Attendees

Council Members:  Sir Michael Sterling (Chair)
                   John Womersley (CEO)
                   Gill Ball
                   Brian Bowsher
                   Gerard Connell
                   Richard Kenway
                   Carole Mundell
                   Jordan Nash
                   David Price
                   Ian Taylor
                   Richard Worswick

Apologies:        Gordon Stewart (Executive Secretary & Executive Director Corporate Services)

In Attendance:   Sharon Ellis (Deputy Director, Research Councils, Department for Business, Innovation & Skills (BIS)) – via telephone items 6 -18
                   Alison Davenport (Chair, Science Board)
                   Sean Freeman (incoming Chair, Science Board)
                   Tim Bestwick (Executive Director Business & Innovation)
                   Grahame Blair (Executive Director, Programmes Directorate)
                   Sharon Cosgrove (Executive Director Strategy, Planning & Communications)
                   Neil Phimister (Executive Director Finance)
                   Andrew Taylor (Executive Director National Laboratories)
                   Zena Davis (Minute Secretary)
INTRODUCTION

1. WELCOME AND OPENING COMMENTS

1.1 The chair welcomed everyone to the meeting which was held in the Boardroom at the Rutherford Appleton Laboratory.

1.2 The chair confirmed that Professor Richard Kenway’s membership of Council had been approved by the Department for Business, Energy and Industrial Strategy (BEIS) – formerly the Department of Business, Innovation and Skills. Richard’s appointment began 18th July 2016 and ends 31st March 2019. Brian Bowsher’s reappointment to Council is also confirmed and his appointment began 1st April 2016 and ends 31st March 2019.

1.3 The chair welcomed Sean Freeman to the meeting. Sean is the incoming Science Board chair as of 1st September 2016 and will replace Alison Davenport. Council thanked Alison for her excellent work as chair of Science Board.

1.4 The chair reminded Council that a recruitment exercise was underway to recruit a new member of Council to replace Dame Julia Goodfellow. An advertisement was placed on the Centre for Public Appointments website on 14th June with a closing date of 5th July. BEIS has since extended this deadline to 19th July. BEIS had stated that the interviews will take place July/August. STFC is unable to meet this requirement; only a maximum of two panel members were available on any of the days in this date range. STFC will be interviewing on 20th October and BEIS has been informed.

2. INTRODUCTION

2.1 Apologies were received from Gordon Stewart.

3. CONFLICT OF INTEREST

3.1 The Chair reminded Council members that they are required to keep the Executive Secretary informed of any changes to their personal register of interests as they arise. The Chair confirmed that there were no potential conflicts of interest for the items that are scheduled for discussion at this meeting.

ITEMS FOR DISCUSSION

4. OUTCOMES OF COUNCIL SURVEY 2016 - STFC(2016)37

4.1 In the absence of Gordon Stewart, Zena Davis introduced this item. The survey forms part of the STFC Council appraisal process and has been carried out annually since 2011. It sets out questions relevant to the performance of Council members, STFC supporting processes and key relationships, e.g. BEIS, stakeholders etc. Zena presented the main outcomes of the 2016 Council Survey which included a comparison of trends between the Surveys from 2011 to 2016.

4.2 Council noted that the number of positive responses to the questions within the survey continues to rise. However, one of the areas on which Council was less positive was with regard to the relationship between Council, BEIS
and STFC. Comments were made regarding the number of government reviews that were taking place which were dominating STFC business. Council did note that the BEIS representatives who attend Council meetings are constructive and helpful, but commented on delays in decision making at BEIS which make delivering the STFC programme very challenging. Council agreed that many of the issues may be a symptom of the major changes planned in the relationship between BEIS and the Research Councils and was therefore not unique to STFC. Council agreed that one way to manage this is for the CSR Sub-group to fully engage in supporting the Executive in its response to the creation of UKRI. Council also asked that the comments on this issue be shared with BEIS for comment.

**Action:** Secretariat to share survey comments on the relationship between STFC and BEIS with BEIS for comment.

4.3 75% of respondents to the survey only partly agreed with the statement that performance information is integrated with financial reporting. This was an improvement on last year’s responses. Council was informed that BEIS is in the process of developing a new reporting mechanism for the score card, namely ‘Next Generation Reporting’.

4.4 Some of the key improvements suggested in the survey were as follows:
- At least one longer Council meeting per year to allow more in-depth discussions of critical issues/strategy for the Council
- Visits to other sites widen the Council’s understanding (visit to Edinburgh and meeting stakeholders in Scotland was very successful)
- More joint contact with external bodies (attendance by RCUK Operations Director to Council meeting was very informative).

In response to these suggestions the secretariat will organise a repeat Strategy Event in the 2nd Quarter of 2017/2018, (the first of these is taking place 19th September 2016). The secretariat will also arrange for a Council meeting to take place at an external venue, possibly at BEIS or at a university. The secretariat welcomes suggestions for venues from Council members. Council agreed that it would be useful for Hilary Reynolds to attend another Council meeting during 2017 and for the UKRI CEO, when appointed, to be invited to attend a council meeting.

**Action:** Council Secretariat, during 2017, to organise a Council Strategy Event, an external Council meeting and invite Hilary Reynolds and the incoming new UKRI CEO to attend Council meetings.

Suggestions from Council members for possible external meeting venues are welcome.

5. **CEO REPORT - STFC(2016)38**

John Womersley reported on STFC related activities since the last meeting of Council in May 2016.

5.1 **Higher Education (HE) and Research White Paper and Bill**

John reminded Council of the main points of the HE and Research White Paper and draft Bill.

5.1.1 **Main points from White paper and draft Bill**

The White Paper lays out the rationale behind the proposed
changes while the draft Bill contains only the legal provisions. The draft bill creates UK Research and Innovation (UKRI) as a new NDPB, without Royal Charter. The existing Research Councils’ Royal Charters are to be revoked and all staff and property transfer to UKRI. The UKRI membership will be a Chair, a Chief Executive Officer, a Chief Finance Officer and 9 to 12 others, appointed by the Secretary of State. The UKRI board will lead on overall strategic direction, cross cutting decision making and advice to the Secretary of State on balance of funding between research disciplines.

5.1.2 UK Research and Innovation (UKRI)

John Kingman has been appointed as interim chair of UKRI and will be in post full time when he steps down from the Treasury in July 2016. His initial focus will be on recruitment of an UKRI CEO. John Womersley met with him in May and he visited the Research Councils’ Swindon Office where he spoke with staff.

5.1.3 Council Discussion

Council noted that the aim is for UKRI to be established by 2018 and advised that much of STFC’s work was extremely long-term and therefore, it is extremely important that STFC maintain its long-term vision. Council also advised that it is vital that BEIS understands and appreciates the long-term nature of STFC science.

5.2 Changes in Government

John updated Council on the latest changes in Government. On 14th July 2016, following her appointment as the new Prime Minister, Theresa May created the Department for Business, Energy and Industrial Strategy (BEIS) as a result of a merger between the Department of Energy and Climate Change and Department for Business, Innovation and Skills. BEIS will bring together responsibility for business, industrial strategy, and science and innovation with energy and climate change policy, thus merging the functions of the former BIS and DECC. Responsibility for higher education moves to the Department for Education (DfE). STFC will report to BEIS. The new BEIS Secretary of State is Greg Clark MP and Jo Johnson remains as Minister of State for Universities and Science, Research and Innovation working both in BEIS and DfE.

5.3 New STFC CEO

The chair reported that BEIS had decided against holding a recruitment exercise for a new CEO in order to speed up the process, but also because the establishment of UKRI means that the CEO role would be an interim one. Council agreed that it is vital that the new CEO is in post as soon as possible to allay concerns from the community and to allow a significant handover between the current CEO and the new.

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5.4 Corporate Risk Register

John updated Council on the STFC’s current Risk Register. Council noted the list of top risks remained the same as those reported at the May Council meeting, but noted an additional risk, that of the transition period between the current CEO and the new. This risk had been marked as ‘red’ highlighting the risk of the lack of leadership, planning and decision-making blight and conflict of interest for ESS related activities. Executive
Board agreed that Neil Phimister and Andrew Taylor will manage any ESS related activities previously undertaken by John. Executive Board has also established a working group with membership from across the directorates and the CEO office to oversee all aspects of the handover between John and the new CEO. Council noted the other topical themes and emerging issues for risk and stewardship which included Business environment, the EU Referendum and BEIS developments and focus of attention. Council noted that the Executive had set up working groups to coordinate efforts for UKRI and the RCUK Change Programme and EU withdrawal.

5.5 Harwell Facilities building and Gemini laser building
John informed Council of a new Facilities building needed at Harwell for waste handling and ESS work and a new Gemini building required to house a new laser potentially part-funded by DSTL. STFC is in discussion with BEIS on how to manage these projects within the current CSR allocation. LFAB and facility directors have agreed the use of capital and formal Council approval will be sought via the Finance Committee in due course.

5.6 Rosalind Franklin Institute
John reported on the proposed new physical-sciences-to-life-sciences institute which is planned to be centred at Harwell. The institute will increase use of STFC’s facilities by life sciences users, increase university presence at Harwell and act as a catalyst for a potential health tech cluster at Harwell. Oxford University led on drafting the business case and STFC provided advice on planning for the construction of the facility at Harwell. EPSRC will lead in setting up the institute and hand over to a consortium of universities and industry once it is established. STFC will take a seat on the Board of the new institute (EPSRC will not). STFC will not be responsible for the operating costs. Key risks for STFC are around construction cost, responsibility for operating costs in the longer term, reputational risk and strategic conflict for wider aims and activities of the campuses.

5.7 TEXT FROM THIS SECTION HAS BEEN REDACTED: OFFICIAL SENSITIVE

5.8 New STFC staff
Diana Chaloner will join STFC on 19th September on a two-year fixed-term appointment as new head of HR. Diana will also act as Accountable Owner for the HR work stream of the RCUK Change Programme. STFC also welcomes Christian Bedford as Head of Legal and Commercial and Philip Amison as Head of Corporate Strategy and Impact.

5.9 Daresbury Open week 4th July – 9th July 2016
John reported that the Daresbury open week had been very successful. 100 business and industry leaders took part in the Corporate Day, where contacts were made and collaborations discussed, and many took the opportunity to tour the site with seven tour venues open across the Campus. More than 1000 students from across the region, took part in two full days dedicated to both primary and secondary schools. 7500 or more visitors came to the Public Open Day. Council congratulated STFC and its staff on the success of the event.

6. BEIS UPDATE (VERBAL)

6.1 Sharon Ellis joined the meeting via telephone and updated Council on UKRI
and the Government departmental changes.

6.2 Sharon reported that the second reading of the White Paper was taking place today (19th July). It was hoped that advertising for the UKRI CEO would take place within the next few weeks. Sharon said that any resources the Research Councils can spare to assist with the establishment of UKRI would be gratefully received.

6.3 Sharon confirmed that the new Ministers are now in place and that Jo Johnson remains as Minister of State for Universities and Science, Research and Innovation. The bringing together of Department of Energy and Climate Change and the Department for Business, Innovation and Skills as BEIS has meant that BEIS currently has two permanent secretaries. This will be changed going forward as the new department’s functions are clarified.

7. **BREXIT - STFC(2016)39**

7.1 John introduced this paper which gave an initial assessment of the imminent and potential impacts on STFC of the decision of UK citizens to leave the European Union.

7.2 John explained that the most material issue at this stage is the impact of a weakened GBP on the remaining payments for international subscriptions in 2016-17 (CERN, ESO, ILL & ESRF). STFC worked up options to hedge the SR15 exchange translation risk, and an initial decision was made by BIS not to implement these options, however STFC is working with BEIS to minimise the exposure. Using exchange rates on 4 July, STFC is forecasting a £21m shortfall against BEIS’s allocated budget for these subscriptions. BEIS are aware of the STFC exposure and confirmed that the STFC budget for International Subscriptions will be increased when the pressure crystallises.

7.3 John reported that the Executive is establishing an internal working group to develop strategic plans to influence and deal with the eventual outcome and coordinate STFC’s stakeholder engagement and communications during the transitional period. The group will operate from now until March 2017 during which period the Government is expected to finalise its response to Brexit, and will then transition to a task-and-finish role in preparing for the eventual Brexit outcome. The group will be chaired by Sharon Cosgrove and will draw significant representation from across the organisation; it will report to and provide advice to Executive Board and Council. Council approved the recommendation that the Council’s CSR sub-group, who are responsible for providing guidance on these other strategic work-streams, should oversee the work of the group.

7.4 Council agreed the importance of providing reassurance to STFC staff and the community on what the BREXIT vote means in real terms with regard to participation in Horizon2020 projects. Council would also like reassurance from BEIS that the Drayson partitions will be honoured.

8. **CORPORATE STRATEGY DEVELOPMENT: UPDATE ON KEY ISSUES - STFC(2016)40**

8.1 Sharon Cosgrove introduced this item, which provided Council with an update on the refresh of STFC’s Corporate Strategy. Council was also
reminded that a Council Strategy meeting had been arranged for 19th September and suggestions from Council on potential areas of discussion would be very welcome.

8.2 Sharon explained that one of the main aims of the refreshed strategy is to demonstrate STFC’s expertise in smoothing the path to innovation and how this links to economic growth.

8.3 Council advised that the strategy should reflect the message from the Nurse Review that STFC should demonstrate strategic leadership to help the community take advantage of opportunities and continue to be a steward of national facilities. Additionally, STFC should ensure that it is confident in its science and presents a bigger vision to Government.

8.4 Council observed that the people element does not come out strongly within the strategy and more emphasis should be placed on the confidence that STFC has in its ability to carry out innovation activities.

8.5 Council suggested the following areas for discussion at the 19th September Strategy day:

- Consider the potential for more collaboration, whilst understanding that additional collaborative activities can have a detrimental impact on current collaborative projects.
- Identify what STFC’s unique technologies are and how to demonstrate the distinctiveness
- Consider the ‘grand opportunities’ that will help raise investment; should STFC take more risks?
- Consider working with other Research Councils to help them achieve their vision and vice-versa.
- Look for more opportunities to partner with industry.

8.6 A more polished version of the strategy will be brought to Council at the September meeting for further discussion.

ITEMS FOR DECISION

9: i) MINUTES OF THE LAST MEETING - STFC(2016)41

9.1 Council approved the redacted minutes of the 24th May 2016 meeting for publication on the STFC website.

ii) MATTERS ARISING - STFC(2016)42

9.2 Council noted the matters arising from the last Council meeting were progressing.

10. SCIENCE BOARD MEMBERSHIP - STFC(2016)43

10.1 Sharon Cosgrove introduced this item which provided an update on the annual call for applications and nominations to Science Board.

10.2 Council endorsed the process and agreed the nominations made by the STFC Applications and Nominations Committee (ANC.) Jordan Nash, as the Council representative on the ANC confirmed that he fully supported the
process and nominations. Approval for the appointment of the Science Board deputy chair will be obtained from Council at its meeting in September 2016.

11. FREE ELECTRON LASER (FEL) STRATEGIC REVIEW - STFC(2016)44

11.1 John Womersley informed Council that in 2015, STFC’s Executive Board commissioned a strategic review of Free Electron Laser (FEL) science in the UK. The review was carried out by a panel of experts across the physical and life sciences. The review identified both capability and capacity issues that the UK will face longer term and proposed a strategy to meet the UK’s FEL needs.

11.2 John drew Council’s attention to the Executive Summary within the strategy which stated that by 2020, STFC should ensure that the UK is in a position to take the final decision on whether to build an XFEL in this country and on what kind of machine to construct. John iterated that no decision was required from Council at this time; the strategy was purely a first step and there were no financial implications.

11.3 Council approved the strategy and agreed that it could be published but that the purpose of the document should be made clearer to avoid misunderstandings within the community.

**Action:** Victoria Wright to ensure that the purpose of the strategy should be made clearer before publication.

12. STFC PUBLIC ENGAGEMENT STRATEGY - STFC(2016)45

12.1 Grahame Blair introduced this item which outlined a proposed new five year public engagement strategy which STFC has prepared following consultation with internal and external stakeholders.

12.2 Council endorsed the refreshed strategy noting that consideration of how much the activity will cost should be considered as part of the discussions at the Council Strategy meeting.

**Action:** Sharon Cosgrove to include discussion on cost of Public Engagement activity as part of Council's Strategy Day 19th September.

13: CENTRE FOR DOCTORAL TRAINING FOR DATA INTENSIVE SCIENCE - STFC(2016)46

13.1 John Womersley introduced this item reminding Council that there had been discussion on this topic at the last Council meeting in May. John explained that the paper outlined a proposal to introduce a pilot programme for a 5-year Centre for Doctoral Training in Data-Intensive Science. This would re-badge two current CASE studentships per year and make use of funding underspend in the DTP programme. There would be no reduction in the number of DTP studentships. Successful applications would require additional funding generated from industrial/commercial partners.

13.2 John informed Council that to engage the community in this proposal and to highlight any issues, including risks, potentially negative
consequences and concerns about the timescale, a consultation was issued on 1st June with a closing date of 11th July. The outcome of the consultation was provided to Council.

13.3 At the May Council meeting, Council noted that SEAB had discussed the proposal and raised a number of concerns. Carole Mundell, SEAB chair, reported that she was happy that SEAB’s broad concerns had been taken on board and addressed within the proposal. Carole also asked what methodology would be used to measure whether the pilot scheme had been a success and Grahame Blair said there will be consideration of this prior to the launch of the scheme.

13.4 Council approved the launch of a CDT in data intensive science for September 2017, but advised that the wording within the call for applications should be strengthened to ensure it sent out a more positive message.

Action: Grahame Blair to work with SEAB to strengthen the wording within the call for applications.

ITEMS FOR DISCUSSION (continued)

14. FINANCE UPDATE - STFC(2016)47


14.2 Neil reported that the 2015-16 Annual Report and Accounts had been certified without qualification and will be laid before Parliament on 19th July 2016.

14.3 Neil explained that the STFC Project Plan is a design for a strategic/financial plan covering ten years and covering International Subscriptions and Core Programme and it will form the basis for strategic discussions and responses to future funding and strategic direction.

14.4 Council approved the allocation of the remaining Facilities Capital budget.

15. COMMITTEE REPORTS

i. Science Board 5/6 July 2016 - verbal

15.1 Alison Davenport gave a report on the Science Board meeting that took place 5/6 July 2016. A written report will come to the September meeting of Council. The key topics discussed at the meeting were Gravitational Waves Consolidated Grant Review, Particle Physics Grants Panel (Theory) and MICE.

15.2 The next Science Board meeting will take place 3/4 October 2016 at the UKATC Edinburgh.

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ii. Audit Committee (meeting 27 June 2016) - verbal
15.4 Gill Ball reported that at the last Audit Committee meeting, STFC’s Business Continuity plan was discussed as it had received limited assurance through audit. Gordon Stewart had attended the meeting to inform the Committee of what action was being taken to address the issues within the audit.

15.5 At the last meeting of Council in May, Neil Phimister reported that the National Audit Office (NAO) had issues with RCUK’s Funding Assurance programme, a programme previously relied upon to support NAO opinion on the regularity of funding to HEIs. The implications, if this was not attended to satisfactorily, were possible qualification for STFC annual accounts. Gill reported that the issue was resolved and the accounts were signed off without qualification. STFC was carrying out a ‘lessons learned’ exercise to ensure that issues of this kind do not arise again.

iii. Finance Committee (meeting 27th June 2016) - verbal

15.6 Brian Bowsher reported on the recent Finance Committee meeting. The committee discussed BREXIT and STFC’s Financial Plan which will be brought to Council in due course.

iv. SEAB (meeting 8th July 2016) - STFC(2016)48

15.8 Carole Mundell reported on the recent SEAB meeting.

15.9 SEAB was given a detailed overview of the recent growth in investment in Official Development Assistance (ODA) research activities, with a specific focus on the Newton Fund and Global Challenges Research Fund (GCRF). SEAB recommended individuals who could champion STFC’s role in the ODA research landscape.

15.10 SEAB discussed the scope of the UK Neutron Science Strategy in setting a 15-20 year vision for UK neutron science requirements, and a 10 year strategy for UK access to neutron facilities. SEAB supported the strategy roadmap and planned pace of delivery.

16. FUTURE AGENDA ITEMS (verbal)

16.1 The Chair reminded Council that suggestions for future agenda items are most welcome.

17. ANY OTHER BUSINESS (AOB)

17.1 Council approved the replacement of Gordon Stewart with Andrew Taylor on the Daresbury Joint Venture partnership.

17.2 Chairman thanked everyone for their contributions to the meeting and reminded them that the next meeting will be held on Tuesday 20th September at Daresbury Laboratory. This meeting will be preceded by a Council Strategy meeting on Monday 19th September.