

**UNITED KINGDOM ATOMIC ENERGY AUTHORITY**  
**Minutes of the 1<sup>st</sup> Board Meeting in 2014**

**Date:** 12 February 2014

**Location:** Llewellyn-Smith Room, K2  
Culham Science Centre

**Members present:**

Roger Cashmore, Chairman  
Keith Burnett  
Steve Cowley  
Peter Jones  
Steve McQuillan

**In attendance:**

Andrew Bickley (Item 7-8)  
Martin Cox  
Rosie Hawkes (Item 1-4)  
Eric Hollis  
Jim Hutchins (Item 5)  
David Martin  
Catherine Pridham  
Martin Ridge (BIS)  
Martin Townsend (Item 5)  
Maya Riddle (secretary)

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## **1 Chairman's Opening Remarks**

- 1.1 Roger Cashmore welcomed everyone to the meeting. Peter Jones and Martin Ridge were attending via conference phone.
- 1.2 He congratulated Catherine Pridham upon her appointment as Chief Financial Officer and with the Board's agreement was also Secretary to the Authority.
- 1.3 The announcement of the Oxfordshire City Deal was welcomed. This included a new Remote Handling Centre of Excellence (RACE) at Culham and a new Innovation Centre at Harwell-Oxford.
- 1.4 It was noted that David Willets was no longer able to attend the next meeting. It was agreed that the Minister should be invited to Culham at another date.

## **2 Minutes of the 5<sup>th</sup> Board meeting in 2013**

- 2.1 The Board approved the minutes of the Board meeting on 13 November 2013.
- 2.2 Members reviewed the actions.

## **3 Update from the Board sub-committees chairs**

- 3.1 Steve McQuillan highlighted key points of note arising from the 7 February Board Assurance Committee (BAC). This included:
  - BAC members had undertaken a good practical walk around focused on physical security and were pleased with the progress that had been made;
  - there had been a useful first debate on preparations for tritium operations;
  - BAC was concerned about succession particular for safety critical roles;
  - BAC was encouraged by the work to reduce SF<sub>6</sub> emissions and thought the plans sensible, but that final decisions would lie with the Executive; and
  - Colin Shimell, Head of Assurance, was retiring. This was an important role.
- 3.2 David Martin said that one of the external members of BAC was providing advice on preparations for tritium operations. He asked whether further independent advice should be sought. Roger Cashmore suggested that management might wish to speak with AWE.
- 3.3 Keith Burnett said that there had been a full Remuneration Committee meeting that morning. Key points included:
  - a full discussion on succession planning;
  - agreement of objectives for the Executive and external benchmarking of their pay;
  - Remuneration Committee was concerned about having adequate staffing for the future, in particular given:
    - the aging population;
    - several major new facilities to deliver;
    - ramping up of commercial activities; and
    - on-going requirement to deliver on contractual obligations for JET.

## **4 2014/15 Corporate Performance Measures**

- 4.1 Rosie Hawkes that the proposed corporate performance measures for 2014/15 been had reviewed by the Executive Committee and sent to the trade union for comment. These measures formed the basis for the staff bonus scheme and had been designed to span areas of strategic importance.
- 4.2 Key changes from last year's measure were:
- increase weighting for the science and engineering component;
  - increased weighting for the MAST-Upgrade to emphasis its importance; and
  - the measure on the Continuous Improvement Programme had been replaced with three new key projects covering:
    - implementation of Open access;
    - simplification of processes; and
    - the transition to shared services.
- 4.3 Members made the following suggestions that:
- wording of the JET measure should be reconsidered;
  - the transition to shared services should include a contingency plan as this was dependant on external factors;
  - the target for the RACE facility measure should be set high as this was a crucial facility and needed to be delivered as part of the City Deal; and
  - there should be a measure on recruitment.
- 4.4 The Board endorsed the measures subject to the above points.

*Rosie Hawkes left and Jim Hutchins & Martin Townsend joined the meeting*

## **5 Business Development Presentation**

- 5.1 Martin Townsend provided an overview of the Authority's business development activities.
- 5.2 Steve McQuillan said that it would be helpful to see an outline plan showing the number of people and investment required each year.
- 5.3 Roger Cashmore was supportive of the endeavors to support ITER and to position for future ITER work.

*Jim Hutchins and Martin Townsend left the meeting*

## **6 CEO's Report**

- 6.1 Steve Cowley informed members that the MAST-Upgrade project was progressing well and there was a real buzz in the D1 building.
- 6.2 Planning permission had been granted for a Material Research Facility (MRF) building, for continued use of many of the JET building and outline planning for new development at Culham.

- 6.3 The Authority would be part of the new Advanced Digital Radiometric Instrumentation for Applied Nuclear Activities (ADRIANA) project. This was part of the National Nuclear User Facility (NNUF) initiative. EPSRC was investing £1 million in state of the art instruments, to be split with the University of Liverpool and Lancaster University.
- 6.4 Catherine Pridham provided an update on the new JET Operating Contract (JOC).
- 6.5 The Board noted the report.

*Andrew Bickley joined the meeting*

## **7 2014/15 Draft Budget**

- 7.1 Catherine Pridham said that there were still some uncertainties to be resolved and that a second version of the budget would come to the next meeting for approval.
- 7.2 She took members through the paper in detail. Points of note included:
- there were details relating to the new JOC, which had still to be finalised;
  - The Authority had been successful in winning a number of EuroFusion bids (replacement for Contracts of Association), but needed to manage the matching EPSRC funding;
  - calls on the EPSRC programme needed further iteration;
  - there was a small increase in overheads;
  - there was a proposed increase investment of commercial property income back into property schemes such as D1 improvements and special projects such as a new MAST control room;
  - spend on new buildings for the MRF and RACE had been included; and
  - The capital budget from BIS could be an issue.
- 7.3 Peter Jones asked about funding of the move to shared services and noted that it was assumed that this would be covered by BIS.
- 7.4 The Board note progress in developing the budget.

## **8 Draft 2014 Corporate Plan**

- 8.1 Andrew Bickley said that the document followed a similar format to last year's plan. New sections had been included on the Eurofusion consortium arrangements and on the new technology facilities.
- 8.2 The performance measures and financial tables would be added in the next version of the plan. The final version of the corporate plan would be submitted to BIS by the end of March.
- 8.3 Roger Cashmore said that the document was well written. The wording property development was misleading and campus development was suggested as an alternative.
- 8.4 The Board noted development of the corporate plan.

*Andrew Bickley left the meeting*

## **9 Financial Report at P9**

- 9.1 Catherine Pridham highlighted key points from the report. This included that:
- the commercial property target was on target, but the Business Development target was tight;
  - there was currently an underspend against the EPSRC programme, mostly due to timing of MAST-Upgrade procurement, which was ramping up;
  - JOC was currently showing an overspend, but this was mainly because a provision for the JET radioactive waste liability had been recognised in the books; and
  - the year-end forecast at quarter 3 showed some significant movement since the quarter 2 forecast.
- 9.2 An internal project team and office was being set up to manage the transition to shared services.
- 9.3 A letter had been received from UK Shared Business Services Ltd (UK SBS) confirming a go live date of 1 February 2015. However, it was not currently clear how it would cater for the Authority's requirement for project accounting. There was currently no project manager assigned at UKSBS to take this forward.
- 9.4 Keith Burnett warned that it was notoriously difficult to get project accounting properly implemented.
- 9.5 The Board noted the report.

## **10 Review of Board Decisions**

- 10.1 Maya Riddle said that this has been added to the Board schedule as an annual paper. An update on the progress with implementing decisions made in 2013, and ongoing ones from previous years, was provided. There were no areas of concern.
- 10.2 The Board noted the report.

## **11 Any Other Business**

- 11.1 Steve Cowley said that a dinner would be held on 26 July to celebrate the 60<sup>th</sup> anniversary of the Authority.
- 11.2 The next Board meeting would be held on Monday 17 March 2014.
- 11.3 A visit to Sellafield to meet the NNL Board was planned on 24 March 2014

Secretary Maya Riddle

Chairman Roger Cashmore

Date 17 March 2013