# UKAEA Board Meeting

# **Meeting Reference UKAEA(22)5**

|  |  |  |  |
| --- | --- | --- | --- |
| **Location:**  **Date:**  **Time:** | UKAEA Culham, RACE board room 21st September 2022 0900 - 1700 |  |  |
| **Members:** | David Gann (Chair)  Ian Chapman  Stephen Barter  Mark Bayley  Antonia Jenkinson  Richard Hookway  Eithne Birt | **Attendees:** | Tim Bestwick  Lyanne Maclean  Adam Baker (BEIS) remote  Lyndsey Mooring (Secretariat) |
| **Apologies** | Luc Bardin  Stephen Hillier |  |  |

# **Agenda Items**

1. **Chair’s opening remarks** led by D Gann**:** An update was given regarding the NED appointment process; the wider political activities have added a delay in the process (~10 weeks). However, 5 interviews were conducted last week, with a further 5 planned for this week. After panel recommendations are made, Ministers will make the final decision.

For all NEDs appraisals will be carried out.

No key actions were taken out of the discussions for this session.

**No interests were declared**

1. **Minutes and Actions Review, UKAEA(22)ExtraM1 and UKAEA(22)M4** led by D Gann**:**

Minutes review:

* UKAEA(22)ExtraM1 – no changes
* UKAEA(22)4 (July meeting)
  + 1.1 remove name of appointment
  + 3.6 clarified sentence
  + 3.3 clarified sentence
  + 3.8 redaction
  + 3.11 caveat with “CCDP2”
  + 3.13 clarified sentence

Action review:

* + - 1. UKAEA(21)6/2 – complete, on Agenda – see Digital strategy paper
      2. UKAEA(22)3/2 - complete, on Agenda
      3. UKAEA(22)3/3 – complete, on Agenda
      4. UKAEA(22)4/4 – open, working with Board Intelligence to initiate 2 factor authentication, please email your mobile numbers to Lyndsey.
      5. UKAEA(22)4/5 - complete, SharePoint set up, establishing access via UKAEA email addresses
      6. UKAEA(22)4/6 – open, propose Nov delivery to allow time to investigate
      7. UKAEA(22)4/7 – closed owing to change in EA and HSE invites / agenda
      8. UKAEA(22)Extra1/1 – closed owing to wider political changes

Actions:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Action ID** | **Section** | **Action Items** | **Owner(s)** | **Target time** |
| UKAEA(22)5/1 | 2 | Rights of approval, later amended to:  Prepare a proposal for the Board’s involvement in each of the matters reserved for approval in relation to UK Fusion Solutions in its Shareholder and Framework Agreements | Exec | Nov Board |
| UKAEA(22)5/2 | 2 | STEP technical update paper; later amended to:  Paper setting out the major technical challenges in the design and development of STEP; an assessment of the prospects and timeframe for overcoming them, and the work UKAEA is doing to overcome them. | Exec | Nov Board |

**Decisions:** NA

1. **Executive Board report** led by I Chapman, A Jenkinson, T Bestwick and L Maclean**:** points discussed from sections within the paper:

1.4 Parliamentary select committee, the text has been drafted and is going through internal review

1.5 ITER Council new DG, verbal update that Pietro Barabaschi has been appointed

1.7 COO advert closes end of Sept

2.5 US situation, a few verbal updates provided: senate hearing last week, some fusion amendments on semi-conductor bill – shows a lot going on regarding US fusion policy, for example establishing private-public partnership for at least 2 concepts.

Discussion considered how fusion sits within the priorities of new appointments within Govt. EPSRC and funding for fusion considered, also in context of ARIA.

3.8 STEP Siting, update given from BEIS including a write round to departments planned for 29th Sept

4.5 Fusion22, event planning and marketing has gone well, with high numbers of registrations and full programme confirmed. UKAEA are commissioning a film of the event for further engagement. Board encouraged to attend the event

5 Corporate services – campus development, so far handling cost inflation issues with no impact on scope. The contingency within Fusion Foundations is being used. We had previously fixed JET energy prices for 3 years. Tritium handling are likely to face risks regarding delivering scope to original costs – already captured as risk. The river crossing planning has been delayed, pushing back Fusion Foundations planning.

Further details on Harwell provided regrading refinancing debt facility and a new holding company, this is a focus for Property Sub-committee

5.6 Pensions accounts – update coming at next ARAC

Communications Report – good content to see across various channels, Board can support with amplification on their own social media.

**Key Outcome:** The landscape regarding JET IP, particularly historic IP was considered. Board thought it was a pragmatic proposal and approved using the approach.

Operations – 12% turnover of staff highlighted to Board, discussion regarding if concentrated or even spread, noting pay progression is biggest reason given. The need for more bands within pay structure outlined, this is captured in the Pay Case

**Actions:**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Action ID** | **Section** | **Action Items** | **Owner(s)** | **Target time** |
| UKAEA(22)5/3 | 3 | Board will add talent into Letter to SoS | DG | Nov Board |

**Decisions:**

**UKAEA(22)5/D1** The landscape regarding JET IP, particularly historic IP was considered. Board thought it was a pragmatic proposal and approved using the approach.

1. **Sub-committee updates**

**ARAC** led by R Hookway**–** Pensions and accounts will be focus of next meeting

1. **P and RemCo** led by E Birt **–** last meeting covered senior leadership team objectives, gender pay gap an ongoing focus, first draft of People Strategy reviewed. Regarding Inclusion Council, committee has been impressed by the chairs of staff network; plan to hold council 2 times per year

Question was raised “Could UKAEA do something short term and impactful to shift Gender pay gap”. Whilst this is a focus of the Gender Pay Gap Panel, it was noted that change will be slow as the biggest issue is the imbalance in UKAEA’s demographic which will only change slowly with attrition and recruitment

**PSC** led by S Barter **–** no meeting since last board

**Key Outcome:** Discussion considered if adding land purchase into the Alternatives portfolio was right approach, concluding it was.

Actions: none taken

Decisions: NA

1. **Alternatives** led by I Chapman**:** comments regarding the Strategic Outline Business case were taken. Clarification was given in terms of the baseline starting position in a budget context, BEIS confirmed money for Association has been earmarked. The feedback from the PIC sponsor was given to Board – approach regarding risk sharing with ITER and industrial strategy.

Board was informed that the BEIS Fusion Senior Sponsorship Group is changing to provde greater portfolio oversight.

**Key Outcome:** Alternatives impact on management and leadership in terms of delivery considered by Board. Current head count cap was agreed in an assumed association scenario, so this has been flagged in the Business Case

**Actions**:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Action ID** | **Section** | **Action Items** | **Owner(s)** | **Target time** |
| UKAEA(22)5/4 | 6 | Board considers writing a letter of support to the SoC | DG | Nov Board |

**Decisions**:

**UKAEA(22)5/D2** Board endorses Alternatives SOBC

1. **Finance,** led by A Brown**:** UKAEA successfully laid accounts. Management letter coming from National Audit Office, no major items anticipated. Key highlights raised included ongoing trajectory of below spend, some underspends in JET costs, returning to BEIS as a saving. Q2 forecast is current focus. Key risk raised, and being dealt with through ARAC, is Audit cost.

We have just completed a submission for BEIS regarding inflation. Construction, steel and raw material costs, flagged for first time. Seeing inflation owing to Turn Over rate with new hires and contractor market. Regarding energy costs, UKAEA is somewhat insulated as fixed JET pricing. Looking out to 2024 there is a risk in respect to decommissioning as that is when inflation will be felt, so modelling now key.

***Key Outcome***: Board discussed the KPIs and how/what they reflect.

**Actions:**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Action ID** | **Section** | **Action Items** | **Owner(s)** | **Target time** |
| UKAEA(22)5/5 | 7 | At next meeting recalibrate / sense check KPIs for Business Units | AB | Nov Board |
| UKAEA(22)5/6 | 7 | Finance variance presented against budget as well as forecast for Business units, update tables | AB | Nov Board |

**Decisions** NA

1. **Social Media Guide** led by T Bestwick

***Key Outcome:*** Board noted messaging guide in pack

**Actions:** none taken

**Decisions** NA

1. **Any Other Business** led by D Gann
   1. ***Arm’s Length Body and Public Sector Research Establishment reviews –*** these are two, slightly differing, activities UKAEA will have to go through in the next year. UKAEA is one of the nine BEIS ALBs being reviewed next year, we are assuming we will be completing the full, deep dive review, and have begun preparing accordingly. Board agreed to approach, and will support
   2. ***Strategic Introductions –*** action closed, considered BAU
   3. ***Influential Champion –*** any ideas to be shared with L Mooring
   4. ***Computing Division plans –*** bring reduced paper on plans
   5. ***New Head of Campus Development –*** delegation approval sought

***Actions***

|  |  |  |  |
| --- | --- | --- | --- |
| **Action ID** | **Action Items** | **Owner(s)** | **Target time** |
| UKAEA(22)5/7 | ALB review – board to begin considering at next meeting | Exec | Nov Board |
| UKAEA(22)5/8 | UKAEA to update mergers papers in support of ALB preparations | IC | Jan Board |
| UKAEA(22)5/9 | Computing Division - bring reduced paper on plans | Exec | Jan Board |

***Decisions:***

**UKAEA(22)5/D3** New Head of Campus Development – Board approves new delegation

**-------**

**End of Minutes**