



UK Atomic
Energy
Authority

MINUTES OF THE 3RD UKAEA BOARD MEETING IN 2020

19 May 2020

Location: Remote

Members

David Gann (Chair)
Ian Chapman (CEO)
Antonia Jenkinson (CFO)
Chris Theobald
Adrian Smith
Sue Scane
Shrinn Honap
Stephen Barter
Luc Bardin
Mark Bayley

Attendees

Eithne Birt
Lyanne Maclean (COO)
Tim Bestwick (CTO)
Norman Harrison
Adam Baker (BEIS)
Nick Walkden (Sec)
Alli Brown (Finance Director, item 4)
Caroline Livingstone (Head of Property, item 7)
Steve Moss (Property Advisor, item 7)
Howard Wilson (STEP Director, item 8)

Apologies

Shrin Honap (during item 5)
Stephen Barter (during item 9 and onwards)

MINUTES

1 CHAIR'S OPENING REMARKS

- 1.1 The Chair welcomed the new Non-executive Board members to the Board, and extended thanks to the Executive for maintaining work within the organisation during the difficult times.
- 1.2 Shrin Honap raised declaration of interest as a confirmed non-executive director at the low level waste repository Ltd in Cumbria.
- 1.3 The Chair noted that there will be a BEIS Board effectiveness review taking place in the coming weeks.

2 MINUTES AND ACTIONS

- 2.1 The Board highlighted several minor changes to the minutes of both the March and April meetings, which will be re-issued.
- 2.2 The Board reviewed the open actions.

3 CEO'S REPORT

- 3.1 The CEO overviewed key points of note in the accompanying paper, highlighted the exemplary delivery of staff at UKAEA in light of Covid19, and the impressive development of STEP in year 1. CPAC will report to the Board at the July Board meeting, and early indications from the meeting are positive. Interviews for the Materials Director position are ongoing, and the Executive team are hopeful for a solution in this round. The Board noted that the CEO has been invited to a ministerial roundtable. Members discussed the potential need for re-engagement with Treasury under its new leadership, but noted that engagement with Treasury is conducted through the BEIS sponsor team.
- 3.2 The Board discussed the EU transition negotiations, noting that the next round will begin in June with areas of relevance to programmes. A catch-up session with the Board will be held in the week following EU negotiations.
- 3.3 Members highlighted the successful 2019/20 performance resulting in a higher than expected bonus, but noted a need to appropriately communicate these numbers in the public space given current funding pressures in public sector.

4 P12 FINANCE REPORT

- 4.1 The Finance Director reviewed the key points to note from the P12 report, and noted that the 2019/20 governance statement is in progress and expecting finalising by the end of May. The finance team are currently working to understand the impact of Covid19, which is recognised minimally in the P12 report since it only impacted in the final weeks of the

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reporting period. At present the impact of covid is occurring as forecast (details in the CEO update) and the multi-year impact is being developed with BEIS.

- 4.2 The Board discussed the issue of a delayed delegation letter and were briefed on the current delegation processes within BEIS. At present UKAEA are spending under a letter of comfort.
- 4.3 Members discussed processes in place to support the supply chain and term contractors during Covid19 and noted that there is both a reputational and financial risk to be considered. The Board noted that UKAEA's procurement support is being held up as an exemplar externally. Members also discussed the forecasting of maximum risk and exposure due to Covid19, which will not be known for a number of months, and highlighted the potential for variation claim from suppliers of large construction projects.
- 4.4 The Board noted and confirmed that the current UKAEA pension liability is held as a BEIS liability, not a UKAEA liability.
- 4.5 The year-to-year cash position has been flat and the Board were briefed on the processes and constraints to spending. Members discussed variances in individual budget lines, noting that a swing in funding source in 2019/20 contributed to the variance, alongside technical issues causing delay in MRF.

5 COO'S REPORT AND COVID19 UPDATE

- 5.1 The COO overviewed the UKAEA response to Covid19 and updated the Board on the current status of this response, who noted that:
 - Following the leadership commitment regarding Covid19 agreed by the Board at the March meeting, a phased return to operations is being enacted following principles agreed at the April interim Board meeting.
 - The team are planning a restart of operational activities for the 1st June 2020, following which planning will begin for full site occupancy, though this is not expected in the near term.
 - Best practice is being sought and shared with other organisations.
 - A careful analysis of PPE supply for on-site operations has been carried out, which is available in the supply chain and does not affect the NHS supply
 - There is considerable focus on the mental health and wellbeing of staff working at home.
 - Actions have been taken to bring the site in line with Government 'Covid Secure' guidance.

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- 5.2 The Board were briefed on the plans for the operational restart phase, including the zoning of the site to minimise the potential for bridging between teams, and staff will be required to sign up to individual safety zone plans. Members asked if refreshment for staff and particularly shift work had been considered, and noted that the provision of bottled water is being investigated in light of restricted access to water coolers.
- 5.3 The Board held a discussion on the potential for areas of increased productivity and lessons learnt from the new working paradigms, noting that there is anecdotal evidence in some areas of increased productivity but no major attempt to capture lessons has been launched at this stage.
- 5.4 Members highlighted an increase in staff turnover in March and April. This is not thought to be Covid related and is in line with general variance coupled to a buoyant job market at the time.
- 5.5 The Board were updated on the current situation regarding the JET operating contract. This is an evolving issue and the Board will be updated in June.

6 CFO'S DASHBOARD

- 6.1 The CFO updated the Board on issues and activities related to procurement, property, finance, information security, pensions, insurance and the progress of the Harwell Joint Venture.
- 6.2 The Board discussed the pros and cons of remote working on procurement and commercial activities and recruitment. Whilst difficulties were highlighted, the Board recognised the need to ensure staff safety before a return to on-site working could be allowed.
- 6.3 Members discussed protecting sensitive scientific and technical data IP, where there is little concern at present but potential for future concern. The Board encouraged an integration of strategic thinking regarding digital security into the Corporate plan, which should reflect the change in nature of the asset base.

7 PROPERTY UPDATE AND ENVIRONMENTAL SUSTAINABILITY

- 7.1 The Board were updated on current property activities, in particular, masterplanning for the Culham site and the focus on environmental sustainability. The local Plan is now in the examination phase, and there is an increasing focus towards incorporation of sustainability in new and existing buildings.
- 7.2 The Board discussed the longer term implications of Covid19 on the design of the campus in the next few years, and noted that some developments already highlighted will be helpful for this. The designs are not being specifically changed to reflect Covid19,

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but there are many principles that the buildings are being developed to that will be helpful for allaying Covid19 related issues moving forwards.

7.3 Members discussed the function of new properties as assets for generating income and revenue streams. Most of the new buildings will be for UKAEA use, and are designed with a focus on efficient delivery.

7.4 The Chair noted that a sub-committee on property will be developed to support UKAEA property development.

8 STEP UPDATE

8.1 The Board congratulated the STEP team on an outstanding first year, and noted that the success was the product of an energetic and enthusiastic team. The Board were briefed on, and discussed, the benefits of the STEP programme, noting that the investible concept design is the primary benefit, underneath which sit a host of enabling and legacy benefits (those that remain even if tranche 1 does not progress into tranche 2).

8.2 The interaction of the UKAEA board in STEP was discussed. The first year feasibility study will be conducted through internal review, and review by a technical advisory group, noting that the design will be an initially feasible integration for further optioneering. The Board expressed interest in ongoing involvement in STEP.

8.3 The Board noted the reasonably low diversity of the leadership team in STEP, and Members discussed routes to improve the diversity. Additional advice on improving diversity in appointment is being sought before going into the second round of recruitment. Members also discussed the issue raised on resourcing plasma physics expertise.

8.4 Members discussed the measures of success.

9 IP STRATEGY

9.1 The CTO led a discussion on UKAEA's IP strategy. Members discussed to what extent knowledge and lessons from other organisations can be adopted by UKAEA, noting a need for a tailored solution for UKAEA and agility when adopting this transformation.

10 NETWORKS AND INTERNATIONAL PARTNERSHIPS

10.1 The Board agreed that this discussion was embedded within the rest of the meeting and was not needed in isolation.

11 ANY OTHER BUSINESS

11.1 Members raised the need to begin to sending invites for future Board meetings, and begin to organise meetings in 2021.

11.2 The Board expressed thanks for Norman Harrison for his time on the Board, who will continue to advise on several major projects. When possible, a celebratory dinner will be organised.