



UK Atomic
Energy
Authority

MINUTES OF THE 5TH UKAEA BOARD MEETING IN 2020

14th September 2020

Location: Remote – via zoom

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

Attendees

Eithne Birt
Lyanne Maclean (COO)
Tim Bestwick (CTO)
Norman Harrison
Edward Lewis-Smith (BEIS)
Kay Church
Nick Walkden (Sec)
Alli Brown (Finance Director, item 5)

Apologies

MINUTES

1 CHAIR'S OPENING REMARKS

- 1.1 The Chair asked for declarations of interest. No declarations of interest were raised.
- 1.2 The Chair informed that Board that he has been invited as a member of the BEIS Innovation Expert Group.

2 MINUTES OF THE PREVIOUS MEETING, AND ACTIONS REVIEW

- 2.1 The minutes of the previous meeting were reviewed
- 2.2 The minutes were approved.
- 2.3 The Board reviewed the actions.

3 SUB-COMMITTEE REPORTS

- 3.1 The Chair of the Remuneration Committee provided highlights from the 11th September

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RemCo meeting, including:

- An update on the reporting of bonuses and performance
- Objectives for the new directors were reviewed, particularly noting the arrival of the new Materials director, and that the Executive Committee are now close to complete with good breadth and depth of experience and capability.
- The resourcing of JET was discussed, with an early analysis of primary skills and experience in the JET team, which will progress into an analysis of secondary skills. An update on trade union relationships and membership was received.
- The new RemCo membership was discussed, and strategic elements for RemCo was touched on to aid planning for the future, including the effectiveness review.

3.2 The Chair of the Audit Committee updated the Board on the outcome of the 14th September meeting:

- Lessons learnt from year end the annual accounts were reviewed. Views were canvassed on the quality of UKAEA accounts externally, which complementary of both the style and substance.
- Management letter points raised by the NAO were discussed, most of which are dealt with. Lessons have been learnt on the accruals process, and a P9 test of the accounts is being considered.
- The Internal audit report identified a limited report on pensions. Primarily this is non-performance of the pensions administrator, and a message will be taken back to improve processes.
- Recognition of IP, and what constitutes this recognition from an accounting perspective was discussed, with a view towards working with NAO guidelines on how to capitalise IP.
- The yearly audit timetable was discussed and reviewed. This highlighted an extensive use of sampling, which will be reviewed. The cyber security audit was discussed, showing fantastic progress in last 2 years, and now looking to identify technical debt and cyber security going forwards.

3.3 The Board Assurance Committee Chair updated the Board on the outcome of the August meeting:

- The committee reviewed the new QSHE assurance organisation, and noted the appointment of the new QSHE manager
- The committee continue to be impressed by comprehensive and robust planning for COVID-19, noting that >20% staff were on site in July. The committee was assured by COVID-19 planning.
- The adoption of the D-T safety case was celebrated, recognising the significant years of work had gone into it.
- The committee noted the need to consider the status of non-covid safety, and suspended actions due to COVID-19.

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- Business continuity management was noted as essential to COVID-19, and the committee were assured of the plans.
- The OCC are required to put out an emergency plan for Culham, related to potential for radiological release, which is now published.
- The committee reviewed plans to progress a research quality dashboard, and recommended that the governance and review of scientific quality should come more to the fore in the future.

3.4 Members discussed the Board's appraisal of safety performance, noting a need to decide if the Board should take independent governance of safety.

3.5 The Campus and Property sub-committee will formally meet in the week following the Board meeting, and the Chair of the committee provided a brief update on the visit made to the Harwell site.

4 EXECUTIVE BOARD REPORT

4.1 The Board were briefed on the new style of reporting to the Board, with a view to streamlining the report and to enable effective discussion.

4.2 The Executive updated the Board on the present status of negotiations around Euratom association, contingency planning within BEIS, JET operations after EU transition, and the outlining risks associated with a delayed approval of Euratom regulations. The Board discussed the JET programme post-EU transition, including the loss of the shattered pellet injector from the EUROfusion programme.

4.3 The background to the UKAEA CSR submission was presented, including the timescales within which the CSR was submitted. The Board were assured on the scenarios presented in the optioneering, and on the alignment of the proposal with the corporate plan. The delivery of the proposal was discussed. The process and governance of spending review submissions were discussed. The Board endorsed the UKAEA 2020 CSR submission.

4.4 The Board discussed the external landscape of fusion funding, in particular noting recent funding rounds from the DOE.

4.5 An update on the status of JET and the JET operating contract was provided. The Board discussed JET KPIs.

4.6 The heightened risk in the NFTP programme was discussed, which is considered a result of the re-mobilisation of workforce away from H3AT to the AGHS programme. This is being kept as red until the work-force has been confirmed as being adequately re-mobilised.

4.7 The Government initiative to centralise freehold property was discussed. The Board noted the UKAEA position that UKAEA property assets fall under scientific exemption. The Board will be informed as this issue progresses.

4.8 The UKAEA policy on COVID-19 was outlined. Members highlighted the importance home working environment factors during COVID-19, and the position on providing a date for review of the COVID was discussed, and a commitment to continual review is

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made monthly. Regular surveys are being held to understand opinion, and engagement is generally good. The Board endorsed the Executive COVID-19 position

- 4.9 The investigation into the near-miss incident was discussed, which concluded that an incorrect knot led to the dropped load. Immediate actions have been taken, including an action plan which was overviewed. An independent review was commissioned, with the recommendations summarised in the Board report. This incident was identified as an issue of individual behaviour. The Board endorsed the position.
- 4.10 Members discussed the EDI leadership from the COO, and the EDI champion on the Board, and encouraged more discussion between the two.
- 4.11 Two highlights on business development were provided, with an overview of the RACE LongOps project to apply fusion robotics to nuclear decommissioning. The Board highlighted RACE's continued success, and encouraged more public visibility and celebration of these aspects, and requested an overview session for the Board on the LongOps and wider robotic programme
- 4.12 The Board discussed recent bids made with UKAEA support for ITER work packages. The Board requested an overview of the approach to bidding and winning work, including with ITER

5 FINANCE UPDATE

Alli Brown joined the meeting

- 5.1 The Finance Director outlined key points and updates from the paper:
- The suspension of the JET operating contract has been lifted.
 - Spend, and particularly capital spend, is low and understanding the position is now a focus.
- 5.2 The Board discussed the risk of capital underspend. The potential mitigations were overviewed, and engagement with BEIS is ongoing to actively manage the situation. The impact of COVID-19 on major construction projects was highlighted as being the primary factor, and that the impact of capital phasing may need to be considered over multiple years. The first aim will be to return to the Q1 forecast which forms the basis of the spending review. The Board requested an update on capital phasing in the next finance update.

6 UKAEA 2020 CORPORATE PLAN

- 6.1 The background to this years approach to the Corporate Plan was overviewed by the CTO. The value of the document was highlighted as being both in the end product and in the process of its development. The Board noted that appointment of new Board members, and COVID-19 had delayed the production of the corporate plan and planning process. This will return to normal in 2021.

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- 6.2 The values, principles, and questions of self-assurance in the foreword and overview of the document were discussed. The audience, and stakeholders of the document were discussed. The Board provided several suggested modifications to the content of the corporate plan, which will be reflected in the final submission version.
- 6.3 The Board discussed the measurement of economic impact of UKAEA activities, and this is recognised as an area needed for the future. The measurement of different strategic goals was discussed, and the UKAEA position in enabling the delivery of sustainable power plants was discussed, noting that UKAEA is a part of the wider UK and international landscape.
- 6.4 The timeline for the submission and development of the corporate plan and strategy were overviewed. The Board approved the submission of the Corporate Plan 2020.

7 UKAEA IP STRATEGY AND PROCEDURE

- 7.1 The CTO overviewed the paper, particularly relating to ownership of IP, use of IP, the exploitation of IP of UKAEA in fusion and/or adjacent areas, and the reward and incentives for inventors of IP. The rationale behind the UKAEA position on rewarding inventors was outlined, with a focus on encouraging economic benefit from fusion. The proposal is broadly aligned with the PSRE landscape.
- 7.2 Members discussed the familiarity of UKAEA people with the IP procedures, noting that broadly the practices outlined are ongoing, but the policy is not formally within the policy framework. The environment needed to enabling patenting and commercialisation of innovations was discussed. The UKAEA mechanisms were overviewed and noted as being in good and reasonable order to protect IP, with an increased generation rate to follow. The introduction of the scheme was overviewed, noting a need to gradually build the capability rather than start at a high level.
- 7.3 The Board discussed the measurement of economic benefit from IP generation, noting that the system is being developed and the UKAEA procedure for valuing IP was overviewed.
- 7.4 The Board requested presentations at future Board meetings from teams generating IP within UKAEA
- 7.5 The document will now be finalised, signed off by the CEO and entered into the policy framework, after which it will be treated as a live document available for review. The Board endorsed the document.

8 BOARD EFFECTIVENESS REVIEW

- 8.1 The process steps for the remaining phases of the Board Effectiveness review were overviewed.
- 8.2 The Board were thanked for the honest and constructive comments given in the interview stage. There was an overarching desire to see the Board effectiveness improved, and alignment between interviews and questionnaires are good.
- 8.3 The strengths, areas for improvement, and recommendations made from the outcome of the first phase of analysis were overviewed in detail. Detailed comments will be passed along to the authors of the reviews.

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- 8.4** The context and recent history of the Board was discussed, and the impact of the recent evolution of the Board in the Board's effectiveness was highlighted. A discussion on the future approach of the Board Assurance Committee, in light of changes to the Executive, will be taken following the effectiveness review.

9 ANY OTHER BUSINESS

- 9.1** The Board discussed the scheduling of Board dates for 2021, and the process of renewals and appointments in 2021. The Board dates for 2021 will be distributed following the meeting, and are confirmed here as:

- Monday 11th January 2021
- Monday 8th March 2021
- Tuesday 25th May 2021
- Wednesday 21st July 2021
- Wednesday 15th September 2021
- Wednesday 17th November 2021