



## MINUTES OF THE TWENTY SECOND MEETING HELD ON 23 JUNE 2009 AT THE DARESURY LABORATORY

**Council Members present:** Peter Warry (Chairman)  
Martin Barstow  
Keith Burnett  
Marshall Davies  
Mike Edmunds  
Philip Greenish  
Philip Kaziewicz  
Peter Knight  
Keith Mason  
James Stirling

**Department of Business,  
Innovation and Skills (BIS):** Paul Williams

**In Attendance:** Jenny Thomas (Chair, Science Board)  
Richard Wade (Chief Operating Officer)  
Colin Whitehouse (Director, Campuses)  
Sharon Cosgrove (Director, Strategy)  
Jane Tirard (Finance Director)  
Gordon Stewart (General Counsel)  
Paul Hartley (Director Corporate Services)  
Terry O'Connor (Executive Secretary)  
Ruth Jeans (Minute Secretary)

### WELCOME

The Chairman welcomed members and attendees to the meeting, in particular Sharon Cosgrove, recently appointed as Director, Strategy.

On behalf of Council, the Chairman thanked Colin Whitehouse and his team for hosting Council's visit to the Daresbury Laboratory, as well as the timely presentations and the very useful tour to selected parts of the Campus.

### 1 MINUTES OF THE MEETING HELD ON 28 APRIL 2009

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

## 2 ACTIONS AND MATTERS ARISING

- 2.1 (2.1 - March) Facility Oversight Committees: all potential members had now been identified. **Action: R Wade**
- 2.2 The remaining outstanding actions had been dealt with under agenda items, or were ongoing.

## 3. CHIEF EXECUTIVE'S REPORT

- 3.1 Keith Mason updated Council on a number of recent items of interest.

### STP

- 3.2 Keith confirmed that following discussions with NERC and the Director General, Professor Adrian Smith, the issues relating to the transfer of the STP programme to NERC had now been resolved, and the transfer of funds would be completed this year.

### ExoMars

- 3.3 Referring to ExoMars, Keith confirmed that the Payload Review had been completed but that the situation relating to the Life Marker Chip in particular, remained fluid. Council restated its position that inclusion of the LMC was a non-negotiable position for the UK.
- 3.4 ESA was working closely with NASA on a possible collaborative agreement, and there were also a number of other avenues still to pursue. Keith confirmed that a final decision would be required by the end of the year.
- 3.5 Council noted the developments, and requested a report when the final recommendations had been reached. **Action: K Mason**

### Interactions with EPSRC

- 3.6 Keith also reported on the increasing interaction between EPSRC and STFC, most recently the setting up of a joint EPSRC/STFC review of fusion energy.
- 3.7 Keith Burnett, Chair of the Review Panel, emphasised the importance of including the MOD in discussions from the start. Council supported the need to involve the MOD, and also the importance of involving the Science Minister in the developments. Council agreed that the Panel should make early contact with the MoD's Peter Sankey. Paul Williams would keep Lord Drayson informed. **Action: K Burnett / P Williams**

### CERN Subscription

- 3.8 Richard Wade and Paul Williams updated Council on Austria's position on its subscription to CERN, and the potentially severe implications for the UK of discussions at CERN Finance Committee on future systems for calculating Member State Budget contributions.

3.9 Council emphasised the need for the UK to make urgent progress on the policy regarding the setting of future CERN budgets, and the long term engagement of the UK with CERN. It was agreed that Paul Williams, Keith Mason and Richard Wade would discuss possible approaches.  
**Action: K Mason/R Wade/P Williams**

3.10 Council noted the remainder of the Report.

## 4 OPERATIONS REPORT

### International Review of STFC Facilities

4.1 Richard Wade presented the proposed Terms of Reference for the International Review of Facilities. In addition, he posed a number of key questions that would need to be addressed ahead of the Review, and invited Council to add any further issues to be addressed by the Chairman and the Review Panel.  
**Action: Council members**

4.2 Council noted the three main objectives for the Review as laid out in paragraph 4 of the paper. It was suggested that, although being a 'world class' facility was important, the value outcome from the facilities was equally as important.

4.3 In addition, Council stressed the need for the Review to be credible, as the findings of the Review would need to be sustainable against other competing pressures on the STFC budget. It was also proposed that the costs of the facilities should be included at some stage, as this would be an important element of the final outcome.

4.4 Council endorsed the Terms of Reference, and the establishment of the review.  
**Action: R Wade**

### History of spend on Particle Physics

4.5 Richard Wade tabled a paper summarising the history of spend on particle physics grants and subscriptions since 2000.

### ESS

4.6 Council noted that the European Ministers had selected the Swedish bid to site the ESS. Paul Williams pointed out that there was an error in paragraph 26 of the paper, which incorrectly stated that the UK had supported the Spanish bid against the Swedish bid. The UK had in fact declined to align itself with either bid at this stage.  
**Action: R Wade**

4.7 Paul Williams reported that the UK had been invited by the Swedes to participate in the ESS Design Review and the R&D phase, and STFC needed to decide on its approach to this..

### Graduate Recruitment award

4.8 Council members asked the Executive to pass on their personal congratulations to Rosie Sherry and her team, on beating nine other shortlisted

companies, (including a number of large multi-international companies), for the award of 'Most popular graduate recruiter – scientific research and development', at the Target Jobs National Graduate Recruitment Awards.  
**Action: P Hartley**

## **VISTA**

- 4.9 Council considered the matters raised in a letter sent to Council by Professor George Efstathiou and a number of other senior members of the astronomy research community, in relation to ESO's attempt to unreasonably and unfairly impose financial penalties upon the UK astronomy community in relation to VISTA. Council had obtained external legal advice which had endorsed its position.
- 4.10 Council expressed surprise that the signatories had not first attempted to discuss their concerns with members of the Executive. Council noted the remainder of the Operations Report, and identified a number of strategic issues that would form part of the agenda for the joint Council/EB Strategy meeting in September. Nevertheless, the executive was encouraged to seek to maintain cordial relations with the ESO members and DG, whilst seeking to convince them of the rightness of our case.

## **5. FINANCE REPORT**

### **Accounts for 2008/09**

- 5.1 Jane Tirard reported that the finalising of the Annual Accounts was progressing well, and although the timetable was tight, it was achievable. The draft Accounts had been commented on by BIS and reviewed by the Audit Committee, and the auditors had been highly complimentary of the information provided.
- 5.2 Subject to the approval of the Audit Committee at its meeting on 9 July, Council approved the draft Annual Report and Accounts for 2008-09.

### **Budgets for 2009/10**

- 5.3 Since the proposals to resolve the budget pressures for 2009/10 had been endorsed at the April meeting, additional budgetary constraints had been identified by the Executive Board, which had required further adjustments to the allocations.
- 5.4 As a result, the Executive Board believed that, although challenging and very painful, the budget would now be achievable for 2009-10, but unsustainable going forward with the current programme and organisational profile.
- 5.5 Council noted the additional changes to the allocations, (including the "at risk" element of £1 million), and the efforts being made to reduce the impact on the programme, and approved the proposed revised STFC budget.

## **6. AUDIT COMMITTEE REPORT**

- 6.1 Council noted the Audit Committee report, and approved the proposed revised Terms of Reference.

## **7 SHARED SERVICES CENTRE**

- 7.1 Jane Tirard and Paul Hartley updated Council on the progress of the Migration Project Plan.
- 7.2 Although most activities were progressing to schedule, the migration date had now been delayed until mid-October/early November, and the Plan was undergoing further revision, following clarification of tasks essential to system building and service transition. In the meantime, the Payroll system had been transferred successfully, and a staff training programme was underway.
- 7.3 The Hyperion proposal (systems integrator for planning and budgeting), had been approved and STFC was leading on this project. However, it had been decided that the SSC would not now be providing services to the ex-DIUS part of BIS.
- 7.4 Council noted the Report. Council also welcomed the Acceptance Criteria document and the professional approach adopted.

## **8. CORPORATE STRATEGY**

- 8.1 Council considered and approved for publication the draft report on the strategy consultation.
- 8.2 Richard Wade led discussion on the strategy for dealing with the financial challenges ahead; the scale of the problem beyond this financial year and proposals on how to deal with the predicted budget cuts; and the consultation process.
- 8.3 Richard presented the current 10-year Plan with the corresponding funding profile, based on all the programmes continuing with the current budgets. Based on this data, there would be a significant shortfall in the next financial year. However, this did not take into account the possibility that foreign exchange compensation could cease or be top-sliced; the outcome of future CSRs or less than flat-cash settlements in the futures. The worst case scenario would indicate an even larger deficit.
- 8.4 To provide clarity on how the budget was currently allocated, he presented a number of tables and statistics showing the percentage expenditure on science (91%); overheads (7%) and other programmes (2%). A further breakdown of the budget was provided showing the amount spent on PPAN-related programmes (70%) and PALS programmes (21%), as well as an analysis by grants, discipline and facility.
- 8.5 Council noted the large percentage of the programme allocated to astronomy and space science. Council noted that in order to balance future budgets, it was clear that the balance of the overall programme would need to be addressed. The Executive Board had established a Project Team to manage

and deliver a credible, affordable draft programme by October 2009, and an aligned corporate science strategy by May 2010, with a stakeholder's consultation and engagement to be conducted between October 2009 and May 2010.

8.6 Council would be required to agree the strategic framework which would then be enacted by the Science Board, PPAN and PALS, and the Advisory groups.

8.7 As part of the process for examining each programme, a matrix had been designed to include essential elements for assessing the programme's impact in key areas, (e.g. scientific; economic; skills agenda; inspirational; leadership; synergies; people).

8.8 As part of the discussion, Council debated whether there should be any 'no-go' areas to be addressed, and unanimously agreed that all the areas presented should be included in the review. However, the need to secure Ministerial support was also essential, to avoid any conflict with government and to secure the necessary governmental support for the difficult and challenging decisions that would of necessity have to be made.

8.9 Council accepted that this would be a challenging process but endorsed the plan, and took responsibility for overseeing the governance of the exercise.

8.10 Council also accepted the need to engage with the executive in strategic debate, and agreed to hold a joint Council/EB meeting on 21/22 September to address the issues involved; the process to be implemented including any areas that should be 'off limits'; and the protocol for the stakeholder communication exercise.

**Action: Secretariat**

8.11 In the meantime, it was agreed that there should be no delay in communicating an outline of the plan for going forward and the main issues involved, to representatives of the IoP, RAS, etc.

**Action: EB/Council members**

8.12 Phil Greenish pointed out that, from his experience, there was a need to use the best methodologies available for this type of multi-criteria, complex decision-making process, to ensure that the final decisions could be sustained for the long term. He agreed to liaise with Sharon Cosgrove on deciding on the best methodologies to use.

**Action: P Greenish/S Cosgrove**

8.13 It was also agreed that the executive should liaise with NERC, which had recently gone through a similar process. **Action: S Cosgrove**

8.14 Council agreed that it was fundamental to the consultation exercise and to making the right decisions, that the process should be transparent, to ensure that the communities fully understand the scale of the problem that STFC has to face. **Action: R Wade**

## 9 STFC EXECUTIVE BOARD AND COUNCIL

9.1 Council noted and approved the revised Terms of Reference for the Executive Board, subject to clarification that paragraph 2.8 referred to papers requiring submission to the EB only applied to those generated by STFC staff.

9.2 Council agreed to continue to meet monthly, but with longer meetings so as to allow Council members sufficient time to discuss and debate strategic and longer term issues. Council members acknowledged their personal obligations to exercise due diligence and to play a greater role in the development and oversight of STFC's strategy.

**Action: Secretariat**

**10 EPOAC COMMITTEE REPORT**

10.1 Council noted the Report.

**11 SCORECARD AND DELIVERY REPORT**

11.1 Council noted the Reports

**12 CAMPUS REPORT AND KNOWLEDGE EXCHANGE REPORT**

12.1 Due to the shortage of time, the reports were held over until the next meeting.

**13 ANY OTHER BUSINESS**

13.1 In conclusion, the Chairman in his farewell statement warmly thanked members of Council for their wisdom and courage in tackling very demanding issues and having to make difficult decisions, during a challenging time for STFC. He had greatly appreciated all their support, and wished Council and the executive well for the challenges ahead.

The meeting closed at 4.30pm