# UKAEA Board Meeting

# **Meeting Reference UKAEA(23)A1**

|  |  |  |  |
| --- | --- | --- | --- |
| **Location:**  **Date:**  **Time:** | UKAEA Culham, HOW room 20th January 2023 0830 - 1500 | |  |
| **Members:** | David Gann (Chair)  Ian Chapman  Stephen Barter  Mark Bayley  Antonia Jenkinson  Richard Hookway  Eithne Birt  Luc Bardin (remote)  Stephen Hillier  Sue Gray | **Attendees:** | Adam Baker (BEIS)  David Sandford (BEIS) (am, remote, am)  Alli Brown  Lyndsey Mooring (Secretariat)  Tim Bestwick (remote, item 1-4)  Joe Milnes |
| **Apologies** |  |  |  |

# **Agenda Items**

1. **Chair’s opening remarks** led by D Gann**:** welcome to S Gray, new NED, also D Sandford, A Brown and J Milnes who are joining at this time of transition. Congratulations to I Chapman for his Knighthood.

Chair overviewed process for finding new members; an update was provided by BEIS and how members can engage with the recruitment process. Experience of timelines shared. Chair gave an overview of expected focus for the remainder of their term.

D Sandford introduced himself, his role and outlined anticipated ways of working.

**No interests were declared**

1. **Minutes and Actions Review, (22)M6** led by D Gann**:**

Minutes review:

* UKAEA(22)M6
  + Pg 3 ARAC – sentence clarified
  + Pg 5 AOB – incorporation of legal entities decision confirmed
* Action review:
  + - 1. UKAEA(22)3/5 action reviewed, one of two SC clearances achieved; action ongoing for remaining
      2. UKAEA(22)4/3 action reviewed, email addresses provided, next step for March Board
      3. UKAEA(22)5/1 action reviewed, details already progressed will be recirculated (AJ); action updated to Nov Board
      4. UKAEA(22)5/8 on Jan agenda; action complete
      5. UKAEA(22)5/9 on Jan agenda; action complete
      6. UKAEA(22)6/3 on Jan agenda; action complete

Verbal update on legal entities given by AJ.

1. **Pay Case Progress Update:** led by I Chapman: questions from committee covered:

* How UKAEA will measure and demonstrate benefits captured in annex– there are standard ways from Cabinet Office and Treasury that have been included in this case and will be used. The necessity and timeframe to balance costs and savings was reiterated.
* Primary action available to UKAEA is in regard to contingent labor – this reliance on contingent labour was regarded by the Board as sub-optimal, as a mitigation to pay and recruitment issues. This has been reviewed and a policy to generate the necessary methods approved. Wider efficiencies and productivity beyond this were raised by Board, particularly in terms of the STEP SPV. The longer timeline of this opportunity was acknowledged by members.
* Points within the Cabinet Office Pay Case letter were considered and how they translate into ways of working with government noted.

***Key Outcome:***  *Board are pleased with the outcome of the pay case and thank the teams involved. Once the remaining steps are completed Board will consider further actions and this will be a priority for next strategy day.*

1. **Executive Board report** led by I Chapman, A Jenkinson, T Bestwick and J Milnes**:**

Exec highlighted the following to Board:

* UKIFS now approved by Cabinet Office and Treasury
* Ministerial visits planned for 6th Feb to announce UKIFS
* 1.1 Alternatives case, Chief Secretary to the Treasury (CST) approved; head count cap numbers flagged as a risk. Anticipate a paper to Cabinet Office next week, this will cover cross departmental advice regarding EU programmes. BEIS commented that the Eurofusion Alternatives case is in a good place and ready to enact when a decision is taken. Opportunity cost with delayed decision outlined to committee.
* The important work of UK government regarding regulation was contextualized for Board.
* 2.5 visits – recent senior level visits with private sector financiers and companies demonstrate clear, strategic interest in fusion energy.
* Upcoming government led events for fusion were highlighted.
* Fusion Foundations Programme: Power Supply risk and the associated mitigations were reviewed. Current escalation being undertaken were deemed appropriate.
* Land acquisition update given.
* Planning application for General Fusion development has been granted.
* Board noted their interest in increasing visibility of Harwell JV during meetings
* B&FM business cases successfully approved and funded by BEIS.
* Fusion 24 will be the follow up event from the successful Fusion 22, likely around February in London
* Heads of Terms signed with First Light Fusion
* Number of collaboration agreements with private sector companies are growing
* Executive are exploring merging assurance and SHEQ functions into one role

***Key Outcome:*** *Executive proposed a list of approaches on risk appetite and therefore short-term delivery scenario of the Alternatives package for Board’s consideration.**Board noted that significant risk exists regarding opportunity costs of not progressing ahead of pivot decision. Board is in full support of preparatory work.*

*Board endorse Culham Science Centre name change to Culham Campus, and trading name to become UK Fusion Energy Authority*

**Actions:**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Action ID** | **Section** | **Action Items** | **Owner(s)** | **Target time** |
| UKAEA(23)1/1 | 4 | Board meeting to be held a Harwell during 2023 | TB | June |
| UKAEA(23)1/2 | 4 | Dimensions of commerciality as more private sector companies join Culham Campus to be added as agenda item | TB | March |

**Decisions:**

**UKAEA(23)1D1/1** *Alternatives:* *Board is in full support of the preparatory work proposed by the executive:*

1. High-level project / programme planning within a small group of the existing team, resulting in some delay to existing programmes in order to mobilise others
2. Planning in increasing fidelity with a wider technical team using existing budgets to pump-prime
3. Advertising the additional roles needed to deliver the Alts portfolio
4. Reorganising the UKAEA senior management to deal with the Alternatives portfolio. This is achievable within the dispensation BEIS secured for our senior staff last year since that allows up to 2% of the workforce and we currently have 1.3% filled although it would be difficult/impossible to undo if government decide not to pivot
5. Establishing formal project boards and reporting, resourcing projects by taking some experienced people from existing projects and back-filling with new appointments / industry participation
6. Appointing to new roles to deliver the Alts portfolio ahead of decision so we can hit the ground running
7. Placing contracts for scope of work that is planned under Alternatives, at least in design phase, up to exposure of a few £m to be managed as a risk within the UKAEA portfolio

**UKAEA(23)1D1/2** *Board endorse Culham Science Centre name change to Culham Campus, and trading name of the PSRE part of our operations to become UK Fusion Energy Authority*

1. **Finance,** led by A Brown: performance story remains the same from last meeting. Working with BEIS Finance team regarding portfolio management and reprofiling for Fusion Foundations, to be progressed through the Project Assurance Group (PAG) route. An update on the emerging fraud incident, which spans two other ALBs, was provided.

***Key Outcome:***  *Laying date for Annual Report and Accounts will be moved post-recess to assist with wider parliament and process workload management. Impact on audit and timing of JET Decommissioning business case overviewed. Timing has been tested by ARAC and as a one off seems reasonable.*

1. **Sub-committee updates**

**ARAC** led by R Hookway– report taken as read and questions invited. A letter has been provided to AO for UKAEA Pensions in support of laying Pension accounts. Clarity of ownership of Pension scheme will be provided by BEIS. Clear style of sub-committee report noted; chairs encouraged to adopt the style.

Road safety incidents appear to be on the up; safety site rules update given.

**PSC** led by S Barter **–** committee’s focus at recent meeting overviewed. Regarding West Burton site the breadth of work and therefore timelines involved were highlighted.

BEIS will share communications plans regarding upcoming announcements.

1. **Senior Management Structure,** led by I Chapman**:** paper taken as read.Committee asked for clarity on costing; potential to fill the proposed roles; number of direct reports to CEO; impact and opportunities in terms of EDI.

***Key Outcome****:* *Follow on detailed questions answered by executive. Reassurance given by P & RemCo chair regarding their involvement in iterating the proposal.*

**Decisions:**

**UKAEA(23)3** Senior Management Structure: Board approve structure and are happy for executive to implement, taking on board comments from meeting

1. **Computing Division update** led by A Hynes and R Akers: overview of roles and responsibilities of presenters, and their teams, given. Presentation paper taken as read and status update of new division provided. Board considered:

* Recruitment - opportunities and risks, as well as methodologies
* Cyber security - inclusion in division remit
* Finances – cost build up
* Balance of need – resource and machines
* Calibration – UKAEA capability versus others
* Roadmap – further details on partners, private sector, spin outs
* Assets – how they will be leveraged to yield value for UKAEA
* HPC – consider key aspect of collaborations

***Key Outcome:*** *Roadmap later in the year is key next step.*

1. **ALB review** led by K Nicholson: paper taken as read. Introduction to ALB review given, including plans and anticipated timelines; the two forms of assessment were explained. If a deep dive review results the further actions required were noted. Board was provided specific questions they may wish to consider and answer on. BEIS gave overview of the purpose of such reviews and the need of government they answer, leading into potential outcomes.

Benchmarking to inform efficiencies has already arisen through ARAC discussions.

***Key Outcome:*** *Board noted the opportunity the ALB review offers as well as the timing of their involvement (eg. Interviews for deep dive) and the alignment with other strategic activities. The draft response will come back to March Board.*

1. **Risk update** led by N Barber: key themes:

* Draft risk appetite statement and proposed changes, this will come back at a detailed session in March
* New items in paper – draft opportunities tracker
* Risk process improvements update provided
* Risks were reviewed – dashboard explained, including trajectory as forward look; top risks noted

ARAC chair noted the deep dives on risk that form a routine aspect of its duties; committee also noted the work of the corporate risk review group. Both underpin the overview provided in the risk documents presented.

***Key Outcome:*** *Board is happy with the style and content of the papers.*

1. **STEP updates** led by P Methven: progress since November Board meeting provided. Sign off for establishment of Special Purpose Vehicle by Cabinet Office and Treasury; successful Fusion Technical Advisory Group review; evolution of operating model and transition towards that model. BEIS will be socializing readout from FTAG ahead of Outline Business Case (OBC) submission and an Annex to the case will address progress made against the recommendations.

***Key Outcome:*** *Draft approvals timeline for OBC shared. Plan requested.*

**Actions:**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Action ID** | **Section** | **Action Items** | **Owner(s)** | **Target time** |
| UKAEA(23)1/3 | 10 | STEP: plan for OBC approvals timeline – include in next update | PM | March |

1. **Any Other Business** led by D Gann
   1. ***Changes to UKAEA site name (Culham Campus) and trading name for PSRE operations (UK Fusion Energy Authority) –*** endorsed
   2. ***Confirm A Brown as Authority Secretary -*** *endorsed*
   3. ***Adding P Barham as an authorised signatory of deeds for the Authority -*** *endorsed*
   4. ***Confirming T Bestwick as co-Director of UKAEA dormant subsidiaries -*** *endorsed*
   5. ***Confirming I Wallace to be appointed as the Director of Harwell PubSP - JV with UKRI –*** *endorsed*

***Decisions:***

***UKAEA(23)1/D4*** *Changes to UKAEA site name (Culham Campus) and trading name for PSRE operations (UK Fusion Energy Authority) - endorsed*

***UKAEA(23)1/D5*** *Confirm A Brown as Secretary to the Board - endorsed*

***UKAEA(23)1/D6*** *Adding P Barham as an authorised signatory of deeds for the Authority - endorsed*

***UKAEA(23)1/D7*** *Confirming T Bestwick as co-Director of UKAEA dormant subsidiaries - endorsed*

***UKAEA(23)1/D8*** *Confirming I Wallace to be appointed as the Director of Harwell PubSP - JV with UKRI – endorsed*

**-------**

**End of Minutes**