Any further increase would be dependent upon the efficiencies that IT modernisation and new ways of working can deliver and any strategic decisions arising from the blueprint review to drive down the overhead.
- 13.7 To deliver ONR's 2025 Strategy we need to ensure that we have an effective and mature approach to strategic workforce planning. At present we have a supply-driven rather than demand-led approach. We are implementing a planning tool to enable us to regularly review and scenario-plan requirements and impacts from changes in supply and demand. Work will continue to develop an Integrated Strategic Governance Framework and the maturity of the Strategic Workforce Planning tool for full implementation in 2021/22.
- 13.8 In discussion the Board:
- i. Acknowledged the matrix management system is not the most optimal way to operate and that it was too complex and expensive for our regulatory purpose and size.

- ii. Commented that we needed to be clear on how we want the organisation to operate so when we implement IT changes and new ways of working we can influence the projects to support the change that is needed.
- iii. Commented that whilst we must not lose sight of our regulatory purpose we needed to be as lean and efficient as we can.

13.9 The Board noted the paper and presentation.

14 OEI Framework

- 14.1 The Finance Director provided a paper and presentation explaining our Organisational Effectiveness Indicator (OEI) Framework, piloted during 2019/20. She outlined the lessons learned and opportunities to refine, develop and mature our approach to (1) enable effective measurement of our progress towards delivering our 2025 Strategy and (2) demonstrate our effectiveness as a regulator.
- 14.2 We developed our OEI Framework to align to the OECD Nuclear Energy Agency (NEA) Ten Characteristics of an Effective Nuclear Regulator. This was intended to show that we operate and regulate in a manner that delivers effective outcomes for nuclear safety and security.
- 14.3 The Framework comprises quantitative and qualitative evidence-based measures of performance, aligned to the Ten Characteristics by strategic theme. Directorates' working level Key Performance Indicators (KPIs) consolidate into the OEIs as part of the Framework.
- 14.4 The Framework has modernised our approach to benchmarking and reporting organisational effectiveness and efficiency. It includes indicators that demonstrate our view of licensee and duty holder progress out of enhanced and significantly enhanced levels of regulatory attention towards routine regulatory attention. Although not a direct measure of our regulatory impact, this trajectory offers valuable insight to our regulatory leadership.
- 14.5 Our approach has attracted interest from international peers, including the Canadian regulator, who are seeking to learn from our approach and adopt similar qualitative measures in their own organisations. It has been recognised as good practice by the IAEA who have highlighted this as progress towards addressing the long-standing challenge of measuring regulatory effectiveness.
- 14.6 We will develop the OEI to support effective measurement of our progress towards delivering our 2025 Strategy, by aligning metrics with the Roadmap and our in-year annual Corporate Plan during 2020/21.
- 14.7 In discussion the Board:
 - i. Welcomed development of the Framework and work to refine, develop and mature our approach.
 - ii. Acknowledged the intention to use this methodology to measure effectiveness.

- iii. Stressed the importance of agreeing a clear outcome against each of the ten characteristics setting out our ambition in each area.
- iv. Stressed the need for the framework to be well communicated in order to support behavioural change.

Action 4: Agree a clear outcome and measures against each of the 20 strategic priorities setting out our ambition of what good looks like with measures in each area – Finance Directors / Directors.

14.8 The Board noted the report and presentation.

15 ONR Annual Report and Accounts 2019/20

15.1 The Finance Director presented a paper on the latest position in the production and audit of the 2019/20 Annual Report and Accounts (ARA) and to provide assurance on the progress to publishing the document and laying in the House of Commons library following certification by the Comptroller and Auditor General (C&AG). The ONR ARA 2019/20 (Version 4) was presented to Board.

15.2 She commented that this year's audit had been conducted against the backdrop of COVID-19 restrictions which had proved challenging for all teams, not only due to the fact the audit had been carried out remotely but also due to it being the first year with Mazars as audit partners. However, ONR, Mazars and NAO had collaborated effectively. Despite the challenges, all colleagues had maintained focus and professionalism to ensure we delivered the required outcomes to deadlines set well before the impact and realities of COVID-19 crystallised.

15.3 She informed Board that updates had been made to reflect comments received from Board, ARAC, SLT, DWP, BEIS and MoD and these are now all reflected in Version 4. Version 4 was signed off by the ARAC on 9 June, subject to a small number of minor amendments, none of which were material.

15.4 She set out the next steps, including the publication and laying timetable.

15.5 The ARAC Chair recommended sign off of the ARA 2019/20 to the ONR Board.

15.6 The Board approved the ARA for 2019/20 and authorised the Chief Executive to sign the document. The Board passed on their thanks to the Finance Director and all those involved in this work.

16 Summarised Next Steps and Actions

16.1 The Chair thanked everyone for their attendance and contribution. He commented that the day, whilst long, had been positive overall. He set out the next steps:

1. July Board – paper on the 2020 Strategy Close Out.
2. August Special Board - WIReD Phase 2 Business Case.
3. October Strategy Day – Clear outcome against each of the OEI Tier 1 Ten Characteristics / Revisit the 2025 Roadmap (reflecting NED comments / discussion at the SLT August Session).

16.2 He summed up each paper highlighting the Board comments recorded under each item.

17 Any Other Business

17.1 There was no other business raised. The Chair formally closed the meeting.

18 Information Papers

18.1 The Board noted the following information papers:

- a) Committee Annual Reports
- b) Audit and Risk Assurance Committee (ARAC) Minutes - 16 April 2020
- c) Regulators' Code Self-Assessment – May 2018 to March 2020
- d) Data Protection Compliance Report
- e) Board Forward Look