1. WELCOME AND CONFLICTS REGISTER OF INTEREST

1.1. The Chair, Michael Sterling welcomed all attendees to the meeting. There were apologies from Michael Healy and Matt Griffin, Chair of Science Board; Alison Davenport, Deputy Chair of Science Board attended instead of Matt Griffin.

1.2. Michael Sterling welcomed Jeremy Clayton, Director, Research Base, BIS to the meeting and Philippa Foster to her first Council meeting as Acting Executive Director, Finance.
1.3. Michael Sterling informed Council that Will Whitehorn would be stepping down from Council this month which coincided with the end of his first term. Michael had invited Will to extend his tenure for a further 3 years but Will had recently been appointed Non-executive Chair of the Transport Catapult and would need to dedicate his time to this new appointment. A Council member appointment process would be carried out to select and appoint a replacement member.

1.4. Michael Healy who was unable to attend this meeting was also finishing his term this month.

1.5. Michael Sterling thanked both Michael Healy and Will Whitehorn for their contributions to Council over the previous 3 years, commenting in particular on their commercial viewpoint which has given Council a different perspective from the public sector viewpoint, in many debates.

1.6. Michael Sterling commented on the wealth of experience and knowledge in space science and earth observation that Michael Healy had brought to the table, helping to inform Council over the various space initiatives that STFC has been involved with in the past 3 years.

1.7. Michael Sterling thanked Will Whitehorn for his involvement with the SIL Board and for his leadership as Chair of the Economic Impact Advisory Board noting the work carried out around approving and reviewing the STFC Campus Centres. Council were pleased to hear that Will Whitehorn will continue to be a member of the SIL Board.

1.8. Michael Sterling presented Michael Healy (in absentia) and Will Whitehorn with a framed montage to commemorate their service to Council. Council wished them well in their future pursuits.

1.9. Michael Sterling informed Council that Marshall Davies has been reappointed for a further 2 years and Gill Ball for a further 4 years, with the expectation that Gill will take over from Marshall Davies as Audit Committee Chair when his term finishes.

1.10. The Council interview panel had agreed additionally to fill a vacancy that Council has been carrying for a member from a financial background to provide continuity as Marshall Davies rotates off Council and Gill Ball takes over as Audit Committee Chair.

1.11. Interviews had now taken place for the replacement industrial member for Michael Healy; a candidate had been selected and the appointment was now going through the Government approval process, at Prime Ministerial level.

2. CONFLICTS OF INTEREST AND REGISTER OF INTERESTS

2.1. The Chairman asked Council members to declare any conflicts of interest and reminded members to keep the Executive Secretary informed of any changes to their personal register of interests.
2.2. Alison Davenport who is Deputy Chair of Science Board was in attendance; Alison Davenport has institutional conflicts of interest with matters affecting the University of Birmingham, but is in the School of Metallurgy and Materials so does not therefore, have a departmental or programme conflict with any STFC grants programmes. Alison is the principal investigator for DIAD Beamline on Diamond Light Source and is Science Director of the Harwell Imaging Partnership, one of STFC’s Centres.

3. CORPORATE SERVICES DIRECTORATE (CSD) REVIEW PROJECT UPDATE

3.1. Marshall Davies presented an update on the latest status of the CSD Review project. Marshall is a member of the Project Review Board together with John Womersley, Andrew Taylor and until her departure, Jane Tirard; the Board is chaired by Gordon Stewart. Marshall informed Council that Jane Tirard had been replaced by Mark Affonso.

3.2. Marshall reminded Council that the scope of the project had been increased to incorporate the National Laboratories in terms of business ICT support.

3.3. A draft Outline Business Case (OBC) had been received by the Project Board the previous day. The OBC had been put together following engagement with the Operations/National Laboratory directors and senior managers.

3.4. As previously reported at Council the OBC will set out 4 options for each area of CSD: Estates; CICT; Safety Health and Environment; HR; Legal, Business and Commercial Management. The options range from “as is” or “do nothing” to total outsourcing, with the biggest savings generally also bringing the highest risk. The OBC would be going to Executive Board shortly for decision on which options to proceed with; EB’s decision would come to Council at its next meeting on 28 May 2013.

3.5. Options in some areas will be relatively easy to make i.e. SHE, HR, Business, Legal and Commercial Management but other areas will be more challenging such as CICT and Estates.

3.6. A full business case(s) will be required for any major change programme agreed by EB which will go into greater detail than that required at this stage.

3.7. Marshall stated that the downward pressures on finances meant that change is inevitable, commenting that the CSD has an integral role in the overall effectiveness and efficiency of the whole of STFC. Marshall informed Council that some of the changes may be contentious and that Gordon Stewart had given the management of any changes much thought recognising that further in depth engagement with the National Laboratories would be required before implementation. It was also noted that the experience of the Shared Service Centre will not have helped
with staff’s receptiveness to change.

3.8. Jeremy Clayton asked whether there was any scope for merging any areas of activity with other Research Councils. STFC had taken the view that it was more important to get its own house in order before considering areas for harmonisation with other Councils but John Womersley commented that the Executive had been working with the RCUK SIG group, Chaired by Duncan Wingham, looking at scope for further harmonisation of the Research Council activities in Swindon.

4. SCIENCE BOARD UPDATE

4.1. Alison Davenport reported to Council on the business from the Science Board meeting held on 21 and 22 February 2013 and Council noted the contents of the accompanying paper.

4.2. Science Board had received some breaking news on first cosmology results from ESA’s Planck Mission, news from CERN confirming the properties of the Higgs Boson, work being carried out by TWI and ISIS investigating the behaviour of welding in pipelines, of particular use for onshore and offshore pipelines carrying oil and natural gas, and moving images of plant Golgi moving on an ER network.

4.3. Council noted the work carried out at Diamond Light Source, that has led to a breakthrough in vaccines for foot-and-mouth disease and that the beamline that this work was carried out on is the only facility in Europe where pathogens requiring level 3 containment can be analysed at atomic and molecular level, using synchrotron light.

4.4. Alison informed Council that the Science Board have endorsed a report from the Project Peer Review Panel (PPRP) for the Next Generation Transit Survey (NGTS). The report had been rated alpha 4 in the Programmatic Review PPAN sub-group’s draft report and will be included in the Science Board’s final construction of the balanced programme, at the conclusion of the Programmatic Review.

4.5. Science Board had also received an update from the UK Space Agency on the ESA Jupiter ICy moons Explorer (JUICE) mission. Of the proposed UK-led instruments, the magnetometer has been selected by ESA. UKSA have issued a call for statements of interest from UK Groups for Co-Investigator positions. Science Board have agreed to reconvene the panel which provided the original recommendations for the JUICE instruments to formulate necessary advice (under the dual key system) in terms of science return, programmatic issues and affordability. [Secretary’s note: Ian Taylor informed Council that he is a member of the ESA’s Director General’s Advisory Committee but this focuses on ESA’s structure, as opposed to providing Programme advice].
5. PROGRAMMATIC REVIEW UPDATE SOME REFERENCES IN THIS SECTION HAVE BEEN REDACTED AS PROTECT:POLICY

5.1. Alison updated Council on the status of the Programmatic Review (PR). Each PR subgroup had provided an interim report to Science Board at its last meeting. Subgroups were at different stages in their reviews and recommendations were not yet fully developed.

5.2. Science Board has reviewed each interim report and provided guidance and advice. Dr Phil Kaziewicz, (SIL Board) attended Science Board and provided input to the discussion of interim reports. Council noted Phil Kaziewicz’s valuable contribution to the Science Board meeting and were supportive of him attending more Science Board meetings in this capacity. Alison Davenport agreed to check back with the Science Board to take a view on this.

Action: Alison Davenport

5.3. This is the first time that the PR has considered Impact Programmes and Alison clarified that the Impact Sub-Group are not considering individual awards but will be taking a holistic view of all grants and facilities impact programmes and whether funding schemes are fit for purpose, including considering whether limited resources are effectively employed to define a balanced programme. (Consideration of Public Engagement has been deferred pending the outcome of the Council Review).

5.4. The group have been struggling to pull together specific objectives and metrics because some activities are in very early stages (impact happens over time). Science Board had encouraged the group to continue to press for information even if it is not currently available, recognising that the process of asking for and identifying the information required, will be valuable for future reviews.

5.5. Science Board’s final report will make recommendations that tension the impact programmes with the impact generated through the science and technology programme. Council were supportive of this approach with some members cautioning that receipt of a bad financial settlement could make it easy to focus on the impact alone rather than on a balance of impact and scientific endeavour.

5.6. Council discussed the impact drivers coming from BIS and questioned whether best practices and national thinking are being shared between the Research Councils and the HE Sector; there is ambition and appetite to do this and in some areas some good interactions between the HE Sector and the RCs but it was recognised that more needs to be done to link up. It was noted that the metrics in the REF have to look at quality of basic research whereas impact that the RCs are looking at is how the excellence of science translates into other areas; spin-out companies are one such example for
5.7. Some work had been carried out with BIS on a common set of metrics but these do not necessarily cover everything that STFC does; this is difficult because we carry out activities on different time frames with different audiences and it is a lot easier to compile cases studies rather than broad metrics.

5.8. Sharon Cosgrove informed Council of some work being carried out by the RCUK Impact Group (which she chairs) and RCUK RG, for BIS. This work is around institutes and facilities that the RCs provide as part of the UK national scientific infrastructure, that because of their scale are beyond the resources of a single university. BIS are gathering evidence/case studies from a variety of research areas but this is an area that the RCs can illustrate the significant contribution that they make to the economy, by provision of national infrastructure. The evidence will demonstrate how this public investment leverages additional investment from other sectors including overseas. This work will be concluding later this month.

5.9. This is the first time that the PR has considered the Technology programme separately from PPAN and facilities programmes. Alison informed Council that the Technology sub-group are awaiting input from the other Sub-Groups in order to comment on the priority technologies required to support the science priorities. The subgroup has however, considered the PRD and CfI funding schemes, and has started to assess the Accelerator Programme; some preliminary recommendations have been made. The STFC Departments will be considered at their next meeting.

5.10. Council questioned whether the space programmes are also being considered and noted that they were, through RALSpace and the grants programme at the exploitation stage, but it was important to check that space programmes are considered at the beginning or “pre-mission phase” which is where the real technological development occurs. Alison Davenport commented that they were certainly looking at connectivity and taking a broad-brush prioritisation for grants panels and exploitations in the PPAN Sub-Group between different activities but agreed to check back and report back to Council on whether the pre-mission phase is being considered.

Action: Alison Davenport

5.11. The Large Facilities Sub-group (LFS) was tasked with 2 activities; to consider the strategy for facility provision in the near term, as part of the Large Facilities Funding Model including access to ISIS, Diamond, CLF, ILL, ESRF; and to provide input to the PR regarding facility provision in the long term including recommendations on future priorities for access to national and international future facilities such as ESS, FELs (e.g. X-FEL). As mentioned at the last Council the LFS plans to develop neutron and light source reviews
following the PR. John Womersley informed Council that he had been asked to input to BIS to a draft letter from the Prime Minister regarding a European strategy for future neutron sources including the ESS, that will be sent to the PM of Sweden.

5.12. The current focus of the LFS is on its input to the PR, considering that its remit excludes considering finances, the LFS are compiling a list of future priorities for developments and new facilities to meet the scientific needs of the RCs. It will provide a starting point for prioritisation of future investment and decisions on what might need to be given up in order to make room for new capabilities.

5.13. The PPAN Sub-Group is looking at the current science programme and the future opportunities in the PPAN area and recommending an affordable and balanced programme for the future. The Sub-Group have provided a prioritised narrative description of the programme for the optimum funding scenario and have alpha ranked projects. Additional funding scenarios are being explored in the final report, looking at flat cash and +/- 10% scenarios.


6. CEO REPORT SOME REFERENCES IN THIS SECTION HAVE BEEN REDACTED AS PROTECT:MANAGEMENT/POLICY

6.1. Council noted the contents of the science highlight report that accompanied this item.

6.2. John informed Council that following Jane Tirard’s departure, Philippa Foster had been appointed to the role of Acting Executive Director, Finance; Philippa is also a member of Executive Board. A selection process is underway for a replacement for Jane.

6.3. STFC has a very complex stakeholder map and to help manage these relationships and engagement, a new framework has been created which is being rolled out as a pilot. Key strategic stakeholders have been prioritised for the pilot, based on an agreed set of criteria.

6.4. John updated Council on recent stakeholder engagement that he been involved with. A Memorandum of Understanding had been signed with Unilever. Discussions have been taking place with the National Measurement Office who are conducting an exercise to look for a new partnership model for the National Physical Laboratory in Teddington, which is likely to be a joint venture with a university presence and could culturally be a good match for closer engagement with STFC. John attended the Space Innovation Strategy re-stack which is a small group of the space cluster participants, who recently have mainly been discussing re-branding.
John informed Council that George Osborne, Chancellor of the Exchequer had visited Daresbury to open the Hartree Centre and David Willetts had attended a roundtable session at Harwell to share his innovation vision for the greater Oxford area.

6.5. Forthcoming events in April included the Neutron and Muon Users Meeting, Nuclear Physics and Particle Physics Town Meetings, Institute of Physics Beams Group, the official opening of the Square Kilometre Array building at Jodrell Bank and the STFC BIS Six-Monthly Performance Review meeting.

6.6. John had also attended a number of events which he classed as “good to do” including giving a public Lecture at the Institute of Engineering and Technology entitled “The Unexpected Impact of Basic Science”, chairing a group of Senior Science Officials of G8 nations on Research Infrastructures to agree on a report to the G8 ministers and a proposal for future action for their approval.

6.7. The corporate website is being redesigned to make it easier to learn about STFC’s science and technology and will meet Government restrictions on websites (only one ‘corporate’ site, but with Science Interaction sites for academic use). Council congratulated all involved in a huge task for many people to ensure the content is not only accurate, but kept up-to-date. The beta version goes live later in this month and the final version will go live by late April/early May 2013.

6.8. John updated Council on the good progress of the Safety, Health and Environment 2012/13 improvement plan and on the launch of 2013/14 improvement plan, advising Council that whilst in 12/13 near miss reporting exceeded the previous year, near miss reporting targets to improve on previous years are still in the 13/14 plan. John also informed Council of the launch of a new Environmental improvement plan (2013/14) for reducing our CO2 usage and carbon footprint.

6.9. John Womersley updated Council on other STFC scientific highlights since the last Council meeting, including the inauguration of ALMA and the commissioning of KMOS instrument on the VLT in Chile; ESA will be releasing the KMOS instrument to the community for science in June 2013. The Electron Beam Test Facility (EBTF) at Daresbury was now ready for first commissioning with 2 user rooms already up and running with industrial partners. The EBTF is targeted to strengthen STFC engagement with industry for the development of advanced accelerator technologies for commercial applications in areas such as security, medical and general accelerator technologies. The EBTF cost £1.5m to design and build and was part of the £10M scientific investment, announced by the Prime Minister in August 2011 when he attended the Daresbury campus to announce the launch of the Daresbury Enterprise Zone.
6.10. John shared some examples of interdisciplinary research within our national facilities where techniques developed for one discipline have applications in another; the UKATC retinal densitometer a diagnostic tool for age related retinal macular degeneration adapted from technology to detect faint galaxies; pioneering laser technology developed in the CLF used for non-invasive laser breast cancer diagnosis; the Excalibur x-ray detector now installed on a DLS beamline which can take moving images rather than static and has many applications including medical.

6.11. John went on to update Council on the situation regarding the shortfall in facilities funding. As John reported at the last council meeting, there is a deficit of roughly £5m in 13/14 between the funding in the facilities partition and what is needed to operate the facilities at the level required by the Large Facilities Steering Group science requirements. Part of this deficit is to fund activity that the Large Facilities Steering Group now require, but didn’t fund i.e. Lasers for Science LSF and part is due to CRC and electricity cost increases.

6.12. BIS and RCUK are aware of the situation and RCUK have been informed that STFC plan to operate the facilities at the level of activity delivered in 2012/13. BIS have indicated that they will try to be flexible by moving money across the Drayson partitions if necessary but are unable to offer any new money and in this meeting Jeremy Clayton offered to help by helping RCUK to understand the issues.

6.13. Council supported John Womersley’s suggestion to instruct ISIS to plan to operate for 60 days in the first half of the year whilst continuing to work to find additional funding and to review the situation in September, when if funding has been identified operation of remainder of the 120 days will be authorised.

6.14. This was not a problem that can be solved by STFC alone as the introduction of the Large Facility Funding Model in 2010 meant that the LFSG make these decisions but John Womesley told Council that the LFSG does not have the tools to resolve this either. Council questioned whether the structure was fit for purpose going forward to the next spending review. Jeremy Clayton stated that the funding challenges had crystallised the issue helping to show that more clarity is required from the Drayson ring fence and that BIS is open to suggestions for a longer term solution.

6.15. Council commented that this will require careful handling. It was noted that if ISIS stopped operating in September there would be no provision of neutrons for the UK community as the ILL will be in shutdown and that the funding attracted by international partners may be difficult to sustain.

6.16. Council were concerned about the user community’s reaction and John informed Council that together with the LFSG a communication plan had
been formulated where the user community would be informed of the plans for ISIS at the forthcoming Neutron and Muon Users meeting in April 2013.

6.17. Council supported John Womersley’s suggestion to instruct CLF to operate Lasers for Science at full capacity, noting its high priority for the other Councils. The funding of the LSF is still an issue as whilst the LFSG continue to agree that it needs to be funded the overall LFFM funding wasn’t re-set to include the cost of the LSF when this was included in May 2012.

6.18. The finances will be reviewed at the end of September 2013 and there is a plan to report back to LFSG on the finances. In the meantime STFC will continue to monitor closely the level of expenditure at the CLF, Diamond and ISIS and what is delivered for that expenditure. STFC will continue to look for efficiencies on two levels: efficiency of overheads that won’t make savings in 13/14 but will make savings in the longer term and efficiency of facilities operation where STFC will continue to look at where efficiencies can be made in facility operations over the coming 12 months – this will be done with the assistance of the Facility Boards.

6.19. At that point STFC may ask other councils to contribute additional funds and dependent on the outcome will decide the final operating capacity of the facilities for 13/14. Should this require a reduction, STFC will discuss with BIS before reducing capacity.

7. FINANCE UPDATE

7.1. Philippa Foster presented the Finance Update to Council. The National Audit Office audit took place in February and no major problems have been identified. Key issues for judgement included: transfer of SSC ownership; ISIS decommissioning provision (this has been reviewed and recalculated); professional revaluation of land and buildings assets (completed in February); treatment of Island Sites (assets, decommissioning and restructuring) and reclassification of capital expenditure.

7.2. The challenging 2012/13 year end timetable has been reduced by BIS by 1 week but all appears to be under control with a plan to lay before the Parliamentary summer recess. The draft annual report and accounts will be presented to Council in May.

7.3. A Year End Project Board has been running since January to monitor service delivery and system performance in the run up to the year end. The Board is comprised of RC representation, SSC Service Delivery and System Support personnel; Philippa represents the RCs.

7.4. A shareholder agreement was signed in March between BIS, TSB, HEFCE, RCUK SSC and the 7 RCs to agree to admit the new parties as owners. The Company name has now changed from RCUK SSC to UK Shared Business
Services Ltd (UKSBS) and changes were made to both the issued and unissued A and B shares. Philippa clarified to Council that an “A” share is a voting share and “B” share is an ownership share. The A shares were redesignated as Non-Government shares; the B shares were redesignated as non-voting shares and transferred in full to BIS. SSC, as a joint venture, will be derecognised in STFC’s Accounts as of March 2013. A new Client Governance model has been developed.

7.5. Philippa updated council on the 12/13 outturn position. The resource forecast is £8.7m (2%) below the full year budget. This is due to £4.5m that was previously accounted as capital but has now been re-classified as resource (including £2.1m ISIS obsolescence) and a £5m switch from resource to capital on International Subscriptions. Jane Tirard had informally agreed this underspend with BIS as it creates headroom for BIS and helps STFC with the DLS underspend.

7.6. The capital allocation has been reduced by £2.5m owing to the NERC loan arrangement being formally agreed which will come back in STFC’s allocation in 13/14 (£1.5m) and 14/15 (£1m). Otherwise budgets are unchanged from those advised in January and correspond in total with the STFC resource and capital allocations.

7.7. The capital forecast is £0.1m (0.1%) below the full year budget and also takes account of £4.5m costs that had previously been accounted as capital and have been re-classified as resource and the £2.1m ISIS obsolescence and £5m switch from resource to capital on international subscriptions.

7.8. The administration forecast is a £0.4m overspend. As previously noted a “rogue” purchase order going back a number of years has now been fixed, resulting in a forecast overspend of £0.8m; this has been partially offset by contingency resulting in a net overspend of £0.4m. The administration allocation is being collectively managed across the Research Councils for 2012/13 and STFC has received BIS approval for the £0.4m overspend.

7.9. Additionally it was noted that all international subscriptions for 2013 have now been confirmed and are reflected in the forecast.

7.10. Philippa is confident that this forecast can be achieved by the end of March 2013 and provided to Council full details of the forecast in her paper at departmental level, appended actuals against budget, overall actuals against budget broken down by income/expenditure, actuals against budget by Drayson partition and various other cuts.

7.11. Council thanked Philippa and Jane Tirard for the management of the finances in this year. Jeremy Clayton asked that BIS thanks are extended to all involved, commenting on the improvement in the management of STFC finances overall.
8. MINUTES OF THE LAST MEETING

8.1. Council approved the minutes of the meeting held on 22 January 2013 and the Chairman signed these as a true record of that meeting.

8.2. Council were satisfied that the redacted minutes presented to Council would be suitable for publishing on the STFC website.

9. ACTIONS AND MATTERS ARISING

9.1. It was agreed at the previous meeting to bring back the Public Engagement (PE) Review paper under matters arising at this meeting.

9.2. Council had noted the PE Review recommendations and formally thanked Martin Barstow and the review board for their work, noting that the STFC PE programme is well defined.

9.3. The recommendation regarding a PE Advisory Panel reporting directly into Council will be considered via a wider review of Council advisory panels discussed in more detail later in the meeting (at minute 10.4).

9.4. Jeremy Clayton commented that STFC PE programme should ensure that it continues to remain connected to the science and society work being carried out at BIS and therefore remain in line with Ministerial aspirations. He also stressed that STFC should continue to ensure that STFC work complements that being carried out by RCUK.

9.5. Council noted the difficulty in carrying out evidence based review on STFC’s investment in this area, due to the difficulty required in collecting objective evidence. It was noted, however that Roland Jackson and the British Science Association might be good sources of benchmarking material.

9.6. Council noted the external interest in the work of the review and agreed that Martin Barstow should feel free to disseminate further or publish the outcome of review.

10. EIAB AND SIL BOARD REPORT SOME REFERENCES IN THIS SECTION HAVE BEEN REDACTED AS PROTECT:COMMERCIAL

10.1. This item was brought forward as Will Whitehorn needed to leave the meeting early. Will left the meeting immediately following this item.

10.2. Will began his report by informing Council of the important role that STFC Innovations Ltd (SIL) carries out, having now spun out 20 companies that exploit RAL and DL intellectual property. Will sited Cobalt as a successful spin-out that could have major economic impact for the UK using scanning
technology originally designed for medical purposes that now could potentially have huge impact for the aviation industry.

10.3. The SIL Board is chaired by Phil Kaziewicz, a former STFC Council member and Will Whitehorn will continue to be a member of this Board following his departure from Council. Much of the membership of the SIL Board is the same as that of the EIAB and as Will is now stepping down from Council he can no longer be the Chair of the EIAB. Will proposed to Council that with the membership of both of these boards so closely intertwined, Council may want to consider a new model whereby EIAB meets immediately following the SIL Board and the SIL Board Chair, Phil Kaziewicz would Chair the EIAB.

10.4. Following an inconclusive discussion of this matter, Michael Sterling suggested that a review should be carried out of all Council advisory committees and their terms of reference, taking into consideration their continued suitability and membership.

**Action: Gordon Stewart/Secretariat**

10.5. Will reported that SIL are pleased to announce the setup of a new spin-out company based on a compact microFTS (Fourier transform spectrometer) developed by RALSpace for atmospheric analysis. Keit Spectrometers Ltd will commercialise the instrument for real time materials identification in industrial analysis applications (such as process monitoring in the pharmaceutical and food and drink industries) as well as environmental monitoring and high throughput biotechnology. Despite a challenging fundraising environment for early stage ventures, £600k investment has been successfully raised in the spin-out company from Rainbow Seed Fund and Longwell Ventures. (Longwell Venture Partners manage a £43m fund which focuses on early stage science and engineering businesses and they have just relocated to the Harwell Oxford campus to build closer links with the enterprises based here, in particular STFC.

10.6. Will informed Council of two emerging proof of concept studies for potential spin-outs that may need to come to Council for onward approval at some stage, as well as to the Technology Strategy Board.

10.7. Will Whitehorn took the opportunity to support the earlier Council suggestion to invite Phil Kaziewicz to attend future Science Board meetings. He noted Science Board’s appreciation of Phil’s input at its last meeting and his involvement with the Programmatic Review. Alison Davenport responded, as she had previously in the meeting, stating that Science Board were grateful for Phil’s input but that she would need to consult Science Board for a view of longer term involvement.
11. E-ELT

11.1. STFC Council’s February 2012 meeting confirmed the priority of the E-ELT project and endorsed participation subject to a series of conditions for STFC approval.

11.2. A letter of comfort was received from Billy Aitken (BIS) in January 2013 that STFC were able to proceed and the UK confirmed its support for the programme on 2 March 2013.

11.3. Minister David Willetts announced the UK’s agreement to commit to the E-ELT through STFC on 2 March 2013 following agreement with Her Majesty’s Treasury. Our agreement was then formally transmitted by letter to the Director General and President of European Southern Observatory (ESO) Council on 12 March 2013 and was accepted by ESO Council in a special session at its meeting recently in Chile.

11.4. Italy, Belgium, France and Finland have all agreed to join and most recently Denmark has declared its intention to join by June 2013 (via ad ref vote) which leaves just Spain and Portugal to join. There is an expectation that Brazil will complete its accession in the next few months.

11.5. ESO will consider the status of the E-ELT programme in June 2013 and is looking to other member states to join to mitigate the funding risk, including Poland, Russia and Australia. They are also looking at a more detailed back up plan should Brazil not complete its accession.

11.6. Council noted the status of the E-ELT project but had some concerns as to whether all of the conditions that had been set out by Council in February 2012 had been achieved which meant that there was some future risk for STFC. Additionally it was noted that they had not been consulted on these changes to the conditions.

11.7. Whilst welcoming the UK government’s commitment to the Project, and with a view to continuous improvement, Council requested that Marshall Davies, the Chair of Audit Committee carry out a review of the robustness of governance pertaining to the STFC decision making leading up to the commitment to the project. Marshall was asked to review the final position achieved in respect of the Council conditions; to assess the extent to which proper governance and process were followed in reaching the final position and to recommend any “lessons learned” to improve governance procedures within STFC, particularly in relation to agreements of similar nature. Marshall was asked to report back to Council at its May 2013 meeting. 

**Action: Marshall Davies**

11.8. John Womersley informed Council that at least the cost of UK participation is expected to be returned to the UK in ESO contracts to industry and that
there is continued effort to advertise the E-ELT as a contract opportunity to UK industry particularly in the construction and materials companies.

12. CAMPUS UPDATES  THIS SECTION HAS BEEN REDACTED AS PROTECT:COMMERCIAL

13. OPERATING PLAN APPROVAL

13.1. Sharon Cosgrove presented the near final version of the 13/14 Operating Plan and Action Plan. The Operating Plan sets out STFC’s programme for the year to deliver on the commitments made in the Delivery Plan and Scorecard. The Operating Plan improves transparency by clarifying the relationship between the Delivery Plan and our annual plans and provides assurance to BIS that STFC are on track to deliver against its targets.

13.2. This is the third STFC Operating Plan and previously this document has been ready for publication in May and June. Sharon Cosgrove informed Council that the Operating Plan text was complete and was ready for publication in early April but the accompanying action plan still required some further editing but would be published later in April. This is a huge improvement, mainly due to the Executive Directors ownership and editorial control of their areas of the document which is a much easier process and leads to SMARTer targets.

13.3. Council approved publication of the Operating Plan noting that a commitment to operate ISIS for 60 days and the intention to find funding to operate for longer is included in the plan. Council also agreed the format and principles of the associated action plan and publication scheduled for later in April.

13.4. Council congratulated Sharon Cosgrove and all involved, commenting that it read very well and was consistent with the previous discussion on facilities operation.

14. UPDATE ON CSR AND TRIENNIAL REVIEW  SOME REFERENCES IN THIS SECTION HAVE BEEN REDACTED AS PROTECT:MANAGEMENT

14.1. Sharon Cosgrove presented an update from the Triennial Review and reported that the Council SR/TR sub-group had met twice in the intervening period between this and the last Council meeting.

14.2. Engagement with the Triennial Review process was underway, with extensive consultation having taken place between the review team and all the RCs stakeholders.
14.3. STFC has organised informative events at IOP and RAS, explaining the process and issues and encouraging people to contribute and had also hosted stakeholder meetings at RAL and Daresbury between the review team and a mix of industry, academia, Government agencies and local interests all of whom were very supportive of STFC.

14.4. John Womersley hosted a phone meeting with chairs of the STFC advisory panels which resulted in a Science Board coordinated submission and John has encouraged key stakeholders to contribute.

14.5. John Womersley, Michael Sterling and Sharon Cosgrove had attended face to face meetings with Ceri Smith, who is leading the Review Team and Iain Mansfield who is a member of the team.

14.6. The Review team have received 110 submissions on the Research Councils.

14.7. STFC has contributed to the joint RCUK written submission and a fuller version of the STFC evidence has been submitted directly. The STFC submissions have been shared with Council members who had commented that they liked the response and that they were well crafted. Council congratulated the team for putting them together.

14.8. Next Steps for STFC are to continue preparing written material on outstanding issues, collating issues from submissions and working with RCUK on material for the draft report.

14.9. STFC are continuing to work with the RCUK Impact Group, SIG and RCUK EG to identify areas for harmonisation and alignment in Swindon, e.g. knowledge exchange schemes ROS and ResearchFish (e-Val).

14.10. Ceri Smith had a private session with the House of Lords Science and Technology Committee on 26 March 2013 and will be attending RCUK Executive Group 17 April 2013.

14.11. The first substantive draft of the Review team’s report is expected in the first week of May 2013, which will then be iterated with RCs, the Challenge Panel and the Cabinet Office. The BIS Triennial Review team are meeting with the Cabinet Office this week


14.13. In his budget statement, George Osborne had announced that there will be a Spending Review to set budgets for financial year 2015/16. He also announced the total public spending envelope and announced a further 1% cut for the next 2 years for unprotected Government departments.
14.14. It is expected that BIS will announce the outcome of the Spending Review on 26 June 2013 which will include the total Science and Research budget but not the allocations to individual Councils or HEFCE. An announcement of the allocations to individual Councils is expected later and may be linked to publication of the outcome of the Triennial Review (could be as late as September 2013).

14.15. A first draft of the BIS submission is due to be submitted to Her Majesty’s Treasury (HMT) on 29 April 2013 and STFC will be expected to provide urgent inputs before and after this date. The BIS submission will seek to defend the existing Science Budget and ask for more science capital investment. BIS were unsure whether Councils will be asked to develop a Delivery Plan for one year (15/16) or for two years (14/16).

14.16. Finances in BIS are very tight, recent cuts require an additional £150m savings in BIS over 2 years. Indiscriminate lobbying for more money would miss the mark and BIS have invited the Research Councils to think more of a 3 year campaign. John O’Reilly the new Director General, Knowledge and Innovation was keen to engage stakeholders and would be attending the next STFC Council meeting on 28 May 2013. Jeremy Clayton stated that John O’Reilly had already engaged with the CST and the Academies.

14.17. David Willetts believes flat cash in 15/16 is a most likely outcome and thinks a properly funded long term capital programme is there to play for, out to 2021. Jeremy Clayton clarified that Government will set aside most of the capital for housing but there would still be some left for high economic growth and agreed that science plays into this well.

14.18. Sharon Cosgrove informed Council that work was on-going to provide BIS with evidence for their narrative to HMT and that her team will be working hard in the next few months to provide BIS with all the information that they require. Jeremy Clayton apologised for the short timescales that are RCs have been asked to respond in.

15. QUARTER 3 2012/13 SHE REPORT

15.1. Council noted the quarter 3 Safety, Health and Environment report.

15.2. Gordon Stewart updated Council that following the theft of activated copper at RAL the police have successfully recovered the stolen materials from a local scrap metal dealer and are proceeding to prosecute the perpetrators. Due to the activated nature of the copper the Environment Agency (EA) Health and Safety Executive and the Counter Terrorism Security Advisor (CSTA) have been informed. The CTSA has visited the site to provide security advice and a follow up visit is planned by the EA inspector and CTSA in February 2014.
16. AUDIT COMMITTEE REPORT

16.1. Council noted the Audit Committee Report.

16.2. Marshall Davies highlighted the recent RCUK Cross Client assurance report on the RCUK Cross-Council Energy Programme which is the largest cross-Council programme at £5.30m over the CSR period.

16.3. Audit Committee had raised concerns about progress on this audit especially the delay in reporting the response recommendations and the unreasonable timelines for remedial action. There were also concerns raised about how widely input was sought, the lack of visible process (which should have been agreed by all Councils) regarding what actions on the recommendations had been taken, notably recommendations that were rejected by the SRO (EPSRC) when, in the opinion of the Audit Committee should have been addressed.

16.4. Council asked John Womersley to raise this issue with the other RCUK CEOs at the next RCUK Executive group.
   Action: John Womersley

16.5. Council went onto discuss the recent Diamond Light Source underspend that did not become apparent until period 11 in the 2012/13 financial year and is the third year that DLS have underspent.

16.6. Council asked Gill Ball as a member of Audit Committee, recognising that Marshall Davies as a Diamond Light Source Board member was conflicted, raise at the next Audit Committee that the DLS is included in the audit programme for next year to audit financial management within DLS.

17. ANY OTHER BUSINESS

17.1. Council asked John Womersley for a status update for the Island Sites. John reported that a number of statements of interest had been received for UKIRT with two now looking potentially serious. John will bring this matter back to Council when this process has progressed further.

18. MEETING CLOSE

18.1. The meeting closed at 16.30 hrs.