Attendees

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

Apologies:  
Richard Kenway  
Grahame Blair (Executive Director, Programmes Directorate)

In Attendance:  
Sir John Kingman (Chair, UKRI) - item 4 only  
Stephen Axford (Deputy Director, Research Council Policy and Science Funding, BEIS)  
Sean Freeman (Chair, Science Board)  
Tim Bestwick (Executive Director Business & Innovation) – item 4 only  
Sharon Cosgrove (Executive Director Strategy, Planning & Communications) - item 4 only  
Neil Phimister (Executive Director Finance)  
Gordon Stewart (Executive Secretary & Executive Director Corporate Services)  
Andrew Taylor (Executive Director National Laboratories)  
Philip Amison (Head Corporate Strategy and Impact) – items 8 & 9 only  
Zena Davis (Minute Secretary)
INTRODUCTION

1. WELCOME AND OPENING COMMENTS

1.1 The Chair welcomed everyone to the meeting which was held in building R80, ISIS at RAL.

1.2 The Chair reminded Council that Sir John Kingman, UKRI Chairman, would be joining the meeting to discuss UKRI. This would be prior to his tour of various facilities at RAL accompanied by Sharon Cosgrove and Tim Bestwick.

1.3 The Chair reported that Gill Ball and Gerard Connell’s terms as Council members had been extended to 31st March 2018.

2. INTRODUCTION

2.1 Apologies were received from Richard Kenway and Grahame Blair.

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. DISCUSSION WITH SIR JOHN KINGMAN, CHAIRMAN UKRI (Verbal)

4.1 Sir John Kingman, Chair of UKRI, joined the meeting. Sir John had kindly agreed to join for part of the Council meeting to discuss UKRI.

4.2 Sir John began by explaining the background to UKRI and how it had come about. He reminded Council of the review led by Sir Paul Nurse during 2014. The report of the review did not describe a ‘broken system’; it said it was a good system supporting scientific success. One of the issues that the report identified however was that there was no one body to speak for UK science and innovation and an advocacy role was needed. Additionally, there was a requirement for one body to decide on strategic direction. Sir Paul had acknowledged that the Research Councils collaborate, but noted that there was room for improvement. This review had led to the creation of UKRI and Sir John has been given the task of setting it up. He will be Executive Chair until April 2018. A UKRI CEO will soon be appointed.

4.3 Sir John said that keeping the centre small will be critical to UKRI’s success. It should act as the strategic brain of the organisation. Legally it could be described as merger, but Sir John reassured Council that the organisation is not on a slip road to becoming one giant funding
organisation. UKRI should act as a holding body that sits over the nine component “councils”.

4.4 Sir John acknowledged that there had been many changes since the UKRI model had been agreed by Government; the main change being the Brexit vote. Sir John noted that one of the wider ramifications of Brexit is around EU funding streams. Additionally, there are complex debates within Government in relation to the freedom of movement – the brightest and best must be free to come to the UK. The Government remains supportive of UKRI, and science and innovation remain high on the agenda as demonstrated by the Industrial Strategy Challenge fund launch on 23rd January 2017. This fund will be allocated by UKRI and the science community should be thinking very hard about opportunities to use these funds.

4.5 Sir John said he appreciates the importance of STFC’s facilities but does not have any strong views around STFC specific issues. His role is around the setting up of UKRI as an organisation. He does appreciate that this is a big change for the Research Councils that have already spent a lot of time working through how UKRI will work. Sir John commended the Research Council CEOs for their constructive approach.

4.6 Sir John invited questions from Council members:

i. **Question:** Were there any lessons that could be learned from the formation of STFC in 2007 that could usefully inform the creation of UKRI?

**Response:** Sir John has been involved in many mergers and does not dismiss the challenges involved and he appreciates the expertise within the Research Councils. Sir John sees UKRI as a holding company, outward and inward facing and thinking about priorities across the system. Sir John accepts that bringing the Research Councils together will not be easy. He added there would be no ‘big bang’ moment on 1st April 2018, but rather, the new structure will evolve over time.

ii. **Question:** How is the advisory function of the UKRI board envisioned once the Councils have been disbanded?

**Response:** Membership of the board is crucial; it will need to contain some ‘heavy weight’, very serious academic scientists and people from the world of scientific and R&D based business, some international perspective too. However Sir John accepts it will not be possible to have all aspects of expertise; indeed, it should not attempt to “represent” different sectors

iii. **Question:** What would success look like and how will it be measured?

**Response:** If UKRI does not add value then it will have failed. Its advocacy role is most important and should command respect.
iv. Question: The focus on an advocacy role for UKRI is welcome, but is there danger in an advocacy structure that UKRI's views may become the Minister's views, e.g. if there is a pinch point in the budget?

Response: The bill is clear that Ministers will continue to take overall funding decisions but they will do so with the advice of the UKRI board. This will of course require a degree of transparency around the advice that UKRI gives. The Nurse review was clear that UKRI would have a public facing role, more so than current CEOs have and the CEO will appear in the media. There will be times when Ministers will have a particular area of interest and the UKRI board will have to think about which battles it wants to fight.

v. Question: How will STFC's “successor” fit in to UKRI in terms of its extremely long term programmes? Long-term strategic investment is a real issue for STFC; how can STFC be reassured that the long-term strategic view will be respected by UKRI?

Response: Strategic prioritisation is always easier with additional budgets, alongside a ‘menu’ of strategic programmes and opportunities. Having such a menu will enable the Research Councils to move quickly to take advantage of new funding opportunities as they arise. This is something the Research Councils have not always done well in the past.

vi. Question: Science funding over recent years has been at flat cash. Has there been any thought on the importance of funding core science to enable exciting science rather than directed spend?

Response: The funding of core funding science remains important but there is a need to ensure that the focus is not entirely on this. The Research Councils need to be thinking hard on what they would like to see in the Industrial Strategy Challenge Fund. There is potential to do brilliant science where there is also a commercial potential for the UK. STFC should think about what its pitches will be in this space.

vii. Question: Has the importance of curiosity-driven science been recognised?

Response: There is no Government desire to attack funding for this area of science and there is plenty of evidence of the economic benefits of this kind of research.

viii. Question: Is it recognised though that seven years of a flat cash budget has had a detrimental effect on curiosity-driven science?

Response: Many areas have had to cope with flat cash budgets.

4.8 Sir John encouraged STFC to explore all of the above areas with the new UKRI CEO when he or she is in post.

4.9 The Chair thanked Sir John on behalf of Council and the Executive for
taking the time to attend this meeting and for engaging in a useful and frank discussion. Sir John left the meeting and was taken on a guided tour of some of the science facilities at Harwell.

5. **CEO REPORT - STFC(2017)01**

Brian Bowsher reported on STFC related activities since the last meeting of Council in November 2016.

5.1 **Prime Minister launches Industrial Strategy at Daresbury Laboratory**

The Prime Minister and her Cabinet colleagues visited Sci-Tech Daresbury on 23rd January to see its world-leading science and innovation and support for UK industry. They met with senior STFC staff, including Brian before holding her first regional cabinet meeting at Daresbury Laboratory’s Campus Technology Hub (CTH), where she launched proposals for a Modern Industrial Strategy.

5.2 **Autumn Statement Outcomes**

R&D funding of £4.7b over 4 years was announced as part of the National Productivity Investment Fund (NPIF). The Industrial Strategy Challenge Fund (ISCF) amounts to £230m in 2017/18 with the rest to be considered over 4 years to FY20/21.

5.3 **Industrial Strategy Challenge Fund (ISCF): Focus Areas**

Brian presented a list of the focus areas, asking Council to note the areas he felt STFC was most likely to have either a leading role or a supporting role. Council agreed that STFC has a cross-cutting advantage in these areas. Brian said STFC had already worked up some proposals.

5.4 **Engagement**

Brian reported on a series of engagement events being organised by Innovate UK’s Knowledge Transfer Network. STFC has circulated details of events to its community to register and identified people from the team to facilitate and represent STFC. STFC is working closely with Innovate UK leads in areas where it can make the greatest contribution.

5.5 **Global Challenges Research Fund (GCRF) Collective Fund**

Brian explained that this is a collective fund set up from the unallocated GCRF allocation. The RCUK Strategic Executive Group (RCUK SEG) agreed financial and governance arrangements for the call and will prioritise Research Council bids at the end of February. STFC has submitted 9 proposals.

5.6 **TEXT FROM THIS SECTION HAS BEEN REDACTED : OFFICIAL SENSITIVE**

5.7 **UKRI Appointments**

The UKRI CEO appointment may not be announced until the end February. Advertisements have now gone out for members of the board and the advertisement for the UKRI Chief Finance Officer is imminent. **TEXT FROM THIS SECTION HAS BEEN REDACTED : OFFICIAL SENSITIVE**
The Research Councils will remain in existence for several months after 1st April 2018, retaining their Royal Charters during this time.

5.8 UKRI Work-streams
BEIS has prioritised UKRI Strategy and governance, corporate functions and transitional activities. Research Council staff are involved in this work. Corporate functions are beginning to pick up pace, but issues on digital technologies remain. An STFC staff member has been seconded to BEIS to support this work.

5.9 STFC Governance
Diana Chaloner is now Executive Director HR and has joined the Executive Board.

5.10 Awards to STFC staff
Sue Carter, Executive Assistant National Laboratories, has been awarded the Medal of the Order of the British Empire in the New Year Honours List for her services to Science and Technology. The Association of Computing Machinery has made Tony Hey, STFC’s Chief Data Scientist, a Fellow for his leadership in high performance computing. Richard Harrison, Chief Scientist at RAL Space, has received the Royal Astronomical Society’s Service Award for Geophysics.

6. BEIS UPDATE - Verbal

6.1 Stephen Axford reported that BEIS is settling down following its merger with the Department of Energy and Climate Change (DECC). There is now one Chief Scientist and one Chief Entrepreneur. BEIS has more stability and is looking at science and business together.

ITEMS FOR DECISION

7. i. MINUTES OF THE LAST MEETING - STFC(2017)02

7.1 Council approved the redacted minutes of the 22nd November 2016 meeting for publication on the STFC website.

ii. MATTERS ARISING - STFC(2017)03

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

8. IMPACT REPORT - STFC(2017)04

8.1 Philip Amison introduced the STFC Impact Report explaining that it is a requirement of BEIS for all Research Councils to produce such a report. Council saw an earlier version at its November meeting. STFC has now received feedback from BEIS and incorporated suggested changes. A list of industrial and academic users of the facilities has been inserted at the request of Council. Council expressed its wholehearted approval of the Impact Report.
9. REFRESHED CORPORATE STRATEGY - STFC(2017)05

9.1 Philip Amison introduced the refreshed Corporate Strategy explaining that STFC had been engaging with a wide range of universities, other Research Councils and STFC staff on the content. This process is still progressing. There has been feedback that, although it is a good document, it is too long, lacks external focus and that more diagrams would enhance the document. Philip said it is accepted that it is difficult for one document to satisfy all the readers, for example, STFC staff need more detail to inform their work and objectives. It was suggested therefore that the document is split into two: one short externally focussed document and the other more detailed. Philip said that the strategy was now extremely well-developed but not yet final.

9.2 Council agreed that there is a risk that this strategy will be overtaken by events if it is not published soon. Stephen Axford pointed out that the UKRI board will not be as familiar with STFC, and the Impact Report is more likely to address that because it tells the story of what work STFC has done. The Corporate Strategy is more informative about STFC’s plans going forward and as the Research Councils go toward UKRI, this could be the most important strategy document of all for STFC.

9.3 Council agreed that the Strategy should remain as one document and the main points and highlights should be added to the Executive Summary so that they are ‘up front’. Council asked that this revised Executive Summary be circulated via email for Council’s approval with the aim of publishing the final document by March. It is hoped that it will be ready in time to pass on to the new UKRI CEO when he or she comes into post.

Action: Sharon Cosgrove to circulate revised Executive summary for Council approval with the aim of publishing the strategy by March 2017.

10. FINANCE UPDATE - STFC(2017)06

10.1 Neil Phimister updated Council on STFC’s financial position to date.

10.2 16/17 budgets are on track.

10.3 The Executive has been working on budgets for 17/18, reflecting previous discussions on this at Council, which is to put the science first. This has led to a tough prioritisation exercise to keep within flat-cash and this has meant there will be a reduction in innovation activities. Efficiencies have already been made in Estates; further economies would have a negative impact on STFC’s ability to run the facilities.

10.4 The Executive will be carrying out planning for 18/19 and 19/20 budgets, assuming continued flat-cash for core funding.

10.5 TEXT FROM THIS SECTION HAS BEEN REDACTED: OFFICIAL SENSITIVE
10.6 2017-18 budgets presented to Council were approved. Approval of the remaining £5.5m Core capital and UK Facility budgets will be sought in March.

ITEMS FOR DISCUSSION (CONTINUED)

11. COMMITTEE/BOARD REPORTS

i. Science Board (SB) report - STFC(2017)07

11.1 Sean Freeman reported on the 12-13 December 2016 Science Board meeting.

11.1.1 Updates and Discussions
Brian Bowsher joined this meeting for the first day. Science Board was updated on emerging themes from the PPAN Balance of Programmes exercise and recommendations from the recent Project R&D round. Richard Worswick, Chair of IAB gave an overview of IAB activities and ensuing discussion identified areas of common interest.

11.1.2 TEXT FROM THIS SECTION HAS BEEN REDACTED : OFFICIAL SENSITIVE

11.1.3 LHC Detector Upgrade Tensioning and Long-Baseline Neutrino Experiments Strategic Reviews
Science Board received a report on the LHC Detector Update Tensioning Review, plus a report on the Long-Baseline Neutrino Experiments Strategic Review. The board noted that these two areas had commitment from large fractions of the particle-physics community, but these plans would reduce the flexibility of the programme to invest in new development projects over the next five years.

11.1.4 Statement of Interest: Baryon acoustic oscillations In Neutral Gas Observations (BINGO)
BINGO is an experiment to investigate dark energy. The board concluded that whilst BINGO was pursuing some interesting challenges, in the current funding situation, it could not find a sufficiently compelling argument to endorse STFC investment in BINGO.

11.1.5 The next meeting of Science Board will take place on 20-21 February 2017 at RAL.

ii. Finance Committee - Verbal

11.2 As a result of time constraints, Gerard Connell agreed that he would circulate a written report of the last meeting rather than provide a verbal update at this meeting.

[Secretary's note: a written report of the Finance Committee meeting was
iii. **CSR Subgroup - Verbal**

11.3 Ian Taylor reported that the discussion topics at the last CSR subgroup meeting had been Brexit, UKRI, funding and the refreshed Corporate Strategy.

12. **Q2 SAFETY, HEALTH AND ENVIRONMENT REPORT 2016/17 - STFC(2017)08**

12.1 Gill Ball said that this report is due to be discussed by the Audit Committee at its meeting on 31st January 2017.

12.2 Gill asked Council to note that the Environment Agency (EA) permit for the accumulation and disposal of radioactive materials at RAL was received by the STFC in July. This report will now include a routine report on compliance with this permit. The new permit separates out legacy (pre January 2013) from current operational radioactive waste. The new permit is significantly more complicated than the previous permit.

13. **FUTURE AGENDA ITEMS - Verbal**

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

14. **ANY OTHER BUSINESS (AOB)**

14.1 **TEXT FROM THIS SECTION HAS BEEN REDACTED : OFFICIAL SENSITIVE**

14.2 Gordon Stewart informed Council of a data breach experienced by a third party STFC data processor, Landauer, affecting 1300 people whose personal data including National Insurance details had been compromised. Those affected were being informed.

14.3 The Chair thanked everyone for their contributions to the meeting and reminded them that the next meeting will be held on Tuesday 21st March 2017 in the R71 Boardroom at RAL.