

UNITED KINGDOM ATOMIC ENERGY AUTHORITY
Minutes of the 2nd Board Meeting in 2013

Date: 6 March 2013

Location: Material Department,
University of Oxford

Members present:

Roger Cashmore, Chairman

Keith Burnett

Steve Cowley

Martin Cox

Peter Jones

Steve McQuillan

In attendance:

Eric Hollis

Martin Ridge (BIS)

Maya Riddle (secretary)

Colin Shimell (Items 4-6)

Andrew Bickley (Items 4-6)

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1 Chairman's Opening Remarks

- 1.1 Roger Cashmore welcomed everyone to the meeting, including Keith Burnett and Martin Ridge, who had joined the meeting by conference phone. He offered thanks to the University of Oxford's Materials Department for hosting the meeting.
- 1.2 Immediately preceding the Board meeting the Remuneration Committee had discussed the membership of the Board as most members first terms would come to an end during 2013. He was in discussions with Graeme Reid at BIS about reappointments of the Board members.
- 1.3 The Science Minister, David Willets, was an advocate of the space cluster and further growth of European Space Agency (ESA) presence at the Harwell-Oxford site.
- 1.4 The Board expressed its support for ESA and agreed that Authority land at Harwell should be made available for its expansion.

2 Minutes of the 1st Board meeting in 2013

- 2.1 The Board approved the minutes of the Board meeting on 8 February 2013.
- 2.2 Members reviewed the actions.

3 CEO's Report

- 3.1 Steve Cowley said that he would take the report as read. There had been a good meeting with Rudolf Strohmeier, Edit Herczog, Andras Siegler, and James Ellis, who had come to visit Culham and talk about JET
- 3.2 He updated members on development of Horizon 2020, the next European framework programme, running from 2014 to 2020. The Commission remained supportive of JET and it was looking at a positive scenario for JET with a significant deuterium-tritium campaign at the end. These experiments on JET were crucial for helping to optimise the operating conditions for ITER and therefore help it get quicker results.
- 3.3 The funding and the budget for Horizon 2020 was still being worked on and it was likely that there would need to be cuts to the accompanying programme.
- 3.4 The Commission was also looking at replacing the current Contract of Association with new arrangements, which would need to be in place for 2014.
- 3.5 EPSRC had under taken a mid-term review of the six year grant it had awarded the Authority. There had been a positive meeting and the external members of the review panel had been impressed by the science and technology at Culham. Funding for the next three years was anticipated to be as indicated in the grant and EPSRC now wanted to start discussion about the following three years.
- 3.6 Roger Cashmore commented that he was pleased to hear that the Authority's Health Physics group had come first place in global testing trials.
- 3.7 The Board noted the report.

4 Annual Business Risk Management Report

Colin Shimell and Andrew Bickley joined the meeting

- 4.1 Colin Shimell reminded members of the changes to the management of risk and movement to a two tier system at the end of 2011.
- 4.2 At the end of 2012, an independent audit, undertaken by AASG, concluded that there was substantial assurance for the Authority's business risk systems. A number of improvements had been agreed and these were being implemented.
- 4.3 Since the last annual report to the Board the number of key corporate risks (based on risk score) had increased from 9 to 14.
- 4.4 A number of the key risks were due to transient issues.
- 4.5 A summary of the status of each of the key risks was provided in the report. A list of all of the corporate risks in the Tier 1 register was provided for information.
- 4.6 The highest ranking risks related to the impact of government austerity measures and resourcing.
- 4.7 The total number of risks had increased over the past few years. This was partly due to the processes put in place and better identification of risk, but also an indication of the more challenging external environment.
- 4.8 Roger Cashmore said that the Board should focus on the key risks. He asked about preparations for the DT campaign on JET and noted that Tim Jones, JET Senior Manager, was leading the work for the Authority.
- 4.9 The Board noted the risk position.

Martin Ridge left the meeting.

5 Board Assurance Committee

- 5.1 Steve Cowley said that the Board Assurance Committee had been dissolved when UKAEA Ltd was sold and the Authority was no longer responsible for the safety on its former civil nuclear licensed sites. It was now proposed that the Board Assurance Committee be reformed to provide additional assurances and ensure that all the controls were in place for the DT campaign on JET.
- 5.2 Steve McQuillan said that he was interacting directly with the Head of Assurance on assurance matters on behalf of the Board. He volunteered to chair this Board sub-committee.
- 5.3 It was agreed that the Terms of Reference would come to the next meeting for endorsement.
- 5.4 The Board endorsed the proposal to re-establish a Board Assurance Committee.

6 Draft 2013 Authority Corporate Plan

- 6.1 Eric Hollis said that the Corporate Plan was presented for endorsement. A number of changes had been made in response to points made at the last

meeting. The corporate performance measures had been updated and a new measure added on completion of internal audit actions. These measures would be used as the basis for the Authority employee bonus scheme.

- 6.2 There were plans to amend the process for Audit recommendations and a paper on this would come to the Audit Committee.
- 6.3 Andrew Bickley said that the cash flow and balance sheet had yet to be finalised and that he would circulate the final document before it was issued to BIS.
- 6.4 Steve McQuillan queried the section on recruitment and retention and noted that this had been added at the request of BIS.
- 6.5 Roger Cashmore commended Andrew Bickley on a smooth production and Peter Jones added that the document read very well.
- 6.6 The Board endorsed the Corporate Plan, subject to the amendments above.

Colin Shimell and Andrew Bickley left the meeting

7 Financial Report at P10

- 7.1 Eric Hollis highlighted key points from the report. This included:
 - the position on the performance targets remained unchanged from P9;
 - the first 2013 JET payment from the commission was expected the following week. Two further payments were expected later in 2013; and
 - spend against the EPSRC programme was forecast to be effectively as per the budget.
- 7.2 Peter Jones queried the forecast profit & loss for the year end.
- 7.3 The Board noted the report.

8 Authority Board Evaluation

- 8.1 Maya Riddle proposed a self-assessment of Board performance as undertaken for 2011/12, to be completed by the end of the month.
- 8.2 The Board Terms of Reference would also be reviewed.
- 8.3 The results would be used to inform the Governance Statement and a paper would come to the June Board.
- 8.4 The Board approved the proposals.

9 Any Other Business

- 9.1 Roger Cashmore said that after the meeting there would be a tour of some of the facilities at the Material Department.
- 9.2 In addition, there would be presentations from Chris Grovenor and Steve Roberts (University of Oxford) on the nuclear material research at Oxford. There would also be presentations from Martin O'Brien, Damian Brennan and Sergei Dudarev on the Authority's nuclear materials research/modelling and the

latest developments on the Material Research Facility.

9.3 It would be useful to see the linkages between the work being done at Culham and the University of Oxford on Nuclear Materials research and modelling.

9.4 The next meeting was on 17 June.

Secretary Maya Riddle

Chairman Roger Cashmore

Date 6 March 2013