

UNITED KINGDOM ATOMIC ENERGY AUTHORITY
Minutes of the 4th Board Meeting in 2013

Date: 15 October 2013

Location: Llewellyn-Smith Room, K2,
Culham Science Centre

Members present:

Roger Cashmore, Chairman
Keith Burnett
Steve Cowley
Martin Cox
Peter Jones
Steve McQuillan

In attendance:

Eric Hollis
David Martin
Catherine Pridham
Graeme Reid (BIS)
Maya Riddle (secretary)
Colin Shimell (Items 6-7)

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1 Chairman's Opening Remarks

- 1.1 Roger Cashmore welcomed everyone to the meeting.
- 1.2 He informed members of his recent visit to China and Japan. He was pleased to note that the Culham Centre for Fusion Energy (CCFE) had signed memorandum of understanding with two Chinese institutes.

2 Minutes of the 3rd Board meeting in 2013

- 2.1 The Board approved the minutes of the Board meeting on 17 June 2013.
- 2.2 Members reviewed the actions.

3 Update from Audit Committee Chair

- 3.1 Peter Jones provided an overview of key points from the Audit Committee meeting held on the 17 September. This included:
 - he had written to the BIS finance director raising concerns that the Framework Agreement had not yet been signed as this was a key control document;
 - the committee had reviewed its performance and agreed the recommendations, many of which had already been implemented;
 - he would be undertaking training on risk, control & assurance and on effective governance;
 - compliance testing of new/improved internal controls would commence in the autumn and the committee would monitor progress;
 - the committee had noted with approval the progress that was being made with the implementation of the Deloitte and the internal audit recommendations;
 - it had been agreed that the Board should get a report on the Authority's planned transition to shared services; and
 - the committee had endorsed an updated fraud response plan.

- 3.2 The Board noted the update.

4 CEO's Report

- 4.1 Steve Cowley informed members that there had been a water leak in one of the JET neutral beam heating systems and a diagnostic probe failure. This had resulted in JET operations being stopped. The experimental campaign was expected to resume in the New Year.
- 4.2 MAST had completed its final campaign at the end of September, which has yielded some superb science. The MAST-Upgrade project had now started the build phase. A new crane had been installed and would be used to help dismantle the reactor. He had impressed upon staff at a recent all staff talk, the importance of the MAST-Upgrade project, which would effectively give the UK a new fusion device.
- 4.3 The Board would have the opportunity to visit MAST after the meeting and see

the upgrade work in progress.

- 4.4 Proposals for the Oxfordshire City Deal, which covered part of the A34 corridor, were moving forward. Three of the innovation projects being considered were relevant to the Authority.
- 4.5 Martin Cox provided an update on the formation of a new JET Operations Contract. The contract, anticipated to cover JET Operations for the five year period 2014-2018, would be direct with the Commission. The drafting was at an advanced state and the Authority should be in a position to sign the contract by the end of December 2013.
- 4.6 Roger Cashmore said he was pleased to see the number of vacancies reducing.
- 4.7 Eric Hollis said that BIS was undertaking a strategic review of the BIS family.
- 4.8 Graeme Reid said that review was in response to a report by one of the BIS non-executives, Dalton Philips, and was looking for further reductions in administration budgets.
- 4.9 The Board noted the report.

5 Harwell-Oxford JV Private Sector Partner

- 5.1 Peter Jones declared an interest.
- 5.2 Eric Hollis informed members that since the June Board meeting, five bids had been received to replace Goodman as the private sector partner.
- 5.3 A special meeting of the public sector partners was held on 23 September. Peter Jones, Steve McQuillan and Martin Cox were present to represent the Authority Board.
- 5.4 Prorsus was recommended as the preferred partner. The STFC council had already endorsed the recommendation. BIS had also briefed the Minister.
- 5.5 Roger Cashmore sought the views of the three Board members that had attending the meeting. They confirmed that Prorsus had put considerable effort into the bid, the individuals proposed were impressive and this would be a significant step forward for the JV.
- 5.6 The Board endorsed the proposed private sector partner.

Colin Shimell joined the meeting

6 Update from the Board Assurance Committee (BAC) Chair

- 6.1 Steve McQuillan provided an overview of the BAC meeting held on the 7 October. key points included:
 - preparations for deuterium-tritium (D-T) operations had been discussed;
 - BAC was impressed with the report on work to reduce SF₆ emissions;
 - few people had detailed knowledge of the Authority's property and liabilities, particularly at Harwell. Information needed to be adequately captured to ensure knowledge transfer;

- there were requirements to undertake MAST refurbishments, beyond the scope of the upgrade project. A full list needed to be produced and the work prioritised; and
- BAC would meet two or more times a year, with timings dependant on operations/activities on site.

6.2 The Board noted the update.

7 Annual Assurance Report

7.1 Colin Shimell said that the biggest change coming was operating with tritium. It was many years since the previous tritium campaign at JET. Preparations for this would form an important part of the forward assurance programme.

7.2 He highlighted key points from the report. This included:

- there had been a spill of hydrochloric acid in July 2013, which had been mistakenly sent down the surface water drain. This incident had been reported to the EA. An internal investigation was performed, which resulted in action being taken including clearer labelling of drains.
- the Office for Nuclear Regulation was changing its status and was reviewing whether the Authority should remain under its security policy framework;
- there had been a disturbance of asbestos in the D1 area, which had to be reported to the Health & Safety Executive (HSE). The HSE inspector had investigated and was satisfied;
- following the positive safety culture survey results in 2012, staff had been invited to put forward and vote on suggestions. As a result a Wellbeing Clinic has been set up offering free health checks for employees;
- the sickness absence rate had decreased;
- the risk position had improved. This was partly due to the new risk management process bedding in and risk mitigations taking effect;
- a new CCTV system was operational on the Culham site; and
- the government security classification policy was changing and would take effect on 2 April 2014.

7.3 Assurance priorities for the coming year included further simplification and integration of the management system, the Sharepoint (electronic documents management and records system) project and reducing the Authority's carbon footprint.

7.4 Keith Burnett complimented the report saying it was excellent and thorough.

7.5 Maya Riddle said that the new government computer based training Responsible for Information had just been launched to staff. There was a version specifically designed for Board members and suggested that this be delivered at the next Board meeting.

7.6 The Board noted the report.

Colin Shimell left the meeting

8 Update on review of Financial Controls

- 8.1 Catherine Pridham informed members that out of the 49 Deloitte recommendations there were only 3 outstanding. The position on these was:
 - SAP monitoring software – the Grey Monarch software upgrade had now taken place;
 - SAP access – most of the work had been done, but action from CSC was required; and
 - Recognising loss making contracts – this was underway.
- 8.2 The Authority would be transferring to the shared service provider UK Shared Business Services Ltd (UK SBS).
- 8.3 Graeme Reid suggested that the forthcoming BIS risk review panel meeting on 9 December be used to bring the Deloitte review to a formal close.
- 8.4 The Board noted the report and commended the significant progress in completing the actions.

9 Financial Report at P5

- 9.1 Catherine Pridham highlighted key points from the report. This included the:
 - Commercial property measure was doing well, reflecting the high occupancy rates;
 - business development income was currently below the target. The Authority had been successful in winning a number of framework contracts so the full year target might be achievable;
 - there were currently underspends against the programmes, which was partly due to phasing of work and external procurement; and
 - The final 2013 JET contract payment from the commission was still outstanding, but expected in November.
- 9.2 Graeme Reid commended the quality of the report and was struck by the challenges of managing the financial position.
- 9.3 The Board noted the report.

10 Any Other Business

- 10.1 The next meeting was on 13 November 2013 and would include a visit to the University of York Plasma Institute on 12 November.

10.2 Maya Riddle had agreed Board dates for 2014 with members over the summer holidays. These were:

- Wednesday 12 Feb 2014
- Monday 17 March 2014
- Monday 16 June 2014
- Wednesday 17 Sept 2014
- Wednesday 26 & Thursday 27 Nov 2014

10.3 She would produce a Board schedule of business for 2014 for the next meeting.

Secretary Maya Riddle

Chairman Roger Cashmore

Date 13 November 2013