

MINUTES OF THE NINTH MEETING HELD ON 7 DECEMBER 2007 AT THE RUTHERFORD APPLETON LABORATORY

COUNCIL IN STRICTEST CONFIDENCE

Council Members present:

- Peter Warry (Chairman)
- Keith Mason
- Keith Burnett
- Marshall Davies
- Mike Edmunds
- Philip Greenish
- Philip Kaziewicz
- Anneila Sargent (*by telephone*)
- Richard Wade
- Colin Whitehouse

DIUS

Paul Williams (*for second part of meeting only at the request of the Chair*)

In Attendance:

- Jeff Down
- Jim Sadlier (*for the second part of the meeting*)
- Chris Thompson (*Council Secretary*)

1. There was no formal agenda and no papers for this meeting.

CLOSED SESSION

RESTRICTED ITEM

OPEN SESSION

2. The Chairman summarised the outcome of Council's deliberations in closed session:

- He noted events leading up to the meeting with the SoS and explained that the cost of implementing the Minister's proposals was £42.5m. Paul Williams confirmed that the ERLP issue had been resolved and should be taken out of the planning.
- He acknowledged the offer from DIUS to re-profile the STFC funding and to convert in excess of £5m pa capital to resource. In reality, only £5m pa capital was available to be converted.
- He explained the three principles which Council had abided by in deliberating about the Plan, namely: delivery of a credible science programme and a balanced budget; ensuring appropriate financial prudence and probity; and open and honest communication with stakeholders.
- He explained that build-back funding was not available to mitigate the cuts in grants but was to be used for key activities which had been excluded when putting together the core programme, activities which had been cut further from the core programme in closing the £80m gap, new opportunities and contingency against the aggressive savings numbers included in the Plan. Examples of projects which would call on build-back funding included:
 - Not in core: LHC upgrades, T2K, SKA, Next Generation Light Source R & D (NW implication), development funding for HiPER, Facility Development Grants
 - Cut from core: dark energy, gravitational waves, E-Merlin (NW implication), Mice Phase II (no Neutrino Factory R & D), CLOVER, UKIRT and Facility Operations

Council members stressed the fact that buy-back funding was the only source of resource on which these high profile projects could call. Inability to take forward these projects would significantly damage STFC relations with its partners regionally, nationally and internationally and would mean the UK would no longer be able to take a lead and, in many cases to even participate, in these projects.

This buy-back funding also provided the only opportunity for the STFC community to be consulted on priorities. Failure to deliver this opportunity would further damage the STFC's reputation.

- He explained that, if the STFC accepted the SRS closure date as 31 December 2008 and the phasing of voluntary redundancy, a Plan with an 8% cut in grants would result in a £30m deficit over the CSR period. A

25% cut in grants would leave a £10m deficit and this was the proposal Council had reluctantly accepted but with two caveats. The first caveat was that STFC must have the ability to be able to carry over EYF from 2007/08 and from subsequent years. The second caveat was assistance with non-cash costs, especially those arising from asset impairment. Without assistance on non-cash costs the Daresbury vision could not be implemented and further substantial cuts in the grants line would be necessary.

Council members added that retaining a 25% cut in grants would not be their preferred option if there was any other flexibility in a budget which had already been cut hard in other areas. An uplift of £20m would avoid this requirement.

- He stressed the fact that STFC was determined that the Delivery Plan should be an honest document and that the latest suggested changes from DIUS were not acceptable.
3. Paul Williams underlined the urgency to sign-off the STFC Delivery Plan in time for the Ministerial launch event on 11 December 2008. A revised version, incorporating the Plan as set out by the Chairman must be reviewed by the Minister before then.

Communication Plan

4. Keith Mason explained that he was planning to talk to all STFC staff on 12 December and then to address a Town Meeting on 13 December. Paul Williams confirmed that this was acceptable given that it was after the Ministerial event.
5. Richard Wade reminded Council members that the pending decision by CERN Council to increase the CERN subscription would be paid for out of the particle physics grants line, an approach which senior members of the community had agreed to. The additional cut would significantly increase the impact of the 25% reduction on Particle Physics grants. Council members agreed that the UK should vote against the increase in the CERN subscription but recognized that they were likely to be outvoted.
6. Council discussed and agreed a set of Q & As which would be circulated by Jim Sadlier as a separate output from this meeting.
7. The Chairman then formally closed the meeting and thanked members for their input into what had been a difficult debate.