

UKAEA Board Meeting

Meeting Reference UKAEA(22)A6

Location: UKAEA Culham, Building 24 Caesium room
Date: 23rd November 2022
Time: 0830 - 1500

Members: David Gann (Chair)
Ian Chapman
Stephen Barter
Mark Bayley
Antonia Jenkinson
Richard Hookway
Eithne Birt (remote)
Luc Bardin (remote)
Stephen Hillier

Attendees: Lyanne Maclean
Adam Baker (BEIS)
remote
Adam Jackson
(BEIS)
Alli Brown
Lyndsey Mooring
(Secretariat)

Apologies Tim Bestwick

Agenda Items

1. **Chair's opening remarks** led by D Gann: NED recruitment update given; appraisal process has closed and has been submitted to BEIS. Focus for Board will need to turn to term ending for four current NEDs in next year, particularly in the context of two execs changing.

BEIS commentated that owing to the four NEDs changing, more strategic consultation with ministers will support this.

No interests were declared - For clarity, the Board notes that the CFO will be leaving to work for ARIA
2. **Minutes and Actions Review, (22)M5** led by D Gann:
Minutes review:
 - UKAEA(22)5
 - Pg3 P and RemCo update –context added
 - Action review:
 - i. UKAEA(22)1/4 action complete, in Exec report
 - ii. UKAEA(22)4/2 updated to due March
 - iii. UKAEA(22)5/1 updated to due March

- iv. UKAEA(22)5/2 complete, on agenda
- v. UKAEA(22)5/3 and UKAEA(22)5/4 reopened, for immediate action
- vi. UKAEA(22)5/5 complete, on agenda
- vii. UKAEA(22)5/6 complete, within report as standard
- viii. UKAEA(22)5/7 complete, on agenda
- ix. UKAEA(22)6/1 new action, table top exercise on cyber security, due March

3. Executive Board report led by I Chapman, A Jenkinson, and J Milnes: The imperative to focus attention on the loss of talent from UKAEA was made strongly by the executive. BEIS gave Government context on the pay case UKAEA is pursuing, particularly the wider constraints impacting the scale and scope of a likely outcome. Board considered the varying reasons for staff attrition; a staff survey is currently being conducted and the outcomes of that will be shared at future meetings.

Exec highlighted the following to Board:

- Recent Ministerial statement regarding funding announcement for JET and FIP
- Update given regarding meeting between CEO and Science Minister, highlighting actions taken away
- Select committee evidence has resulted in chair and committee requesting to visit Culham in new year.
- EUROfusion bureau meeting verbal update; remit of EUROfusion is being reviewed, CEO invited to roadmap workshop
- MAST UE supplier issues overviewed for committee
- Corporate services
 - Cost inflation update given
 - Harwell refinancing to fund the 7-year plan is ongoing, with steps outlined to Board
 - Refurbishment business case is progressing on track through sign off within BEIS
 - Further legal and commercial activities and items since report submitted flagged
- Cyber security training engagement discussed, with ways being considered to strengthen uptake
- Communications and Innovation reports taken as read, teams thanked. Fusion22 was noted as a worthwhile event.

Key Outcome: *UKAEA and BEIS will continue progressing the pay case through government, aiming to resolve the situation before the end of the calendar year. The board discussed that UKAEA would not be able to deliver our parts of the government's fusion strategy without greater flexibility on pay. Board will pursue a letter to SoS and request a meeting, intending to highlight the counterfactual scenario.*

Actions:

Action ID	Section	Action Items	Owner(s)	Target time
UKAEA(22)6/2	3	Board will write a letter to SoS and request a meeting, intending to highlight the counterfactual scenario.	DG	Dec

4. **Finance**, led by A Brown: Updates to paper post submission given. Supplementary Estimates process with BEIS and Treasury is work in progress. Draft of delegation letter has been received from BEIS, including the JET and FIP funding, clarity given that FIP is incremental funding. Wording within the letter had changed from previous ones, UKAEA and BEIS teams are working together to ensure intentions remain the same.

Board discussed the Q2 forecast and how it ties to the wider planning, e.g. a successful Pay case and timing, i.e. when BEIS are ready to consider future financial years beyond current spending review - it is being logged as a future pressure by BEIS.

Overview of two ongoing European audits given.

Board given update on counter fraud current activities; further updates will be provided offline as they occur ahead of next meeting.

Key Outcome: *KPI update given, 7 missed, 33 still ongoing. Reporting against budget now included as standard in finance report as per Action UKAEA(22)5/6 (therefore closed). Board considered if reporting clearer if CHIMERA and H3AT are separated out.*

5. Sub-committee updates

ARAC led by R Hookway– Pensions undergoing further work ahead of laying. Audit action close out has improved. Meeting of chairs of ARACs of BEIS ALBs, can be used as opportunity to gain understanding of how others are interacting with government functional standards. Annual ARAC effectiveness review has been completed and improvement actions noted. Board noted requirement for timing of sub-committees to be realigned with board, ideally within two weeks of board meeting.

P and RemCo led by E Birt – Director's objectives mid-year review was conducted at sub-committee meeting, resulting in only minor adjustments. Importance of valuing staff was noted, with updates from EDI, Inclusion ambassadors and gender pay gap covered in the meeting. The committee has helped shaped the current staff engagement survey.

PSC led by S Barter – committee has met twice since last Board meeting. STEP site strategic planning is ongoing, with a focus on considering separating out STEP demonstrator area and technology park area. This would allow differing development approaches to be taken for the two areas, enabling the delivery of different benefits. An update on CCDP2 was given, noting that it could be multi-let.

6. **People and RemCo focused session**, led by L Haynes: Steps, timelines, progress and current indications on likely outcomes on pay case were recapped to Board. Greater Increase in Remuneration Costs (IRC) level based on efficiency savings spread over the spending review period is current focus of discussions with Treasury and Cabinet Office; another facet is increasing the number of grades.

Key Outcome: *The negative impact on UKAEA's gender pay gap if the pay case is successful was noted. Board discussed the acknowledged need for a skills strategy for the UK fusion sector and what the necessary increase of talent for the ecosystem means.*

7. **EPSRC update** led by A Quadling: the context of the EPSRC grant being one component of the wider fusion programme research money was given. UKAEA has received a reduced funding level than hoped for. Mitigations via other aligned funding sources was given, e.g. Tactical Fund and International Science Partnerships Fund. The need for funding that can be used for fusion concept agnostic, low Technology Readiness Level research was highlighted. Examples were given to highlight the breadth and value of the research.

Plans to engage with academia via a cohesive University strategy and aligned support was provided. Mismatch of delegation of spending and timelines of PhDs was noted. Examples of synergies across disciplines to solve key fusion challenges were presented.

Key Outcome: *Next step is a more integrated UK R&D ecosystem for fusion; discussion considered how to leverage greater support across the science and innovation landscape, including options of how to permeate government support across high level science objectives.*

8. **STEP update** led by P Methven: Additional item to note since paper submitted was made - route map and timing of Outline Business Case is under discussion with BEIS policy team.

Approach for sequential de-risking of technologies was overviewed via a presentation of example technical roadmaps. The next step for these roadmaps is presentation at a Fusion Technical Advisory Group in January. The interplay of technical challenges, including running in parallel and interdependencies, was a focus of discussion. It was noted that a real accelerant would be moving these challenges from conceptual to practical as early as possible, this relies on getting industry onboard and engaged to take ownership of delivery.

Key Outcome: *Board asked for clarity on definitions, as they pertain to governance, within the paper; progress on the ALB business case where this is being evolved was outlined. The appointment of a transition partner will also support this via the expected initial work packages, starting ~ January. Update at next meeting requested.*

Actions:

Action ID	Section	Action Items	Owner(s)	Target time
UKAEA(22)6/3	8	STEP governance definitions and transition partner progress update at January meeting	Exec	Jan Board

9. **Any Other Business** led by D Gann

- i. **Incorporation of legal entities** – update given; decision made
- ii. **ITER project status update** – quality control problems, that cannot be fixed in place, will result in significant delays

Decisions:

UKAEA(22)6/D1 *Incorporation of legal entities decision made*

End of Minutes