

**Minutes of the August 2022 Extraordinary Board meeting**

**11th August 2022**

|  |  |  |  |
| --- | --- | --- | --- |
| **Location:** | LS Room, Culham and Remote, Teams call |  |  |
| **Members** |

|  |
| --- |
| David Gann (Chair)Stephen BarterMark BayleyAntonia JenkinsonRichard HookwayStephen HillierLuc Bardin |

 |
| **Attendees** | Tim BestwickLyanne MacleanAdam Baker (BEIS)Lyndsey Mooring (Secretariat)Paul Methven (Director of STEP) |

**Apologies** Ian Chapman

Eithne Birt

**MINUTES**

# chair’s opening remarks

*Welcoming remarks*

The Chair thanked the team for the papers and all involved regarding efficient pre-meeting preparations, especially the detailed review comments. Chair advised that the meeting would not focus on such comments today, as the UKAEA Executive can progress these and put into consideration. Therefore, the day’s focus was on any lack of clarity or options that require deciding.

Board were remined of the meeting’s remit:

1. Approve the proposal outlined for the establishment and governance of UK Fusion Solutions Ltd. as a subsidiary of UKAEA

2. Provide any additional guidance ahead of formal submission of proposals to SoS BEIS

*Declarations of Interest* – none declared

# Overview of Papers

As all participants had read the papers, the Director of STEP was invited to provide an overview and introductory comments. The shortened timescales were contextualised in current political circumstances and the opportunity it presented for UKAEA Board to steer at this stage highlighted.

# Q&A

Three areas were agreed regarding the nature and areas of comments captured by Board.

1. pertains to next stage of detail, leading to package of work to come back to Board, i.e., detailed operation design; shared services agreement; strategy and negotiations of such with partners
2. pertains to wider opportunities, i.e., business park, enterprise zone, further opportunities for inward investment into the programme.
3. pertains to the necessary parallel processing of items over the next 2 weeks that must be changed, edited to meet deadline of submission to the SoS (main aspect driving current timelines)

Owing to the importance of items viewed in “bucket” 3, these were the focus of the remainder of the meeting to ensure confidence of Board in considering the asked for approval to proceed to submission.

Chair sought agreement on the process and it was confirmed that specific drafting changes already highlighted can be actioned as none highlighted cause issue. The documents can be up issued with changes and circulated via email for final approvals – there is no need for another Board meeting to grant approval.

A detailed discussion regarding the governance diagram captured that if it is caveated that it is illustrative, and documentation supersedes it, they are more comfortable. However, Executive to consider alternatives.

Process itself, reflect on asking for approval, feedback from exec would be happy to provide it, with window of opportunity to capture feedback and progress to make the best happen, that then wouldn’t require coming back to board

Committee commended the team for the stakeholder management and advised on how to consider the interplay of the items in the 3 “buckets”, especially to ensure decisions and philosophy for items in one don’t negatively impact items in another; aim to keep options open that warrant further detail.

The ongoing changes and situation regrading financial arrangements, risk and multi-year funding, were discussed. Obtaining multi-year aspect from SoS would be beneficial. Board advised considering how to ensure proposal is viable even if not fully funded.

The BEIS representative reassured the Board that there maintains cross government support for this proposal. Any uncertainty is with the underlaying specific, that are being worked though as per the approval route.

Chair asked the BEIS representative to flesh out next steps, timing owing to political changes, and to track forward from point of receipt by SoS. They confirmed subsequent steps at approval via Cabinet Office and Treasury. Other approvals may also be required to establish a new Arm’s Length Body. Next steps will depend on who is in post, however they noted that they are not expecting push back as many officials already involved.

Best case scenario for timings is approvals mid-autumn / before Christmas with approval to set up UKFS next financial year.

The necessary updates to the UKAEA framework were highlighted, including Board Terms of Reference. Such items can be progressed as Business as Usual.

The Chair sought additional comments from members, and focus turned to whether UKFS should be UKAEA’s number 1 priority. The BEIS representative clearly captured that it would be concerning to have UKFS or STEP as the top priority for UKAEA when UKAEA has stewardship of the entire fusion sector. STEP is a large part of that, but the mission is broader and BEIS would not want to draw focus away from that.

Discussions confirmed further that BEIS budget is delegated to UKAEA for its portfolio of programmes, only one activity is for STEP with normal funding conditions, so UKAEA can’t pull funding from other programmes. The Executive clarified and gave reassurance that STEP is a main customer, and this is more about not deprioritising other things. The importance of the Service Level Agreement, and details within, between STEP and UKAEA was captured.

Chair advised that the various definitions of Intellectual Property within the documentation pack will need cleaning up. Director of STEP confirmed this will be captured in the Commercial Strategy that is being progressed for submission to the Commercial Assurance Board.

Board considered the risks now being faced in this process. This was seen as 2 phased by the Detector of STEP, 1) ensuring any freedoms granted are not watered down via increased levels of oversight 2) post SoS submission, detailed arrangements embed complexities that cause issues.

Board was asked to advocate for the freedoms necessary.

The increased traffic of Freedom of Information requests was considered, along with an understanding that this will rapidly grow. Nothing specific to action currently, just sharing awareness.

The Chair wrapped up the discussion capturing the feeling that board were happy to take the documentation forward, with amendments, for SoS submission. Members agreed.

# Approvals sought

**The Board approved, with subject to the final revision, the proposal outlined for the establishment and governance of UK Fusion Solutions Ltd. as a subsidiary of UKAEA, and progression of the proposal to submission to SoS UKAEA(22)4/D1**

**Board requested to be informed when the this has been completed and sent to the SoS. UKAEA(22)4/1**

**The Board approved to incorporate UK Fusion Solutions Ltd. immediately, as a dormant company, to the secure the name UKAEA(22)4/D2**

Next stage board would welcome is business plan, outwards risks and management plans.

*Meeting closed.*