

**Minutes of the Meeting of the Institute of Physics Council  
 held at 10.00 a.m. on 13 February 2020 at  
 Riddel Hall, Queen's University, Belfast**

**Trustees Present:**

Jonathan Flint	President and Chair of the Meeting
Sheila Rowan	President-elect
David Delpy	Honorary Treasurer
Brian Fulton	Honorary Secretary
James McKenzie	Vice-President for Business
Carol Davenport	Vice-President for Education
Mark Telling	Vice-President for Membership
Martin Freer	Vice-President for Science & Innovation
Gayle Calverley-Miles	Member
Tamara Clelford	Member
Wendy Flavell	Member
Martin Hendry	Member
June McCombie	Member
Alix Pryde	Member
Anne Tropper	Member
Peter van der Burgt	Co-opted Member

**Apologies:**

Tariq Ali	Member
Jim Al-Khalili	Co-opted Member
David Boyce	Member
Becky Parker	Member
Mike Bray	Chief Finance Officer

**In Attendance:**

Paul Hardaker	Chief Executive Officer
Rachel Youngman	Deputy Chief Executive
Tony McBride	Director of Policy and Public Affairs
Phil Evans	Director of Physics Programmes (from 26 Feb.)
David Howitt	Head of Governance and Compliance
Karen Sheeran	National Manager, Ireland and Northern Ireland

## **1 Welcome, Updates and General Updates**

- 1.1 The Chair welcomed all to the Meeting, including Phil Evans, the recently appointed Director of Physics Programmes who was due to start with the IOP on 26 February, and David Howitt, the recently appointed Head of Governance and Compliance who had started with the IOP on 27 January 2020. Both gave a brief overview of their career history. It was agreed that David Howitt would send to all Council Members his contact details.
- 1.2 Apologies had been received from Tariq Ali, Jim Al-Khalili, David Boyce, Becky Parker and Mike Bray (CFO).

## **2 Conflicts of Interest**

- 2.1 Council reviewed and updated as appropriate their declared conflicts of interest. No Trustees identified any conflicts pertinent to the matters to be discussed in this Meeting.
- 2.2 It was noted that all Trustees would be asked to review and sign their annual Declarations of Interest Statement following the close of this Meeting.

## **3 Minutes and Action Status Report**

- 3.1 The proposed minutes from the Council Meeting held on 28 November 2019 were reviewed and approved and were authorised to be signed by the Chair.
- 3.2 The proposed redacted minutes from the Council Meeting held on 28 November 2019 were reviewed and, after some discussion, were approved as presented.
- 3.3 The Actions Status Report was reviewed and it was noted that all actions were either complete or were being progressed.

## **4 Update from the Governance Team**

- 4.1 David Howitt presented his initial thoughts on the proposed Governance Review, all of which were duly noted. These were that:
  - (a) a process had been established and documented for preparation and approval of the 2019 Trustees' Report and Annual Accounts;
  - (b) the Review would be a substantial piece of work and sufficient time should be allowed for it to be undertaken properly, but implementation must not be unnecessarily prolonged;
  - (c) it would be critical to identify the 'as is' governance base line and to map out the current governance and approval structure so that the base position that was being moved from was clear;
  - (d) there would be a need to distinguish between good governance and good engagement: they were not the same, but both were of great importance;
  - (e) communication and consultation with all stakeholders would be critical to the success of the Review and a different communication/ consultation approach may be required for different groups of stakeholders;
  - (f) it would be important to keep staff informed during the process to minimise any concerns and make sure they can contribute to the Review; and
  - (g) there would be benefit in establishing a small consultative sub-group of Council members to advise and help to move the Review forward, including

communication to the wider membership, this being aligned to the approach taken with the changes to membership categories.

- 4.2 There was a discussion about the interaction with the separate review of the Group corporate structure and it was recognised that there would need to be close interactions between the two projects.

## **5 Update on Investments**

- 5.1 Paul Hardaker gave a presentation on the IOP investment approach, which was duly noted. He reported that the investment strategy was monitored by the Resources Committee and a major investment strategy review was undertaken every five years. The IOP was advised on its investments by Lane, Clark and Peacock. He reported that there had been no additions or disposals to investments in 2019 but that market value movements had generated an unrealised gain of £1.1 million, taking the portfolio value at the end of 2019 to £21.7 million. Council noted that, in July 2019, they had approved the Resources Committee's recommendation to rebalance the investment portfolio to reflect changes to the investment strategy by moving and reducing the diversified growth assets and moving and increasing equity holdings. It was noted that those changes were in the process of being implemented, with such implementation being almost complete, and would help to diversify investments and capitalise on greater opportunity for long term gains, whilst retaining a measured proportion of low volatility and liquid assets.
- 5.2 There was a discussion about the IOP's approach to ethical investing, recognising that some industries and holdings which were excluded from ethical funds may be direct IOP stakeholders (for example some defence companies). It was recognised that any changes to the IOP's investment policy and a move to a more ethical based investment approach would need to have due regard to the IOP's objectives and purpose.
- 5.3 Council supported the continuation of the current agreed investment approach but it was agreed that a review would be taken of the IOP's ethical investment policy. In doing so, work would need to be undertaken to analyse, where possible, the industries in which members were involved and to identify the nature of the investments in existing funds and any likely impacts about moving to more ethically based funds. This work would be taken to the Resources Committee for review and an update brought to the July Council Meeting.

## **6 Reporting on the Delivery of the Strategy**

- 6.1 Paul Hardaker presented some template datasheets for reporting against the key strategic headings of influencing, ecosystem, productivity, and transformation. He reported that these were for Council's feedback before being developed further, with a higher Group level dashboard being developed. Council welcomed the format and brevity of the reports and noted that future reports would contain more narrative detail and would report against the overall strategy. It was agreed that, against an overall objective of reporting against the top level strategy, more detailed second level reporting could then be established.
- 6.2 Council then received, considered and noted updates from Tony McBride, Rachel Youngman and Paul Hardaker on the specific strategy reports on influencing, ecosystem, productivity, and transformation.

## **7 Launch of the Challenge Fund**

- 7.1 Tony McBride presented an update on the IOP Challenge Fund which was duly noted by Council. He reported that the purpose of the fund was to accelerate the achievement of the IOP's strategic ambitions by funding innovative ideas and activities with the potential for high impact during the period 2020-2024. It would specifically be used to fund projects or activities with partner organisations and for IOP led activities (with partners). It was explained that the fund would operate both in responsive mode (where applicants would be able to propose ideas at any time which address the IOP's strategic challenges or assumptions) and in directive mode (where potential applicants would be invited to respond to a call for proposals). The minimum award would be £100,000, with no maximum but with an aggregate fund cap of £10 million. He reported that the fund was not a fundraising tool. It would only be for co-funded programmes, but the co-funding need not be financial and would not have to be a 50/ 50 match. It was recognised that, whilst it was important that the fund was sufficiently flexible to enable it to be most effective, there would need to be a robust and demonstrable process behind the making of any awards. The measures to ensure appropriate rigour, as set out in the Council paper, were noted. There were risks to the fund including the underperformance of funded activities; mitigations against which were more specifically set out in the Council paper. It was recognised that there was also a risk of dissatisfaction from unsuccessful applicants and possible reputational damage if the decision making process was unclear. The importance of having a clear process and managing expectations was acknowledged.
- 7.2 There was a discussion about the level of delegated authorities which should apply to the making of any awards as the maximum award could theoretically be £10 million, being the total of the fund. It was noted that the current delegated authorities enabled the CEO to approve awards less than £1 million, and for awards between £1 million and £10 million to be approved by the CEO and CFO jointly. After careful consideration, it was agreed not to apply any specific, tighter, delegations of authority for the Challenge Fund but it was noted that Paul Hardaker as CEO would keep Council informed of any significant awards made, without being formally required to seek any further Council authority to make an award.
- 7.3 There was a discussion about having a tiered level of awards and the need to have clarity of how those tiers interacted with each other so that an applicant did not inadvertently fall between different tiers. It was also agreed to consider whether the application processes for different awards could be aligned so that the timing for making submissions for different awards was clear and whether a streamlined process could be introduced for unsuccessful applicants to then apply for a lower tier award.

## **8 Trustee and Staff Engagement**

Rachel Youngman presented a paper on Trustee and Staff Engagement. Council noted that this followed on from a previously expressed desire from Trustees to learn more about the work of different teams within the IOP and for staff to learn more about the background of Trustees. Various options for Trustees to have more engagement with IOP staff members were outlined and Council noted the recommendation to initially proceed with two options, namely (a) Trustees giving talks on their backgrounds and work to staff and (b) giving staff the opportunity to

informally present on their work to Trustees on Council Meeting dates. It was agreed that (a) Trustees would be contacted to see if they were able to give talks and (b) future Council Meeting days would be reviewed to build in time for informal staff presentations.

## **9 Update on Ireland Property**

- 9.1 Paul Hardaker introduced a paper proposing the purchase of a property in Dublin for use by the IOP. A sub-group of Trustees had, since then, been reviewing options for a property. That sub-group comprised Jonathan Flint, Gayle Calverley-Miles, David Delpy, Martin Freer, Brian Fulton, James McKenzie and Alix Pryde. A property had been identified in what was considered to be an excellent location in Dublin and, as other parties were interested in the same property, a non-binding Heads of Terms Agreement had been entered into. A more formal offer was now required by the vendor's agent.
- 9.2 Council reviewed and carefully considered the grounds for the investment in a property in the Republic of Ireland, the search criteria followed and the various options considered, being: (a) do nothing; (b) occupy serviced accommodation on a shorter-term lease; (c) taking a long term lease; and (d) purchasing a property. Council carefully considered the financial implications and risks and benefits of different options and the governance applied to settle on the various options. It was noted that, for 2020, the approved budget included sufficient provision to meet the projected costs involved and the IOP had sufficient capital funds available to fund the purchase price.
- 9.3 Trustees who had been part of the sub-group presented their thoughts on the process of selecting a property and outlined a variety of uses which could be made of the property, both for the benefit of the physics community and as more defensive cost recovery options. As previously noted, the property was in an excellent location in Dublin and it was very well furnished, this being reflected in the asking price. It had good wheelchair access on the ground floor where most public facilities would be. It would not be possible to install a lift but it was expected to be possible to offer a stairlift for the first and second floors but not higher.
- 9.4 The significant, non-quantifiable, benefits of having a permanent base in the Republic of Ireland were discussed, with Council noting the significant benefits of having an EU base and potentially access to EU funding following the end of the Brexit transition phase as well as the benefits to members in Ireland and the opportunity for the IOP to improve its presence and profile in the Republic of Ireland.
- 9.5 After due and careful consideration of all matters, Council:
- (a) agreed that the purchase of the identified property was the preferred option and so approved the purchase of the identified property in Dublin [at an agreed cost];
  - (b) if the purchase identified above could not be achieved, approved the entering into of a lease for a minimum 20 year term but with an initial break clause of not more than 5 years from commencement of the lease [based on an agreed commitment];

- (c) noted that the property should not need extensive renovation, with fit-out to the same standard as the London office not expected to exceed €100,000 and being included in the above authorised limits;
  - (d) noted that the property and its location should afford the IOP the opportunity to enhance its reputation through a well-configured space for policy and other stakeholder meetings, that it should allow for a free-of-charge community space to be used by members for start-ups and partner-working on the same terms as the IOP's building in London, and that it should provide space for the IOP's delivery programmes in education, with employers and for public engagement; and
  - (e) within the above financial limits:
    - (i) delegated to the CEO, the Honorary Treasurer and the Honorary Secretary, authority to agree all documentation related to such purchase and/ or lease and fit-out works as they may determine in their sole and absolute discretion (noting that this may be entered into in the name of the IOP or the to-be incorporated new IOP company in the Republic of Ireland); and
    - (ii) authorised each and any one of the CEO, the Honorary Treasurer and the Honorary Secretary to sign any and all documentation to effect such purchase or lease and fit-out works and to sign any other documentation ancillary or reasonably incidental thereto.
- 9.6 The sub-group of Trustees were thanked for all their work in getting the IOP to the position to approve this transaction.
- 9.7 Council then considered the best terminology for use in both Northern Ireland and the Republic of Ireland and it was agreed that, notwithstanding the anticipated incorporation of a new company limited by guarantee in the Republic of Ireland, for branding purposes 'IOP' should be used and not 'IOP Ireland'. It was considered that this would be clearer for all members, would reflect better the IOP's single strategy, vision and approach, and would avoid any negative perceptions about having separate 'IOP Ireland' branding. It was noted that such an approach was supported by the IOP in both Northern Ireland and the Republic of Ireland. All IOP branding in Ireland would accordingly be revisited and updated as appropriate.

## **10 Presentation from the Ireland National Team**

- 10.1 Karen Sheeran provided a presentation on 'Unlocking the Future' for the IOP in Ireland which was considered and discussed by Council. In this, she outlined six key priorities as follows:
- (a) increasing investment in research and development;
  - (b) developing new partnerships with European researchers and innovators;
  - (c) guaranteeing science teachers for every student;
  - (d) ensuring physics education reflects the diversity of society;
  - (e) enhancing Ireland's world-class further and technical education; and
  - (f) safeguarding Ireland's researchers and partnerships.

- 10.2 Council then considered the data presented on the membership for the IOP in Ireland, noting gender, age and membership profiles compared to other regions and breakdowns showing the split of members between the Republic of Ireland and Northern Ireland, membership types in Ireland, and where members work.
- 10.3 Council further noted future plans for the IOP in Ireland including the incorporation of a new company in the Republic of Ireland, the purchase of a new property (as previously approved in this Meeting) and proposed new staffing structures.
- 10.4 The Committee noted and supported all matters from the presentation and thanked Karen Sheeran, both for her presentation and for her and Lucy Kinghan's organisation of the programme of events in Belfast over the two day Council visit.

## **11 Items for Information**

- 11.1 Council noted, without further discussion, the updates on:
- (a) the IOP Website;
  - (b) Policy Briefings (Brexit and Immigration and the UK Spending Review 2020); and
  - (c) UK and Africa Research Collaboration.
- 11.2 There was a discussion about the paper on Widening Social Participation in Undergraduate Physics, in particular the limitation of the programme to schools already teaching A Level physics. Council noted that, if it was a direct IOP led programme, a refinement of the eligibility criteria may be considered but that this was an initiative led by an external philanthropist to encourage more students from lower socio-economic groups to apply to universities to take physics degrees. It was reported that the IOP's role on the project was as a convenor and broker to bring university departments together and to help them co-ordinate activities.
- 11.3 Paul Hardaker and David Delpy gave an update on Long Term Incentive Plan proposals for IOPP Directors. They reported that this matter had been considered by the Remuneration Committee which had taken expert advice from Towers Watson. The Remuneration Committee was seeking Council members input on how to best define the long term targets to be set for the proposed incentive plan. Council noted that, for the purposes of future recruitment, there was a need to ensure there was a competitive remuneration and bonus package in place to attract candidates of the right calibre. It was agreed that all Council members would consider this further and, having due regard to the four key outcomes set out in the Council paper, would respond directly to David Delpy with any thoughts.

## **12 Any Other Business**

- 12.1 There was a discussion about developments on the consultation on open access publishing and on the IOP's position on this, recognising the potential conflict between IOPP as a publisher and the views of the IOP's members and other stakeholders. The on-going UKRI consultation process was noted, as was the importance of the IOP in its own right having a clear position on open access and the consultation. It was agreed that Tony McBride would circulate a copy of his draft consultation response when prepared (the timing of which would be dependent on the formal launch of the consultation) and that this would be followed up later in the year by a more in depth discussion at a future Council meeting.

- 12.2 Council enquired about the impact of the COVID-19 coronavirus on the IOP's operations, particularly in China. It was reported that there had not been any significant operational impact. The IOP Team in Beijing were all well and were working from home. No staff were being sent to China or any other affected areas. It had unfortunately, however, led to the cancellation of a visit to London of the President of the China Physical Society. Scheduled visits to China scheduled for the autumn would be kept under review.
- 12.3 Council noted that the number of entries into the IOP Business Awards was significantly up, particularly from start-up businesses. It was reported that judging for the Awards would start the following week.

### **13 Dates of Next Meetings**

Council noted the dates of the upcoming Council meetings, being specifically:

- Council Meeting on 7 May 2020 at 9.30 a.m. at 37 Caledonian Road, London (Dinner night before)
- Council Meeting and AGM on 22 July 2020 at 9.30 a.m. at 37 Caledonian Road, London
- Council Meeting on 26 November at 9.30 a.m. at IOP Publishing, Temple Circus, Temple Way, Bristol, BS1 6HG (Dinner night before)

### **14 Close of Meeting**

There was no further business and so the Chair declared the Meeting closed.