

Minutes of the Meeting of the Institute of Physics Council
held at 10.00 a.m. on 26 November 2020
by videoconference

Trustees Present:

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| Jonathan Flint | President and Chair of the Meeting |
| Sheila Rowan | President-elect |
| David Delpy | Honorary Treasurer |
| Brian Fulton | Honorary Secretary |
| John Bagshaw | Vice-President for Business |
| Martin Freer | Vice-President for Science & Innovation |
| Lisa Jardine-Wright | Vice-President for Education |
| Mark Telling | Vice-President for Membership |
| Tariq Ali | Member |
| Peter van der Burgt | Co-opted Member |
| Gayle Calverley-Miles | Member |
| Tamara Cleford | Member |
| Claudia Eberlein | Member |
| Martin Hendry | Member |
| June McCombie | Member |
| Anne Tropper | Member |

Apologies:

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| David Boyce | Member |
| Wendy Flavell | Member |
| Alix Pryde | Member |
| Mike Bray | Chief Finance Officer |

In Attendance:

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| Paul Hardaker | Chief Executive Officer |
| Rachel Youngman | Deputy Chief Executive |
| Tony McBride | Director of Policy and Public Affairs |
| Phil Evans | Director of Physics Programmes |
| Steven Hall | Managing Director, IOP Publishing |
| Antonia Seymour | Publishing Director, IOP Publishing |
| David Howitt | Head of Governance and Compliance |
| Robert Matthews (Item 4) | Chair of Pension Trustees |

1 Welcome, Apologies and General Updates

- 1.1 Following a closed session of trustees and then with the CEO, the Chair welcomed everyone to the Meeting.
- 1.2 Apologies had been received from David Boyce, Wendy Flavell, Alix Pryde and Mike Bray.
- 1.3 John Bradshaw, Claudia Eberlein and Lisa Jardine-Wright were welcomed to their first meeting of Council since commencing their appointment as trustees on 1 October 2020.

2 Conflicts of Interest

Previous conflicts declared were noted. No Trustees identified any conflicts pertinent to the matters to be discussed in this Meeting.

3 Minutes and Action Status Report

- 3.1 The draft minutes from the Council Meeting held on 22 July 2020 were reviewed and approved and were authorised to be signed by the Chair, subject to the correction of one typographical error and a clarification to paragraph 4.2 that it was not only the younger generation demanding a faster pace of change.
- 3.2 The Actions Status Report was reviewed and it was noted that all actions were either complete or were being progressed.

Robert Matthews, Chair of Pension Trustees, joined the Meeting.

4 Defined Benefit Pension Update

- 4.1 Paul Hardaker provided an update on the IOP Defined Benefits Pension Scheme and in particular its pathway to long term funding. He set out the background to the IOP's pension schemes and the provisional results of the triennial valuation of the scheme as at 31 December 2019. The deficit in the fund was expected to be valued at £7.5 million. He reported that, based on the annual payments of £1 million per year to fund the deficit, the deficit was expected to be removed by 2025 at which point the technical provisions would be covered. To de-risk the scheme entirely to make it self-sufficient or to annuitise the risk and take it off the balance sheet would require a higher or longer contribution.
- 4.2 Robert Matthews gave a presentation to the meeting which addressed the following matters:
 - (a) valuation, membership numbers and asset summary;
 - (b) funding strategy;
 - (c) employer covenant;
 - (d) investment strategy; and
 - (e) long term funding plans (noting that the scheme could remain open until 2100).

He confirmed that, on a self-sufficiency basis the current deficit was £21.2 million but that if contributions of £1 million continued beyond the clearing of the technical provisions deficit, the self-sufficiency deficit was forecast to be cleared by May 2029, or 2026 if contributions of £2 million per year were made.

He reported that, at the last assessment, the IOP employer covenant was rated as strong, the highest grading.

4.3 After due discussion and careful consideration, Council:

- (a) approved the approach set out below:
 - (i) IOP should continue with its commitment to the current recovery plan of £1 million pa as a minimum requirement in order to meet the requirements of the technical provision, and to set aside an addition £1 million pa in IOP reserves when it has the funds to do so (this already being part of the reserves policy).
 - (ii) IOP should hold a more regular review of the recovery planning, for example every 18 months, which is mid-way in each triennial valuation cycle.
 - (iii) If at this review point the IOP is able to meet the reserve requirement set out in its reserves policy (which currently states that IOP holds 0.75 x operating expenditure, £250k pa for a property fund, and £1m pa for a pension fund), then the IOP would release the accumulated pension fund for investment by the pension trustees, in addition to the existing annual payment. This would allow the pension trustees the opportunity to accelerate their investment plans towards the long-term funding target. If the IOP was not able to meet the full needs of the reserve policy then it would simply continue with the existing annual payment plan.
 - (iv) The IOP should formalise this arrangement as part of its Integrated Risk Management Plan and complete the discussions on this with the pension trustees by February 2021 in order to meet the Regulator's requirement of filing a new recovery plan by March 2021.
- (b) authorised the Chief Executive Officer to complete the negotiations with the pension trustees to complete the Integrated Risk Management plan and to put in place the accompanying recovery plan by March 2021; and
- (c) noted that the Chief Executive Officer was not a beneficiary of the Defined Benefit Scheme and so had no conflicts in completing the negotiated agreement.

5 IOP Publishing Annual Update

5.1 Steven Hall and Antonia Seymour provided to the meeting an update on IOP Publishing. They reported that:

- (a) performance during the COVID period had been very good: the business had coped well, with a smooth transition to home working, improved peer review times, a growth in submissions to journals and an improved staff engagement score;
- (b) there had been substantial cuts to library budgets in some parts of the world;
- (c) there was a risk of a loss of revenue of up to £4 million in 2020 although there had also been substantial cost savings, especially in marketing and travel, and as a result Gift Aid contributions to the IOP were forecast to be on or ahead of budget;
- (d) there had been good growth in submissions to IOPP journals from UK researchers in 2020, with a 'Read and Publish' agreement in place with 56 UK universities;
- (e) other metrics were positive, including increased submissions to journals, more journal articles and books published, and strong Net Promoter Scores;
- (f) a new, first of its kind, peer review certification programme had been introduced;

- (g) IOPP had responded positively to developments on Open Access, with over 6,000 open access articles published to date in the year and 17 fully open access journals published, with open access representing 21% of articles published (up from 12% the previous year);
- (h) other developments included the adoption of double-anonymous peer review as the default on all IOPP owned journals by the end of 2021, the promotion of open data sharing, transparent peer review and increasing female representation from India and China within peer review and editorial board communities; and
- (i) headlines for 2021 included the continued uncertainty around university and R&D budgets, reimagining the (digital) workplace, continued growth in the proportion of open access articles and revenue, a focus on increasing usage of IOPscience, investment in the conference proceedings programme, and a continued focus on India and China.

5.2 Council expressed their thanks to the IOP Publishing Team for an excellent performance in a difficult year.

6 COVID-19 Update

Paul Hardaker presented an update on the IOP's COVID-19 Financial Contingency and Risk Management Plan. He provided a staff update, including an update on the revised Employee Assistance Programme. He also provided an update on the five year cash plan, reporting that there was now £9 million less cash available in the reporting period than previously but that there was still £17 million of discretionary expenditure and so overall the IOP remained in a strong financial position. Contractual liability stood at £673,000 but it was reported that that was lower than it normally would be and all contractual risk was classified as low.

7 2021 Business Plan and Budget

7.1 Paul Hardaker presented an overview of the Business Plan. He reported that this was predominantly an internal document for IOP staff, but it also provided helpful context for the Budget.

7.2 Council then considered the proposed Budget for 2021. The following matters were specifically discussed:

- (a) the Budget was ambitious, but was one designed to increase the IOP's impact and to drive its Programmes forward, improving the member experience in the process;
- (b) there was increased headcount in the Budget but that was consistent with filling vacant roles identified at the start of the strategy and all staffing increases had been identified in the context of delivering the strategy;
- (c) a target of the Transformation Programme was to reduce costs by 20%;
- (d) the budgeted income of £1,250,000 for development income (including legacies) was a stretch but was thought to be achievable;
- (e) 10% of the operating budget was allocated to the Challenge Fund – such fund no longer required matched funding from bidders who were now able to submit bids which could offer either financial or 'in kind' contributions. There would be oversight and administrative costs for operating the Challenge Fund which had all been allowed for. There were also plans for undertaking all necessary financial and reputational due diligence checks when assessing Challenge Fund bids;
- (f) £550,000 had been budgeted for the digital programme – this was welcomed, particularly for the boost it should give to the Nations, Branches and Groups; and

- (g) the Budget did not require a short term return to physical events or normal working patterns and contemplated 2021 continuing to be a challenging year.

7.3 Council noted the scope of the Business Plan and carefully reviewed and considered the Budget presented for 2021. Noting that the Executive Team were recommending it as affordable, deliverable with the current level of resourcing, and consistent with the Five Year Plan, and further noting the recommendation from the Resources Committee, Council approved the 2021 Budget.

8 Programme Update

Phil Evans provided an update on the four core IOP Programmes, being specifically Ecosystem, Productivity, Influencing Campaign and Transformation. Council reviewed and considered all the dashboards presented and noted the Programme updates presented.

9 Governance and Member Engagement

9.1 Rachel Youngman presented an update on the Governance and Member Engagement Review and on the Giving Voice to Inclusion Programme. She reported that:

- (a) Good progress had been made on the Governance and Member Engagement Consultation Programme. A series of one to one meetings and focus groups had been held and a consultation with members and non-members was commencing. Initial findings would be brought back to the Council Meeting in February. The underlying governance structure proposed was thought to be unlikely to change significantly but more significant was how that structure would be implemented and how it could be applied to ensure better engagement with members.
- (b) The size of Council was still being considered with some respondents recognising that it was very large but concern had also been raised that reducing its size could negatively impact on its diversity. Questions had also been raised about how the voice of younger members could be better heard on Council and that was being considered.
- (c) A key area for consideration was how the IOP could best represent and communicate the broad scope of its activities, given its public facing charitable role, its role as a learned society and as a professional association.
- (d) It was hoped that the consultation would result in at least 2,500 responses, but that more important was the diversity in membership of the responses and that would be monitored.

9.2 June McCombie presented her report on her review of governance as it related to Honorary Fellowships, Bell Burnell Fellowships and other awards. She thanked the IOP Executive and staff teams for their very positive engagement with her review. She summarised her findings as follows:

- (a) the processes in place for awards, webinars and scholarships did not show any bias against women or people of colour subsequent to nominations being made;
- (b) the awards made did indicate an issue with the diversity of nominations made for certain demographics of members which indicated that communications and marketing messages may need adjustment;
- (c) the messaging around gender had been successful in increasing the number of women nominated for awards and Honorary Fellowships; and
- (d) the substance of the complaint around the Bell Burnell Graduate Scholarships was not upheld.

She then outlined a number of action points as set out in her paper. These included greater collection of diversity information at the point of nomination for awards / application for membership to enable future benchmarking to be undertaken, more positive encouragement of award nominations from a wider demographic, and more consideration of diversity on committees.

- 9.3 Council and the Executive Team welcomed all the recommendations and agreed to address these as part of the wider governance review. It was recognised that some thought would need to be given to the collection of diversity data in respect of award nominees as such nominations were often made confidentially without the involvement of the nominated individual.
- 9.4 There was a discussion about the level of historical and trends data on awards on the IOP website. Phil Evans reported that this was being addressed and the IOP would continue to add to the diversity and inclusion information on the website, providing greater context and updating data and information as it becomes available.

10 Other Governance Matters

- 10.1 Council reviewed and approved for publication the Record of the 2020 AGM including the appended Council Election Voting Records.
- 10.2 Council reviewed and approved the proposed audit fees payable to PricewaterhouseCoopers.
- 10.3 Council carefully considered the proposed external advisor, non-executive director and committee chair appointments and:
- (a) approved the extensions of the appointments identified in the appendix to these minutes of all external advisors and IOP Publishing non-executive directors;
 - (b) approved the appointment of Eefke Smit as a non-executive director of IOP Publishing Limited for a 12 month period with effect from 1 January 2021;
 - (c) noted that no changes were proposed to the Chairs of the core governance committees except for the appointment of Sheila Rowan as Chair of the Nominations Committee in accordance with its Terms of Reference;
 - (d) noted that, except for the appointment of Sheila Rowan as Chair of the Honorary Fellows Committee in accordance with the Terms of Reference of that Committee, no changes were proposed to the Chairs of all other committees given the ongoing Governance and Member Engagement Review; and
 - (e) noted the membership of the Boards for all IOP subsidiary companies.
- 10.4 Council noted that trustee training was being considered for the Council meeting in February.
- 10.5 Council approved the proposal for a virtual or hybrid AGM on 15 July 2021.
- 10.6 Council noted the reports presented to it in respect of the following meetings:
- (a) Diversity and Inclusion Committee meeting held on 7 October 2020;
 - (b) Membership Committee meeting held on 16 October 2020;
 - (c) Audit & Risk Committee meeting held on 27 October 2020;
 - (d) IOPP Board meeting held on 30 October 2020;
 - (e) Resources Committee meeting held on 3 November 2020;
 - (f) Nominations Committee meeting held on 3 November 2020; and
 - (g) Senior Officers Committee meeting held on 11 November 2020.

10.7 Noting the recommendation from the Ireland Committee, Council approved the extension to 30 September 2021 of the appointment of Peter van der Burgt as a co-opted trustee.

11 Dates of Next Meeting

It was noted that the next meeting of Council was proposed to be held on 24 February 2021.

12 Actions from this Meeting

There were no actions arising from this meeting.

13 Any Other Business and Close of Meeting

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