

MINUTES OF THE FORTY SECOND MEETING HELD ON 12 JULY 2011 AT THE COSENER'S HOUSE, OXON

**Council Members
present:**

Michael Sterling (Chairman)
Martin Barstow
Gill Ball
Marshall Davies
Mike Healy
Peter Knight
Keith Mason
James Stirling
Ian Taylor
Will Whitehorn

**Dept Business,
Innovation & Skills (BIS):**

Graeme Reid

In Attendance:

Gordon Stewart (*Director, Corporate Affairs & Executive Secretary to Council*)
Jane Tirard (*Finance Director*)
Richard Wade (*Chief Operating Officer*)
Colin Whitehouse (*Director, Campus Strategy*)
John Womersley (*Director, Science Programmes*)
Tony Ryan (*Chair, Science Board*)
Terry O'Connor (*Director, Communications*)
Sharon Cosgrove (*Director, Strategy*)
Mark Foster (*Minutes Secretary*)

Apologies:

Julia Goodfellow
Matt Griffin (*Deputy Chair, Science Board*)

1. WELCOME AND INTRODUCTION

- 1.1. Apologies were received from Julia Goodfellow and Matt Griffin.
- 1.2. Attendees were reminded to complete the wireless forms if they wished to make use of the corporate internet access.

2. CONFLICTS OF INTEREST AND REGISTER OF INTERESTS - some references in this section have been redacted as commercial - in confidence

- 2.1. The Chairman reminded members of the need to keep the Executive Secretary informed of any changes to their personal register of interests.

3. MINUTES OF THE LAST MEETING - STFC(2011)38

- 3.1. The minutes of the last meeting were agreed to be a correct record and signed by the Chairman.

4. ACTIONS & MATTERS ARISING – STFC(2011)39 (– some references in this section have been redacted as commercial and staff – in – confidence)

- 4.1. Gordon Stewart reported that Action 5.5 would be completed immediately following the meeting, and explained that the Council Survey would be a two part online process to be completed by all members: 1. A self assessment exercise; 2. A skills audit consisting of (a) the desired skills required by Council, (b) a self assessment of the skills brought to Council (to be completed at a later stage after feedback received on (a)).
- 4.2. Jane Tirard reported that a narrative on whether STFC's planning had been adversely affected by reduced financial data during 10/11 would be presented at the October meeting.

Action: J. Tirard

- 4.3. Gill Ball asked how Council could be provided with information it required with regard to value for money of spending. The Programmatic Review process was described by Richard Wade as the process by which investments are assessed at 2 year intervals, accompanied by mid terms reviews. Other mechanisms, such as preparation for the recent CSR and reviews of Operational Plans against progress were described. Despite the danger of a certain degree of 'review fatigue', noted by Richard, Keith Mason asserted that 2 yearly updates of the Programmatic Reviews were an important discipline that must not be allowed to slip, particularly in the light of potential changes to the Science Advisory structures (see Item 6). The importance of such benchmarking was further emphasised by Marshall Davies. Council agreed that a report was required during the current programmatic review schedule that addressed Gill's concerns.

Action: Keith Mason

- 4.4. Richard Wade provided an update on the Capital Investment Project, noting the committed investment into ISIS Phase II had had a notable positive effect on morale for ISIS personnel.

5. CARBON TAX – STFC(2011)40

- 5.1. Gordon Stewart briefly introduced the paper, noting that Jane Tirard had brought the issue to Council's attention in the past and emphasising that STFC does not want to undermine the Government's intentions to improve the UK's green credentials. However, although some background investigation was still underway, the very highly intensive use of energy by ISIS and DLS indicated that the CRC scheme being introduced by the Government could create severe financial liabilities for STFC. Given that ISIS operated at only 110 days last year versus an optimal for 180–220 days – these could be of the order of £1M per annum, If such liabilities were to be met within the partitions

of the CSR allocation, it would be very difficult to run ISIS at all. The clean energy research done on ISIS and Diamond was noted. Gordon explained that alternative European schemes existed that could be even less desirable, and suggested that the optimal outcome would be for STFC/ISIS etc to benefit from an exemption within the scheme.

- 5.2. Graeme Reid recognised the issue and advised that his general feeling was that STFC potentially did not face the greatest liabilities within the Science Base with regard to this issue and that calls for change to the DECC policy would be most effective coming from a collegiate view from the sector. CCFE, RCUK, HEFCE and individual universities were all noted as relevant bodies with significant interests and ability to help characterise the overall impact on the Research Base.
- 5.3. Ian Taylor highlighted the fact that this was a cross Governmental issue that would need to be addressed at a Cabinet Committee level and therefore alignment of Ministers from across Departments, as opposed to just the sponsoring Department, would be required if change were to be successfully pursued.
- 5.4. Tony Ryan agreed that Science Board would lend its support to understanding the fundamental issues at hand, in particular with regard to the facilities and marshalling university support.
- 5.5. Ian Taylor and Marshall Davies drew attention to the need to consider the overall European situation and addressing whether e.g. CERN or other European member states had negotiated exclusions from overarching directives and agreements on carbon reduction targets in this respect.
- 5.6. Jane Tirard confirmed to Gill Ball that provision for the risk of increased liabilities had been made in forward financial planning, but Richard Wade noted that this had not been included within the ring fenced CSR partitions and therefore breached the Drayson principles covering facilities.
- 5.7. Council noted that it was extremely concerned about the potential problem and urged action to be taken. Keith Mason noted the concern and reported that next steps would begin with raising the matter with the RCUK Executive Group on 13 July.

ACTION: Keith Mason

6. ADVISORY BOARD STRUCTURE – STFC(2011)41

- 6.1. John Womersley introduced a revised paper on Advisory Board Structure, further to the Council's agreement at its May meeting that some simplification was desirable and that a working group be established to refine the original proposals (James Stirling, Tony Ryan, Matt Griffin, John Womersley, Richard Wade and Gordon Stewart). The paper presented included a revised plan, including proposals for the structure and membership of advisory groups. The central

- recommendation in the revised plan was the establishment of ‘core’ and ‘non-core’ Science Board membership, the ‘core’ group taking membership from the current Science Board, PPAN and PALS groups. The ‘Core’ Science Board membership would number 12–16 members.
- 6.2. It was explained that the revised Science Board would give advice on the science component of the broad portfolio of STFC activities, including technology and Campuses. In this light it was recommended that ECOAB and EIAB terms of reference should be revised to align the three groups most effectively, and that improved interactions between SB, ECOAB and EIAB would be required.
 - 6.3. The working group proposed that a consultation be undertaken with the community on a revised Advisory Panel structure to the revised Science Board (above), the Chairs of which it was proposed should be taken from the ‘non-core’ Science Board group. The Science in Society Panel; Accelerator Science Board; and Education, and Training and Careers Committee would remain extant in their current advisory roles.
 - 6.4. Tony Ryan reported that the proposals had been discussed at length at the last Science Board meeting and the chief concern was that facilities could potentially be undervalued in the consultation. John Womersley acknowledged this possibility and was happy to revise the proposed Advisory Panel wording.
 - 6.5. Martin Barstow welcomed the revised proposal as addressing the questions in the community over continuity and the need to retain direct lines of contact with projects. James Stirling was grateful for the opportunity to reflect on the proposals in the working group (see above) and reinforced the continuity issue.
 - 6.6. A number of suggestions were made by Council members about the proposed format of the consultation on Advisory Panels and with regard to how the reasoning behind the change to structure and membership of the revised Science Board should be best communicated. Keith Mason made it clear that the reasoning behind appointments were *ad hominem* and that individuals were not appointed to represent specific projects, subjects or disciplines, but rather to provide best overall advice.
 - 6.7. It was emphasised that the need for cost savings was a driving force and that a limit on the overall size of the college of advisers might be desirable. John agreed that this was a limiting factor, but that the greatest savings would come from a reduction in the overall frequency and number of meetings.
 - 6.8. Council unanimously approved the proposals subject to the revisions suggested during deliberations, including the proposed Terms of Reference, the proposed new membership of Science Board and the consultation wording. An announcement on the new Science Board would be made on or near 25 July, opening the consultation process. Council requested a report following the consultation to be made

available at its November 2011 Council, and that recruitment for any new advisory panels should be completed and approved by Science Board so that the new panels were fully up and running by 1 April 2012.

Action: John Womersley / Tony Ryan

**7. STATUS UPDATE: REDUNDANCY PLANNING STFC(2011)42
(–some references in this section have been redacted as staff and policy – in – confidence)**

- 7.1. Richard Wade reported that two Voluntary Redundancy notices had been issued to staff with a further update note due imminently. He reported that just over 80 volunteers had been received. So far 20 offer letters had been sent, with 16 already having been fully accepted in writing. At the current pace of progress the possibility of Compulsory Redundancy requirements in certain areas could be shortly closed off. The impact of restructuring in certain departments (e.g. PPD, Technology) on the overall timeline were explained in detail, as was the impact of progress on overall Administration staffing requirements.
- 7.2. It was explained that these variances meant that Compulsory Redundancy rounds would likely come on stream at different times. Richard reported that relations with the Trade Unions side were very constructive.
- 7.3. Gill Ball sought assurance that the appropriate consultation processes has been factored into the timelines since the Compulsory process would likely progress less smoothly than the current Voluntary round.
- 7.4. Ian Taylor noted that imposing at a minimum 2–3 weeks contingency to the final cut-off deadline would be prudent.
- 7.5. Marshall Davies was sympathetic that all details and risks could not be quantified in advance, but expressed some concern that there might be outlying factors that could have an additional impact on the overall situation, e.g. an increasingly serious European / global financial backdrop.
- 7.6. Council noted its requirement that a full plan be presented in as near complete form/ definitive position as possible at its September Strategy Day including details of the requirement for compulsory redundancies (headcount and financial equivalent) per area (taking into account voluntary redundancies) and that regular progress reports would be provided to Council against plan, and an overall Gantt chart, until the end of the process.

Action: Richard Wade / Keith Mason

8. RCUK FUNDING MODEL – UPDATE

- 8.1. Richard Wade reported that BIS had accepted the RCUK proposals presented at the May Council meeting and that the cross-Council Facilities Steering Group had held its first meeting.
- 8.2. Richard reported that activity was now in hand to develop a common financial reporting model and to collect usage data from all the facilities in a single database that would also contain historical data going back 3 years.
- 8.3. Tony Ryan noted Science Board's concern that the complexity of the required data, e.g. with regard to blue skies or European funding, had the potential to be overlooked, and was therefore pleased that work on developing the user database appeared to be progressing well and addressing such concerns.

9. SSC UPDATE – STFC(2011)43 (–some references in this section have been redacted as staff –in – confidence)

- 9.1. Jane Tirard recapped some of the challenges SSC continued to bring, including the financial planning system, Hyperion, providing implementation difficulties with regard to suitable interfaces. Grants had been the final aspect of the system to be implemented and a number of the challenges were detailed in the report.
- 9.2. The overriding need now was for the system to stabilise in a number of areas: 1. Infrastructure; 2. Skill set at SSC; 3. Clearing numerous outstanding fixes / 'jobs' and enhancements so the system is fit for purpose. 4. Ensure STFC personnel are learning and using the system capabilities., £5M additional resources from RCUK has been earmarked (c.£1M from STFC) and this has brought significant requirements for clarity of prioritised needs, cost and assurance that this was appropriate expenditure.
- 9.3. John Womersley reported that the current low level of functionality was potentially a threat to forthcoming Grants and Contracts rounds and these would only currently happen if the requested fixes in the system were actually made by SSC. James Stirling highlighted the reputational effect this would have with the science community if not fixed soon. John noted that the relevant teams were working as hard as they could to a positive outcome, but could not guarantee that grants would not be delayed (although every effort was being made to avoid this). Whilst Keith noted that such a failure had happened once at PPARC, Gill Ball noted that the current economic climate was far tougher and it would be more difficult for institutions to provide bridging funding.
- 9.4. Marshall Davies commended the huge amount of work undertaken by the STFC finance group and reiterated the over-riding need for stabilisation. Although it was hoped that the CEO and COO of SSC could be easily replaced, the loss of these two individuals in recent months

only compounded the problems. Gill Ball noted that all the issues faced by SSC were now very well known across the wider sector down to details e.g. with regard to remittance advice problems.

- 9.5. Michael Sterling summarised and concluded that STFC must continue to do its best to assist in mitigating the problems faced. A list of actions being taken by SPO to mitigate adverse impact on grants was requested for the next meeting. Council noted developments with ongoing concern.

Action: John Womersley

10. EIAB REPORT (item brought forward to allow Will Whitehorn to depart at 6.00pm)

- 10.1. Will Whitehorn reported that EIAB next planned to meet in September. Whilst Phil Kaziewicz had stood down from Council, and therefore Chairmanship of EIAB, he had become a member of EIAB and also accepted the Chair of STFC Innovations Ltd (SIL). Will looked forward to providing more extensive reports at future meetings.

11. CHIEF EXECUTIVE'S REPORT – STFC(2011)44 (–some references in this section have been redacted as commercial – in – confidence)

- 11.1. Keith Mason highlighted the important interactions with the Guanghua Science and Technology Foundation in China which offered major inward investment opportunities and was the first collaboration of its sort with regard to exploitation. He reported that a non-specific Memorandum of Understanding had been signed at the recent Summit in London and work was underway to best understand the most appropriate next steps with regard to investment.
- 11.2. Ian Taylor emphasised the importance such MoUs could have in the long term in embedding relationships and his experience of their positive outcomes in both S. Korea and Japan in the past. Ian asked specifically about whether there were concerns over Intellectual Property.

Action: Gordon Stewart

12. UPDATE ON ORGANISATIONAL PLANNING – STFC(2011)45

- 12.1. Keith Mason informed Council had he intended to submit two personal “thought pieces” on organisational structure and campuses shortly, in response to a previous Council request, as input into the September’s Strategy Day which would be supported by an internal consultation being undertaken by Sharon Cosgrove.

ACTION: Keith Mason

13. OPERATIONS REPORT – STFC(2011)46

13.1. Richard Wade noted that the Operations Report contained a lot of information, as usual, but highlighted:

- Excellent performance at the LHC, with target integrated luminosity achieved with 16 weeks still to go and exciting results expected to be presented at conferences at the end of July.
- Exciting new Neutrino physics results has recently been reported from T2K and MINOS.
- The release of ISIS TSII funds having noticeably boosted morale.
- Approval of another tranche of beam lines as part of DLS Phase III, some of which had been somewhat contentious to agree across all the Research Councils.
- UKIRT's central role in observing the most distant known quasar.

13.2. James Stirling added that he had received very good reports of the LHC display at the Royal Society Summer Exhibition which had received more than 14,000 visitors.

14. BIS REVIEW MEETING – STFC(2011)47

14.1. Sharon Cosgrove reported that bi-laterals between each of the Research Councils and BIS had been taking place every six months for several years and that it was the intention – in particular with regard to the new Scorecard system – to increase the visibility of these meetings with Council. Regular progress reports were already made with Operations Board and Executive Board and regular updates also be provided to Council in future.

Action: Sharon Cosgrove

14.2. Sharon was pleased to note that the productivity of the STFC bilateral meetings had been noticeably improving over the last 3–4 occurrences, a view which Graeme Reid supported.

15. CAMPUS UPDATE (JV PROGRESS ETC)

15.1. Colin Whitehouse reported very positive progress engaging with the relevant Local Enterprise Partnerships for the Campuses (Liverpool, Manchester and Oxford) as relationships with Regional Development Agencies are wound down. Joint enterprise zone bids have been made at both sites, which will be awarded on a very competitive National basis. The total available funds available under the enterprise zone

scheme in England amounts to £20–30M.

- 15.2. Colin reported that proposals had been made by UKTI in London to establish a regional base at the Daresbury Campus.

16. NWDA ASSET TRANSFER – STFC(2011)48 (– this section has been redacted as commercial – in – confidence)

17. SCIENCE BOARD REPORT – STFC(2011)49

- 17.1. Despite restricted time, Tony Ryan reported that most of Science Board's concerns had been aired during the course of the meeting.
- 17.2. Tony reported that Jordan Nash had retired as Chair of PPAN. Council thanked Professor Nash for his hard work and congratulated him on his retirement.
- 17.3. With regard to Technology, Tony emphasised that its consideration and emphasis must not be restricted to highlighting spin-outs etc, but more centrally as a *vital enabler of the Science Strategy* when characterised in the developing Technology Strategy.
- 17.4. Tony highlighted a significant and important report written by PALS on Healthcare and Ageing and the potential need for it to be correctly disseminated. Marshall Davies and Ian Taylor endorsed its importance. Graeme Reid pointed to relevant audiences inside and outside Government and noted the importance of allying communications about this particular area with parallel areas of development. Michael Sterling and Council agreed that this needed to be pursued and Tony was grateful to be able to report this back to Science Board.

Action: Terry O'Connor / Sharon Cosgrove

18. ANNUAL REPORT UPDATE – STFC(2011)50

- 18.1. Jane Tirard reported that progress as planned was being made on the Annual Report and that Auditors were currently on site. A full update of progress would be provided to the September meeting.

Action: Jane Tirard

19. HEALTH & SAFETY REPORT Q4 – STFC(2011)51

- 19.1. Richard Wade had nothing to add to the written report other than the continued excellent work of the Health and Safety Group and the fact that this reaps benefits in many ways across the whole organisation.

20. AOB

- 20.1. Michael Sterling reported that three Council Members neared the end of their first term James Stirling, Martin Barstow and Peter Knight. All had expressed an interest to continue, but Peter had reluctantly had concluded that his upcoming Presidency of the Institute of Physics would unfortunately be too significant a conflict of interest to allow continued service on STFC's Council after the end of his current term in March 2012.
- 20.2. Colin Whitehouse reported that he had appeared alongside Professor David Delpy (EPSRC) and Dr Graham Bushnell-Wye (DL & Prospect) in front of the House of Commons Science and Technology Select Committee on Monday 11 July in reference to their short hearing into *The Commissioning of X-Ray Photoelectron Spectroscopy Services*, which had direct relevance to operations at Daresbury Laboratory.

21. DATES OF NEXT MEETINGS

- 21.1. Gordon Stewart noted that the next meeting would be a full day Strategy Day on 27 September at Daresbury Laboratory, preceded on 26 September with a tour of Jodrell Bank and a Stakeholder Dinner comprising 50-60 in total. This will be followed by an Informal Meeting on 25 October (to be confirmed) and a Business Meeting on 22 November which would commence at 10.30 with a tour of the ISIC facility at RAL before moving on to the meeting in the afternoon.

The meeting closed at 6.30pm.

The Council received a short presentation from Prof John Collier on the HiPER Project, before moving on to an informal dinner with senior STFC Executives.