



## MINUTES OF THE SIXTEENTH MEETING HELD ON 24 OCTOBER 2008 AT THE COSENNERS HOUSE, ABINGDON, OXON

***Council Members present:*** Peter Warry (Chairman)  
Keith Mason (CEO)  
Marshall Davies  
Mike Edmunds  
Philip Greenish  
Richard Wade  
Colin Whitehouse

***DIUS*** Paul Williams

***In Attendance:*** Graham Brooks (*for items 1 – 4*)  
Jeff Down (*for items 1 to 4*)  
Peter Knight  
John Womersley (*for items 1 to 4*)  
Tim Bestwick (*for item 5*)  
Peter Fletcher (*for item 5*)  
Richard Holdaway (*for item 5*)  
Liz Towns-Andrews (*for item 5*)  
Terry O'Connor (*Executive Secretary*)  
Ruth Jeans (*Minute Secretary*)

***Apologies*** Keith Burnett  
Phil Kaziewicz  
Anneila Sargent

### WELCOME

The Chairman welcomed members and attendees to the meeting, in particular Terry O'Connor who had taken over as Executive Secretary to Council from Catherine Ewart.

The Chairman stated that the Secretary of State had endorsed the Wakeham Review recommendation for the appointment of two

additional scientific independent members. The appointment exercise had now commenced and appointments should be made before the end of the financial year.

## 1. MINUTES OF THE MEETING HELD ON 29 April 2008

- 1.1 Liz Towns-Andrews' name had been omitted from the list of attendees.
- 1.2 **(Minute 3.2):** The item referred to the DGRC (Director General of the Research Councils). This should have read 'Director General for Science and Research'.
- 1.3 Subject to these changes being made, the minutes were agreed to be a correct record of the meeting, and signed by the Chairman.

## 2. ACTIONS AND MATTERS ARISING

- 2.1 **(Minute 2.1 - FAQs):** Council asked that the requested FAQs should be circulated by the end of October at the latest.

**Action: Terry**

**O'Connor**

- 2.2 **(Minute 2.2 - stakeholder advisory group):** Council was asked for further clarification on the purpose of the stakeholder advisory group, proposed by Council at the meeting on 1 July. Terry O'Connor pointed out that a process for engaging with leading stakeholders had already been included as a key element in the development of the STFC strategy.
- 2.3 However Council agreed that, as well as the one-to-one discussions currently taking place, there would be considerable advantage in having a standing stakeholder advisory panel to provide independent advice to STFC, (*through the Science Board*), particularly as planning for the spending review was about to commence. **Action: J Womersley/P Knight**
- 2.4 **(Minute 4.2 - CERN incident):** Richard Wade updated Council on the latest position. He had also circulated a summary of the technical report on the incident, for information.
- 2.5 **(Minute 4.3 to 4.5 - future plans for the ESS):** John Womersley reported that PALS had now considered its response to the Swedish proposal, and a Town Meeting for the neutron community to discuss the issues had been arranged for 17 November 2008.

- 2.6 **(Minute 4.6 – meeting between the Diamond and STFC Chairmen and Chief Executives):** an informal meeting between the DLS and STFC Chairmen and Chief Executives was in the process of being arranged.
- 2.7 **(Minute 9.2 – Daresbury Campus Review):** Colin Whitehouse updated Council on the status of the McKillop Review.
- 2.8 **(Minute 4.2 – Organisational Review):** the Chairman reported that the Review Panel would not now be publishing their report until December at the earliest.
- 2.9 The Chairman informed Council that following an analysis by DIUS and STFC on the management of risks elsewhere in the programme, STFC was now able to increase its planned spending on research grants by an additional £9M over the next two years.

### 3 FINANCIAL SITUATION - UPDATE

- 3.1 Keith Mason updated Council on the activities being undertaken by Treasury, DIUS and the Research Councils to reduce the impact of the current economic downturn on the science programme.
- 3.2 The Minister for Science & Innovation, Lord Drayson, *(a member of the National Economic Committee)*, has made it clear that maintaining a healthy science and technology research base was vital for the growth of the economy in the future, and the Chief Executives were in the process of providing evidence to the Committee on the economic return from their programmes. However, the financial situation would be considerably clearer following the Chancellor's pre-budget report in early November.
- 3.3 Keith Mason also stressed the importance for STFC to have a clear long term strategy, and to develop an effective process for handling a range of possible future funding scenarios.
- 3.4 Graham Brooks reported that the preparation of the long-term funding framework was now well under way and should be available by the end of November, in time for discussion at the December Council meeting.
- 3.5 Council **noted** the planning being undertaken to minimise the effect of the current financial position, and endorsed the need for STFC to have a long term strategy and funding framework in place at the earliest opportunity.

### 4. STFC POSITION ON THE ESA EXOMARS/AURORA PROGRAMME

- 4.1 At the September meeting, Council had noted ESA's request for a major increase in subscriptions to fund the Enhanced ExoMars mission and the Mars exploration preparation programme. It was suggested that the UK's current subscription to ExoMars of €101M (2005e.c), would rise to a maximum of €165M (2008 e.c. plus 20% contingency). Council had also noted that Council had then asked PPAN and the Science Board to consider the implications of the increase on the rest of the science programme, and to consider the possible negative economic impact of maintaining the current subscription, or if the mission did not proceed because of lack of funding. ESA requested a total of €1B, but a minimum of 850M€, and got it.
- 4.2 Both PPAN and the Science Board had agreed the importance of the UK's continued commitment to the Enhanced ExoMars programme, in particular to protect the vital industrial as well as the science return to the UK, providing the scientific and technical returns were assured.
- 4.3 The Committees had also considered the associated planning implications for current and future STFC programmes. The final consensus was that the Aurora programme was one of the highest priority projects for STFC, (reinforced by the Programmatic Review outcome), irrespective of any future funding restrictions.
- 4.4 PPAN and the Science Board had agreed that the increased subscription should be approved, subject to the UK's negotiating position being accepted by ESA and the other delegations, and in particular subject to maintaining the annual cap at €14M – by extending the subscription profile.
- 4.5 Keith Mason confirmed that this funding profile had been verbally agreed by ESA senior management. However Paul Williams stressed the need to have the agreement in writing. ***(Secretary's Note: this has been done, and recorded in an official ESA document)***
- 4.6 Council asked for assurance that there would be no further call by ESA for increased subscriptions. Keith Mason stated that this could never be guaranteed in a cutting-edge technical programme, but re-assured members that as a result of the extensive study work done since the last Ministerial, he was now much more confident in the figures presented.
- 4.7 Council discussed the details of the proposed UK's negotiating position to be taken at the ESA Ministerial on 25/26 November 2008, and the minimum requirements that would be essential to any agreement with ESA to increase the UK's subscription.
- 4.8 Council **endorsed** the UK's proposed negotiating position.

- 4.9 Keith Mason agreed to write to BNSC, then the Minister, to inform them of Council's endorsement of the proposed negotiating position. **Action: K Mason**

## 5 ECONOMIC IMPACT REVIEW

### STFC Economic Impact Strategy

- 5.1 Liz Towns-Andrews invited Council to consider a number of questions which would inform further development of the STFC Economic Impact Strategy, and the upcoming strategy consultation phase.

- 5.2 During discussion the following points were made:

- STFC's strategy was to support the best science **as well as** generating maximum economic impact where possible (*clearly incorporated in the STFC Charter*);
- In the decision-making process, the relative balance between the proposed science programme and its economic impact had to depend on the area being assessed – it cannot be prescriptive. The ability to allocate resources would be contingent on meeting a **number** of criteria, one of which would be EI/KE;
- It was essential to develop an effective monitoring mechanism, bearing in mind that the full economic impact would not be fully appreciated until a project was well under way. It was recommended that part of the assessment should take place mid-way or towards the end of a programme to take account of the portfolio of outcomes, rather than attempt to do this at the proposal stage;
- Economic impact should relate to a whole programme, not just to single projects;
- The definition of 'economic impact' should be clear. (e.g. researchers should be able to identify the societal and/or cultural benefits in their proposals);
- The questions to stakeholders should be carefully framed e.g. the questions should be accompanied by appropriate background information and examples.

- 5.3 Council supported the proposal to appoint an experienced economist, to assist with the formulating of the questions and developing the arguments for the EI strategy. Members were asked to provide Liz Towns-Andrews with appropriate names.

**Action: All**

## Commercial Interactions at STFC

- 5.4 Tim Bestwick presented his proposal for maximising the economic impact generated through the growing interactions with commercial organisations, specifically by the laboratories. He summarised the key advantages of the proposal, and the implications for CLIK in particular.
- 5.5 The key principle of this more structured approach would mean that responsibility for developing commercial interactions and co-ordination and collecting of EI and customer data would lie with the Departmental Directors. Departments would be expected to produce and deliver on a 'Commercial Interaction Plan' which would be reviewed periodically by the STFC senior management. The Departmental plans would act as the basis for an overarching STFC Commercial Interaction Plan.
- 5.6 An element of corporate resources would be made available, by embedding customer relations managers within departments to assist where required. Keith Mason stated that if a need for additional staff was identified, a case should be made for the total number required, although full funding could not be guaranteed.

**Action: L Towns-**

**Andrews**

- 5.7 Marshall Davies highlighted the need to encourage and assist Diamond in developing their innovation programme. Tim Bestwick assured Council that he was actively building on the good relationship already existing between CLIK and Diamond, and he agreed to provide the Chairman with a briefing on the current joint initiatives, in advance of his meeting with Alec Broers and Gerd Materlik.
- 5.8 Council **welcomed** the growing interest within departments in developing commercial partnerships, and **fully supported** the proposal to develop both an STFC commercial interaction plan, as well as individual departmental plans.

## 6. ANY OTHER BUSINESS

- 6.1 Keith Mason announced that he was close to appointing a new Finance Director. A suitable candidate had been selected, an offer had been accepted, and the final contract details were being negotiated.
- 6.2 A strategy meeting involving members of Council had been scheduled for 14 November at the Daresbury Laboratory. However, none of the external members were available on this date. The Chairman asked for the strategy document to be circulated to members at the earliest possible date, so that it could be dealt with by correspondence, in good time for the

formal consultation phase which would be starting on 1 December.  
**Action: G Stewart**

- 6.3 The venue for the business meeting of Council on 16 December will be the Council Chamber, Polaris House, Swindon. There will be a buffet lunch from 1pm, and the meeting will commence at 2pm.
- 6.4 P Greenish would not be able to attend this meeting, and gave his apologies.