

MINUTES OF THE EIGHTEENTH MEETING HELD ON 27 JANUARY 2009 AT THE RUTHERFORD APPLETON LABORATORY

- Council Members present:* Peter Warry (*Chairman*)
Keith Mason
Marshall Davies
Mike Edmunds
Philip Greenish
Philip Kaziewicz
Richard Wade
Colin Whitehouse
- DIUS:* Paul Williams
- In Attendance:* Graham Brooks
Terry O'Connor (*Executive Secretary*)
Jane Tirard
Ruth Jeans (*Minute Secretary*)
- Apologies:* Keith Burnett
Anneila Sargent
Jenny Thomas

WELCOME

The Chairman welcomed members and attendees to the meeting, in particular Jane Tirard, the recently appointed STFC Finance Director.

The Chairman reported that Anneila Sargent had been appointed Vice President of Caltech, and her increased commitments meant that she had decided to resign from Council with effect from 31 March 2009.

The Chairman also updated Council on a very successful day of Interviewing for 3 academic members of Council on Friday 23 January, (*2 new scientific members and 1 to replace Anneila*). The names of suitable candidates have now been submitted to the Minister for his decision on the final appointments.

1 MINUTES OF THE MEETING HELD ON 16 DECEMBER 2008

- 1.1 Remove Philip Greenish from list of attendees, and add Gordon Stewart. **Action: Secretariat**
- 1.2 Subject to these changes being made, the minutes were agreed to be a correct record of the meeting, and were signed by the Chairman.

2 ACTIONS AND MATTERS ARISING

- (Introduction: liP accreditation):* Terry O'Connor stated that Council's congratulations to the liP team would be included in the next staff Newsletter. **Action: T O'Connor**
- 2.1 *(Minute 7.9 - large variation in Corporate Services line):* Jane Tirard assured Council that this was not an issue. The figure in question was due to accounting treatment of the allocation relating to the Shared Services, split between capital and near cash. The provision had been made in near-cash but should have been described as capital, as it was part of the SSC set up costs. There was therefore a transfer between near cash and capital.
 - 2.2 *(AOB - setting up Facility Oversight Boards):* Richard Wade reported that the Terms of Reference for these Boards had now essentially been agreed with the Facility Directors and the Science Board. **Action: In hand**
 - 2.3 *(Minute 2.7 - International advisory committee):* There had been discussion on the scope for a review of the STFC facilities. With the possibility of involving the ad hoc international advisory committee. A proposal exploring the issue would be presented to the next meeting of Council. **Action: K Mason/R Wade**

3 CHIEF EXECUTIVE REPORT

- 3.1 Keith Mason updated Council on recent activities relating to the SSC. He reported that since the beginning of the year, the Project team had been examining various means for containing the costs of delivering the SSC, while still delivering a successful outcome for the Research Councils.
- 3.2 He also reported that because of a possible delay involving the migration of one of the other Research Councils to the SSC, STFC had been asked to consider the possibility of bringing forward its migration date from September to June/July. While recognising that there were a number of positive reasons why STFC might wish to do this, it was accepted that a thorough review of the risks of an early migration had to be conducted before a final decision could be made.

- 3.3 Jane Tirard reported that her team was taking a positive approach to this proposal, and over the next two weeks would be assessing the effects of an early migration; the risks; the resources required; and the additional costs involved.
- 3.4 Council noted the report on the current SSC situation, and the request for STFC to migrate three months earlier than planned.
- 3.5 However, following discussion, Council made it clear that because of the serious risks involved, it would need to be convinced that in bringing forward the date the STFC migration could still be successfully delivered.
- 3.6 Jane was asked to report to Council at its February meeting on the outcome of her review, and present her assessment of the risks and how they could be managed. Although it was accepted that there was some urgency, Council made it clear that there would be no pressure on her to recommend early migration if it was not achievable. **Action: J Tirard**
- 3.7 If the assessment was that STFC should proceed to early migration then action should start immediately (ahead of Council) although the final go/no go decision would be taken by Council nearer the point of implementation. Council would also need assurance that the SSC project team were fully prepared for STFC to migrate at that time.
- 3.8 Council questioned the effect that an early migration could have on the Blueprint timetable. Keith Mason stated that the appropriate resources would have to be made available to keep the Blueprint project on track.
- 3.9 Keith Mason informed Council that he had been invited to meet with the House of Commons Innovation, Universities and Skills Select Committee on Wednesday 4 February 2009. It was anticipated that the questioning would relate to status of the actions from the last report, and on the Organisational Review report. However, he had not been notified of any specific questions. Paul Williams asked to be kept informed of the preparations being made. **Action: K Mason/T O'Connor**

4. OPERATIONAL REPORT

- 4.1 Richard Wade drew Council's attention to a number of key highlights in his report.
- 4.2 **Blueprint:** Although Blueprint had been reviewed and reported as "Red" for reasons of schedule, Richard assured Council that the situation was now a lot more positive, with considerable activity taking place in the various workstream groups and significant results due soon.

- 4.3 **Grant Funding:** He drew attention to the additional funding allocated to grants, and reported that at the recent meeting of the Science Board a plan to distribute these funds had been agreed.
- 4.4 **LHC:** There is now a formal schedule for the LHC repair, with the expectation of achieving scientific results later this year.
- 4.5 **SRS:** The end of the Phase2 of the SRS decommissioning project will be reached on March 2010, which would necessitate a further reduction in staff. Staff had been informed of the targeted voluntary redundancy exercise on 22 January.
- 4.6 Marshall Davies requested a breakdown of what the £20M decommissioning costs would be spent on. **Action: R Wade**
- 4.7 **ALICE:** Referring to the report on the ALICE project, Phil Kaziewicz asked whether, following its successful demonstration of energy recovery, formal approval would be required for the next stage of development. Richard Wade confirmed that approval would be required for the future utilisation of ALICE, and funds would need to be identified.
- 4.8 Colin Whitehouse mentioned that a recent ALICE Project Board meeting had discussed plans for the strategic development of the project, and had agreed that the case should be presented to Council, through the Science Board, at the earliest opportunity.
- 4.9 Following discussion, Council agreed that a paper, including costs and source of funding, should be presented to the February meeting of Council. **Action: R Wade**
- 4.10 **Neutron Upgrade:** Paul Williams asked for further details on the European (ESFRI) neutron roadmap review and the plans for the ISIS neutron upgrade. Richard Wade reported that the ISIS upgrade had recently been discussed by the Science Board, and the Board had agreed that the neutron upgrade proposal would be treated as a project in its own right. A Project Board would be formed and be overseen by PALS, (chaired by Chick Wilson). The Board would include European members, as well as UK members.
- 4.11 Council noted the remaining items in the Operational Report.

5 STFC ORGANISATION & STRUCTURE

The Role of Council

- 5.1 **Roles and Responsibilities:** Following the recommendations of the Wakeham Review and the Organisational Review, Council had agreed to publish, in consultation with DIUS, a full statement on the roles and responsibilities of the Council and Executive, including the balance of Executive and non-Executive representation on Council.

- 5.2 The draft statement was considered in detail by Council and a number of clarifying amendments agreed. Council fully endorsed the principles set out in the paper, and authorised the Chairman to set out revised terms of reference and to take such steps as were necessary to implement them.
- 5.3 Following circulation of the amended document to members and to DIUS, the agreed statement would be published on the STFC website.
- 5.4 Council formally approved the appointment of the following to the Executive Board:
- *Keith Mason (chair)*
 - *Paul Hartley*
 - *Gordon Stewart*
 - *Jane Tirard*
 - *Richard Wade*
 - *Colin Whitehouse*
 - *Terry O'Connor (secretary)*
- 5.5 Keith Mason reported that the Organisational Review had suggested that the Blueprint/Change manager should also be a member of the Executive Board. An appointment was about to be made, and the successful candidate would also join the Board
- 5.6 **Membership:** Council noted that it had also been the view of the two review panels, (*which also reflected the opinions of certain sections of the community*), that the original constitution of STFC Council did not have adequate scientific representation.
- 5.7 The Chairman announced that this would be addressed by the appointment of 2 new scientific members from 1 April, assuming timely approval from the Secretary of State. (*In addition a further scientist would be joining Council in April to replace Anneila Sargent*).
- 5.8 There was also a perception in the reviews and in the wider community that, because STFC differed from other research councils in having two executives as members of Council in addition to the Chief Executive, this had adversely affected its balance.
- 5.9 Council regarded this perception as misplaced but nevertheless recognised the potential damage that this view could have on the operational effectiveness of Council, the two executive members involved, Richard Wade and Colin Whitehouse, had reached the conclusion that it would be in the best interest of Council that they tender their resignations. Council expressed its concern at the effect that these mistaken perceptions could have on Richard and Colin's reputation by implying a lack of professionalism.

- 5.10 Council pointed out that the structure of Council had been decided by Ministers, not by STFC or the Chief Executive. However, Council accepted the reality of the situation and to enable Council to move forward, reluctantly accepted Richard and Colin's decisions to offer their resignations.
- 5.11 Richard and Colin thanked members of Council for their unanimous support, and both stressed the importance of Council and the executive continuing to work together as a partnership.

6 STFC STRATEGY CONSULTATION

- 6.1 Gordon Stewart provided an update on the current strategy consultation process.
- 6.2 The draft Corporate Strategy had been published for consultation on 19 December, and in line with Government guidance, the website will remain open until 20 March.
- 6.3 A project team led by Paul Temple (consultant), had begun to plan further direct consultation with stakeholders, and would regularly review the feedback over the next 3 months.
- 6.4 Staff focus groups were also planned, and staff would also be regularly updated on progress. The development of the Corporate Strategy would also be one of the key themes for the Senior Staff Conference on 4 and 5 February.
- 6.5 Council noted the progress of the strategy consultation exercise.

7 BUSINESS RISK AND CONTINUITY

Finance Report

- 7.1 Jane Tirard presented her report, and the headlines figures for the outturn forecast against budget. The projected figures indicated an underspend of £13M at the end of the financial year. It was noted that this was smaller than the planned underspend that was required to fund the budgetary pressures in the two later years of the CSR period.
- 7.2 The forecast figure did not include further international compensation requested from DIUS, (*not including the £3M per annum agreed for the CSR07 period*). Calculations indicated further compensation of £5.6M could be required, depending on fluctuation in the currency market.
- 7.3 Paul Williams pointed out that there needed to be discussion on the process, but before a decision could be made, DIUS was

obliged to discuss the situation with the Research Councils collectively.

7.4 Jane also reported that the first draft of the Asset Management Strategy had been completed and the final report would be presented to the March meeting of Council for its approval.

7.5 Work was continuing on the implementation of the International Financial Reporting Standards (IFRS), with the intention that the accounts for 2009/10 would be based on the IFRS standards. The accounts for the current financial year would use the existing standards but be restated using IFRS.

SSC Report

7.6 Marshall Davies drew attention to paragraph 3 of the report. It should have read that *“David Cale, the Financial Director of SSC, stated that he believed the project as currently structured could not be delivered within budget”*.

7.7 He also confirmed that it was the view of the representatives of each of the Research Councils that the SSC project should continue, as it was past the point of no return.

7.8 The current cost of the project was now between £80M and £90M, with the grants element a further £17M.

8 FUTURE MEETINGS

8.1 As agreed, the February meeting would debate the proposal for ALICE and the report on the SSC migration issues. Council also asked for a progress report from the Economic Impact Board, and from the Outreach Committee.

Action: P Kaziewicz/M Edmonds

9 ANY OTHER BUSINESS

9.1 It had been agreed that the meeting on 28 April would be held at the University of Sheffield. Council would meet on the evening of 27 April for dinner, and there would be a short Council meeting on the morning of 28 April, followed by 2-3 hours visiting relevant parts of the Sheffield campus. It was suggested that Tony Ryan might co-ordinate the visit to the site.

Action: Secretariat

9.2 There would be a similar arrangement for the visit to Imperial College on 26/27 October. Adrian Smith (DG) would also be attending this meeting.

The meeting closed at 4.45pm.