

BOARD MEETING

Meeting Reference UKAEA(23)6

- Date** Thursday 16 November – Friday 17 November 2023
- Time** 1400-1740, 0830-1120
- Location** UKAEA FTF Offices, Unit2A Lanchester Way, Advanced Manufacturing Park, Catcliffe, Rotherham, S60 5FX
- Members**
- | | |
|---------------------|-----------------------|
| Eithne Birt (chair) | Luc Bardin |
| Ian Chapman | Sue Gray |
| Ruth Elliot | Stephen Hillier |
| Tim Bestwick | Mary Ryan |
| Stephen Barter | Robin Grimes |
| Richard Hookway | Lee McDonough (DESNZ) |
- Attendees**
- Edward Lewis-Smith (Sec)
 - David Gann (UKIFS NED)
 - Justin Kingsford (UKAEA COO)
 - Alison George (new DESNZ UKAEA Sponsor)
 - Adam Baker (former DESNZ UKAEA sponsor)

Agenda Items

The agenda order was changed from that distributed before the meeting.

- 1. Chair's opening remarks** led by E Birt: the Chair welcomed the new members to the Board: Lee McDonough, Robin Grimes, and Mary Ryan.

Declarations: None declared

- 2. Minutes and Actions Review [UKAEA(23)M5]**, led by E Birt:

Minutes review:

- UKAEA(22)M5
 - P.3: amend “??” (relating to the due date for the action of the board effectiveness review recommendations to) to January Board.

Action review (of ongoing and due/overdue actions):

Reference	Action	Actionee	Update at this meeting
UKAEA(22)3/5	Seek SC level clearance for all NEDs	J Kingsford	Ongoing.
UKAEA(23)3/2	Exec to provide key points from latest ITER news, linked to the STEP timeline, to assist Board's understanding.	I Chapman	Closed as a specific action – this would be part of Exec Board report as a matter of routine.
UKAEA(23)3/3	Exec will update Board at next meeting regarding fixes to mandatory safety training, considering the	Exec	Closed as a specific action given the progress made.

	relevant Corporate Performance Measure		
UKAEA(23)4/4	Paper on financial/investment landscape requested by Board	T Bestwick	Closed ; see agenda item below.
UKAEA(23)5/3	Setup sub-group for review of governance and target operating model readiness criteria	PM/CP	Closed : meeting set for December.

3. Sub-committee updates [UKAEA(23)6 Sub-committee reports]:

Property Sub-committee led by S Barter. Oral update: noted the latest position of the HIF planning application and the ongoing work to define STEP site requirements. Last meeting focused on the property strategy, the options for redevelopment of existing buildings and development of new buildings. Revised property strategy due in February, to be presented to Board in March. The Board was informed that UKAEA has been invited to participate officially in the enquiry related to the HIF plan.

People & RemCo led by E Birt. From the paper highlighted topics were the Board succession plan being agreed by RemCo and in the increase in female applicant numbers for apprenticeships and graduate positions, which the Board welcomed. UKAEA Chair sift has been undertaken, with interviews expected in January. The CEO is confirmed as a NED on UKFS Board. A brief update on UKIFS Board appointments was provided, with a detailed briefing to follow at the next Board.

ARAC led by R Hookway: A George confirmed as DESNZ attendee of ARAC. Accounts to be signed imminently, noting two unadjusted differences relating to the JET provision and JET property valuation. Pensions accounts also have been completed.

Actions:

Action ID	Section	Action Items	Owner(s)	Target time
UKAEA(23)6/1	3	D Gann to provide update on UKIFS Board appointments.	D Gann	January Board

4. **UKAEA Spin-out policy [UKAEA(23)6 Principles of Commercialisation...]** led by T Bestwick, who summarised the paper, confirming that this is focused on governance rather than strategy. The Board raised potential challenges in determining what may or may not be 'novel and contentious' for governance purposes. The Board sought clarity on HMG's position and a better understanding via a test or first case, in order for a decision to then be made on governance on this topic.

Actions:

Action ID	Section	Action Items	Owner(s)	Target time
UKAEA(23)6/2	4	DESNZ to explore this issue with HMT, with reference to existing delegations, precedent and Government Office for Technology Transfer.	L McDonough	January Board
UKAEA(23)6/3	4	UKAEA to develop first case to put to Board; setting out more on the strategic side as well as the proposed governance for future spin-outs.	T Bestwick	January Board

5. **Verbal debrief from FSDB** led by L McDonough. The cross-government FSDB is intended to navigate and accelerate where possible HMG assurance and oversight processes. The Board noted that the inaugural meeting of the FSDB had been a productive discussion.

6. **Executive Board report, [UKAEA(23)6 Board report]**, led by I Chapman, T Bestwick, J Kingsford, R Elliot, who highlighted the following to Board:

- 1.3: ITER had run for two years without a baseline. Further announcements with regards to schedule are forthcoming, around which UK and UKAEA communications should be considered carefully.
- 3.10: Eurofusion: the Board heard that discussions remain ongoing on nature of future UK participation.
- 5.1: ENI: UKAEA is now in the final stages of ongoing commercial discussions.

Subsequent discussion focused on:

- The scope and nature of UK-US fusion collaboration, particularly the human dimension;
- The value of COP28 for UKAEA and fusion;
- The need for future Board meetings to have a standing item on safety;
- Forthcoming changes to the UKAEA pension scheme, and UKAEA's plans for communicating these;
- Policies on tenants and licensees of Oxford Innovate, to mitigate reputational and commercial risks to UKAEA.

Reference	Minutes Section	Decision
UKAEA(23)D6/1	5	Future Board meetings to include a standard item on safety.

7. New members updates: new members introduced themselves. Chair noted the growth in the Fusion Team in DESNZ, which the Board welcomed while recognising outstanding challenges arising from the machinery of government changes.

8. Financing fusion [UKAEA(23)6 Fusion investment note], led by T Bestwick. Discussion noted:

- The potential for consolidation in the industry and the evolving nature of potential investors and sources of capital;
- UKAEA's role in supporting the market to mature in a way that is neutral and informed by its technical expertise and mission to support the UK fusion sector as a whole;

Action ID	Section	Action Items	Owner(s)	Target time
UKAEA(23)6/4	7	T Bestwick to update the Board on UKAEA engagement with industry and investors with respect to a fusion fund.	T Bestwick	January Board
UKAEA(23)6/5	7	DESNZ, UKAEA and other government departments to decide whether and how to organise an event for potential fusion investors.	T Bestwick / L McDonough	January Board

9. STEP update and Concept Maturity Level [UKAEA(23)6 STEP CML slides], led by P Methven. Opening remarks highlighted the strength of analysis and skills of the design team but also the ongoing challenges within the design workstream. The Board welcomed the fidelity of the design at this stage – recognised as unmatched by any fusion power plant project around the world – and noted how this also exemplified major project good practice, in terms of design, management and decision-making. The Board remained conscious of the very significant outstanding technical risks associated with STEP, which will endure throughout this highly ambitious programme. The work remains on track for the Fusion Technical Advisory Group in February. The Board noted the potential implications of a re-established technical baseline for cost and schedule, recognising that this would only be possible once Whole Plant Partners had been fully onboarded and integrated into the programme, and considered how best the programme should communicate success and progress to date with key stakeholders and potential investors.

Action ID	Section	Action Items	Owner(s)	Target time
UKAEA(23)6/6	8	STEP to return to Board with a full update following the Fusion Technical Advisory Group.	D Gann/P Methven	March Board

10. Finance update [UKAEA(23)6 Finance], led by A Brown. Points highlighted included: the ESS supplier failure, the financial risks associated with the budgetary transition from JET operations to decommissioning; and the recent completion of accounts and the unqualified audit, which were welcomed by the Board. The Board discussed the implications on budgetary processes of the Machinery of Government changes.

11. Spending Review update [UKAEA(23)6 Spending Review update], led by R Elliot. The discussion noted: the expected economic and political drivers around the next SR, and the assumptions involved, such as those related to site development and pensions. The Board agreed that the efficiency story is very important to demonstrate, as well as the need for effective benefit and impact reporting – work on which the Board noted was broadly on track.

12. Fusion Futures [UKAEA(23)6 Fusion Futures update] led by I Chapman. The discussion noted: how changes since the SOBC have resulted in an evolution of some of the project proposals; how the business cases will focus on aims, outcomes and benefits (rather than activities); and how a reduction in levels of UKAEA staff turnover is necessary for the efficient delivery of the Futures programme. The Board also acknowledged that the business cases would need to be reviewed and approved promptly in January given submission timetables – some Board members volunteered to review a draft in December to provide feedback in advance of this time.

13. Any Other Business led by E Birt;

- **Change and transformation:** CEO updated the Board on Fit for the Future, the change programme running over last 15 months involving consideration reorganisation and recruitment – the Board considered whether and how the Board could provide further support in this area;
- **End of JET operations:** Board noted the depth of support and commitment to JET amongst the sector, and the implications of the end of JET operations on the UKAEA visitor experience. The Board suggested an increased focus on STEP while at the same time a renewed strategic narrative that foregrounds the enduring scientific mission of UKAEA;
- **IAEA FEC and technical meetings:** The Board agreed that it would be helpful from members to receive from William Morris, UKAEA Chief Scientist, technical reports from IAEA meetings and other key events.
- **Board Induction:** The Secretariat will work with new members on induction, flagging the offer to existing members on refreshing materials and arranging interviews and visits.

Action ID	Section	Action Items	Owner(s)	Target time
UKAEA(23)6/7	8	Secretariat to establish process by which UKAEA Chief Scientist can distribute to the Board scientific reports from key international meetings.	E Lewis-Smith	January Board
UKAEA(23)6/8	8	Secretariat to coordinate induction visits and meetings for new members and existing members that would like them.	E Lewis-Smith	January Board

14. Concluding remarks led by E Birt;

- Chair and CEO expressed the Board's deep thanks and gratitude to Adam Baker for his many years of strong support in Government for UKAEA and attendance at the Board.

Attendance record:

Position	Name	Present	Absent
Members	Eithne Birt	/	
	Ian Chapman	/	
	Ruth Elliot	/	
	Tim Bestwick	/	
	Stephen Barter	/	
	Richard Hookway	/	
	Luc Bardin	/	
	Sue Gray	/	
	Stephen Hillier	/	
	Mary Ryan	/	
	Robin Grimes	/	
	Lee McDonough	/	
Attendees	Edward Lewis-Smith	/	
	Alison George	/	
	David Gann	/	
	Justin Kingsford	/	
Guests	Adam Baker	/	

End of Minutes