

UNITED KINGDOM ATOMIC ENERGY AUTHORITY
Minutes of the 3rd Board Meeting in 2017

Date: 6 July 2017

Location: RACE Board Room, B1,
Culham Science Centre

Members present:

Roger Cashmore, Chairman
Keith Burnett
Ian Chapman
Norman Harrison
Jim Hutchins
Peter Jones
Chris Theobald

In attendance:

Adam Baker (BEIS – Item 1-4)
Martin Cox
Becca Holyhead (Women OnBoard)
Catherine Pridham
Maya Riddle (sec)

Item 5 – Mark Shannon, PMO Manager
Item 6 – Kay Nicholson, Head of Assurance
Item 8 – Jerome Pamela – by conference phone

Apologies:

David Martin

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1 Chairman's Opening Remarks

- 1.1 Roger Cashmore welcomed everyone to the meeting and informed members that the short listing for the non-executive director posts were taking place on 14th of July. The intention was to undertake interviews in August. A job specification for his replacement as chairman was being developed.
- 1.2 Adam Baker informed members that Jo Johnson would be working most of the summer recess.

2 Minutes of the 7 April 2017 meeting

- 2.1 The Board approved the minutes of the Board meeting on 7 April 2017 and reviewed the matters arising.

3 Report from sub-committees:

12 June Remuneration Committee

- 3.1 Norman Harrison informed members of key points from the meeting, which included:
 - the performance of the Executive team had been reviewed and a proposal on bonuses would be submitted to BEIS;
 - the Remuneration Committee reviewed its own performance, which was deemed good although a further update on senior level succession planning was agreed;
 - an update on pay reform was taken; and
 - a Director of finance & system was now being advertised.
- 3.2 Ian Chapman informed members that candidates for a new Programme Director were being interviewed.
- 3.3 The Board noted the update.

4 July Audit Committee

- 3.4 Peter Jones informed members of key points from the meeting, which included:
 - the Audit Committee approved the UKAEA accounts, with supporting evidence provided by the NAO audit completion report, annual internal audit report and the Senior Information Risk Officer (SIRO) report;
 - the pension accounts and supporting NAO audit report were reviewed;
 - the revised internal audit plan was approved, with one change; and
 - it was agreed that cyber resilience should be considered at a future Board meeting.
- 3.5 The Board noted the update.

4 CEO's Report

- 4.1 Ian Chapman said that Greg Clark's positive statement about JET in the House of Commons had been very helpful and well received by staff. He thanked the sponsor team for their support on this.

- 4.2 He had provided a briefing to MPs on Euratom.
- 4.3 Adam Baker advised that there was also good alignment between what the government and what UKAEA wanted.
- 4.4 Ian Chapman said that discussions were ongoing with government officials about Industrial Strategy funding.
- 4.5 Keith Burnett advised UKAEA not to undersell its potential to impact on long term UK capability, skills and productivity.
- 4.6 Ian Chapman said that we had been approached by the Cabinet Office about undertaking a tailored review, which were replacing triennial reviews.
- 4.7 Bernard Bigot was making a very positive impact on ITER.
- 4.8 Martin Cox said that the first pump-down of the MAST Upgrade (MAST-U) vessel had identified most leaks, although there was an undiscovered leak with a long time constant. Tests had ruled out out-gassing. The aim was to start the next pump-down in August with machine bake the following month.
- 4.9 Chris Theobald asked if external help was required on MAST-U. Martin Cox said that electrical manpower was a reoccurring issue.
- 4.10 Ian Chapman informed members that the US Department of Energy had issued a call for research, which would include work on MAST-U.
- 4.11 The JET shutdown was progressing well, although discovery of some broken tie-rods would delay the shutdown programme.
- 4.12 RACE was involved in a consortium, being led by University of Manchester, bidding to EPSRC for a virtual Robotics & Artificial Intelligence Nuclear (RAIN) hub.
- 4.13 RACE was also supporting Millbrook on a bid to Innovate UK for funding. If successful UKAEA would host autonomous vehicle infrastructure at Culham.
- 4.14 The RACE building was running out of space, having grown faster than expected.
- 4.15 The Material Research Facility (MRF) was progressing well, although some of its funding was dependent on the National Nuclear Users Forum (NNUF) having its business case approved by government.
- 4.16 Jim Hutchins commented that the ESS project should have a separate dashboard. It was agreed that there would be a formal update on ESS at the next Board meeting.
- 4.17 Becca Holyhead left the room while the Board briefly discussed a contract with Cavendish.
- 4.18 The Board noted the report.

Adam Baker left and Mark Shannon joined the meeting

5 Corporate Plan

- 5.1 Mark Shannon said that this year the intention was to have a more diagrammatic and concise plan. He sought comments from members.
- 5.2 Members generally thought that it was a good document but felt that the Executive Summary needed more work. It was agreed that this would be iterated with the CEO and Chairman before the document was submitted to BEIS.

5.3 The Board noted the report and delegated approval to the CEO and Chairman.

Mark Shannon left the meeting Kay Nicholson joined the meeting

6 12 June Board Assurance Committee (BAC) & Annual Assurance Report

6.1 Chris Theobald informed members of key points from the BAC meeting, which included:

- a huge amount of work had been done on the safety case for Deuterium-Tritium experiments on JET;
- work was underway on improving emergency planning and business continuity;
- the work to develop UKAEA's corporate policy framework was welcomed;
- good progress was being made in developing deputies for ATO holders;
- mandatory training statistics had improved, but there was still scope to improve the close out of non-conformance reports;
- there had been issues with non-compliance regarding work equipment and management action was being taken; and
- the Committee's Terms of Reference had been reviewed and updated.

6.2 The Board noted the update and endorsed the revised BAC Terms of Reference.

6.3 Kay Nicholson highlighted key points from her Annual Assurance report, which included:

- the plan for 2017/18;
- we had won RoSPA gold for the 6th consecutive year;
- there had been a positive AFNOR audit of our combined integrated management, which identified four strengths. Work was ongoing to prepare for recertification to forthcoming new ISO standards;
- the Environment Agency had agreed a variation to our permit to allow for potential extension of JET operations and to include the MRF and the Materials Detritiation Facility;
- several workshops had been temporarily closed due concerns over safety;
- a health and wellbeing calendar with monthly topics was being promoted. Stress was the main area of concern;
- the technical change control process had been revised and 150 people trained;
- a team was working on a plan to prepare for introduction of new General Data Protection Regulations next May;
- there had been an increase in the number of information security incidents reported, however this was mainly attributed to ongoing education programmes, rather than a worsening trend; and
- a number of exercises had been undertaken in response to escalation of the national threat level. Enhanced access controls were progressively being rolled out.

6.4 Chris Theobald asked about building cladding and Kay Nicholson responded that this had been checked straight away and there were no concerns for staff safety.

- 6.5 Members reviewed the Risk Appetite statement and agreed that safety and health of people should be the first item under the low appetite list.
- 6.6 The Board noted the report and agreed the Risk Appetite statement subject to the above change.

7 P12 Financial Report & P2 Financial Report,

- 7.1 Catherine Pridham highlighted key points on the year-end position, including:
- JET had out-turned close to budget, but below the forecast made to the commission in January 2017;
 - EPSRC had out-turned above budget/forecast;
 - both JET & EPSRC finance managers had been given objectives to improve forecasting;
 - the top line in Business Development and RACE income targets had been achieved and the property target had been exceeded with occupancy levels at 95%;
 - MRF had met its operating loss target and spent £1m on new equipment, funded by Henry Royce Institute; and
 - Comprehensive Spending Round (CSR) funding for the year had been spent and a number of new projects initiated.
- 7.2 Ian Chapman thanked Catherine Pridham and the finance team for their hard work on the annual accounts.
- 7.3 Catherine Pridham highlighted key points on the Period 2, 2017/18 position including:
- improvements continued to be made with the new financial system U4BW and financial reporting;
 - in the EPSRC grant area there was an underspend on the MAST-U project;
 - RACE income was below target but significant income from the ESS project was expected later in the year;
 - comparison against last year overheads outturn was provided as the budget had not yet been finalised;
 - calls against the IT and business development CSR funds were over-subscribed, but there was ability to flex projects.
- 7.4 Martin Cox said that it would be worth having ESS as a separate line.
- 7.5 The Board noted the financial position at the end of 2016/17 and the end of period 2 of 2017/18.

Jerome Pamela joined the meeting via conference.

8 CPAC Report

- 8.1 Jerome Pamela gave a presentation to highlight key points from his report. This included:

- he was very pleased with the strong engagement of the new members of CPAC and for the quality of information from UKAEA;
- there were significant challenges for the lab due to Brexit, however, UKAEA was world leading in areas and could be a poster child for the UK in a post-Brexit world;
- UKAEA had a coherent strategy, appropriately focused on fusion. CPAC supported the efforts to seek investment in new facilities and the growing links with industry, universities and international labs;
- UKAEA needed to consider preparations for the eventual closure of JET including making the best out of JET decommissioning;
- while the EPSRC Grant award was lower than the preferred scenario A, CPAC saw this as a success given the constraints in EPSRC;
- JET was preparing well for DT experiments. A scientific case for extending operations was under review. The attractiveness of secondments would also need to be looked at;
- the MAST-U vessel was now closed and he commended the high quality of work. However, there were likely to be further risks to the MAST-U project and bake in September would be very challenging. A gradual transition from project to commissioning and operations was advised;
- the MAST-U Super-X diverter would be important for exploring power exhaust and feed into the EUROfusion programme;
- RACE had a clear vision and agreement of an ITER robotics test facility at Culham was an important development;
- MRF would be a valuable national capability and should widen its user community; and
- OAS was an excellent initiative.

8.2 Chris Theobald asked whether others shared these views about our strengths in tritium, materials & robotics and noted that they did.

8.3 Roger Cashmore thanked Jerome Pamela for an excellent report.

Jerome Pamela left the meeting

9 Review of Board Performance

9.1 Maya Riddle said that the Board and sub-committee reviews were predominately positive with a few areas for improvement.

9.2 Members discussed the results and agreed that:

- there should be an annual report from the head of the PMO including benefits from major projects/programmes;
- reports to the Board not available 5 days in advance of the meeting should be rejected, unless specifically required by the chair;
- an alternative electronic system for the Board should be investigated.

9.3 Next year the Board questionnaire would be shortened.

9.4 The Board noted the review.

10 Any Other Business

10.1 Catherine Pridham provided an update on the Harwell JV.

10.2 The next Board meeting would be held on Wednesday 13 September 2017.

Secretary Maya Riddle

Chairman Roger Cashmore