

**MINUTES OF THE ELEVENTH MEETING HELD ON 27 FEBRUARY 2008 AT THE
INSTITUTE OF MECHANICAL ENGINEERS, ONE BIRDCAGE WALK, LONDON**

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

DIUS Paul Williams

In Attendance: Jeff Down
Jim Sadlier
Jenny Thomas
John Womersley
Chris Thompson (*Council Secretary*)
Ruth Jeans (*Minute Secretary*)

WELCOME

The Chairman welcomed members and attendees to the meeting, and thanked them for agreeing to the late change of venue.

APOLOGIES

Apologies were received from Anneila Sargeant and Keith Burnett.

- 1. MINUTES OF THE MEETINGS HELD ON 2 NOVEMBER 2007; 21 NOVEMBER 2007; 7 DECEMBER 2007; AND 28/29 JANUARY 2008**

1.1 The amendment made to minute 3.2.5 (29 January 2008) was accepted by Council. Paul Williams also asked for his affiliation to be corrected to DIUS.

1.2 All sets of minutes were then agreed to be a correct record of the meetings and were signed by the Chairman.

2 ACTIONS AND MATTERS ARISING

2.1 *Plans for Science and Society (2.8 – 29 January 2008)*: Mike Edmonds and Jim Sadlier agreed to meet in the near future to discuss the next steps.

Action Continues: M Edmonds/J Sadlier

2.2 *Review of Accelerator Centres (3.2.8 - 29 January 2008)*: consider co-opting additional members to the review panel. The Review would take place once the announcement of the budget for Accelerator R&D was made.

Action Continues: J Womersley

2.3 *STFC Strategy & Vision (3.5.1 / 4.1 - 29 January 2008)*: Council expressed concern that STFC had still not produced a comprehensive strategy document. The vision for STFC was understood. However, Council requested that urgent attention should now be given to drafting a Strategic Plan combining the Corporate and Science and Technology strategies, to demonstrate how the vision would be realised and how STFC would function in the future.

2.4 The executive was committed to delivering a Strategic Plan, and Council noted that under the new structure this would be the responsibility of Gordon Stewart.

2.5 Council wished to be involved in the development of the Strategy and invited Gordon Stewart to attend the next meeting of Council, to present a progress report

Action: G Stewart

2.6 *Science & Technology Strategy*: It was noted that the S & T Strategy existed in draft form, and J Womersley agreed to circulate it to members, for information.

Action: Secretariat

2.7 *Publicising items of interest (3.2.10 – 29 January 2008)*: Council requested that the STFC website should include links to items of national science interest (e.g. BNSC's UK Civil Space Strategy).
Action: JS/Secretariat

2.8 *Future of CLIK (2.2.2 – 25 June 2007)*: It had been decided to "go back to first principles" to develop a more realistic proposal. When completed, it was agreed that Peter Warry should have an opportunity to comment on the

proposal, and then presented to the Finance Committee before being approved by Council.
Action Continues: J Down/T Bestwick

2.9 *International Advisory Committee:* Council discussed the timing for forming the first science advisory committee to take a long-term strategic view of the STFC programme. It was agreed that it would be more appropriate to arrange for the first meeting of the Committee to be held at the end of 2008 or beginning of 2009, when the preparations for the next CSR would have begun. The IAC could also provide a 'kitemark' for the STFC Strategy.

2.10 Given that the setting up of the Committee could take some time, Council advised that preparations should start now.

Action Continues (J Womersley)

2.11 Paul Williams stated that it was likely that the Select Committee (*in its Report on the Science Allocation*), would comment on the need for STFC to have a more robust and transparent advisory structure. STFC should be prepared to provide a clear response to their comments and recommendations.
Action: J Sadlier

2.12 Council noted the remaining actions.

3 CHIEF EXECUTIVE'S REPORT

3.1 Council noted the Chief Executive's Report and the Report from the Executive Board, including the new senior management structure.

3.2 Keith Mason also reported on the Homeland Security Workshop to be held jointly with the United States (DHS and AFOSR) in the near future, one of five cross-Council initiatives being led by RCUK which potentially could lead to considerable opportunities in these areas. K Mason also mentioned that Keith O'Nions would be presenting a series of talks in the United States, in which a number of STFC-related projects would be show-cased.

3.3 A number of members of BBSRC Council and its advisory committees met with senior STFC staff at RAL on 23 January 2008, and visited a number of the facilities. The visit was deemed to be a success, and both Councils had agreed the importance of interacting more closely in future to develop areas of mutual interest. This was the first of a number of bi-laterals to be arranged with the other Research Councils, either at RAL or DL.

3.4 The case for the Harwell and Daresbury Science & Innovation Campuses had been presented to the RCUK Executive Group at its meeting on 20 February 2008, and it had been endorsed by the Chief Executives. It had also been agreed that RCUK would recommend to DIUS the earmarking of Large Facility Capital Funding for the campuses. As a result, a joint-RC business case was

being developed, and the recommendations would be submitted to DIUS as part of the Large Facilities funding process.

3.5 Paul Williams stated that DIUS was still waiting for the RCUK priority list to be submitted. He also mentioned that the Minister would be making a formal announcement on the priorities for investment from the Large Facilities Capital Fund, in April.

3.6 Keith Mason concluded his report by pointing out that a major part of his time during the past two months had been spent exchanging views with senior academics and key stakeholders and discussing the effects of the CSR outcome.

4 PROGRAMMATIC REVIEW

Programme Restructuring

4.1 Richard Wade reported that the Programmatic Review of the Particle Physics, Astronomy and Nuclear areas (PPAN) had produced its recommendations for meeting the required target savings, with an additional working allowance of £3M.

4.2 The outcome of the Physical and Life Sciences, (PALS), Review recommendations was largely cost neutral, recognising that structural changes within STFC establishments should produce the operational savings outlined in STFC's Delivery Plan.

4.3 The Finance Committee had also been asked to review the recommendations, and as a result concluded that a number of further adjustments would need to be made. Jeff Down outlined the current financial planning status, but emphasised that it was still "a work in progress". In presenting the Capital and Near Cash planning figures, he pointed out that there were still a number of outstanding elements to be resolved, and advised Council that as a result there could still be a significant shortfall in both the Capital and Near Cash planning figures, leading to the need for further savings to be made. He also pointed out that failure to take one or more of these actions at the appropriate time could place the STFC at risk of overspending towards the end of the CSR period.

4.4 In discussing the proposed facilities savings, Richard Wade reported that although the exercise was still in progress, considerable savings had already been identified within the operating costs for ISIS, SRS and the CLF.

4.5 However, there was a potential problem relating to the Diamond operating bid, where the proposed budget figures for 2009/10 and 2010/11 were significantly higher than STFC's current baseline assumptions. Council

agreed that it was important to begin negotiations from the original operating budget, requested by Diamond.

4.6 R Wade also stated that as part of the negotiations, it was the intention to create further efficiency savings, including possibly combining some support activities which were common to other facilities.

4.7 The issue of the Diamond VAT costs was raised, and Jeff Down confirmed that the possibility of registering DLS Ltd as a non-registered charity was still being investigated. As it was assumed that there could be significant savings in taking this route, J Down was asked to expedite this action as a matter of urgency. In the meantime, Council emphasised the need to establish the optimal operating baseline for Diamond as soon as possible, while continuing to look for efficiency savings. Council suggested that STFC should consider other facility operating models, to ensure that its facilities were operating at their optimum.

4.8 Council asked for the final recommendations for Diamond to be presented at the next meeting. Action: R Wade/J Down

4.9 Richard Wade reported that a preliminary analysis of infrastructure and administrative support costs was being addressed. Although significant reductions had already been made in the latter area as a result of the 'Fit for the Future' exercise, (and further reductions would be achieved with the implementation of the Shared Services Centre), it was essential that there was a thorough examination of in-house costs to identify further efficiency savings where possible. R Wade pointed out that independent assistance would be required to carry out a best practice analysis of the administrative areas. Keith Williams (*appointed to carry out the Fit for the Future exercise within CCLRC*) was recommended, and Marshall Davies also agreed to assist with the restructuring exercise.

Action: R Wade/M Davies

4.10 Marshall Davies informed Council that he and the other Heads of Research Council Audit Committees had concerns at the increasing costs (currently £10M), of implementing the Shared Services Centre. Keith Mason stated that these costs were partly linked to transition delays needed to ensure that the processes would work. Council expressed its disappointment, pointing out that it was dangerous to allow the science communities to perceive that the "back-office" costs were continuing to increase while science had to accept cuts. Following discussion, Council decided that it wished to make a formal complaint. Peter Warry agreed to write to Ian Diamond, Chair of the SSC Project Board on behalf of Council, expressing concern at the increased costs, and requesting a level of assurance in the management of the SSC project, that would ensure that everything possible was being done to make the SSC a success.

Action: K Mason/PWarry

4.11 Paul Williams made the point that at paragraph 4 of Paper 11, the position relating to bullet points 3,4, and 5 had been agreed, and were no longer assumptions.

4.12 To clarify the position on the transfer from Capital to Near Cash, Jeff Down was asked to discuss the details with Roger Louth at DIUS. Paul Williams also indicated that DIUS would be willing to discuss a possible claim on the Large Facility Fund for Diamond Phase 2 VAT.

Consultation Process

4.13 Womersley presented an overview of the initial Programmatic Review process; the programme priorities recommended by PPAN and PALS as a result of the Review; and the plans for consulting with the science communities.

4.14 Council agreed that in communicating the results of the Review to the community, STFC should not imply that this was an unusual process. The expectation would be that similar regular reviews would be undertaken in the future.

4.15 Council decided that a formal announcement should be made as soon as possible, confirming that the study phase of the NLS/ERLP project with twenty staff, would be proceeding on the understanding that any future development would be dependent on the strength of the science case, and future available funding. It was agreed that the appropriate senior staff should be involved in communicating the decision to the staff before any public announcement was made.

Action: J Sadler

4.16 The Programmatic Review Consultation process was endorsed by Council. The three-week process would be announced at a Town Meeting to be held on 3 March 2008, when the science communities would be invited to present constructive proposals on how to maximise the science within the current funding constraints. A response form would be available on the STFC website, and responses would be passed to small ad hoc panels, (possibly selected by the chairs of the Grants Panel and PPRP), for their distillation. The feedback from the ad hoc panels would then be considered by PPAN; PALS; Science Board; and the executive. It was also agreed that the instructions for the consultation process would be posted on the website by 29 February at the latest.

Action: J Womersley

4.17 Council agreed that there needed to be transparency relating to those projects which Council was minded to proceed with ahead of the consultation exercise, for financial and/or strategic reasons rather than the strictly scientific rationale. The relevant international partners should also be notified in advance of any comments appearing on the web.

Action: J Sadler

4.18 Jenny Thomas also informed Council on the key points that she intended to make at the Town Meeting on 3 March.

4.19 Paul Williams emphasised the importance of ensuring that there was a plan in place to deal with any PR issues that should arise from the Town Meeting on 3 March. Council agreed that Keith Mason should be present.

Action: J Sadlier

4.20 Richard Wade updated Council on the constructive negotiations taking place with the Gemini Board. Council agreed that there was the need for a clearer long-term policy on ground-based astronomy, before agreeing to further investment in next-generation instruments. J Womersley was invited to set up an advisory body to inform the Science Board and Council.

Action: J Womersley

5 BUSINESS RISK AND CONTINUITY

Finance Report

5.1 Council noted the Finance Report, and particularly welcomed the update on material financial Risks.

Quarterly Health, Safety and Environment Report

5.2 Council noted the quarterly HSE Report.

5.3 Council expressed concern at the disproportionate number of near-miss incidents related to the SRS Facility, and asked the executive to ensure that during the run-down phase, the Facility was being managed effectively.

Action: K Mason /P Hartley

5.4 To a question relating to the new Corporate Homicide/Manslaughter Act, it was confirmed that Paul Hartley would be holding open workshops in the near future, to inform staff of their responsibilities under the Act.

Scorecard 2008/09

5.5 J Sadlier presented the Scorecard, pointing out that in future the objectives would be linked more closely to the Strategy, and would include operational targets. Council was invited to provide C Thompson with comments on how the document could be made more useful.

Action: All

5.6 Council asked for targets on Diamond to be included in the Scorecard.

Action: J Sadlier

6 DIRECTORATE REPORTS

Science Programme Office

VISTA

6.1 R Wade reported that the VISTA primary mirror was due for acceptance in early March, and the current schedule would enable the telescope to be handed over to ESO around August 2008. There were still serious compensation issues to resolve, and a further meeting was due to be held on 29 February, and there may be the need for John Womersley to take over as negotiator in these discussions. R Wade was currently considering his position as President of ESO Council, and because of the potential conflict of interest, may decide to step down.

6.2 Council was concerned that there may be the need to make a non-cash provision this year for any penalties incurred. J Down confirmed that he was working with the NAO to resolve this issue. Council asked for the position to be reviewed at its next meeting.

Diamond

6.3 Council discussed and agreed a priority list of possible candidates for the position of DLS Chairman.

Corporate Planning and Communications

6.4 Jim Sadlier reported that a response, on behalf of Council, to the Royal Astronomical Society's letter to STFC, was being drafted. The response would acknowledge the concerns of the Astronomy community to the outcome of the CSR settlement, but reiterate STFC's confidence in its peer review system. The letter would also acknowledge the need to improve communications with its stakeholders and engage more effectively in the development of its long-term programme. The draft would be circulated to members for their comments, and would be placed on the STFC website.

Action: J Sadlier

6.5 At this point, Richard Wade read out to Council three responses from members of the astronomy community. Council noted the contents.

6.6 Jim Sadlier also reported that a firm of consultants, specialising in science communications, (Proof Communications), had been appointed to assist with forming the long term Communications Strategy and Implementation Plan for the Council.

Facilities Development and Operations

**Knowledge Exchange
Corporate Services**

6.7 Council noted these Reports.

7 DATES OF FUTURE MEETINGS

7.1 As K Mason would be unavailable, it was agreed to cancel the meeting due to be held on 28 May 2008.

7.2 It was noted that the Secretariat was about to trawl for dates for the 2009 meetings. Action: Secretariat

8 ANY OTHER BUSINESS

8.1 There was no further business, and the meeting ended at 5.15pm.