

UNITED KINGDOM ATOMIC ENERGY AUTHORITY
Minutes of the 6th Board Meeting in 2015

Date: 8 December 2015

Location: Bickerton Room, E6,
The Library, Culham Science Centre

Members present:

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

In attendance:

Rob Buckingham
Martin Cox
Sharon Ellis (BIS)
David Martin
Catherine Pridham
Maya Riddle (secretary)

Steve Moss, Head of Property (6-8)

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1 Chairman's Opening Remarks

- 1.1 Roger Cashmore said that this was Steve McQuillan's last Board meeting. He thanked Steve on behalf of the Board for his many and incisive contributions.
- 1.2 Since the last meeting, BIS had agreed the shortlist for a new non-executive director (NED) and interviews had been held. The recruitment panel were unanimous on the preferred candidates and a recommendation to Ministers was being drafted.
- 1.3 The Board had undertaken a very constructive visit to Cadarache in November and met with senior officials at ITER and CEA. He had received a positive letter from the ITER Director General, Bernard Bigot. The door was open to closer working with ITER.
- 1.4 Keith Burnett said that given the scope of UKAEA's activities the NEDs needed to have a deep range of competencies and experience.

2 Minutes of the 18 September 2015 meeting

- 2.1 The Board approved the minutes of the fifth Board meeting on 18 September 2015.
- 2.2 Members reviewed the actions.

3 Board sub-committee chairs update

- 3.1 Peter Jones provided highlights on the Audit Committee meeting held that morning, which included:
 - extensive discussions on pension matters;
 - good progress was being made on actions from the contractor reviews;
 - there were a number of actions coming from the project management audit, which would be revisited;
 - there was concern over the relationship with the government audit service and that it could cut across UKAEA governance;
 - the NAO's audit plan was agreed. This included laying of the annual report & accounts in the autumn, not before summer recess as normal; and
 - rather radical changes to the discount rates were noted.
- 3.2 Sharon Ellis said to raise any governance concerns with the BIS sponsor team.

4 CEO's Report

- 4.1 Steve Cowley said that a submission had been made to the comprehensive spending review for funding to support "well-founded lab", seed corn to enable UK growth and to maintain UKAEA's scientific programme.
- 4.2 The report from the international panel reviewing fission and fusion research in the UK was being presented to the EPSRC council tomorrow. The panel had concluded that UKAEA was an international lab; world leading in fusion research, material science and robotics. It was supportive of the role MAST could play in bringing down the cost of fusion.
- 4.3 EPSRC was considering changing the way it funded UKAEA.

- 4.4 Bernard Bigot had presented a revised schedule and cost for ITER to the ITER Council and the council had decided to undertake an external review to report by May 2016.
- 4.5 EUROfusion was reviewing the European fusion roadmap. There was an opportunity to bid for funding for further enhancement of the MAST upgrade, as part of the divertor test tokamak work programme, plus operational support. However, the first scientific results, from the current upgrade, would be required in 2017.
- 4.6 This course of action was commended by the Culham Programme Advisory Committee (CPAC), chaired by Jerome Pamela.
- 4.7 The JET Operation contract with the Commission was being revised. Key objectives for the current JET campaign were to develop the physics for tritium operations and to bring the machine to full power.
- 4.8 Steve McQuillan asked about apprentices and David Martin informed members that JTL was setting up a centre at Culham; starting with 80 apprentices and eventually rising to ca. 180. JTL provided ca. 5000 apprenticeships nationally, mainly at level 2-3.
- 4.9 UKAEA had received expressions of interest to partner on development of Oxford Advanced Skills. Phase 1 one would be starting in September 2016 in existing facilities, with phase 2 in a purpose built facility.
- 4.10 Roger Cashmore commended UKAEA for receiving the Athena Swan bronze award and asked that the Board's congratulations be conveyed to the team.
- 4.11 Sharon Ellis asked about the project dashboards and noted that the project managers presented the reports each month to the Executive Committee.
- 4.12 The Board noted the report.

5 Business Development Update

- 5.1 Rob Buckingham presented an update on business development. The main activities were:
 - Consultancy;
 - Tritium and waste handling;
 - Special Techniques Group; and
 - RACE.
- 5.2 There were a number of opportunities at ITER and UKAEA was looking to partner with industry, other labs and STFC as appropriate.
- 5.3 The Board noted the update

Steve Moss joined the meeting

6 RACE Update

- 6.1 Rob Buckingham reminded members that the mission for RACE was to enable jobs and growth, expanding into fusion and non-fusion markets. The aim was to operate in high tech/high risk areas, de-risking the so called "valley of death" for industry.

6.2 He provided an update on RACE activities, which included:

- construction of the RACE building was on schedule;
- RACE was in start-up phase;
- work on European Spallation Source (ESS) had started – RACE was developing the remote handling system for the ESS hot cell as part of the UK's contribution to the project, for which the Science & Technology Facilities Council was responsible;
- the team was growing, and though recruitment was slower than planned resource from the Central Engineering department was providing flexibility;
- Centre for Connected and Autonomous Vehicles (CCAV) was coming to visit Culham and was considering it as a possible test site; and
- SPRINT, a robotics collaborative predominately in oil & gas market, had invited RACE to join.

6.3 The Board noted the update.

7 Property Update

7.1 Steve Moss provided an update on developments at Harwell, key points included:

- planning permission had been granted for the Innovation Centre – construction would start next year and the building was expected to open in summer 2017;
- the Genesis building was under construction;
- an amenities building, including cafeteria and gym, was also planned; and
- there were a number of sizable opportunities.

7.2 He provided an update on developments at Culham, key points included:

- Occupancy levels were being maintained at high levels;
- The local plan recognised the wider Culham site as potential for housing
- The Culham master plan had identified zones for commercial development. The Executive had agreed a remit to explore options for development. Models were being looked at, in line with the triennial review recommendation.

7.3 Keith Burnett supported the developers' vision for the wider Culham area, saying that it was important to have a vibrant site.

7.4 The Board noted the update.

8 Energy Storage Centre,

8.1 Steve Moss informed members that Culham had been identified as a possible site for an energy storage facility.

8.2 It was proposed that UKAEA put forward Culham as a site for the facility; a submission to the National Grid was required in January.

8.3 Peter Jones disclosed an interest, stating that Ofgem was taking a paper on storage. He suggested looking into the safety consents required for the facility.

8.4 The Board agreed in principle to the proposal.

Steve Moss left the meeting

9 P7 Financial report

9.1 Catherine Pridham highlighted key points of the financial position at the end of period 7, which included:

- the payment against the JET Operating contract had been received;
- spend against the Shareholder Programme Agreement was forecast to rise due to remediation work on zone 11 (Harwell) now expected this financial year;
- the restructuring provision had been increased by £30m due to a change in the assumed mortality rate (to 76 years), but was being reviewed by the Government Actuary's Department (GAD);
- the go-live for Unit 4 Business World had moved to 1 April, as agreed at the last meeting;
- the system build phase was now complete and user acceptance testing was expected to run through to 23rd February;
- integration of payroll was being deferred to August 2016; and
- there had been a concern over IT security of the connection, but the supplier had a solution.

9.2 Roger Cashmore asked whether the cash flow problems and the budget for MAST-Upgrade this financial year had been resolved and received confirmation that they had.

9.3 The Board noted the financial position.

10 Any Other Business

10.1 The next Board meeting would be held on Wednesday 27 January 2016.

Secretary Maya Riddle

Chairman Roger Cashmore

Date 27 January 2016