

# UNITED KINGDOM ATOMIC ENERGY AUTHORITY

## Minutes of the 5<sup>th</sup> Board Meeting in 2016

**Date:** 29 September 2016

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

**Members present:**

Roger Cashmore, Chairman  
Steve Cowley  
Norman Harrison  
Jim Hutchins  
Peter Jones  
Chris Theobald

**In attendance:**

Stephen Axford (BIS)  
Ian Chapman  
Martin Cox  
Becca Holyhead (Women Onboard)  
David Martin  
Catherine Pridham  
Maya Riddle (secretary)

**Apologies:**

Keith Burnett

Rob Buckingham, RACE Director (4-11)  
Kay Nicholson, Head of Assurance (4-6)  
Mark Shannon, Programme Office Manager (7)  
Steve Moss, Head of Property (8)

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

- 1.1 Roger Cashmore welcomed everyone to the meeting.
- 1.2 There were several new faces at the board;
  - Ian Chapman, who would be taking over from Steve Cowley as CEO, on 1 October 2016;
  - Rebecca Holyhead, who would be attending the Board as a trainee non-executive, as part of the government's Women Onboard scheme; and
  - Stephen Axford, who was Sharon Ellis's replacement in the BEIS sponsor team, and who would be joining the meeting later.
- 1.3 Cases had been made to the Minister to extend the appointments for Peter Jones and Keith Burnett for a further year.

## **2 Minutes of the 20 June 2016 meeting**

- 2.1 Members reviewed the matters arising and the actions.
- 2.2 The Board approved the minutes of the Board meeting on 20 June 2016.

## **3 Board sub-committee chairs update – 5 September Audit Committee**

- 3.1 Peter Jones provided highlights from the meeting, which included:
  - the NAO had advised that there was unlikely to be pressure to change UKAEA's Head of Internal Audit, but this would be monitored through the BEIS Partner Organisations chairs and audit chairs meetings;
  - the timetable for the 2016/17 annual report and accounts had been discussed. The Audit Committee review would be late in the process so it had been agreed to hold early discussions on the key disclosures;
  - outstanding internal audit actions had been reviewed; and
  - the 2015/16 annual report and accounts had been successfully laid, on 14 September, to which thanks were due to the team responsible.
- 3.2 Catherine Pridham added that it would not have been possible to lay before the summer recess, due to that the lateness of the JV accounts. Action was being taken to ensure this was not an issue next year.

*Kay Nicholson and Rob Buckingham joined the meeting*

## **4 CEO's Report**

- 4.1 Steve Cowley said that he had had a positive meeting with a senior official in the EU Commission about the critical role JET had in preparing the scientific scenarios for ITER.
- 4.2 Following the Nurse review, John Kingman had been appointed to head up UK Research and Innovation (UKRI), a new strategic body that would bring the research councils together and include closer integration of innovation activities.
- 4.3 Martin Cox provided an update on the MAST Upgrade project. The machine was at an

advanced stage of assembly. Technical complications and a lack of sufficient electrical effort had caused delays. Activities were being optimised to minimise impact on the bake of the machine, mindful that the team was already under stress. The next critical milestone was installation of the central column.

- 4.4 David Martin said that action was being taken to address resourcing including recruitment of electricians and reviewing working patterns. Training of more apprentices also offered a longer-term solution. Martin Cox added that the apprentices on the project were really adding value.
- 4.5 Jim Hutchins asked a number of technical points relating to the coils.
- 4.6 Roger Cashmore noted that EUROfusion had put a call out for participation on 2017 MAST-U operations.
- 4.7 Chris Theobald asked about cost to completion. Martin Cox responded that this was now pretty stable and that the Programme Management Office had independently reviewed the estimates. The Culham Programme Advisory Committee (CPAC) would also be reviewing the project, including the restart plans, at its meeting next week.

*Stephen Axford joined the meeting and Roger Cashmore made introductions.*

- 4.8 Steve Cowley said that JET had struggled with a number of technical problems. Initially it had been thought that the high voltage breakdowns had been due to substitution of the insulation gas SF<sub>6</sub> (a very potent greenhouse gas) with nitrogen. However, the breakdowns were found to have been due to a water leak.
- 4.9 The Hydrogen campaign over the summer had been extremely successful and there had been a high number of shots.
- 4.10 EUROfusion had commissioned an international panel to review JET, including machine reliability and technical competency of the team. The panel was expected to meet in November.
- 4.11 EPSRC had set up a review panel to consider UKAEA's grant application.
- 4.12 Martin O'Brien had taken on a more strategic role of Director of New Research opportunities.
- 4.13 We were part of European collaborations to bid for EUROfusion research into tritium technology and modelling of nuclear materials and of the fission fuel cycle.
- 4.14 The latest building under construction at Culham was a solid waste detritiation facility.
- 4.15 Stephen Axford said that Ministerial priorities in BEIS were still developing, but that keeping the UK globally competitive in R&D and technology would continue to be important.
- 4.16 Jim Hutchins expressed his support for development of predictive modelling tools, such as the work being done on UKAEA's Fispac software.
- 4.17 Roger Cashmore asked about the first RACE Expo, held the previous day. Rob Buckingham informed members that it had been a success with people from a variety of sectors attending.
- 4.18 The Board noted the report.

## **5 Biannual Risk Report**

- 5.1 Kay Nicholson gave a presentation to highlight key points from the report, which included:
- review of the risk appetite statement;
  - there were 26 key risks (scoring 36 or above), which included some new/emerging risks;
  - the top two risks relating to exit from the EU and the MAST Upgrade project; and
  - the key risks had been mapped onto the areas of strategy, resources, operations and process, which provided a view of the risk landscape.
- 5.2 Members discussed the key risks and mitigation status.
- 5.3 Ian Chapman suggested further discussions and information on the top two risk areas at forthcoming meetings.
- 5.4 The Board noted the report and endorsed the risk appetite statement.

## **6 Visit to JET control room & MAST**

- 6.1 The Board undertook a tour of the JET control room, led by Lorne Horton, and observed a plasma shot taking place on JET.
- 6.2 The Board then visited the MAST Upgrade construction and were able to see inside the machine. The project manager, Joe Milnes updated members on key aspects on the project.

*Kay Nicholson left and Mark Shannon joined the meeting*

## **7 UKAEA Corporate Plan 2016**

- 7.1 Mark Shannon said that he had updated the corporate plan in response to comments from the last meeting, including provision of a greater narrative.
- 7.2 Stephen Axford said that there was a lack of a sense of the economic benefits, e.g. to industry. In addition to the mission and goals, the Board might want to consider a vision for UKAEA, to be part of next year's plan.
- 7.3 Jim Hutchins said that it would be good to see a benefits statement for each goal.
- 7.4 Becca Holyhead suggested rewriting the Executive summary.
- 7.5 The Board agreed that final version of the plan would be agreed by the CEO and Chairman and did not need to come back to the Board before being submitted to BEIS.

*Mark Shannon left, and Steve Moss joined the meeting*

## **8 Property Update**

- 8.1 Steve Moss informed members that discussions were ongoing with potential investors regarding commercial development on the Culham site. The intension was not to undertake speculative build, but to progress on a pre-let basis.
- 8.2 Steve Cowley said that the master plan for Culham also provided space for UKAEA

development and that the local plan included addition of 1000 jobs.

- 8.3 Rob Buckingham added that the combination of jobs, housing being planned by the Culham No 1 site, and development of autonomous vehicles provided the opportunity for Culham to be the heart of 'smart Oxfordshire'.
- 8.4 The Board noted the update.

*Steve Moss, Stephen Axford & Peter Jones left the meeting*

## **9 P5 Financial report**

- 9.1 Catherine Pridham highlighted key points on the financial position at the end of period 5, which included:
- a call was due to be submitted to the EU Commission for the JET Operating contract;
  - property profits were ahead of target, primarily due to an insurance payment;
  - the new Unit 4 Business World (ERP) system had gone live the previous week and initial feedback was positive, although procurement requirements were pushing the limits of the software;
  - the next big project was payroll implementation, where UKAEA would be transitioning to CGI Logica's new payroll system. Ideally the new system needed to be up and running in January 2017 as it interfaced with the new pensions arrangements due to go live on 1 April 2017; and
  - HMRC would be undertaking a PAYE audit.
- 9.2 The Board noted the financial position.

## **10 Status of Triennial review recommendations**

- 10.1 Members reviewed the status of the Stage 1 recommendations and agreed:
- 1) Ongoing – timescales for considering future governance needed to be extended to take account of recent external/political developments;
  - 2) Complete – UKAEA had met the review criteria and would continue with its current model as a non-departmental public sector body under BEIS; and
  - 3) Complete – private sector involvement in commercial development at Culham was currently being sought.
- 10.2 Members reviewed the status of the Stage 2 recommendations and agreed:
- 1) Closed – there was ongoing, periodic, briefings and meetings with Ministers and government officials;
  - 2) Complete – UKAEA Board diversity was being addressed through proactive recruitment and through participating in the Women Onboard scheme;
  - 3) Complete – the basis for appraising Board members had been agreed;
  - 4) Ongoing – there was ongoing activity to improve project management. It was agreed that this recommendation would be closed once the audit action had been completed;

- 5) Ongoing – action had been taken to try and mitigate foreign exchange risk, but further progress was dependent on input from BEIS/Treasury;
- 6) Complete – the Board had agreed measures to increase openness;
- 7) Ongoing – further work was required to inform staff of new legislation regarding re-employment in the public sector;
- 8) Complete – an assurance strategy was in place and being tracked;
- 9) Complete – an environmental policy had been agreed; and
- 10) Complete – the corporate plan showed alignment with EPSRC & with BEIS goals.

10.3 The Board noted the position.

## **11 Any Other Business**

11.1 The next Board meeting would be held on Thursday 1 December 2016.

**Secretary**      Maya Riddle

**Chairman**      Roger Cashmore