

MINUTES OF THE SEVENTEENTH MEETING HELD ON 16 DECEMBER 2008 POLARIS HOUSE, SWINDON

Council Members present: Peter Warry (*Chairman*)
Keith Mason
Keith Burnett
Marshall Davies
Mike Edmunds
Philip Kaziewicz
Anneila Sargent
Gordon Stewart
Richard Wade
Colin Whitehouse

DIUS: Paul Williams

In Attendance: Graham Brooks
Sally Ann Forsyth (*for item 1*)
Peter Knight (*Chair, Science Board*)
Terry O'Connor (*Executive Secretary*)
Ruth Jeans (*Minute Secretary*)

Apologies: Philip Greenish
Jenny Thomas

WELCOME

The Chairman welcomed members and attendees to the meeting, in particular Sally Ann Forsyth, (*Director Science Parks for Goodmans, and Project leader for the development of the Harwell Science Park*), who attended to present the HSIC Business Plan.

1. HSIC BUSINESS PLAN

Overview

1.1 Sally Ann Forsyth commenced by explaining the founding principles for the Harwell Science and Innovation Campus, including its structure; business model; and governance arrangements. The vision for Harwell agreed by the UK Government and the Campus stakeholders was to develop the site to become one of the leading innovation campuses in the

world, and to exploit its present and future prestigious facilities. All the key elements were already in place, (*facilities, research, people and services*), to create a vibrant, interactive community of leading scientists and innovators.

- 1.2 Early next year, an on-site Director would be appointed (*to act as a 'figure-head' for the site*); a technology transfer manager (*to act as facilitator for the diverse groups on the campus*), and a team of property management staff, many of whom were already working on the site.
- 1.3 She went on to describe the preferred occupier profile and the strengths, opportunities etc for the campus.
- 1.4 In particular, she addressed the possible impact of the current recession on the development of the site. However, she pointed out that although there had been a general change in value of assets and land recently, her intelligence from other networks indicated that the science sector had, so far, not been as badly affected as the commercial sector, although acknowledging that there could be some fall-out from the national downturn.

Business Plan

- 1.5 The HSIC Business Plan was an essential component of the Joint Venture partnership, and there had been a requirement to produce the Plan within 6 months of the signature date, (August 2008). The team had been working very effectively and were now ahead of schedule, with the final draft of the Plan completed two months ahead of schedule.
- 1.6 As part of the preparation for drafting the Plan, a number of workshops had been held during the autumn. These meetings had successfully achieved a) the bringing together of the two groups at an early stage to form a high functioning management team, and b) to debate and agree the key issues involved. Sally Ann then presented an outline of the Business Plan contents and expanded on a number of issues relating to it.
- 1.7 Council thanked Sally Ann for her timely presentation and producing the Business Plan ahead of schedule. Council endorsed the Plan, and confirmed that no further approval from Council was required, although it was agreed that the document should be circulated to members at the earliest opportunity.

Action: G. Stewart

- 1.8 Sally Ann mentioned that it was intended to organise a formal launch for the Campus, and Council agreed that Lord Drayson should be invited to the event.

Action: G Stewart/ S A Forsyth

CHAIRMAN'S INTRODUCTION

The Chairman informed Council that Jeff Down had been taken ill, and on behalf of Council wished him a speedy recovery. Philip Greenish had also sent his apologies.

Chairman congratulated the executive on obtaining IIP accreditation, and asked that Council's congratulations should be communicated to the staff.

Action: K Mason/T O'Connor

The Chairman congratulated the executive team on circulating all of the papers a week in advance of the meeting, and apologised that the Organisational Review Panel report, (*and proposed response*) had been circulated less than 24 hours before the meeting. However, permission to release for circulation to council members had only been given on the afternoon of Monday 15 December.

The Chairman also informed Council that the interviews to appoint two scientists as new Council members would take place on 23 January, and that there had been a very high calibre of applicants on this occasion.

2 MINUTES OF THE MEETING HELD ON 24 OCTOBER 2008

- 2.1 The minutes were agreed to be a correct record of the meeting, and were signed by the Chairman.
- 2.2 Richard Wade raised an issue relating to the 23 September minutes of Council. A comment attributed to him in the minutes relating to the debate on ESS could have been interpreted as implying that the neutron user community had no interest in the ESS. This was not the case. In fact what he had intended to state was that the view of the neutron community; the Neutron Users Meeting; and the Programmatic Review was that, whilst there was enthusiasm for the ESS, the short term priority was to concentrate on developing ISS and ILL – this had been primarily a timing issue. Council noted this retrospective amendment to the minutes.

3. ACTIONS AND MATTERS ARISING

- 3.1 **(Minute 2.1 - FAQs):** It had been agreed that this item was no longer required. Instead, there would be an updated FAQ section on 'STFC and its operations' incorporated on the website currently under development. **Action: complete**
- 3.2 **(Minute 4.5 - formalising of ESA funding profile agreement):** This agreement had now been recorded in a formal ESA document. **Action: complete**
- 3.3 **(Minute 6.2 - Council input to the draft Strategy):** members had been given an opportunity to provide comments on the final draft.

- 3.4 (Minute 2.6 – Peter Warry and Keith Mason to meet informally with Lord Broers and Gerd Materlik):** The meeting had taken place just before Council, and had been very constructive. Issues discussed had ranged from the development of an Imaging Data Centre; economic impact and outreach; the Diamond budget; and maximising the synergies across the site. It had been agreed that meetings would be held on a six-monthly basis, and Dr Mark Walport, Director of the Wellcome Trust, would be invited to the next one.

4. CHIEF EXECUTIVE'S REPORT

- 4.1 Council noted the paper. Keith Mason also reported that during the previous weekend, the ALICE project had achieved energy recovery at low level, a very important milestone for the project, and congratulations had been sent to the team. However, it was accepted that although this was an excellent first step, it was just the beginning of the development process.
- 4.2 Keith Mason reported that Peter Knight had taken on new responsibilities within Imperial College, and had therefore reluctantly decided to step down as Chairman of the Science Board, 6 months earlier than originally planned.
- 4.3 Given the relatively short notice, and to ensure that the correct processes were in place, it had been decided to ask the deputy Chair, Jenny Thomas, to take over as Chair and Tony Ryan act as Deputy Chair for the unexpired portion of Peter Knight's office, and to proceed with the appointment exercise for a new Chairman and Deputy in summer 2009, as originally planned.
- 4.4 Council regretted Peter's decision to step down, and expressed its appreciation for the very valuable work that he had done, often achieved under very difficult circumstances.
- 4.5 The Chairman pointed out that one of the Organisational Review's recommendations had been that the Chair of the Science Board should attend Council as a matter of course. Although this had already been decided and was happening, Council agreed that this should be formalised.
- 4.6 Council welcomed the positive outcome of the ESA Ministerial held on 12 December, and the formal signing of the agreement by Lord Drayson and the ESA Director General, Jean-Jaques Dordain to develop an ESA Centre on the Harwell Campus, which had already proved to be acting as a magnet for other companies. Keith Mason emphasised that now that this important step had been taken it was important to maintain momentum, and he was working with BNSC to ensure that the ESA investment started immediately. To facilitate this and other space activities ahead of any new building work, accommodation

would be made available in the ATLAS Building on the Harwell site, early in 2009.

- 4.7 Richard Wade asked for clarification on the percentage uplift in ESA's mandatory Science Budget and the General Budget mentioned in the Report. Keith Mason confirmed that, to achieve consensus among members states, *(a unanimous decision being required)*, the percentages were slightly higher than he would have wished. However, to balance this, ESA had committed to investing in the Campus development in the next three years up to at least 11M€.
- 4.8 Keith Mason also reported that good progress was being made on resolving the VISTA penalty issues.

Organisational Structure

- 4.9 Now that the Organisational Review Panel had reported, Keith Mason welcomed the opportunity to identify a number of structural issues that the Council and executive would want to address, including the operation and functions of Council itself, and the continued evolution of the executive structures beneath it.
- 4.10 The aim was to implement an effective and transparent decision-making structure that could deliver the vision for STFC, including the development of the Science & Innovation Campuses, *(which was adding significantly to the breadth of the organisation)*. The proposed structure would build on the recommendations of the Organisational Review, which were very well aligned with the direction of travel upon which the Council had already embarked.
- 4.11 However, Keith emphasised that there were a number of key issues to be resolved before the structure could be fully implemented.
- 4.12 As well as addressing the operation and functions of Council, there was a need for the Finance Division to be re-shaped, as day-to-day transactional issues migrated to the SSC, and in order to focus on strategic planning, and financial strategy and control issues. This would be the first priority of the new Finance Director, who would be taking up her position on 5 January 2009.
- 4.13 Also, as part of the Blueprint project, a workstream had already been re-examining the structure for running the Laboratories, which would also need to be finalised and implemented.

4.14 In discussion, Council noted:

- the outline structure presented by Keith Mason, and agreed that members would need to debate how Council

should operate in the future, and what aspects of relevant governance etc. it should be involved with. Clarity was required, particularly where it related to the Executive Board's agenda, (*e.g. strategy and planning; governance; risk; performance; stakeholder relations*);

- that Council would need to review the areas that were delegated to the executive in the light of any changes, and the level of delegated powers;
- that there would need to be an effective PR strategy in place to ensure that all key decisions were communicated clearly to relevant stakeholders including the academic community;
- that the structure should also make clear that key decisions were driven by the case for the science and technology;
- that there were serious concerns regarding the SSC project, and its possible adverse effect on the operations of Council. It was agreed that Keith Mason should communicate Council's concerns to the other Chief Executives, and that a meeting of the Chief Executives and/or the Chairs of the RC Audit Committees should be called, to discuss the concerns and decide on the next steps.
Action: K Mason/M Davies

Organisational Review

4.15 Peter Warry presented STFC's draft response to the Organisational Review Panel's report for discussion. It was his intention, (*as well as publishing the Strategy Consultation exercise on Friday 19 December*), to formally publish the Organisational Review Report and Response on the same date.

4.16 During discussion, Council:

- Referring to Recommendation 6, accepted the need to clarify Council's roles and responsibilities, and agreed to publish its modus operandi within the next three months;
- agreed that the response to Recommendations 7 and 8 should be incorporated in the response to Recommendation 6;
- accepted the remainder of the Report and its recommendations;
- Agreed that the final draft of the Response would be finalised and submitted to DIUS by Wednesday 17 December.
Action: K Mason/T O'Connor

5 OPERATIONS REPORT

- 5.1 Richard Wade reported that generally, operations were under much better control. Members of the Operations Board had been working very effectively together, debating and making decisions on a wide range of day-to-day issues, many of which were included in his report.
- 5.2 Council noted the report, and welcomed its level of detail and contents.
- 5.3 A question was raised regarding the outcome of the Moonlite study recently discussed by the Science Board. It was pointed out that members were currently unable to access the Science Board minutes. However, it was re-affirmed that it was the intention that Council should have access to all Science Board papers and that the full minutes should be posted to the Council Xtranet in draft form as a matter of course. **Action: Secretariat**

Blueprint

- 5.4 Graham Brooks reported that the programme had slipped, mainly because of pressure of work on the staff involved. While accepting that this was an important exercise, and that better progress must be made, Graham pointed out that it would require additional resources, and would likely mean that effort in some other area may have to be sacrificed.
- 5.5 Council noted the status of the Blueprint project.

Safety, Health and Environment Report

- 5.6 Council noted the report. Council also asked for a copy of the report on the investigation of the incident of the over-pressurised vacuum vessel on the Artemis Laser Facility to be circulated by e-mail. **Action: P Hartley**

6 STFC STRATEGY

- 6.1 Gordon Stewart reported on the process for the Strategy Consultation exercise which would be commencing on 19 December.
- 6.2 As well as publishing the consultation document on the website on 19 December, a series of letters would be sent to key stakeholders at the same time, inviting them to meetings and workshops in the New Year. The responses to the consultation document would be collated by Tracy Turner, grouped into categories, and assessed. The Science Board and Council would

be provided with feedback on the key issues raised, as a matter of course.

- 6.3 Council agreed that there should be an in-depth discussion on the outcome of the Consultation exercise at the Council meeting on 24 March 2009. **Action: G Stewart**

7 BUSINESS RISK AND CONTINUITY

Scenario Planning

- 7.1 It was agreed at the last meeting that there was a need to consider scenario planning in preparation for the next Spending Review. Graham Brooks' paper raised a number of headline issues which would need to be addressed, to ensure that STFC had an effective process in place to deal with the consequences of the next SR settlement, *(particularly in the light of the lower projected growth announced in the recent Pre-Budget Report)*.
- 7.2 Graham Brooks outlined the possible consequences of a number of funding scenarios on STFC's current programme as well as their effect on new, potentially high priority investment programmes.
- 7.3 He reminded Council that, as well as the operational and development costs of running the major facilities, international subscriptions accounted for 40% of STFC's near-cash expenditure. Both were long-term commitments leaving little flexibility in the short term.
- 7.4 A fundamental reshaping of the programme may have to be considered, and it was important that the necessary analysis was done, both to marshal the arguments in favour of continued investment, and to be in a position to evolve the programme in an intelligent way, should that prove necessary. There was therefore a need to begin the planning process at the earliest opportunity.
- 7.5 Peter Knight explained that the Science Board had already begun to consider how STFC's science programme should be protected in the current challenging climate. To assist with this debate, two working groups had been formed to identify the key issues; to carry out a SWOT analysis of the complete programme; and report back to the Board in January.
- 7.6 Council welcomed this initiative, and following discussion it was agreed that the Executive Board and the Science Board should work together in drafting a consultation plan to commence early in 2009. It was essential that consultation should take place with the community in advance of STFC forming any definitive plans. The questions incorporated in the strategy consultation document formed the platform for this discussion. In the first instance, it was agreed that a dialogue should take place with

key stakeholders (*learned societies etc*), to determine the decision-making process. Jenny Thomas should also be fully briefed on Council's discussion.

Action: R Wade/T O'Connor

- 7.7 Council also requested that the Chairman inform the Science Minister of the consultation plans being put in place.

Action: P Warry

Finance Report

- 7.8 Council noted the Finance Report. Paul Williams pointed out that the wording of the heading at 6a was misleading. This should read "A slippage of LFCF funding", not "removal of LFCF funding".

- 7.9 Mike Edmunds also questioned why there was such a large variation on the Corporate Services line in Annex A. Graham Brooks agreed to investigate and report back to Council.

Action: G Brooks

Audit Committee Report

- 7.10 Marshall Davies presented his report. He brought Council's attention to concerns relating to the outcome of a number of RCIAS internal reports, and RCIAS's performance review of STFC for 2007/08. Council noted the report and the concerns relating to RCIAS. Keith Mason was asked to raise these concerns with the other Research Council Chief Executives, and Marshall agreed to discuss the issues with the other Audit Committee Chairs at the forthcoming meeting on the SSC.

Action: K Mason/M Davies

Scorecard Report

- 7.11 Council noted the Scorecard Report. Marshall Davies asked for an update on the joint meeting between the Technology Strategy Board and other Agencies, held on 5 December 2008.

- 7.12 Colin Whitehouse reported on the areas covered during the discussions. He confirmed that a timetable had been produced and targets agreed, as part of the future interactions and goals for the TSB and the Agencies involved.

8 FUTURE MEETINGS

- 8.1 Keith Burnett and Peter Knight kindly agreed to host a Council meeting at the University of Sheffield and Imperial College, respectively. [***Secretary's Note: the dates will be, tentatively, Sheffield on 28 April and Imperial College on 27 October.***]

9 ANY OTHER BUSINESS

Peter Knight, on behalf of the Science Board, expressed concern that the Facility Oversight Boards had not yet been established, and stressed the need for the Boards to be set up as a matter of urgency. Council urged the executive to resolve this issue by the time the Science Board next met in January. **Action: R Wade**

- 9.1 As this was the last meeting that Peter Knight would attend as Chair of the Science Board, Council took the opportunity to express its gratitude to him for steering the Board through a very difficult 18 months.
- 9.2 Council members also warmly thanked Jeff Down in his absence for his excellent work as Finance Director, and for agreeing to remain in post for longer than he had intended. Council members sent their best wishes to him for a speedy recovery, and a happy and healthy retirement.
- 9.3 The Chairman closed by wishing everyone a very Happy Christmas.