

**UNITED KINGDOM ATOMIC ENERGY AUTHORITY,
Minutes of the 4th Board Meeting in 2014**

Date: 17 September 2014

Location: Bickerton Room, The Library,
Culham Science Centre

Members present:

Roger Cashmore, Chairman
Steve Cowley
Peter Jones
Steve McQuillan

In attendance:

Martin Cox
Andrew Bickley (Item 4)
Hiroko Plant (BIS – Item 4)
Catherine Pridham
Maya Riddle (secretary)

Apologies:

Keith Burnett

1	Chairman's Opening Remarks	2
2	Minutes of the 3rd Board meeting in 2014	2
3	Update from the Board sub-committee chairs	2
4	Triennial Review Update	3
5	Authority Board Performance Review	3
6	CEO's Report	3
7	Financial Report at P4	4
8	Skills Training Hub Update	5
9	Business Development Update	5
10	Any Other Business	6

1 Chairman's Opening Remarks

- 1.1 Roger Cashmore welcomed everyone to the meeting.
- 1.2 Two papers had been taken in correspondence, since the last Board meeting and the Board had endorsed the:
 - signing of the RACE Design & Build Contract.
 - updated Budget for 2014/15.

2 Minutes of the 3rd Board meeting in 2014

- 2.1 The Board approved the minutes of the Board meeting on 24 June 2014.
- 2.2 Members reviewed the actions.

3 Update from the Board sub-committee chairs

- 3.1 Steve McQuillan said that the 4th Board Assurance Committee (BAC) meeting was held on the 9 September. Key points of notes included:
 - Alan Kaye's presence on BAC was very helpful for the discussions on preparations for tritium operations on JET;
 - the assurance mapping was a good initiative;
 - Nick Balshaw was doing a great job on the project to reduce SF₆ losses (a potent greenhouse gas used as an electrical insulator); and
 - the national security threat level had increased.
- 3.2 In the absence of Keith Burnett, Steve McQuillan highlighted key points of note arising from the 16 September Remuneration Committee meeting. This included:
 - a discussion of the conditions to ensure the success of RACE;
 - there should be some assessment of behaviour and competencies for the Executive Team as this formed part of the staff performance reviews; and
 - the Executive might want to consider a value set for the organisation.
- 3.3 David Martin commented that there were five change enablers, most of which embodied values.
- 3.4 Peter Jones highlighted key points of note arising from the 16 September Audit Committee meeting. This included:
 - the internal audits were mainly progressing as planned and there were no serious concerns from the compliance testing;
 - an updated whistleblowing policy had been endorsed;
 - the first of the half-yearly fraud reports was taken. There had been an attempted fraud but it had been caught; and
 - an update on Future Pension arrangements was provided.

Hiroko Plant and Andrew Bickley joined the meeting

4 Triennial Review Update

- 4.1 Steve Cowley introduced Hiroko Plant from BIS, who was leading the triennial review team.
- 4.2 Hiroko Plant informed member that there were two stages to the review:
 - Stage 1 – the continuing need for the functions provided by the UKAEA and whether these should be delivered by government; and
 - Stage 2 – control & governance arrangements.
- 4.3 She had spoken with the Minister and cabinet Office representatives. Key stakeholders would be consulted, using a mixture of individual interviews, online surveys and workshops.
- 4.4 The aim was to complete the Stage 1 report by Christmas. Work on Stage 2 would take place in parallel and a final report was expected in March 2015.

Hiroko Plant and Andrew Bickley left the meeting

5 Authority Board Performance Review

- 5.1 Maya Riddle said that the performance reviews of the Board, Audit Committee & Remuneration Committee indicate that there was generally good performance. Three modest improvements were recommended.
- 5.2 Both the Remuneration Committee and the Board Terms of Reference, and the financial delegations had been reviewed and updated.
- 5.3 An update on the requests from BIS and central government was also provided.
- 5.4 Members agreed the Remuneration Committee Terms of Reference with clarification on membership. The Board Terms of Reference required correction of a couple of typing errors.
- 5.5 Points of clarification were sought on Tables 1, 4, 5 and 6 of the financial delegations and it was agreed that these would be updated and endorsed out of committee.
- 5.6 The Board endorsed the Remuneration Committee and the Board Terms of Reference subject to the changes proposed.

6 CEO's Report

- 6.1 Steve Cowley said that that Dame Nancy Rothwell, University of Manchester had put forward a proposal to the Treasury for a major materials institute in Manchester, similar to the Crick Institute. In addition, to the main institute, funding for other academic collaborators was also being sought. The Authority was now included as a founding member. The proposal included support for Stage 2 of the Materials Research Facility, part of the National Nuclear Users Facility.
- 6.2 There was some concern over tungsten (a component of the JET vessel walls) becoming mobile and disturbing the plasma. Despite some early technical

problems there were a high number of experimental shots in the last JET campaign.

- 6.3 JET was currently undertaking a hydrogen campaign. It was hoped with the high power that a high performance mode with hydrogen could be obtained for the first time on JET. This would provide vital scaling information and help predict the best conditions for tritium operations.
- 6.4 Professor Bradley Wynne was a new joint appointment with the University of Sheffield. He would help develop the material technology group at Culham.
- 6.5 Bruce Lipschultz, another joint appointment, this time with the University of York, was working on exhaust systems and calculations. The new exhaust system being introduced in the MAST upgrade would address a problem for demonstration fusion reactors.
- 6.6 Steve McQuillan queried the forecast increase in the MAST upgrade budget
- 6.7 Martin Cox explained that there were a number of factors; machine design being more complex than expected, manufacturing delays and man-power costs rising.
- 6.8 The Board noted the report.

7 Financial Report at P4

- 7.1 Catherine Pridham highlighted key points of the financial position at the end of period 4, which included:
 - the business development income had started off slow and further work was required on forecasting;
 - commercial property profit levels had reduced due to vacation of tenant but was expected to pick up as the space was re-let;
 - there were currently underspends across all the programme areas;
 - a request had been put to the Commission for the second tranche of funding for JET; and
 - The EUROfusion consortium agreement was shortly expected to be signed.
- 7.2 There had been significant activity since the last Board meeting regarding the transition of the Authority's financial and HR systems to research councils shared services. Following meetings with BIS and the Cabinet Office a case had been put forward to allow the Authority to implement its own system. Modelling based on market estimates and amortising over five years showed that this would offer cost savings. BIS had concluded that it was too risky for the Authority to transition at this point, given shared services undergoing its own transition and the timing pressures the Authority was under.
- 7.3 A SAP transition project had been set up. The plan was to issue an invitation to tender at the end of November.
- 7.4 The Board noted the report.

8 Skills Training Hub Update

- 8.1 David Martin informed member that the Authority was working with Science & Technology Facilities Council (STFC), Local Enterprise Partnership and Oxfordshire County Council on the 'Made in Oxfordshire' technician's pathway.
- 8.2 The Authority had registered its apprentice training programme as a trailblazer.
- 8.3 A two phase approach was being pursued:
 - Phase 1 – Increase annual intake to the current scheme to around 25 from CCFE, STFC and local SMEs.
 - Phase 2 – full skills hub – ramping up to an annual intake of 100 consisting of a mixture of apprenticeships and up-skilling.
- 8.4 A bid for Strategic Economic Plan Round 2 funding was expected by the end of the year. Discussions were also underway with the Skills Funding Agency and National Apprenticeship Service.
- 8.5 The Board expressed support for the endeavor, but wanted to see the business case.

9 Business Development Update

- 9.1 Martin Cox reminded members that the strategy behind the business development activity was to develop organisational resilience, leveraging core skills and capability. It was also to help meet national needs and play a part in the nuclear resurgence.
- 9.2 He provided an update on the Strategic Business Units. Key changes were that remote handling activities now came under RACE and that a new consultancy unit had been set up, subsuming some of the smaller units.
- 9.3 The Authority's objectives for RACE included:
 - aiding the organisational transition;
 - supporting fusion – JET, ITER and future demonstration reactor designs;
 - providing a link to the UK's Robotics & Autonomous Systems (RAS) strategy; and
 - extending beyond fusion into fission and non-nuclear markets.
- 9.4 The Authority had recently been successful in winning bids for major ITER framework contracts, supporting industrial partners.
- 9.5 Areas for potential collaboration were being discussed with the National Nuclear Laboratory.

10 Any Other Business

10.1 The Board agreed the meeting dates for 2015:

- Wednesday 21 January 2015
- Wednesday 4 March 2015
- Wednesday 17 June
- Friday 18 September
- Tuesday 8 December

10.2 The aim was to arrange a visit to ITER in late April/early May.

10.3 The next Board meeting would be held on Thursday 27 November 2014.

Secretary Maya Riddle

Chairman Roger Cashmore

Date 27 November 2014