

**UNITED KINGDOM ATOMIC ENERGY AUTHORITY,
Minutes of the 6th UKAEA Board Meeting 2006**

Date: 11 September 2006

Location: D60 Conference Room, UKAEA
Winfrith

Members present:

Barbara Thomas Judge, Chairman

Colin Bayliss

Mark Slaughter

Norman Harrison

Ken Vowles

Andrew Jackson

John Kennedy

Secretariat:

Bim Adesanya, Minutes Secretary

Others present

Steve Beackon

Beth Taylor

Martin Wenban

John Crofts

Chris Llewellyn-Smith

Apologies

Arnold Wagner

Stephen White, Authority Secretary

1	Chairman's Opening Remarks	2
2	September 2006 CEO's Report	2
3	UKAEA Market Strategy Plan	3
4	Period 4 Business Performance Report	3
5	Annual Safety and Assurance Report	3
6	Annual Communications Report	4
7	Board Assurance Report	4
8	Fusion Update	5
9	Winfrith Presentation	5
10	Any Other Business	6

1 Chairman's Opening Remarks

- 1.1 Barbara Thomas Judge welcomed the members to the meeting. She reported on recent meetings with the NDA and NII and thanked the Executive members for their tireless efforts in engaging with the NDA to resolve the issues relating to the Business Group model and improving the working relationship.
- 1.2 She confirmed that Mike Weightman – NII's Chief Inspector would be giving a presentation at the next Board meeting.
- 1.3 The recruitment of a new Chief Executive Officer was continuing in a measured manner.
- 1.4 Mark Higson had moved from the DTI Shareholder Executive to work for Willy Rickett - Director-General for Energy. His responsibilities included nuclear new build and the NDA.

2 September 2006 CEO's Report

- 2.1 Norman Harrison briefed the Board on the operational performance for Period 4 considered in more detail under item 4.
- 2.2 The Executive Meetings had been streamlined to enable the delivery of the business transformation, timely creation of the SLCs and improve the sites' delivery performance.
- 2.3 The behavioural safety initiatives launched last year had continued across the sites. It was paying dividends across the company, with safety performance significantly exceeding performance targets for 2006-07.
- 2.4 Integrated Safety Management (ISM) system was in the process of being implemented to enhance our operational safety performance by ensuring our site operations are carried out to the highest standards.
- 2.5 The site programmes were constantly being monitored to ensure our fee earning potential was maximised. The NDA had recently indicated that there was no cap on the fee earning potential. A cost efficiency saving of £2m had been achieved up to the end of period 4.
- 2.6 The Board noted the report.

3 UKAEA Market Strategy Plan

- 3.1 Colin Bayliss briefed the Board on the performance of Non-NDA business development.
- 3.2 The Board endorsed the plan and said they would continue to promote the plan with stakeholders.

4 Period 4 Business Performance Report

- 4.1 Andrew Jackson briefed the Board on the financial performance up to the end of period 4.
- 4.2 The overall NDA decommissioning work was £9.1m lower than the budget due to some slippage in the programme and cost efficiency savings.
- 4.3 The total corporate overheads up to the end of Period 4 were £0.5m below budget.
- 4.4 The Board noted the paper.

5 Annual Safety and Assurance Report

- 5.1 John Crofts briefed the Board on the safety, environmental and security performance during 2005-06.
- 5.2 The safety performance for the past year had been good; with the company achieving the best results in a decade.
- 5.3 The issues associated with the key safety, environmental and security events that occurred during the year had been considered and lessons learned.
- 5.4 A greater focus was being placed on behavioural safety, work control, conduct of operations, resources usage and site accountability during 2006-07.
- 5.5 The Board noted the report.

6 Annual Communications Report

- 6.1 Beth Taylor briefed the Board on the communications and media performance during 2005-06.
- 6.2 The media performance for the past year had been good; with the company focusing on five key areas: media relations, public affairs, internal communications, local community relations and publications.
- 6.3 The most challenging areas during 2005-06 were the media relations, internal communications and local community relations. This could be attributed to the major changes the company is going through as we transform the current business, create the site licence companies (SLCs) and develop the new business, particularly their local workforce and socio-economic impacts.
- 6.4 Beth Taylor sought feedback from members on the company website particularly its accessibility.
- 6.5 In future the communication efforts to promote the company should be coordinated centrally rather than on a group-by-group basis.
- 6.6 The Board noted the report.

7 Board Assurance Report

7.1 Ken Vowles updated members on items discussed at the Board Assurance Committee (BAC) meeting on the 11th July and other assurance issues. The key points were:

- The safety performance continued on an upward trend as a result of the safety initiatives launched during 2005/06.
- The external members said that it was not clear that the environmental targets were sufficiently challenging. The meeting discussed the matter and placed an action to consider it.
- A presentation would be made to the Board on how the BAC will operate and ensure that assurance issues were adequately maintained following the formation of Site Licence Companies.

7.2 The Board noted the report.

8 Fusion Update

8.1 Chris Llewellyn-Smith provided an update on Fusion activities and Culham operational performance.

8.2 The recent government energy review had concluded that nuclear fusion offered the potential to provide a new major source of energy using basic fuels which were abundant and widely available.

8.3 Culham would be involved in research and development for the International Tokamak Experimental Reactor (ITER), and in the assembly of specialist ITER systems. They were also helping UK industry to prepare to bid for ITER contracts.

8.4 The European Union had signed a bilateral agreement with Japan to carry out the Engineering Validation and Engineering Design (EVEDA) phase of the International Fusion Materials Irradiation Facility (IFMIF).

8.5 Increased electricity costs were impacting on the JET operations. An additional ca. £20m would be provided over two years from 2008-09 by the Office of Science and Innovation (OSI) to meet the rising costs.

8.6 The operational performance for the past year was good; with Culham significantly exceeding targets in most areas.

8.7 The recent Engineering and Physical Sciences Research Council (EPSRC) review had agreed to continue with the current level of funding for Fusion up to 2008. A letter of intent would be issued by EPSRC for 2008-09 and 2009-10.

9 Winfrith Presentation

- 9.1 Alan Neal briefed the Board on the site's operational performance for 2005/6.
- 9.2 The management team were placing a high priority on the safety and environment aspects of the site's operations.
- 9.3 The site was looking to further reduce the time for delivering the site closure point by accelerating the critical path and near critical path activities. He highlighted the key achievements which included the success of self performance by UKAEA.
- 9.4 The site overheads had been reduced by ca. £1m/year by reducing the high hazards on the site.
- 9.5 The Board members were impressed with the decommissioning progress that had been made to date and thanked the site team for their efforts.

10 Any Other Business

- 10.1 The Board approved the minutes of the 5th meeting in 2006.
- 10.2 The dates for the 2007 Board meetings would be circulated shortly.

Bim Adesanya, Minutes Secretary

Approved by:

Barbara Thomas Judge, Chairman