

**UNITED KINGDOM ATOMIC ENERGY AUTHORITY**  
**Minutes of the 2<sup>nd</sup> Board Meeting in 2019**

**Date:** 21 March 2019

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

**Members present:**

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

**In attendance:**

Adam Baker (BEIS)  
David Martin (items 1 to 3)  
Jim Hutchins  
Andrew Bickley (sec)  
  
Mark Shannon, Head of Programme Office (3)  
Alli Brown, Finance Director (5 and 6)

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

- 1.1 David Gann confirmed that BEIS have appointed Antonia Jenkinson as an Executive member of the UKAEA Board and welcomed her to her first meeting in that capacity.
- 1.2 He noted that he had met the BEIS permanent secretary recently and raised the issue of Board appointments. BEIS are now in the process of choosing head hunters, and he asked that if any members had suggestions for possible candidates to make him aware.
- 1.3 He asked whether members had any conflicts of interest with the Board matters. No conflicts were noted. Two members informed the Board of other interests:
  - Adrian Smith noted that he had been asked by Government to manage an independent review of the structure of international science research in the UK.
  - Norman Harrison noted that he is doing some consultancy work for Arup.

## **2 Minutes of the 21 January 2019 meeting**

- 2.1 The Board approved the minutes of the 21 January meeting with minor changes and reviewed the key actions and matters arising.

*Mark Shannon joined the meeting.*

## **3 COO's Report**

- 3.1 David Martin highlighted key points from the paper and an additional point:
  - There had been a serious breach of health and safety practices by a contractor's employee on site (who was immediately removed). This had been reported at a previous Board meeting. David noted that the firm involved had produced a report on the circumstances and actions taken, but this had been rejected by UKAEA as it was not complete. An updated report is awaited. UKAEA expects this to be resolved soon.
- 3.2 Recruitment: David Gann noted that advertising for UKAEA posts will be increasing nationwide. He suggested that this opportunity is used to highlight that apprenticeships are also available at UKAEA.
- 3.3 Norman Harrison queried why UKAEA employee turnover had increased recently. David Martin said that this would be covered in the paper to be presented at the June meeting by the Head of People, Gill Lay.
- 3.4 Sue Scane asked about statistics on diversity and inclusion in recruitment. This would also be covered in the paper from Gill Lay.
- 3.5 Make vs. Buy: David Martin noted that the make vs. buy decision will now be earlier in the process of project delivery, with an expectation that the amount we buy should increase.
- 3.6 David Gann asked if a metric could be devised to show how the amount we buy and make compares to previous years.
- 3.7 Safety: Chris Theobald confirmed that he has reviewed the safety leadership events that are taking place, and was happy that they were working well, with an expectation that the metrics would show an improvement going forward.
- 3.8 The Board expressed their thanks to Kay Nicholson, Head of Assurance, and her team

for progressing this work.

- 3.9 Chris also noted that he was pleased to see that UKAEA had appointed a new head of Quality, and he thought that the new STEP project provided an ideal opportunity to improve the quality process across UKAEA.
- 3.10 Chris commented that the detailed safety statistics had shown a significant difference between the Accident Frequency Rate (AFR) for employees and contractors. The Board asked for a report at the next meeting on the reasons for this and actions to resolve.
- 3.11 Mark Shannon provided an overview of the major projects and key points were:

- MAST Upgrade – The leak in the machine has now been narrowed down to a coil and can be managed. Commissioning of systems was ongoing, but delays on commissioning of the personnel safety system (PASS) meant that first plasma is now due in October. Chris queried the latest delay, which meant that we had slipped around another year in the last year. Ian noted that the PASS system that had been designed was much more complicated than had been appreciated, and commissioning was taking longer.

Adam Baker noted that he expected that BEIS would set a technical gateway on STEP funding related to successful results on MAST Upgrade.

The Board members noted that they had had a very successful and interesting tour of the MAST Upgrade facility earlier in the day, which had highlighted to them the increased scope of the project since it was first proposed, and increased international interest in taking part in operations. It was suggested that future Board meetings should also include a science update agenda item to keep the Board up to date with developments.

- MAST Upgrade Enhancement – the double beam box design had been peer reviewed and the plan was to outsource the detail design as internal resources were not available;
- JET – In the last few days, one of the flywheel generators would not operate, but the reason is understood and work to repair an oil feed had started. Work on readying the Active Gas System for tritium operations is critical and a ‘red team’ had been deployed to focus on eliminating further delays. Chris wondered if we could pull in recently retired experts to help, and Mark agreed to consider this with the team.

The Board noted that it remained concerned about the delivery of the AGHS for DTE-2.

Ian Chapman said that he wished to thank the whole of the JET team for their considerable efforts over the last few months to bring the machine back online. The Board added their thanks;

- EDS – the supplier was now expected to deliver the new system from Canada in April 2019, with BEIS ready to expediate it’s route through the ports of arrival;

3.12 The Board noted the report.

*David Martin and Mark Shannon left the meeting.*

## **4 CEO’s Report**

4.1 Ian Chapman presented the key points of his overview. In addition, he noted the following:

- He and the Chair had shown Sir Mark Sedwill, Head of the Civil Service and Cabinet Secretary, round Culham prior to the Board meeting. This had been a very positive meeting and showed the importance of the UKAEA programme within Government.
  - The BEIS Chief Scientist, Professor John Loughhead, was visiting Culham next week, prior to the BEIS review of the STEP future funding case.
  - The Spring Statement had included significant infrastructure funding for Oxfordshire. This was the key to opening up planning and funding for development of the Culham site and was very welcome.
  - The BEIS Director General for Business and Science, Gareth Davies, was leaving and a new director had been appointed.
- 4.2 STEP: The Board asked Ian if he could share the high level Gantt chart for the STEP programme. Adam Baker noted that the case that was being presented to BEIS next week. If agreed then he expected that a full business case would be required in the Autumn as part of the CSR.
- 4.3 EURATOM: Ian thanked BEIS for arranging the letter from the Minister to all staff. This had been well received. He noted the good news that the EU had indicated their willingness to sign the JET extension to the end of 2020 as an 'Essential Facility', and this was now expected to be signed in the next week. This was independent of the Brexit deal / no-deal resolution.
- 4.4 There was an outstanding issue regarding a potential 6-month period to mid-2021 to complete the DT operations and enter safe state. Adam noted that BEIS were working on a contingency case for this.
- 4.5 David Gann expressed the Board's thanks to Ian Chapman and Adam Baker for the significant work they had both done on getting to this point and ensuring JET operations can continue.
- 4.6 Business Update: The Board requested that a future Board meeting be held in Sheffield, once the negotiations have concluded on as site for a technology facility.
- 4.7 The second phase of NNUF programme funding has been approved by BEIS, and UKRI have now sent out a call for participation. UKAEA will be responding.
- 4.8 Ian noted that David Martin was stepping down as COO, and interviews for his replacement were taking place in the next week.
- 4.9 Ian expressed his concern that fusion was not properly represented within the nuclear industry and Government (outside of the direct contacts). He suggested holding a brainstorming session at some point later in the year to review how fusion is viewed within Government, and how to differentiate it from fission.
- 4.10 Board members wondered if UKAEA should introduce a new strapline (similar to 'Restoring the Environment' that had been in place in the 1990s/2000s) or even a change of name (which would be a longer-term aim).
- 4.11 Shrin Honap expressed his thanks to Tim Jones and the team for the work they had carried out in reviewing the JET decommissioning liability, which had been reported at the Audit Committee earlier.
- 4.12 The Board noted the report.

*Alli Brown joined the meeting.*

## **5 P10 Financial Report**

- 5.1 Alli Brown provided highlights from the report.
- 5.2 Jim Hutchins noted that the overspends on ESS skewed the RACE report. If this was removed then RACE was delivering well against the original business case.
- 5.3 The Board requested that for future reports the summary P&L and BS be put at the front.
- 5.4 The Board noted the financial position at the end of period 10.

## **6 Budget 2019/20**

- 6.1 Alli Brown presented the budget paper and key assumptions.
- 6.2 Alli noted that the budget was fully funded bar a few issues that had to be resolved as noted in the exec summary of her report.
- 6.3 Adam Baker asked if the move of operational funding from EPSRC to BEIS is resolved. Alli responded that the process is clear, but there are ongoing technical issues that she is resolving with the BEIS finance team.
- 6.4 All noted that the £2m BEIS funded BD programme has considerable pressures on it this year due to a number of new initiatives including the asset management project and HR transformation, plus potential clawback from the upcoming Commission audit.
- 6.5 The Board noted that the £2m discretionary funding this provided was very small for a programme of nearly £200m.
- 6.6 Alli confirmed that the turnover was expected to increase from £150m in 2018/19 to £180m in 2019/20, including an increase in overheads due to various drivers including the increase in staff numbers.
- 6.7 Jim noted that he found the 'waterfall' diagram given for overheads in section 13 of the report very helpful, and asked if a similar one could be produced for all turnover comparing financial years.
- 6.8 Shrin commented that some metrics on overheads would be helpful to understand the cost increases.
- 6.9 The Board thanked Alli and the team for the hard work in producing the Budget paper, and approved the budget for 2019/20 as presented.

*Alli Brown left the meeting.*

## **7 Sub-Committee meetings**

- 7.1 Chris Theobald highlighted the good news regarding safety culture that had been presented at the recent Assurance Committee.
- 7.2 David Gann noted that the Remco had recommended some realignment of the CEO objectives. These would be cascaded down to relevant directors. Adam Baker noted that the objectives should be reviewed by BEIS.
- 7.3 Shrin Honap provided highlights from the Audit Committee meeting earlier that day, which included:
  - The Internal Audit and Risk Assurance Plans had been agreed for 2019/20;

- Provisioning for the 2018/19 accounts had been discussed;
- A number of outstanding audit actions remained, and the escalation route for these discussed;
- The revised JET decommissioning liability estimate had been reviewed;
- NAO had completed an interim audit with no significant issues;
- Comparators of IA and Finance functions were discussed.

## **8 Any Other Business**

- 8.1 Ian Chapman said noted that work on the business case for the thermo-hydraulic facility in Wales was going ahead as recommended by BEIS.
- 8.2 The next meeting was on 4 June 2019.

**Secretary** Andrew Bickley

**Chair** David Gann