



BOARD MEETING

Meeting Reference UKAEA(24)4

Date 12th July 2024

Time 1030-1600

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
Richard Hookway Lee McDonough (DESNZ)

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

Agenda Items

1. Opening Remarks and Declarations led by B Taylor:

Declarations: Ian Chapman noted that he will be providing strategic advice on the global fusion landscape to US-based Pine Island New Energy Partners – this is not due diligence or technical assurance in any way.

2. Minutes and Actions Review, UKAEA(23)M3 led by B Taylor:

Minutes review:

- UKAEA(24)M3: Approved.

Actions review:

Action	Owner	Due	Status	Update / <u>Steer for Chair</u>
Report on the Ethnicity pay gap and any suggested treatments by the May Board.	J Kingsford	May	open	Paper included in the pack, closed .
Secretariat to include the final FTAG report in next pack for information.	E Lewis-Smith	July	open	Paper included in the pack, closed .
Lee McDonough to consider how to socialise the 'securing value from UK fusion'.	L McDonough	July	open	Update on agenda for next meeting, subsequent paper to be sent to FSDB in November, closed .
ARAC secretariat to invite Board members to meeting on 28 June at which final ARA will be tabled.	L Hotchin	ASAP	open	Invite issued for 9 July, closed .

Secretariat to share final draft of ARA to Board on 1st July to secure confirmation of Board support for AO signature.	E Lewis-Smith	01-Jul	open	Shared with Board on 3 rd July and is set to be reviewed at a separate Board meeting on 9 th July, and endorsed at board on 12 th July. Closed.
Seek SC level clearance for all NEDs	J Kingsford	ongoing	open	J Kingsford confirms an updated approach to Board clearances and the intent to provide an updated security briefing at the next Board.

3. Sub-Committee updates:

i. RemCo, led by E Birt.

UKAEA(24)4-RemCo June 2024

E Birt summarised the paper presented. NEDs agreed to complete the forthcoming Skills Self-Assessment as soon as possible. The Board noted the very positive outcome of the Executive performance review, noting that the CEO and the Executive Team have performed exceptionally well over the last year.

E Birt confirmed that she would work with the Board secretariat to initiate efforts on the Board Effectiveness Review over the summer.

ii. ARAC, led by R Hookway.

UKAEA(24)4-ARAC July 2024

R Hookway summarised the paper presented. Chair noted bringing internal audit in-house would bring benefits of corporate memory, which is key for audit activity. The Board noted the number of overdue audit actions and asked about underlying reasons for this. The Board also noted that other organisational priorities should be taken into account when deciding whether to accept IA recommendations and setting deadlines for addressing them.

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

UKAEA(24)4-Executive Board Report

UKAEA(24)4-Board Risk Report-July 2024

The Executive summarised the report provided.

The Board noted the new HMG ministerial team and what this means for UKAEA. The Board secretariat will in the coming weeks provide the Board with information regarding all new ministers relevant to UKAEA Group activities.

I Chapman flagged the positive ongoing engagement with Singapore and Canada. The Board agreed that the Government should engage more strongly with the IAEA with the aim of getting IAEA acceptance of a proportionate approach to regulation (in line with the UK's approach).

A George noted that the Fusion Strategy Delivery Board on 24 July would provide an opportunity to raise particular questions of international collaboration, to seek a clear policy position from the UK Government. The Board also heard that the UKAEA is working with DESNZ to consider options around the Government's proposed "10 year budgets" for R&D organisations.

The Board discussed the ongoing challenges around the CHIMERA project and appropriate lines of action and suggested that the Risk Report is suitably updated.

T Bestwick noted that the recruitment for Head of IP had identified excellent candidates, providing a positive step forward on a key area of UKAEA work.

5. Harwell Joint Venture – final report, led by R Elliot.

UKAEA(24)4-Harwell JV [Approval]

The Board questioned what factors could change the recommended approach, and what exactly were the benefits sought. The Board also tested the recommendation was consistent with the approach subject to our ability to share costs with public sector partners as noted in the report. The Board agreed with the recommendation subject to this position being reviewed in three years.

UKAEA(24)4/D1	<p>The Board:</p> <ul style="list-style-type: none"> agreed that UKAEA should remain the joint owner (with UKRI) of the 50% share of Harwell JV that is publicly owned; endorsed the two recommendations to instigate succession planning within the Harwell PubSP Board and for UKAEA to negotiate a fairer distribution of workload with UKRI.
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6. Programme Advisory Report, led by I Chapman (Phillip Sharman attendee).

UKAEA(24)4-PAC Report

The Board welcomed PAC’s report of excellent progress in UKAEA technical programmes and the outstanding successes in operating JET. Phillip Sharman summarised the questions posed to the PAC and outlined its responses. The Board acknowledged that the PAC recommendations are advisory only. I Chapman identified some areas of difference between Executive and PAC analysis of UKAEA’s international positions.

Phillip Sharman noted the considerable change – in organisational size and ambition, HMG position on fusion, and UKAEA’s approach to partnering, particularly with the supply chain – and welcomed UKAEA’s successes in handling this.

The Board discussed in particular PAC’s recommendations around international partnerships and openness, and acknowledged the reasoning behind some of PAC’s international leadership assessments in various technical areas.

7. Finance update, led by R Elliot, and attendee A Brown.

UKAEA(24)4-Finance Update

A Brown described the process around final Annual Report and Accounts 2023/24 submission. A Brown noted the confirmation of the 24/25 grant in aid from DESNZ and ongoing work to bear down on in-year challenges, as previously reported to Board.

8. Annual Report and Accounts: recommendation for AO signature, led by R Elliott

UKAEA(24)4-Annual Report and Accounts (Final)

The Board noted that the Board review of the ARA took place in May Board, and a subsequent update presented to Board members on 9 July, in order that any changes could be actioned in time for a pre-recess laying in Parliament. The Board acknowledged that a meeting on Monday with NAO would confirm audit completion, and if any substantive concerns were raised Chair ARAC would bring this back to the Board. However this was not expected.

UKAEA(24)4/D2	<p>The Board approved the Annual Report and Accounts (ARA) and recommended that the Accounting Officer (AO) sign and submit to the Comptroller & Auditor General (C&AG), subject to the audit completing satisfactorily.</p>
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9. **Spending Review – outline bid for approval**, led by R Elliot, and attendees A Brown & P Methven:

UKAEA(24)4-Spending Review bids – for decision July 2024

UKAEA(24)4 – SR24 – Annex A. Scenarios Tables

The Board reviewed the papers presented. The Board agreed that we should articulate UKAEA’s Spending Review bid in terms of supporting industrial strategy and productivity in line with Government priorities.

UKAEA(24)4/D3	The Board approved UKAEA’s draft Spending Review subject to the comments and feedback being taken on board, and agreed that the Executive should take forward as proposed.
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10. **Fusion Investment Landscape - update**, led by T Bestwick:

UKAEA(24)4 – Investment Landscape

T Bestwick summarised the report as submitted. The Board discussed ongoing work in DESNZ and UKAEA to realise particular opportunities. The Board discussed the various indications of consolidation and maturity in the fusion sector and agreed that these should be presented as a positive for fusion.

11. **Tritium Fuel Cycle technical presentation**, led by I Chapman, and attendees S Clark, S Wheeler (online).

UKAEA(24)4-Tritium Fuel Cycle

The Board thanks S Clark for the presentation. The Board explored how the TFC division worked with other UKAEA facilities and major projects, and sought to understand the implications of ITER delays on the TFC division. The Board heard how the TFC division has identified adjacent opportunities for commercialization, and acknowledged how there is both collaboration opportunity and competition risk in other organizations’ development of tritium facilities.

12. **ENI agreement - update**, led by R Elliot, and attendees S Wheeler (online), K Dunn:

UKAEA(24)4-ENI agreement

The Board noted that engagement with ENI around H3AT remains ongoing. The Board noted the issues involved in negotiating such an arrangement, in particular in areas such as IP.

The Board noted that a remote meeting may need to be arranged if the agreement needs to be approved prior to the next Board meeting.

13. **UKIFS Transition Milestone 2 criteria, plan and progress**, led by R Elliot, D Gann, and attendee P Methven.

UKAEA(24)4-UKIFS TM2 Delivery Board Paper

P Methven summarised the paper submitted. The Board welcomed the appointment of UKIFS NEDs. The Board heard how the content involved in the UKIFS transition paperwork draws considerably on existing UKAEA processes and systems, and noted the terms under which personnel would be transitioned into UKIFS. P Methven provided additional detail on what the papers meant by ‘capability’, which the Board suggested should be worked into the documentation. The Board asked for clarity on terms such as “delegation of authority” and “transfer of authority”, and “responsibility”, to ensure accuracy and consistency with all approved plans and existing documents to date.

P Methven and R Elliot outlined next steps, noting how the Board sub-group would review the detailed underpinning criteria on behalf of the Board. B Taylor asked that separate engagement with I Chapman and P Methven to work through the detail be arranged prior to final Board endorsement of the proposed approach.

UKAEA(24)4/D4	<p>Subject to the suggested amendments and the additional engagement proceeding satisfactorily, the UKAEA Board:</p> <ul style="list-style-type: none"> - agreed that a UKAEA Sub-Group can review evidence and detailed underpinning criteria on behalf of the Board (adopting the same approach applied for TM1); - agreed proposed approach to close out and complete formal acceptance of TM2.
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14. UKIFS NEDs, led by D Gann, and attendee P Methven.

UKAEA(24)4-UKIFS NED Tenure

The Board agreed with the aims of the proposed approach in the paper submitted, in terms of securing appropriate long-term commitment and engagement in line with comparable projects. The Board agreed that NEDs should generally be appointed on a rolling 3 year basis, with the expectation of serving two terms (6 years), noting that the first cadre of NEDs will have deliberately staggered tenures to establish progressive turnover.

UKAEA(24)4/D5	The Board agreed that NEDs should generally be appointed on a rolling three year basis, with the expectation of serving two terms (six years).
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15. Any Other Business and Closing Remarks led by B Taylor:

Attendance record:

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

End of Minutes