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UK Atomic
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MINUTES OF THE 2ND UKAEA BOARD MEETING IN 2020

24th March 2020

- Location:** Remote via Zoom
- Members:** David Gann (Chair)
Sue Scane
Chris Theobald
Adam Baker (BEIS)
Ian Chapman (CEO)
Antonia Jenkinson (CFO)
- Attendees:** Norman Harrison
Lyanne Maclean (COO)
Nick Walkden (sec)
Tim Bestwick (CTO)
Kay Nicolson
Alli Brown
- Apologies** Adrian Smith
Shrin Honap

MINUTES

At the outset of the meeting, the Board agreed to focus on the parts of papers germane to the Covid19 crisis where appropriate

1 CHAIR'S OPENING REMARKS

- 1.1 The Board noted an interested declared by Ian Chapman as a non-executive board member of Guernsey Electricity

2 MINUTES FROM THE JANUARY BOARD MEETING AND ACTIONS REVIEW

- 2.1 A minor amendment to the minutes of the previous meeting was requested.
- 2.2 The Board reviewed the open actions.

3 UPDATE ON UKAEA COVID19 RESPONSE

- 3.1 The COO briefed the Board on the UKAEA response to the Covid19 crisis, and asked the Board to note that since writing the COO's report the situation had changed. The Board agreed that UKAEA's position to keep operating whilst having the majority of staff working from home had had to change as the government advice changed, the prospect of increased staff absence and that there was increasing prospect of staff believing that the operational control rooms and plant were not conducive to social distancing had led to the cessation of operational activities on UKAEA site and a move to full remote

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working. The Board agreed with this based on interpretation of Government guidelines and the health and safety of workers on site. The COO lead a wide ranging and detailed discussion on important aspects of the ongoing crisis management, including:

- Delivery of projects and KPIs, and refocussing of work during the remote working period
- The approach to ASW pay during the hiatus period
- The impact on UKAEA supply chain and the policy on working with suppliers
- Security and safety of site during the remote working period
- Governance and delegation during the shutdown
- Interactions with and the response from BEIS and the European Commission
- The impact to tenants on site and communications with tenants
- Key deliveries expected to site in the shutdown period
- Recovery planning
- Monitoring of the workforce during the hiatus

3.2 The Board agreed all recommendations made on pages 1 and 2 of the COO's report, UKAEA(20)P8, and noted the new risks related to Covid19 outlined in the report.

3.3 The Board noted a need for swift decisioning, and committed to ensuring Executive access any time it is required for decision making, advice and discussion. An extraordinary intermediate Board meeting will be held before the next full Board meeting to provide an update on the situation.

4 CEO'S UPDATE

4.1 The CEO updated the Board on recent news and events impacting UKAEA. Members discussed the Impact of Covid19 on PhD and research networks, suggesting using the period to deepen relationships. 90% of UKAEA PhDs will be minimally affected by the shutdown of site. The current engagement with Universities was overviewed.

4.2 The Board noted and congratulated the Executive on the exceptional operational performance of JET to date.

4.3 The Board discussed ongoing EU negotiations and their timeframe.

4.4 The Board noted the CEO's report.

5 COO'S UPDATE

5.1 The Board noted the remaining (non-covid related) parts of the report. Members raised the issue of statutory inspections during site closure, and noted that this is included in the crisis management action plan. Members also discussed the filling of the RACE operations manager role.

6 CFO'S DASHBOARD

6.1 The CFO presented a dashboard, and members discussed ongoing recruitment issues in property and procurement. The Board were briefed on the ongoing recapitalisation of

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the Harwell Joint Venture, and will be kept updated by written procedure as progress is made

6.2 The Board offered congratulations on Fusion Foundations programme, and Members discussed the visit to the UKAEA from the BEIS commercial team, which will be re-scheduled. The Board requested a list of organised visits that will need re-instatement.

6.3 Members discussed the use of single tender action during the recovery period.

7 RISK REPORT

7.1 The Board noted that a number of risks, which were reported before the Covid19 crisis, are now outdated due to Covid19.

7.2 The Board reviewed the risks in the Risk report and noted comfort that the Executive team are progressing them as well as possible in the current state. The Board encouraged maintaining of pressure on the Euratom risk.

8 STEP ENGAGEMENT STRATEGY

8.1 A paper detailing the high level strategy for stakeholder engagement in STEP was presented to the Board.

8.2 The timeliness of seeking partnership was discussed alongside the value proposition needed to seek such investment. The Board highlighted the need for a careful IP strategy to ensure sufficient IP is created and retained.

8.3 The Board noted the paper and agreed full support for the strategy outlined within in.

9 UKAEA FUTURE ORGANISATIONAL STRUCTURE

9.1 A paper detailing possible future organisational structures of UKAEA, the formation of a fusion regulator and a fusion advisory council, and possible business models was presented to the Board.

9.2 The Board requested a map of the different stakeholders of the organisation as a tool for determining the suitability of the business model in the future

10 2020/21 CORPORATE MEASURES

10.1 The Board reviewed the UKAEA corporate objectives for 2020 – 2021. The Board approved the objectives subject to the following two amendments:

- Change dates of objectives requiring on-site working to reflect impact of Covid-19
- Cross-check against Executive objectives to ensure consistency

11 JLL MARKET REPORT

11.1 A market survey, bought at the request of the Board concerning the Culham Commercial project, was presented to the Board. Members discussed the report and agreed that it was useful evidence base and re-assuring of the direction of travel, but noted that

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markets may vary in the short term as a result of Covid19. More information will be brought to the Board as activities progress towards planning submission.

12 UPDATE ON ENVIRONMENTAL SUSTAINABILITY PLANS

12.1 The Board was briefed on current plans regarding environmental sustainability, which will evolve during the Fusion Foundations programme. A draft plan has been prepared which will be shared with the Board.

13 2020/21 BUDGET

13.1 The finalised draft budget for 2020/21 was presented to the Board, which was constructed without firm delegation from BEIS, based on a rollover approach including items usually funded, items in business cases and items stated in the previous delegation letter. The budget is to be taken as a pre-covid budget as a base case to assess financial impact of covid19. The Board agreed this budgetary approach.

13.2 A letter of comfort is expected from BEIS to allow spend in the early part of the FY and a letter will be written outlining the assumptions in the budget for grant-in-aid.

13.3 Members discussed the budget for JET and noted that the number given should not be used for forward modelling purposes due to assumptions made on tapering of staff.

13.4 The Board approved the budget for 2020/21

14 P10 FINANCE REPORT

14.1 The financial status at the end of Period 10 was presented to the Board. Members discussed the cash challenges present to year-end, particularly with regards to the additional challenge of receipting goods during site closure and the need to balance accounting with supplier solvency.

14.2 The spend predictions for MRF were discussed where modifications made to the plant for commissioning have driven increase in cost.

15 ANY OTHER BUSINESS

15.1 Members noted that the shutdown period offers an opportunity to share material for learning and engagement

15.2 A Board effectiveness review will be required by BEIS to be conducted this year.

15.3 An interim board meeting will be organised during the covid19 crisis to update the Board and present a short statement on financials.

15.4 The Board were requested to share any good practices encountered in other organisations during the covid19 pandemic.

Nick Walkden, 15/04/2020