

BOARD MEETING

Meeting Reference UKAEA(24)5

Date 19th September 2024

Time 1015-1630

Location UKAEA 'Culham' Board Room, C7
Teams

Members

Bernard Taylor (Chair)	Luc Bardin (LB)
Ian Chapman (IC)	Sue Gray (SG)
Ruth Elliot (RE)	Stephen Hillier (SH)
Tim Bestwick (TB)	Mary Ryan (MR)
Richard Hookway (RH)	Lee McDonough (DESNZ) (LM)

Attendees Edward Lewis-Smith (Sec) (ELS)
David Gann (UKIFS Chair) (DG)
Alison George (DESNZ) (AG)

Apologies Robin Grimes (RG), Eithne Birt (EB)

Agenda Items

1. Opening Remarks and Declarations led by B Taylor:

- **Declarations:** IC confirmed that he is formally advising Pine Island New Energy Ventures as reported previously. DG reported that he has recently been appointed as:
 - o A Non Executive Director of GenIP Ltd;
 - o Euroclear Advisory Council Member.

2. Minutes and Actions Review, UKAEA(24)M4 led by B Taylor:

- **Minutes review:** Approved.

Actions review:

Action	Owner	Due	Status	Update
Initiate the Board Effectiveness Review	E Lewis-Smith	August	open	First stage (ongoing) will be via an anonymous survey. Second stage to be conducted by Sir John Parker, via series of interviews with members and external stakeholders - these will go into diaries in due course. Final report bringing everything together with recommendations to be presented to the January Board.
Arrange a security briefing for Board.	E Lewis-Smith	September	open	On agenda, closed .

UKAEA and DESNZ to develop a joint “international opportunity review and policy framework” to provide way forward on critical collaborations	L McDonough / T Bestwick	September	open	Superseded by paper on international fusion landscape, included in pack. Closed.
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3. Executive Board Report & Risk Report and International Fusion Landscape Update, led by I Chapman, T Bestwick, J Kingsford, R Elliot.

UKAEA(24)5-Executive Board Report

UKAEA(24)5-UKIFS CEO Report to UKAEA Group Executive Committee

UKAEA(24)5-Board Risk Report-September 2024

UKAEA(24)5-International Fusion Landscape Update

UKAEA(24)5-Partnership between UKAEA HMG and Industry for an AI+HPC DC update

The Executive summarised the report provided. The Board discussion covered the following key issues:

- The risks and related decision points in relation to European collaboration;
- Financing and governance arrangements around a potential data centre opportunity at Culham, which as proposed was agreed by the Board to be an important strategic opportunity for UKAEA;
- Potential international participants in the STEP programme, and in particular the need to assess carefully tensions around strategic control / value generation in such arrangements and the need to engage ministers at the right time;
- Engagement with China;
- Opportunities around fusion diagnostics, following the DoE US-ITER contract;
- The need for the organisation to learn from the reported safety incidents, which the Board noted were in both instances related to contractors who have been replaced.

Reference	Action	Actionee	Due
UKAEA(24)5/1	DESNZ DG and UKAEA CEO to review European collaboration talks and report back to Board in view of potential decision points in November.	I Chapman	ASAP

The Board welcomed the International Landscape paper and asked for a version of this to be presented twice a year. The comparative table presented should be updated and included in the following Board pack as an annex to the Executive Report. This table should also in future look at industrial as well as research strength.

The Board suggested adding some benchmarking to the paper on the data centre opportunity.

4. UKIFS Transition Milestone 2, led by R Elliot (and P Methven, attendee).

UKAEA(24)5-UKIFS Transition Milestone 2

P Methven thanked UKAEA Board members for their support and involvement in the process to develop the UKIFS TM2 documentation. The Board discussion covered the following key points:

- The close and effective working between both the Audit and Risk Committees and the People and Remuneration Committees of UKAEA and UKIFS;

- The ongoing support from DESNZ as sponsor department for the overall approach to establishing UKIFS;
- The need to be able to articulate to HMG and other stakeholders the nature of the Intellectual Property arrangements between UKAEA and UKIFS (as well as with industry partners), noting that arrangements for specific areas and opportunities would need to be agreed on a case by case basis, albeit within the framework as developed and which has been agreed by Cabinet Office;
- The extensive ongoing communications with UKAEA and UKIFS staff around the transition.

The Board acknowledged that the documentation as submitted places the STEP programme on a robust and effective foundation for delivery, and also paves the way for effective onboarding by UKIFS of the whole plant partners. The Board suggested that a future Board meeting should assess the STEP programme against ongoing and future UK major programmes.

UKAEA CEO (as Accounting Officer) confirmed for the record that he is content to delegate his delegated authority from DESNZ to UKIFS CEO, as set out in the now-approved documentation (as below).

UKAEA Chair asked that henceforth the UKIFS CEO provides a regular report to UKAEA Board, drawing on materials that are already routinely produced.

UKAEA(24)5/D1	<p>The Board endorsed the Target Operating Model, Transfer Agreement, Delegation Letter, Corporate Services Document and Fusion Partner Agreement as submitted, noting that these are open for change if and where required.</p> <p>The Board approved:</p> <ul style="list-style-type: none"> a. The full operation of UK Industrial Fusion Solutions Ltd (UKIFS), in accordance with the previously approved UKIFS Corporate Structure Document and the UKIFS and STEP Target Operating Model (TOM); b. The transfer of the delivery of the STEP programme from the existing organisation and arrangements for programme delivery within UKAEA to those defined in the TOM, to be enacted on 1 November 2024 under authority of the UKAEA AO subject to residual system testing completing satisfactorily and cutover of associated data; c. The transfer of assets to UKIFS in accordance with the Transfer Agreement which is in the form of a Deed.
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5. Security briefing, led by N Furlong (attendee).

UKAEA(24)5-Security briefing

The Board appreciated the presentation provided, discussed the measures involved in protecting UKAEA people and assets and considered the expected evolution of the risk landscape. The Board recognised that UKAEA is not working in national security but in the field of developing national strategic advantage, wherein the balance between information sharing and information protection is recognised to be more subtle. The Board agreed that ongoing communication with staff on this sensitive subject is critical.

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

UKAEA(24)5-Finance Update

AB summarised the paper submitted. LM provided an update on the multi-year commitments approvals that remain pending.

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

UKAEA(24)5-Spending Review update

RE summarised the slides presented. LM updated the Board on HMG internal SR processes, noting that, in relation to the Government's growth mission, UKAEA's mission addresses six out of the seven elements to this. The Board agreed that UKAEA should continue to build data and evidence on near-term economic benefits.

Reference	Action	Actionee	Due
UKAEA(24)5/2	UKAEA to itemize its activities against HMG Growth Mission ahead of SR25	R Elliot	November

8. LIBRTI overview, led by I Chapman, with attendees A Quadling and J Norton (remote)

UKAEA(24)5-LIBRTI overview

A Quadling summarised the paper submitted via a slidedeck. The Board asked a series of technical questions, explored the potential for UK value generation, and welcomed how LIBRTI's role as an international user facility is being foregrounded in ongoing community engagement.

9. Campus JV update, led by T Bestwick, who provided a verbal update.

TB described the UKAEA's emerging strategy for the modernization and expansion of the Culham Campus into the global destination for fusion and adjacent innovation, detailing the options under active consideration for harnessing and deploying the required capital. The Board tested interactions with nearer-term opportunities and discussed the relationship with development of the West Burton site. A detailed written proposal will be submitted for November Board.

10. Securing Value from Fusion update, led by I Chapman and T Bestwick.

UKAEA(24)5-Securing Value from Fusion update

The Board welcomed the update provided, acknowledging that the described efforts to consider areas of potential commercial opportunity should not place at risk UK strategic control or value generation, nor UKAEA's wider mission and research programme. The Board also considered:

- The need for signposting and increasing visibility of UKAEA capability far beyond UK fusion, to help understand the extent of the adjacent opportunity;
- UKAEA's capability and capacity to pursue the approach and specific opportunities as proposed;
- The extent to which the value opportunity is based on UKAEA people and their unique knowledge, skills and experience;
- The role of the UKAEA (as a national lab) to be an enabler for industry, rather than be a competitor with industry, either in reality or in perception;
- The merits of options that prioritise control over ownership and IP over inward investment;
- The need to understand precedent and HMG position.

The Board asked for an update to return in November, to include:

- A more detailed assessment of adjacent market opportunities;
- An update on the relevant investor landscape;
- UKAEA's ongoing supply chain engagement, which aims to maximise awareness and visibility of UKAEA capability;

- An understanding of precedent across the public sector and any potential approvals process/es required.

11. Tritium Facility Industry Partnership Update agreement - update, led by R Elliot, and attendee S Wheeler.

UKAEA(24)5-Tritium Facility Industry Partnership Update

S Wheeler provided an update on ongoing commercial negotiations. The Board tested the positioning of the parties involved, and offered support to S Wheeler and the team ahead of an anticipated decision point in November.

12. Any Other Business and Closing Remarks led by B Taylor:

- a) Harwell Public Sector Partner Update

UKAEA(24)5- Harwell PSP update

UKAEA(24)5/D2	The Board approved the appointment of Ruth Elliot as Director of the Harwell Science and Innovation Campus Public Sector General Partner Ltd (Harwell PubSP) Company.
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Attendance record:

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

End of Minutes