

MINUTES OF THE THIRTEENTH MEETING HELD ON 29 APRIL 2008 AT ROYAL SOCIETY, LONDON

<i>Council Members present:</i>	Peter Warry (Chairman) Keith Mason (CEO) Marshall Davies Mike Edmunds Philip Greenish Philip Kaziewicz Richard Wade Colin Whitehouse
<i>DIUS</i>	Paul Williams
<i>In Attendance:</i>	Graham Brooks Jeff Down Peter Knight Jim Sadlier Gordon Stewart Jenny Thomas Catherine Ewart (<i>Executive Secretary</i>) Ruth Jeans (<i>Minute Secretary</i>)

WELCOME

The Chairman welcomed members and attendees to the meeting.

APOLOGIES

Apologies were received from Keith Burnett and Anneila Sargent. The Chairman gave the Council's apologies to the University of Sheffield for cancelling the planned visit to the university and said that a new date would be fixed for the visit.

Council **agreed** its formal statement to be published in response to the Select Committee Report.

1. MINUTES OF THE MEETING HELD ON 26 March 2008

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

2. ACTIONS AND MATTERS ARISING

- 2.1 **(Minute 2.2) SSC - response to letter to the Chairman of the SSC Board:** the Chairman had received assurance from Ian Diamond that the matters raised in his letter were in hand.
- 2.2 **(Minute 4.12)FAQs -** Council agreed that this paper was now urgently required. Paper should include the original questions, and updated to include any subsequent issues. **Action: J Sadlier**
- 2.3 Council **noted** the status of the remaining actions.

3 CHIEF EXECUTIVES REPORT

- 3.1 Council **noted** the Chief Executive's report.
- 3.2 Keith Mason also reported on a recent visit by a team from HM Treasury hosted by the RCUK. One of the key matters discussed at the meeting had been the priority issues for the next Spending Review. It had been made clear by the Treasury team that economic impact would remain a priority along with the need to develop new cross-cutting themes and 'grand challenges'.
- 3.3 Council **agreed** that economic impact and new themes for cross-cutting initiatives should be substantive items for discussion at a future meeting of Council.

4. OPERATIONS REPORT

- 4.1 Richard Wade presented the first of a new-style progress report incorporating updates from individual Directors, on items and activities of interest to Council.
- 4.2 As part of the new communications strategy, R Wade had held staff meetings at the main sites which had been well received, and these would now continue on an approximately monthly basis.
- 4.3 .A review of internal costs had been commissioned. Although no savings targets had been set, it was confidently expected that with improved processes and planning, savings would be made.

- 4.4 STFC had been re-assessed for Investors in People for the first time in December 2007. It had been successful in meeting 6 out of the 10 indicators but had fallen short in meeting the remaining 4 indicators. As a result STFC would retain its IIP recognition, but must undergo a further review in December 2008. An action plan had been drawn up, and a working group established to monitor progress against the action plan.
- 4.5 R Wade reported that there had been a very successful launch of the New Light Source at the Royal Society on 12 April.
- 4.6 Council noted the cost of the proposed MoonLITE study and following discussion, **agreed** that the case for funding of £1.5M should now be presented to the Science Board to determine the appropriate Peer review process.
- 4.7 Council also requested that, when new projects are presented to Council, a short description of the project should be included for information. **Action: R Wade**
- 4.8 R Wade also reported that all of the relevant parts for the VISTA telescope had now been delivered to Chile and he was confident that the handover to ESO would take place in August. The Director General of ESO had been advised that STFC would not discuss the timing of delivery until handover. Negotiations relating to essential spares were underway.
- 4.9 Council **noted** that the legal negotiations on the formation of the HSIC JV were close to completion, and it was expected that the signing of the documents would take place towards the end of May.
- 4.10 Referring to paragraph 14 of the paper, Council queried the status of the Campus Science Innovation sub-Committee (which had only met once), and the Economic Impact Advisory Board, which had still to meet. Council **agreed** that the executive should enquire into the status of the two committees and report back to Marshall Davies and Phil Kaziewicz. **Action: R Wade/L Towns-Andrews**
- 4.11 Colin Whitehouse queried funding for Diamond Phase 3. Richard Wade explained that DIUS had earmarked funding for Diamond Phase III but funding had not been planned for the current CSR period. This represented a delay with respect to Diamond's aspirations which needed to be reconciled. As for all LFCF earmarks, a science and business case and gateway process would be required before funds could be drawn down.
- 4.12 Noting the concerns of the CLIK Board, Council discussed the need to encourage co-operation with Diamond, in order to expand and develop Knowledge Exchange opportunities and exploit the funding

opportunities following the closure of the SRS beamlines. Richard Wade **noted** the concerns, and **agreed** to meet with Tim Bestwick and Gerd Materlik at an appropriate time, and update Council in due course.

Action: R Wade

4.13 Council discussed the new internal Board structure and the roles and responsibilities of the boards/committees which had been set up to improve governance. Richard Wade also presented a diagram showing the new senior reporting structure, pointing out that the structure now addressed some of the concerns that Daresbury staff had regarding fair management representation. Council was concerned about the extent of the cross membership and the possibility of duplication, but agreed that the structure should be given time to work, and asked for a progress report in three months.

Action: R Wade

4.14 Council **noted** the proposed new structure for Council meetings, and **agreed** that in future there should be four business meetings of Council per year. The dates in between should take the form of forum meetings to discuss specific issues. These would need to include strategy; communications; operations (facilities; risk; SSC etc).

4.15 Council also asked that there should be a separate Health and Safety paper presented at each business meeting, as part of the Operations Report.

Actions: P.Hartley

5 RESTRUCTURING PLAN AND BUDGET

5.1 Council **welcomed** the proposed savings plan to meet the original funding targets, and the details of the proposed budget for STFC.

5.2 The options for dealing with the planning shortfall over the CSR period were discussed, and Council welcomed the innovative thinking on how savings could be made over the current CSR period to resolve this shortfall.

5.3 Council also **welcomed** the decision to set up an infrastructure task force to undertake a root and branch review of STFC's estates and infrastructure and cost charging regime, as part of its savings plan.

5.4 It was accepted that there needed to be an innovative approach to the way that STFC's activities were packaged and financed, and a requirement for a top level, strategic examination of the options in a much broader sense. It was also important to consider the Treasury's "Grand Challenges" agenda and demonstrate how STFC was addressing its key objectives.

5.5 Looking forward to the next spending review, it was agreed that STFC's aims and objectives needed to be clear, and an effective process in place for making decisions on how to deliver a vibrant programme. This process would include engagement with stakeholders to help identify priorities, and develop models to deal with a number of possible funding scenarios.

5.6 In summary, Council:

- **Noted and endorsed** the general principles of the savings plan;
- **Endorsed** the plan not to make further adjustments in 2008/09, but to monitor expenditure with a view to make adjustments in 2009/10 and 2010/11 if necessary;
- **Endorsed** the setting up of the infrastructure task force;
- **Endorsed** the need to engage with stakeholders in a timely manner to identify priorities and prepare for the next spending review.
- **Agreed** that there were some very positive messages within the report, and it would be timely for Council to issue a statement on the essential elements.

5.7 Council **thanked** the executive for an excellent, well structured paper.

6. CORPORATE STRATEGIC PLAN

6.1 Gordon Stewart tabled a draft outline of the developing STFC corporate vision and strategy including its values, characteristics, enablers and deliverables. He invited Council to provide him with comments on the contents and when received, he would work with Mike Edmunds to develop the document further.

6.2 Council **welcomed** the developing vision and strategy for STFC.

7. BUSINESS RISK AND CONTINUITY

Finance Report

6.1 Council **noted** the overall underspend of £19M.

6.2 Jeff Down also reported that Treasury had now agreed that STFC can deal with any outstanding ex-CCLRC and ex-PPARC issues as a note to the STFC accounts. This decision had been welcomed by the Council. However, the Treasury has not yet agreed to STFC's proposals for managing the foreign exchange risk.

Audit Committee Report

- 7.11 Council **noted** the minutes of the Audit Committee meetings held on 12 March and 27 March. In particular, Council noted the Committee's concerns relating to risk management in a number of key areas. Richard Wade would be attending a future Audit Committee to explain how these issues were being addressed.

8. DATES OF FUTURE MEETINGS

- 8.1 Council **noted** the dates of the remaining meetings in 2008 and those for 2009. It was **agreed** that the visit to Sheffield should be re-arranged, possibly on 28 April 2009.
- 8.2 Council also **agreed** that the meeting arranged for 14 July 2009 should be cancelled.

ANY OTHER BUSINESS

- 8.3 Philip Greenish announced that the Royal Academy of Engineering would be inviting 260 – 280 guests to its Summer Soiree at the Rutherford Appleton Laboratory on the afternoon of 26 June, and Council members were invited to **note** the date.

Action: All