



BOARD MEETING

Meeting Reference UKAEA(24)3

Date 22nd May 2024

Time 1000-1600

Location UKAEA 'Culham' Board Room, C7

Teams

Members

Bernard Taylor (Chair)	Luc Bardin
Eithne Birt	Sue Gray
Ian Chapman	Stephen Hillier
Ruth Elliot	Mary Ryan
Tim Bestwick	Robin Grimes
Stephen Barter	Lee McDonough (DESNZ)
Richard Hookway	

Attendees

Edward Lewis-Smith (Sec)
David Gann (UKIFS Chair)
Justin Kingsford (UKAEA COO)
Alison George (DESNZ)

Agenda Items

1. **Outgoing Interim Chair Remarks** led by E Birt:

E Birt thanked colleagues for their support during her period as Interim Chair and welcomed Bernard Taylor as Chair. E Birt also welcomed the new buildings and development on site as being hugely encouraging for the prospects for UKAEA.

2. **Incoming Chair - Opening Remarks and Declarations** led by B Taylor:

B Taylor thanked colleagues for their support and UKAEA staff in providing a helpful induction.

Declarations: B Taylor noted that he has sent in his declarations already. No new declarations.

3. **Minutes and Actions Review, UKAEA(23)M2** led by B Taylor:

Minutes review:

- UKAEA(24)M2: Approved.

Actions review:

Reference	Action	Actionee	Update
UKAEA(23)6/2	DESNZ to explore spin-outs governance issue with HMT, with reference to existing delegations, precedent and Government Office for Technology Transfer.	L McDonough	DESNZ and UKAEA have agreed an approach to approving spin-outs. Closed.

UKAEA(23)2/2	Report on the Ethnicity pay gap and any suggested treatments by the May Board.	J Kingsford	J Kingsford will provide a more detailed update in July once further investigations are conducted. Extend to July.
UKAEA(24)2/1	Lee McDonough and CEO to discuss potential approval routes for computing opportunities and update the Board as necessary.	I Chapman	I Chapman updated the Board that specific opportunities are not in a position to require this at this stage. Closed.
UKAEA(24)2/3	Secretariat to include the final FTAG report in next pack for information.	E Lewis-Smith	Will follow in July.
UKAEA(24)2/4	Submit short paper on the protection mechanisms of the UK position in the governance arrangements of UKIFS.	R Elliot	Included in pack. Closed.
UKAEA(24)1/2	Board to be updated on board effectiveness review recommendations.	E Birt	On agenda. Closed.
UKAEA(24)2/2	CFO to invite FT team and industry partners to present at a future Board meeting.	R Elliot	On agenda. Closed.

4. Executive Board Report & Risk dashboard, led by I Chapman, T Bestwick, J Kingsford, R Elliot:

UKAEA(24)3-Executive Board Report:

The Board discussed elements of the report, focusing particularly on the international updates.

UKAEA CEO updated the Board on ongoing pay flexibility negotiations with HMG. The Board was reminded that the UKAEA pay scales date from 1998 and that, while turnover has reduced from 15% to 10%, the extreme recruitment and retention challenges stemming from those pay scales remain unsustainable for the organisation. The Board acknowledged the considerable body of evidence behind this position.

The Board was firmly of the opinion that the approval of the pay flexibility case as submitted to HMG is essential for the organisation to retain its uniquely skilled workforce, deliver the UK's Fusion Strategy and remain globally competitive. The Board noted that the Chair is engaging with Ministers, and is also prepared to write formally to Ministers on this subject.

UKAEA(24)3-Risk Dashboard:

The Board welcomed the new approach to risk reporting for the Board. The Board suggested reformulating JET risks as currently represented.

5. Fusion Strategy Delivery Board (FSDB) Update (verbal) led by L McDonough:

L McDonough noted the discussions at the recent FSDB, which the Board welcomed.

6. DoE bid update, UKAEA(24)3-DoE bid summary and approval record, led by I Chapman:

CEO updated the Board that DoE changed the terms of the bid after submission, and that a tender will be accordingly re-issued in due course. The Board will be updated as and when required.

7. Board Governance (including Effectiveness Review), led by B Taylor, E Birt:

UKAEA(24)3- Board Governance

UKAEA(24)3 – Effectiveness Review update

The Board approved the paper submitted, noting that Eithne Birt will as outgoing chair lead on NED appraisals. The Board was also content with the update on Board Effectiveness Review actions. UKIFS Chair asked for UKAEA Board induction materials to be shared with UKIFS Board secretariat.

Reference	Minutes Section	Decision
UKAEA(24)3/D1	7	The Board agreed: 1) to undertake the annual NED appraisals by September 2024, utilising the Skills and Experience Matrix; 2) that the Board Terms of Reference is updated by October 2024 and 3) to undertake an externally facilitated Board Effectiveness Review by December 2024.

8. **CHIMERA update**, led by R Elliot and attendees S Wheeler (UKAEA) and G Willetts (Jacobs).

S Wheeler and G Willetts from Jacobs provided an update on CHIMERA and took questions from the Board on the technical specifications and lessons learned. The Chair asked for an update at the July Board.

9. **Finance Update (23/24 outturn and 24/25 budget confirmation), UKAEA(24)3-Finance Update**, led by R Elliot:

A Brown presented the Finance report, whose shorter format was strongly welcomed. The Board heard that final information regarding the 24/25 budget has been submitted to DESNZ as of today (22 May). The Board acknowledged that the major finance risks associated with the pay remit remain outstanding.

10. **Draft Annual Report and Accounts (ARA), UKAEA(24)3-Draft Annual Report**, led by R Elliot and A Brown:

The Board noted efforts by Stephanie Hall in putting the ARA together. Chair ARAC confirmed that ARAC has provided extensive feedback, with no major concerns raised. The Board were pleased with the quality and timeliness of the draft. The Board provided some additional comments and tested whether and how we could do more to use the ARA proactively in stakeholder engagement.

ARAC will meet on 3 July to review the final version, with the aim of subsequently recommending that the Board should agree that this should now be recommended to the Accounting Officer for signature.

11. **SR update, UKAEA(24)3-SR Update**, led by R Elliot:

The Board discussed options around major programme spend in UKAEA's SR bid. L McDonough noted the importance of maintaining flexibility, emphasis on industrial strategy and accelerating engagement with DSIT.

12. **RACE Presentation**, led by Nick Sykes (attendee):

The Board thanked Nick Sykes for his presentation. The Board discussed a number of issues, including:

- levels of technical confidence in some of the technologies presented;
- complementary digital capabilities;
- how RACE is working with industry to build capability.

13. **Securing Value from Fusion, UKAEA(24)3-Strategy Session next steps**, led by T Bestwick:

UKAEA CEO summarised the paper presented. The Board welcomed the paper and raised a number of points, including:

- The need to make quantitative arguments to support the case for a more strategic and interventionist approach, in terms of size of overall prize in relation to other economic opportunities;
- Understanding the timelines involved in value realisation;
- How to socialise this across other government officials;
- How to identify potential champions of the technologies and sectors mentioned;
- The links between the technology strategy set out and other technology strategies and roadmaps;
- How to reflect cross-cutting capabilities in this strategic approach;
- The recognition that even on civils engineering there may be areas of strategic advantage if coordinated with other areas of UK technology activity.

14. Any Other Business led by B Taylor:

The Board heard updates on the Harwell Joint Venture review and agreed a plan for the next Board meeting. It took a number of additional decisions:

Reference	Minutes Section	Decision
UKAEA(24)3/D2	14	The Board agreed that the Executive should continue to progress Fusion Energy Partners and that a formal approval paper would be submitted at July Board.
UKAEA(24)3/D3	14	The Board agreed that Alli Brown should be appointed as a Director of the Harwell Science and Innovation Campus public sector partner.
UKAEA(24)3/D4	14	The Board agreed that henceforth NED only sessions would be every other meeting unless proposed or required.

Attendance record:

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

End of Minutes