



UK Atomic
Energy
Authority

MINUTES OF THE 2ND UKAEA BOARD MEETING IN 2021

8th March 2021

Location: Remote – via zoom

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

Attendees

- Lyanne Maclean (COO)
- Tim Bestwick (CTO)
- Adam Baker (BEIS)
- Kay Church
- Nick Walkden (Sec)
- Alli Brown (item 5,6)
- Paul Methven (item 7)
- Amanda Quadling (item 8)

Apologies

MINUTES

1 CHAIR'S OPENING REMARKS

- 1.1 No declarations of interest were raised.
- 1.2 The Chair noted that it was international women's day, and highlighted the positive stories from the organisation in the media and social media.
- 1.3 The Chair updated the Board on the planned renewals of new Non-Executive Directors. The Chair and Board recognised the meeting as the final Board meeting for Sue Scane, and thanked to Sue for her dedicated work on the Board, it's sub-committees, and with the organisation.
- 1.4 The Board noted that its Terms of Reference are being reviewed for final comment by the Cabinet Office as part of the Government process. The specific status of the approval

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was discussed, with the Board noting that consultation through the Board has shaped the draft sent to BEIS.

2 MINUTES AND ACTIONS REVIEW

- 2.1 The Board reviewed the minutes from the previous meeting and provided a number of minor comments.
- 2.2 All actions were confirmed as being closed, or not due at the meeting.

3 EXECUTIVE BOARD REPORT

- 3.1 The CEO updated the Board on a number of issues that had evolved since report publication including:
 - The status of budget setting within EUROfusion and implications for UKAEA.
 - Approval of the MAST Upgrade KPIs by EUROfusion.
 - Ongoing discussions regarding the extension to JET with EUROfusion.
 - The recent US National Academies study
- 3.2 The latest preliminary results from MAST Upgrade were presented to the Board and the prospects for the next stages were overviewed. The Board extended their congratulations to the organisation, and encouraged consideration of how to disseminate the results and position the announcement of the news to maximise exposure.
- 3.3 The Board requested an update on the apprenticeship programme at a future Board meeting
- 3.4 The Board discussed the UKAEA Risk Landscape, and noted the importance of defining a measure for the deliverable of a STEP concept design to inform how to measure the risk progress.
- 3.5 The CFO highlighted the large amount of work and progress around campus development ongoing at present, and overviewed a series of photographs showing the latest progress on site.
- 3.6 The latest status of tenant renewals and surplus was discussed.
- 3.7 The rollout of Hybrid working within the organisation was overviewed to the Board. Members highlighted that many businesses are enacting hybrid working at present, and there is therefore a great opportunity to learn lessons from other employers and businesses.
- 3.8 The latest status of the organisations information security was discussed, noting progress in assuring information security, and noting the cycle in information asset register review. The Board noted the importance of information availability within the contest of information security.
- 3.9 The COO updated the Board on the organisations COVID-19 measures and status. The Board discussed the possibility of changes in working behaviours and cultures after the return to site, with many having worked away from site for a long time, and encouraged

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tolerance and empathy when managing the return. Members discussed the need for a clear legal position regarding cases contracted after return to site.

4 2021/22 CORPORATE MILESTONES

- 4.1 The Board overviewed and discussed the corporate performance process, its relation to the corporate bonus, and the strategic alignment of the corporate milestones. The Board noted that the paper presented represents an aggregation of detailed work and many underlying performances measures throughout the organisation and executive. The Board approved the corporate milestones for 2021/22.

5 2021/22 BUDGET

- 5.1 The Board reviewed the budget, and were recommended to approve the budget subject to parameters outlined with the paper, and with final adjustments delegated to the Executive Committee to manage, with any issues outside of these parameters subject to an extraordinary Board meeting. The first report in the 2021/22 year will include a Q0 forecast which highlights will final position of the budget against delegation.
- 5.2 The Board noted that there are no concerns regarding cash flow given the funding and operating processes in place, and that a cash flow statement will be developed before the budget is finalised.
- 5.3 The final EU funding provision, and agreement of the JET budget from the commission will be finalised in March. The Board noted that any amendments as a result are considered manageable within the budgeted grant in aid.
- 5.4 The status of the UKAEA settlement from BEIS was overviewed to the Board
- 5.5 The Board noted that the UKAEA balance sheet is strengthening, and that this has longer term implications via for example depreciation.
- 5.6 The Board noted the substantial uplift in the budget compared to last year, and discussed the organisations resilience to deliver this and whether there will be any impacts from wider national financial pressure which may prompt diversification of funding sources. The Board discussed the resourcing specifically for finance management within the organisation, and noted that there is budgeted growth in the finance team alongside wider resource growth, in procurement and other key areas. The Board noted that this is being carefully considered with regard to the overhead function, to ensure that overheads are maintained at a manageable size for the future shape of the organisation.
- 5.7 The Board approved the budget for 2021/22, subject to the caveats outlined in paragraph 5.1.

6 FINANCE UPDATE

- 6.1 The Finance Director overviewed the financial performance at the end of P10, and confirmed that BEIS have been invoiced for all grant in aid, less a proportion already

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raised, for the remaining year. The main focus will be on receiving capital to meeting the budget in 2020/21.

- 6.2 Members discussed the reporting of performance, highlighting strong schedule and budget performance reporting, but discussed the possibility of strengthening reporting of multi-year spending performance against plans.

7 SUB-COMMITTEE UPDATES

7.1 The chair of the ARAC provided a verbal report to the Board:

- A management assurance committee is in place in the organisation with common membership with the ARAC which manages health and safety issues, providing a route for health and safety issues to be escalated, with deep dive information available when needed.
- The annual accounts process is progressing and there is confidence that reporting will be complete before recess.
- An interim audit has been conducted with no major issues.
- The pension schemes have been reviewed by auditors. No major issues are expected in any pension schemes, with a single audit action outstanding.
- The risk appetite was reviewed by the ARAC
- Several of the top risks were reviewed by the committee
- The internal audit programme is largely complete, and the 21/22 audit committee programme was agreed with some recommendations provided by the committee.
- The committee were assured on fraud, and requested a fraud propensity map.

7.2 The Board discussed whether there should be a refreshed Board approval of safety policy and assurance. This was agreed and a timetable will be developed to return reviews of safety policy to the Board

7.3 An update from the Remuneration Committee was provided to the Board by the RemCo Chair:

- The committee focussed on the CEO and senior executive objectives.
- The role and remit of RemCo was reviewed by the committee. The committee agreed to extend the remit, retaining remuneration responsibilities on behalf of the board, and extending the remit to consider at a strategic level resource, capability, and capacity of the organisation as it evolves forward. The committee also agreed to encompass EDI in it's remit, as an enabling topic for the organisation.
- With the expanded remit, the RemCo agreed that the director of people will secretary the committee, and the COO will be including as an attendee to meetings, with other executive invitees as needed to brief on issues.
- A change of name of the committee will be included into the UKAEA framework document to read as the Remuneration and People Committee.
- An updated RemCo ToRs will be sent to the Board for comment.

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7.4 The Board were updated on the upcoming agenda for the next Property and Campus Sub-Committee

7.5 The Board discussed the process of sub-committee reporting and recommended that sub-committee Chairs provide brief written reports at future meetings.

8 STEP STRATEGY

8.1 The STEP director overviewed the STEP strategy paper to the Board. The Board discussed the management and momentum of STEP within UKAEA's wider portfolio and the importance of maintaining integration with the rest of the organisations activities.

8.2 The Board discussed the relevance of the landscape in the United States, and the need to calibrate STEP against other international programmes, including ITER and the US. Collaboration with other international programmes was discussed.

8.3 The Board discussed the foundations and operating model for STEP, and the tactics employed to develop this. The Board discussed factors needed now to enable the integration of STEP within the authority.

8.4 The Board discussed the approach to defining success at the end of the design phase. The Board noted that lessons learnt from the DEMO programme shows a need to be clear on exactly what a design driver is. The Board requested an update on the STEP design at a future board meeting as appropriate

8.5 The Board discussed the wider economic impact of STEP trace-1, and discussed the role of STEP to stimulate supply chains not in existence as part of a wider organisational aim. The Board discussed the value and risk of STEP across the 20 year programme. The need to generate value throughout the programme was highlighted, which respects the high technical risk of the programme

8.6 The Board discussed the current status of the STEP siting process.

9 UPDATE FROM THE MATERIALS BUSINESS UNIT

9.1 The Materials director presented the Board with an overview of Materials business within UKAEA. The Board held a wide ranging discussion around many of the technical and resourcing aspects of the business unit, and discussed synergies with other public sector organisations. Members discussed the existing and prospective supply chain for the MRF, and a number of areas were overviewed where the MRF capability and expertise may stimulate the supply chain outside of fusion.

10 EPSRC GRANT PROPOSAL TIMELINE

10.1 An overview of the EPSRC grant proposal currently under development was provided to the Board, and the timeline for its submission was highlighted. The Board discussed the budgeting scenarios presented in the paper, alongside the objectives of the grant and their strategic alignment with UKAEA. The impact of the current external landscape of

OFFICIAL SENSITIVE

public science and R&D was discussed, and the value in being funded through the research council highlighted for the organisation and the wider academic fusion sector.

11 ANY OTHER BUSINESS

- 11.1** An item regarding the transfer of land at the site entrance to enable the local council to develop the entrance road was presented by the CFO. The Board discussed the proposal and endorsed the principles of the transfer.