

**UNITED KINGDOM ATOMIC ENERGY AUTHORITY,
Minutes of the 1st UKAEA Board Meeting 2005**

Date: 8 February 2005

Location: Harwell

Members present:

Barbara Thomas Judge, Chairman

Colin Bayliss

Rosemary Day

John Macpherson

Dipesh Shah

Ken Vowles

Paul White

Secretariat:

Maya Riddle, Minutes Secretary

Stephen White, Authority Secretary

Others present

Steve Beackon

John Crofts

Beth Taylor

Apologies:

Norman Harrison

Alan Young

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1 Chairman's Opening Remarks

- 1.1 Barbara Thomas Judge informed members that candidates were being interviewed for the two new non-executive posts, and that she hoped to be able to announce the successful candidates at the next meeting.
- 1.2 Nuclear new build was likely to be on the agenda after the next election and UKAEA should consider how it could assist the Government in the nuclear debate.
- 1.3 Dipesh Shah added that he had recently been asked, at the All Party Energy Group, what UKAEA could contribute to the debate over the future of nuclear. He had responded that UKAEA could act as an honest broker for the Government. UKAEA did not have a vested interest in promoting its own technology and could also look at the cradle to grave process/economics, including ease of decommissioning and land regeneration.

2 February 2005 CEO's Report

- 2.1 UKAEA was undertaking a two-phase business transformation; phase one had been preparing for the NDA and phase two was preparing for competition. The first phase was almost complete, bar signing the contract with the NDA and receiving Ministerial approval of the Business Plan.
- 2.2 The priorities for the next phase were maintaining a hard edge on performance, formation of partnerships and implementation of the Business Plan.
- 2.3 Heads of Site and service function leaders had undertaken service reviews and identified a number of savings/reductions to support areas.
- 2.4 The headline results from the MORI Culture Change Survey demonstrated that the culture had improved despite the period of change and uncertainty that the organisation was going through. Responses to 13 out of 18 questions were better than the MORI standard and 22 out of 25 questions were better than the previous (2000) survey. However, one area for further improvement was greater intolerance of poor performance.
- 2.5 The Board noted the report.

3 Business Plan

- 3.1 Dipesh Shah informed members that the Strategic Review was completed. The resultant Business Plan was in line with the Board's vision for UKAEA's future (developed in July 2004), and was now underpinned and enriched by lengthy analysis.
- 3.2 A number of meetings had been held with the Shareholder Executive to review the Strategic Review findings and demonstrate the robustness of the financial modelling. The Board had also been kept in touch with progress and members had fed in their views. It was expected that the Business Plan would be submitted to Ministers for approval in the next few weeks
- 3.3 The Board was asked to approve the Business Plan for submission to Ministers.
- 3.4 Members said that it was an excellent document and commended the team involved.
- 3.5 The Board approved the Business Plan, subject to a number of points of detail and presentation.

4 UKAEA Business Performance Report for Period 8, 2004/5

- 4.1 Paul White said that the forecast for the year was in line with the budget, and that UKAEA was in good financial shape.

- 4.2 Dipesh Shah informed members that the forecast notional fee based on performance against the performance based incentives (PBIs) for the year had fallen slightly. Schedule performance continued to improve, as UKAEA worked toward achieving best in class status.
- 4.3 Additional work had been brought forward from 2005/6.
- 4.4 The Board noted the paper.

5 Project Challenge – 19TH Progress Report

- 5.1 Stephen White updated members with progress on Project Challenge.
- 5.2 There had been a constructive senior management review of the near term work plan in January. The plan was on course to be submitted to the NDA on 15 March, as required.
- 5.3 The final phase of SAP has been implemented, and the focus was now on improving system performance and using the management information generated to improve programme and business performance.
- 5.4 Discussions were continuing with the NDA over the performance based incentives for the first year of the contract. The initial proposal from the NDA would give UKAEA a fee pool of ca. 4.4%.
- 5.5 The developing leaders programme had proved successful in developing current and future leaders. The scheme would be available to new candidates in future years.
- 5.6 Progress was being made in developing a practical commercial training programme for staff.
- 5.7 Project Challenge had been focused on preparation for the NDA. Most ongoing work was now embedded in normal business of the Programme Offices, Business Strategy Division, HR and sites. The executive team had agreed to formally close-out the project at the end of March 2005, as originally intended, making the transition to the Business Plan implementation and the second phase of the business transformation programme. A review of progress against the project's original objectives and the plans for transition would be reported in April.
- 5.8 The Board was advised that staff had been appointed with clear responsibilities for the maintenance of the business systems following the completion of their introduction under Project Challenge.
- 5.9 The Board commended the successful implementation of SAP and noted the report.

6 BAC Update

- 6.1 John Crofts informed members of items taken at the Board Assurance Committee meeting held on 1 February at Culham.
- 6.2 There had been a higher number of events in the first 3 quarters than targeted. Many of the events had been due to slips, trips and falls. Management was taking specific action to improve performance in these regards. Other aspects of safety performance were good. Environmental and security performance were both excellent.
- 6.3 The executive team had previously agreed that Culham's safety management system should reflect its status as an unlicensed site and did not need to match exactly that required of the other sites. All actions relating to the development of Culham's separate system had been closed out.
- 6.4 Dipesh Shah said that the Executive team had instigated an increased focus on safety as part of good overall performance. Actions included daily Toolbox talks and walk arounds, investigations of the underlying issues, and learning from experience. John Crofts confirmed that an improvement in performance was already being seen.
- 6.5 The Board noted the report.

7 Any Other Business

- 7.1 Barbara Thomas Judge reminded members that the next Board and Audit Committee meetings would be held on Monday 7 March at Harwell. The October Board meeting would now be held on Wednesday 12 October at Culham.
- 7.2 Board approval had been obtained, in correspondence, to delegate authority to the CEO for approving a re-sanction of the Dounreay Fast Reactor sodium/potassium (liquid metal coolant) removal project.

8 Minutes of November 2004 Board Meeting

- 8.1 The Board approved the minutes of the previous meeting.

Maya Riddle, Minutes Secretary

Approved by:

Barbara Thomas Judge, Chairman