

**UNITED KINGDOM ATOMIC ENERGY AUTHORITY**  
**Minutes of the 1<sup>st</sup> Board Meeting in 2019**

**Date:** 21 January 2019

**Location:** Bickerton Room, E6,  
Culham Science Centre

**Members present:**

David Gann, Chair  
Ian Chapman  
Norman Harrison  
Shrin Honap  
Jim Hutchins  
Sue Scane  
Adrian Smith  
Chris Theobald

**In attendance:**

Adam Baker (BEIS)  
Antonia Jenkinson  
David Martin  
Maya Riddle (sec)  
Catherine Pridham  
  
Mark Shannon, Head of Programme Office (6)  
Alli Brown, Finance Director (7)

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## **1 Chair's Opening Remarks**

- 1.1 David Gann welcomed Antonia Jenkinson as a guest at the Board meeting.
- 1.2 He apologised to members that he still didn't have a final answer about the reappointment of the non-executive directors (NEDs). BEIS was concerned that we should increase diversity on the Board.
- 1.3 A strategy meeting had been held in the morning and part of the discussion was to embed equality, diversity & inclusion in what we did.
- 1.4 He asked whether members had any conflicts of interest with the Board matters and none were noted.

## **2 Minutes of the 13 November 2018 meeting**

- 2.1 The Board approved the minutes as an accurate record of the Board meeting on 13 November 2018 and the key actions were reviewed.

*Kay Nicholson joined the meeting*

## **3 CEO's Report**

- 3.1 Ian Chapman highlighted key points and updated members on a few things that had changed since the report had been issued, which included:
  - During the external peer review of STEP, the proposal had received a lot of challenge at the meeting but the review report was very positive. BEIS had asked us to split the business case and focus on the first 5 years;
  - The IAEA had asked whether the UK would like to host the IAEA Fusion Energy Conference in October 2022;
  - A project to build a fusion neutron source, IFMIF-DONES, had been included in the European Strategy Forum on Research Infrastructures roadmap. It was not a Eurofusion project and might be set up as an ERIC;
  - EPSRC had decided not to fund the Fusion centre for doctoral training (CDT) led by University of York. This was a blow for fusion and was one of the assumed long-term sources of UK fusion skills in the STEP case.
  - Most of our funding for PhD students currently came from Eurofusion. The Board needed to make a decision as to whether we should fund new students for 2019, given the potential financial risks of Brexit;
  - There was a risk that our NFTP construction projects would be late due to delays incurred by the government's lengthy processes for approving procurements over £10m;
  - As previously agreed by the Board, we were planning a technology facility at the Advanced Manufacturing park in Rotherham. This was subject to obtaining acceptable financial terms;
  - We had completed the requirement capture for the proposed Thermal hydraulics facility in Wales and were on target to deliver a business case for BEIS by end of March 2019;

- the strategic business units had completed 5-year business plans, which was a good first step, but needed more work on the finances and commonality; and
  - A new estimate for the JET lifetime plan was underway as the old one was 10-years old. Some areas were increasing in costs, whilst others were going down. The results would feed into the annual accounts process.
- 3.2 Members agreed that we should continue to fund PhD students as these were important for the national fusion skills pipeline.
- 3.3 Members provided comments on the business plans and said that they would like to see how the areas interacted with STEP, the overarching resourcing plan by skills, and a common financial summary table at the start of each case.
- 3.4 The Board noted the report.

#### **4 Euratom Update**

- 4.1 Ian Chapman reminded members that EUROfusion General Assembly had agreed to include JET operations in support of ITER for the period 2021-24 in its work programme, subject the necessary support from ITER and a technical review. The delegation to ITER had happened and the Director General was going to write to the Commission.
- 4.2 The Commission was concerned about JET data in event of a no deal Brexit and a letter was being sent to provide assurances that we would provide access.
- 4.3 Adam Baker said that the government was planning for a number of scenarios. Association for Research & Technology was not off the table.
- 4.4 The Board noted the report.

#### **5 Corporate Performance Measures for 2019/20**

- 5.1 Maya Riddle said that the proposed corporate performance measures had better alignment with the corporate goals and provided a long-term framework
- 5.2 The weighting for the people measure had been increased as this was one of UKAEA's highest risks and impacted on all the delivery areas. A new measure for STEP/Design of future fusion power plants had been added.
- 5.3 Adam Baker said that for BEIS the most important deliverables were JET, MAST, NFTP and STEP.
- 5.4 Norman Harrison asked if the measures and weightings were representative and Ian Chapman responded that they were and that the milestones would be smart and used to drive performance.
- 5.5 David Gann said that he was comfortable with the proposals and that we should review these after one year and make any adaptations next year.
- 5.6 The Board agreed the corporate performance measures for 2019/20.

*Mark Shannon joined the meeting.*

## **6 COO's report**

- 6.1 David Martin highlighted key points from the report, which included:
- 393 job offers has been made last year and a huge amount of effort was going into recruitment. Areas we continued to struggle with included C&I and electrical engineering;
  - Following the successful safety leadership event, we were rolling this out to middle management;
  - The Assurance department and ATO leader were championing a multi-year programme to bring the whole organisation through the maturity levels of the Hudson model; and
  - Safety performance was improving.
- 6.2 Jim Hutchins commended the effort on recruitment.
- 6.3 David Gann said that he had recently met with Kay Nicholson, head of Assurance.
- 6.4 Chris Theobald said that the organisation was making steady improvement on health and safety performance. Quality was an area for improvement, and he was pleased that we had a new quality manager.
- 6.5 David Martin said that improving quality and avoiding the cost of rework had formed part of the business case for the Integrated Delivery Process and our approach was to embed this in programmes.
- 6.6 Norman Harrison said that from his walks around the plants there were some very good examples of safety culture but also some that were not so good. He asked how engaged the supervisors were.
- 6.7 David Martin said that we were investing in supervisor training and he had been spending time with the new supervisors and undertaking safety walk abouts.
- 6.8 Ian Chapman said that there were some poor behaviours we needed to tackle, particularly relating to poor housekeeping.
- 6.9 Mark Shannon provided an overview of the major projects and key points were:
- MAST Upgrade – Commissioning of systems was ongoing, and the first plasma remained on target for July with physics campaign starting in October;
  - MAST Upgrade Enhancement – the double beam box had been peer reviewed and the plan was to outsource the detail design;
  - JET – the cause of the transformer flashover was not fully understood, however, testing was going well and we were looking to reenergise the system. The box scrapper was almost fixed;
  - EDS – the supplier was now expected to deliver the new system in March 2019, which included contingency for factory acceptance testing. We had at least one person out in Canada to facilitate delivery. The team was preparing for the equipment's arrival;
  - DTE2 – there was some delays in getting the advance active gas handling system ready for operations;

- ESS – we were working closely with STFC and the market to reduce the cost of procurement;
  - NFTP – timescales for the delivery of magnet and H3AT facilities were the very tight; and
  - OAS – construction of the new facility was progressing well.
- 6.10 Chris Theobald expressed disappointment that there were not proper spend profiles for JET and MAST-U. He queried whether there needed to be a major projects sub-committee.
- 6.11 Ian Chapman responded that the Programmes and Major Projects committee (an Executive sub-committee) met monthly to review progress. The Board might wish to have a deeper look at key projects such as EDS and MAST-U.
- 6.12 Norman Harrison said that it would be useful to have the project manager present for such reviews of major projects.
- 6.13 The Board noted the report.

*Mark Shannon left, and Alli Brown joined the meeting*

## **7 P8 Financial Report**

- 7.1 Alli Brown provided highlights from the report, which included:
- Unit4 system had been updated and she was pleased with how well it had gone;
  - Work on the 2019/20 budget had started. Overheads were being reviewed in January and would input into the programme numbers in February, with a budget proposal coming to the March Board;
  - There was an advanced warning from BEIS that its accounts timetable might be delayed. The Governance Statement might also look different;
  - Spend on the EPSRC programme was lower than budgeted; and
  - Delays with NFTP buildings were impacting on our capital spend profile.
- 7.2 David Gann asked about STEP and Ian responded that we were getting ready to procure but couldn't place any contracts until we had the BEIS delegation.
- 7.3 Adrian Smith asked about the government spending review and noted that we did not yet have a timetable.
- 7.4 Shrin Honap said that it would be useful to see a balance sheet and overall P&L. He asked about cash flow and Ian Chapman responded that the risk would kick in early next year. Adam Baker added that BEIS was carrying the risk.
- 7.5 The Board noted the financial position at the end of period 10.

*Alli Brown left the meeting*

## **8 Sub-Committee meetings**

- 8.1 Shrin Honap provided highlights from the 13 November Audit Committee meeting, which included:
- They had reviewed the lessons from last year's annual accounts process;
  - They had reviewed the NAO's audit plans. The main things for the statutory accounts continued to be going concern and the provision for JET decommissioning;
  - There had been an update on the cyber security audit and he thought we were being over ambitious on timescales for completing the actions;
  - They had gone through all of the overdue audit actions and he thought that most should be closed out by the year end; and
  - They undertook an initial review of the internal audit programme for next year.

## **9 Any Other Business**

- 9.1 Ian Chapman said thank you to our BEIS policy team for their all support during a politically difficult time.
- 9.2 David Gann offered all the Board thanks to Catherine Pridham and hoped that she would keep in touch.
- 9.3 The next meeting was on 21 March 2019.

**Secretary** Maya Riddle

**Chair** David Gann