

MINUTES OF THE FIFTH MEETING HELD ON 4 SEPTEMBER 2007 AT THE RUTHERFORD APPLETON LABORATORY

Council Members present: Peter Warry (Chairman)
Keith Mason (CEO)
Marshall Davies
Mike Edmunds
Philip Greenish
Philip Kaziewicz
Anneila Sargent (by telephone)
Richard Wade
Colin Whitehouse

Science & Innovation Group Paul Williams

In Attendance: Tim Bestwick (for Item 5)
David Eakins (for Item 1)
Peter Fletcher (for Item 5)
Paul Hartley (for Item 1)
Nathan Hill (for Item 5)
Stuart Hopley (deputy for J Down)
Raymond Prud'homme (for Item 1)
Andrew Taylor
Jacqui Williams (for Item 1)
Chris Thompson (*Council Secretary*)
Ruth Jeans (*Minute Secretary*)

APOLOGIES

Apologies were received from Keith Burnett and Jeff Down.

INTRODUCTION

The Chairman welcomed members and attendees to the meeting.

DIAMOND PRESENTATION

Before the main business of Council, Gerd Materlik, Chief Executive of the Diamond Facility, presented Council with a status report on the Diamond Project, and outlined the future plans for the Facility. Colin Norris (Science Director) and Richard Walker (Technical Director) were also in attendance.

Professor Materlik highlighted the wide range of exciting user experiments and cutting-edge research studies already taking place, or planned, for the eight beamlines currently operating. The immediate challenge for the science team was to achieve optimisation of

Phase 1, complete Phase 2 construction, and commence the Phase 2 beamline programme. In the meantime there was a continuous review of the beamlines by the Science Advisory Committee to ensure that the programme remained aligned with user needs. An Industry Complex to complement the Science Research Complex was also planned, in order to meet the demands of companies eager to exploit the synergy available within the Facility and between other facilities on the campus.

Professor Materlik pointed out that funding for Phase 3 depended on the outcome of the Comprehensive Spending Review 2007 and any allocation from the Large Facilities Capital Fund. This was considered risky in terms of continuity of staff etc. The Diamond Board had therefore been given the go-ahead to plan for Phase 3, assuming that funding would become available. Professor Materlik stressed the importance of planning for Phase 3 in a much more controlled way, in order to continue the development of the science programmes, and provide beamlines for future scientific opportunities for new research communities as well as the expansion of existing ones.

Diamond was currently a 3rd Generation Light Source and the challenge was to develop the facility to become an enhanced Next Generation Facility achieving improved efficiency with better detectors using remote automatic control, robots for sample handling and exploiting grid access for data handling, for example. To respond to the request for better time resolution, a case for a relatively inexpensive 3 GeV linac source (SAPPHIRE) was being developed, with the possibility of a SAPPHIRE Free Electron Laser and other extensions to follow. Council noted that recommendations on SAPPHIRE would flow through the Science Board, as part of the Light Source Review.

Professor Materlik concluded by inviting Council members to attend the Grand Opening of Diamond on 19 October 2007.

The Chairman on behalf of Council warmly thanked Professor Materlik for the earlier tour of the Facility and the opportunity to see the exciting technology involved, as well as a very informative presentation.

ITEM 1: PROGRESS REPORT ON THE SHARED SERVICES CENTRE (SSC)

- 1.1 Raymond Prud'homme, SSC Project Director, updated Council on the status of the SSC Project and the draft Full Business and Financial Cases due to go through Gateway 3 on 19 September 2007.
- 1.2 Council confirmed its support in principle for the concept of the SSC, but pointed out that it must have confidence in the numbers and costings presented particularly in relation to procurement savings. It was stressed that the targets relating to STFC must be realistic and deliverable, in order that Council would be able to advise the Chief Executive on the terms and conditions to endorse.
- 1.3 A number of concerns relating to the paperwork were raised which would require further action by the SSC Project Team, before Council could endorse the Business Case. Council also expressed concern that staff morale should be carefully managed.
- 1.4 Council therefore requested the following information:
 - The best current estimates of the costs; financial savings by activity; and the transitional costs for STFC;

- Staff numbers, along with any assumptions etc used to derive these figures;
- A summary of the non-cash benefits. **Action: R Prud'homme/P Hartley**

1.5 It was agreed that Keith Mason would report to Council on the outcome of the SSC discussions by correspondence. **Actions: K Mason**

ITEM 2: MINUTES OF THE SECOND MEETING HELD ON 25 JULY 2007 **STFC(2007)62**

2.1 The minutes were agreed to be a correct record of the meeting, and were signed by the Chairman.

ITEM 3: ACTIONS AND MATTERS ARISING **STFC(2007)63**

3.1 **(9.3 HEI Visit):** Following discussion on possible options, it was agreed that Keith Mason, with Chris Thompson, should make a decision on the most appropriate venue for the first STFC Council's visit to an HEI on 29 April 2008. **Action: K Mason /C Thompson**

(Secretary's Note: it has been agreed that Council should visit Sheffield for its first HEI visit. Keith Burnett has agreed to host the visit).

3.2 **(10.3 Key topics for Council):** It was agreed that Peter Warry and Chris Thompson should agree a 12 month forward agenda for Council. **Action: P Warry/C Thompson**

3.3 **(12.1 Campus Science & Innovation Sub-Committee):** Colin Whitehouse was asked to arrange the establishing of the Campus Science & Innovation Sub-Committee as a matter of urgency. **Action: C Whitehouse/L Towns-Andrews**

ITEM 4: CHIEF EXECUTIVE'S REPORT **STFC (2007)80**

4.1 Keith Mason reported on a successful meeting with Lord Triesman, (the DIUS Parliamentary Under-Secretary of State for Intellectual Property and Quality) on 1 August 2007. Lord Triesman appeared to have a clear understanding of the issues for STFC arising from the CSR and had been supportive. As a result of the meeting, there were plans for him to visit the Daresbury Laboratory on the 13 September 2007 *(Secretary's Note: since the meeting, it was proposed that Lord Triesman would visit the Diamond Facility instead on that date. However the visit did not go ahead for logistical reasons).*

4.2 Keith Mason went on to report that the revised STFC Delivery Plan requested by S&IG had now been submitted and a bilateral with Sir Keith O'Nions had been arranged for 26 September 2007. Paul Williams stated that the CSR outcome was expected to be announced in October 2007, but as there were a number of outstanding issues still to be resolved, the timing of the announcement was still tentative.

(Secretary's Note: the bilateral on 26 September was brought forward to 12 September and did not include Keith O'Nions and Keith Mason).

4.3 Council noted the Report.

ITEM 5: ECONOMIC IMPACT

Campus Development

STFC(2007)65

- 5.1 Liz Towns-Andrews reported on the status of the Nuclear Decommissioning Authority's (NDA) clean-up of 18 hectares of UKAEA land which came within the Harwell Science & Innovation Campus. *(Action from Minutes 25 July 2007, para. 8.8 refers).*
- 5.2 Zone 11 of the HSIC master plan was key to the development of the Campus over the next 5 -10 years, and was currently planned to be fully de-licensed and released to the JV by the end of 2009. The private sector bidders had made this release a condition of their bids. Until recently, the NDA was fully committed to funding the work necessary to release Zone 11 on this timescale. However, in response to funding pressures this year and the need to direct available funding to hazard reduction work elsewhere, this work had dropped out of the NDA programme. The NDA had stated that alternative funding had to be found, or it must be instructed by Ministers to adjust its funding priorities to accommodate this work. The lead in Government was being taken by the Department of Business, Enterprise and Regulatory Reform (BERR) Shareholder Executive, but DIUS also had a very close interest in this issue and had been fully briefed. This highlighted the more complex position now for dealing with disputes within the Public Sector Partnership, as a result of government changes.
- 5.3 Council noted the report.
- 5.4 Liz Towns-Andrews went on to highlight a number of recent Campus developments.
- 5.5 Negotiations were continuing with the two candidates bidding against the Invitation to Negotiate (ITN). It was noted that there had been a significant level of compliance by the two bidders with the terms of the ITN. However they differed in one key respect relating to how the Campus infrastructure should be handled. One bidder had indicated that it would come in at a reduced percentage to reflect land availability.
- 5.6 Final negotiations with the two bidders were about to commence. It was intended that the Project Team's recommendation on the preferred partner would be presented for endorsement to the UKAEA Board and the STFC Council in October, and the final Business Case would be presented to the UKAEA Board and STFC Council in November, for approval to proceed with the Joint Venture and Public Sector Partnership formation.
- 5.7 Liz Towns-Andrews was asked to circulate copies of the ITN and the "side-by-side comparison of the bidders" documents, along with a briefing paper on the JV Partnership proposals. **Action: Liz Towns-Andrews**
- 5.8 Council also noted the intention to generate an MoU between the UKAEA and STFC, in order to protect significant zones of land adjacent to the RAL estate for the construction of new large scientific facilities in the future, which would now be incorporated into the JV.
- 5.9 Council welcomed the news that the Daresbury Science & Innovation Campus continued to expand rapidly and noted the intention to appoint a masterplanner for the campus, as well as the intention to negotiate a JV partnership similar to the HSIC JV.

Knowledge Exchange Service

STFC(2007)66

- 5.10 Peter Fletcher introduced the item by summarising the background and activities of the STFC Knowledge Exchange Service (KES). The purpose of the Service, provided under contract by Qi3, was to increase demand and provide opportunities for greater interaction with industry, doubling the current annual level of investment by 2007/08 and establishing a more secure base for this activity. The cost of the 3-year contract (2005-08) was £683K, funded in part by an OSI KT capacity building award of £294K. .
- 5.11 Nathan Hill expanded on the goals and industry engagement strategy of the KES, and presented a number of examples of case studies and recent corporate transactions to highlight its support of entrepreneurial activity, and its industry and interdisciplinary collaborative research programme.
- 5.12 Council noted that in addition to the corporate transactions described, KES had leveraged £3.1M from external sources to STFC projects for November 2005 to June 2007 and the target was to leverage a further £4.15M by October 2008. This would represent an investment multiple of 12 for STFC-based on the toughest measure.
- 5.13 Members requested a single sheet summarising the breadth of applications. Council also requested copies of the KES presentation. **Action: P Fletcher/N Hill**
- 5.14 Council welcomed the achievements made by the KES and thanked Peter Fletcher and Nathan Hill for their presentations.

ITEM 6: UK PARTICIPATION IN XFEL

STFC(2007)67

- 6.1 Richard Wade updated Council on the status of the XFEL Project.
- 6.2 In the light of increasing project costs and the uncertainty of the UK in-kind contribution to XFEL, the UK, along with the French delegation, had been exploring the possibility of participating in the Project as “scientific partners”, rather than as full shareholders.
- 6.3 Paul Williams pointed out that the UK was already committed to signing up to the international Convention and there was no “scientific partnership” option within the documentation. He also pointed out that the Research Councils had made a collective decision that XFEL should be the top priority for UK investment from the Large Facilities Capital Fund. Richard Wade assured Council that STFC did not now view XFEL as a lower priority, but believed that a tie-in of 18 years as a full shareholder was an unrealistic commitment.
- 6.4 Paul Williams advised that the documentation should be submitted to DIUS, to start the process of clearance by government lawyers. Consideration should be given to re-negotiating the Convention to include an appropriate exit clause, and an option to review in the light of the CSR 2007 settlement.
- 6.5 Council welcomed the advice, and Richard Wade agreed to pursue the line proposed. **Action: R Wade**

ITEM 7: FUTURE OF THE CHILBOLTON LABORATORY

STFC(2007)68

RESTRICTED ITEM

ITEM 8: MANAGING RELATIONSHIPS WITH DIAMOND

STFC(2007)69

8.1 As requested by Council at its last meeting, Richard Wade presented a number of proposals for strengthening and improving the relationship between STFC and Diamond.

8.2 Council welcomed the progress already made in improving STFC's relationship with Diamond, and endorsed the proposals that:

- A senior level Programme Manager with specific responsibility for Diamond funding should be embedded within the Science Programmes Office;
- The Director SPO should personally engage with Diamond as Non-Executive Director and shareholder representative; **Action: R Wade**
- The role of the Shareholder Liaison meetings and interactions with the Wellcome Trust should be strengthened. Richard Wade would seek opportunities to engage Peter Warry and Keith Mason with senior Wellcome Trust personnel. **Action: R Wade**
- Specific responsibility for developing closer working relationships on site should be given to the Director Facility Development and Operations. **Action: A Taylor**

ITEM 9: EDUCATION AND PUBLIC OUTREACH ADVISORY COMMITTEE

STFC(2007)70

9.1 Council welcomed the establishing of the Education and Public Outreach Committee (EPOAC). Because of the importance of its overarching role, looking broadly at the societal impact of Council's programme, Council proposed that the terms of reference should be amended to read "to meet at least twice a year". Council also agreed that EPOAC should formally review the reporting lines for the Education, Training and Careers Committee and the Science and Society Committee in a year's time. **Action: M Edmonds**

9.2 The Chairman on behalf of Council, invited Mike Edmonds to chair the EPOAC and he accepted the role.

ITEM 10: FINANCE REPORT

STFC(2007)71

10.1 Stuart Hopley presented the progress report on financial issues of interest to Council.

10.2 Council noted that:

- The likelihood of a further delay to the completion of the VISTA telescope had increased and options on how to proceed were under discussion with the VISTA Board;
- The required repayment period for the Diamond input VAT was still under discussion.
- the first reconciled, merged opening STFC balance sheet had been prepared in detail and the Finance team was congratulated.

- it was the intention of DIUS to transfer the management of the international subscriptions compensation arrangements to STFC. Options on how to manage the risk were being considered, and a formal proposal would be brought to the October meeting of Council. **Action: J Down**

ITEM 11: DIRECTORATE REPORTS

Science Programmes Office

STFC(2007)72

- 11.1 As mentioned at 10.2, Richard Wade reported that the technical problems with the VISTA telescope had worsened, and he planned to raise the issues with the ESO delegation at its meeting of Council on 2 October, 2007. He confirmed that a number of proposals were being pursued in order to avoid any possibility of penalties.
- 11.2 The Light Source Review had taken place in July 2007 but the final report had not yet been published. Richard Wade was pressing for at least the headlines and recommendations to be presented to the Physical and Life Sciences Committee (PALS) for consideration, and its conclusions to be submitted to the Science Board by the end of October 2007. A report would subsequently be made to Council. **Action: R Wade**
- 11.3 Richard Wade reported that the business cases for the top five bids against the Large Facilities Capital Fund would also be prepared by the end of October, 2007.
- 11.4 The Search Committee had now gone through due process to identify appropriate candidates for the post of Director General for CERN, and had presented a shortlist of three names for consideration to the CERN Council. The UK would be prepared to support any of the three candidates.

Facility Development and Operations Directorate

STFC(2007)73

- 11.5 Andrew Taylor reported on the outcome of the EU Framework 7 Preparatory Phase and the funding levels proposed by the EU for ESS, IRUVX-FEL and HiPER. The bid for HiPER had been 15M euros, with 3M euros being awarded. He pointed out that considerable work had already been carried out, and a strong consortium was now in place to take the work forward. As part of the preparatory work for HiPER, The Central Laser Facility would be carrying out trial experiments using the Vulcan Laser, and The STFC would be under considerable pressure to fund the project at around the 1-2 M euro level per year, to ensure that the STFC remained "in the driving seat". Council commended the work being led by Mike Dunne, Director of the CLF, and welcomed the recent press coverage for the project, (*although not totally accurate*). Mike Dunne would be attending the Science Board at its meeting in October, to present the case for HiPER.
- 11.6 Andrew Taylor invited Council members to attend RAL's 50th Anniversary commemorative dinner on 2 November 2007. The dinner would follow a number of events and science talks earlier in the day.

Corporate Services

- 11.7 In Paul Hartley's absence, the report was noted.

ITEM 12: BUSINESS RISK AND CONTINUITY

STFC(2007)76

12.1 Council noted the STFC Quarter 2 Scorecard Report.

ITEM 13: DATES OF FUTURE MEETINGS

STFC(2007)77

13.1 Council noted the dates of the remaining meetings in 2007. (*Secretary's Note: as a number of members would not be available for the October meeting, the meeting has been cancelled*).

13.2 The dates for the 2008 Council meetings were agreed. The venues were noted, but the Secretariat was asked to arrange for two additional meetings to be held at Polaris House later in the year, instead of at RAL.

ITEM 14: ANY OTHER BUSINESS

14.1 Work was in progress to formally wind up the PPARC Council, and the paperwork was being prepared for Peter Warry to issue. **Action: J Sadlier**

14.2 Council also noted that a new CCLRC Council, chaired by Keith Mason, had been formed to deal with outstanding legal issues, as and when required.

14.3 Council welcomed the announcement that a corporate lawyer had been appointed from November 2007, to handle STFC's increasingly complex legal and business matters.

14.4 Richard Wade informed Council that as the President of the ESO Committee of Council, he would be hosting the next meeting of the Committee on 2 October 2007 at Diamond House. There will also be an opportunity for the Committee to visit the ALMA Project team at RAL.