

**European Spallation Source ERIC
33rd Meeting of Council
by video, 30 May 2023**

Approved Open Minutes

Prepared by:

ESS Governance Office

Meeting participants

Beatrix Vierkorn-Rudolph Chair of Council

Kurt Clausen* Vice Chair of Council

Delegates

Ondřej Svoboda	Nuclear Physics Institute	Czech Republic
Marek Vyšínka	Ministry of Education, Youth and Sport	Czech Republic
Bo Smith	Danish Ministry of Higher Education and Research	Denmark
Jane Hvolbæk Nielsen	Technical University of Denmark, Dpt. of Physics	Denmark
Toivo Rääim	Ministry of Education and Research	Estonia
Priit Tamm	Research Council of Estonia	Estonia
Marie-Hélène Mathon	French Alternative Energies and Atomic Energy Commission	France
Sylvain Ravy	National Centre for Scientific Research	France
Ingo Pfeil	Federal Ministry of Education and Research	Germany
Martin Müller	Helmholtz-Zentrum Hereon	Germany
Ákos Horváth	Centre for Energy Research	Hungary
Balázs Káplai	Development and Innovation Office	Hungary
Aldo Covello	Italian Ministry of Education, University and Research	Italy
Pierluigi Campana	National Institute of Nuclear Physics	Italy
Odd Ivar Eriksen	The Research Council of Norway	Norway
Mateusz Gaczyński	Ministry of Science and Higher Education	Poland
Marek Jeżabek	The Henryk Niewodniczanski Institute of Nuclear Physics	Poland
Adolfo Morais Ezquerro	Basque Department for Education	Spain
Ana Aricha Yanguas	Ministry of Science and Innovation	Spain
Lars Börjesson	The Swedish Research Council	Sweden
David Edvardsson	Ministry of Education and Research	Sweden
Christian Rüegg	Paul Scherrer Institute	Switzerland
Xavier Reymond	State Secretariat for Education, Research, and Innovation	Switzerland
Mark Thomson	Science and Technology Facilities Council	United Kingdom

Advisors

Line Bekke Poulsen	Danish Agency for Higher Education and Science	Denmark
Jean-Luc Biarrotte	French Ministry of Higher Education and Research	France
Susana Gota-Goldmann	French Ministry of Higher Education and Research	France
Estibaliz Hernaez Laviña	Basque Ministry for Innovation	Spain
Mario Perez	ESS-Bilbao	Spain
Elin Swedenborg	Ministry of Education and Research	Sweden
Johan Holmberg	The Swedish Research Council	Sweden
Mikaela Rapp	The Swedish Research Council	Sweden
Roger Eccleston	Director, ISIS Pulsed Neutron and Muon Source	United Kingdom
James Loveder	Dpt. for Business, Energy, and Industrial Strategy	United Kingdom
Stéphanie Lê Văn	AFC Chair	

**European Spallation Source
ERIC***

Helmut Schober	Director General
Andrew Kimber	Project Director
Giovanna Fragneto	Science Director
Kevin Jones	Technical Director
Florian Weissbach	Head of Finance and Business Control
Ivan Korunoski	Head of Internal Audit Function
Marina Giampietro	Acting Group Leader Communication
Michela Dell'Anno Boulton	Governance Office Lead (interim) – Council Secretary
Elisabetta Romano	Governance Office Administrator
Allan Mortensen ¹	Head of IT Division
Charlotte Hartelius Klaar ¹	Administration Program Manager

Excused

Ralph Dieter	Federal Ministry of Education and Research	Germany
Inmaculada F. Rojas	Ministry of Science and Innovation	Spain

* On site at the ESS Office in Lund

¹ Joined for item 8

1. Welcome and Opening of the Meeting

The Chair called the meeting to order on 30 May 2023 at 09:00 and welcomed the participants. The Chair noted that the 33rd Meeting of Council had been duly convened and was quorate.

2. Adoption of the Agenda

The Chair proposed to shift the closed session (agenda items 4 and 5) to the end of the meeting. The Council Chair and Vice Chair would then step out and let Council discuss the item. The Norwegian delegate Odd-Ivar Eriksen was asked to chair the closed session and he accepted.

Upon motion duly made,

Council unanimously approved the agenda for its 33rd Meeting with one change in the order of items.

3. Approval of the Open and Restricted Minutes of the 32nd Meeting

One amendment was requested by France and a few corrections made by UK on the Open Minutes. One amendment was requested by Italy on the Restricted Minutes, adding a sentence. Denmark and Spain asked to minute their support to the statement made by Italy.

Upon motion duly made,

Council unanimously approved the Open Minutes from its 32nd Meeting with one amendment from France and a few corrections from UK, and the Restricted Minutes with amendments from Italy, Spain and Denmark.

6. Outcome AFC.21 and next steps

6.a AFC.21 resolutions

The AFC Chair, Stéphanie Le Van, reminded Council of the tasks they had handed over to AFC, ESS and the AFC Working Group on currency policy at the Council.32 meeting. The first task (proposal of a currency management method) had been completed, as reflected by the AFC.21 resolution 14.c. Also the second task, determining the current ESS cash position, had been performed by ESS in collaboration with the external firm PwC, as per item 13 of the AFC.21.

6.b Meeting of the AFC WG on Currency Policy

The Working Group was composed by four AFC delegates, the AFC Chair and the ESS Head of Finance and Business Control, Florian Weissbach. The two host countries were represented as well as Germany (EUR paying Member) and Switzerland (SEK paying Member) in order to obtain a well-balanced representation. The WG had met three times before AFC.21 and two more meetings had been scheduled afterwards, out of which one had taken place already in the second half of May. To complete outstanding tasks more meetings were foreseen also in August and September.

Upon motion duly made,

Council

- **took note that ESS internally will move to using SEK for actuals, forecast and planning;**
- **took note that AFC recommended this change (AFC.21 Resolution 14.c);**
- **took note that the AFC Working Group, in cooperation with ESS, is continuing the work on the drafting of a Currency Policy proposal;**
- **took note that in the interim ESS will use a planning rate² for the final 2024 Budget proposal and the Overall Financial Estimates to be submitted to AFC.22 in October and Council.35 in December.**

7. Updated Funding Request

Weissbach guided Council through the process that had brought from the additional funding request after the November 2021 re-baseline, to the re-stated request formulated taking out the effect of the 9:1 fixed exchange rate on both income and expenditure side.

The Director General, Helmut Schober, then introduced the changes in the geopolitical landscape since 2021, with the pandemic and the Ukraine-Russia war deeply changing the assumptions and adding uncertainty to a project like ESS, with high inflation increase, raising labour, energy, material and financial costs. This was followed by the presentation of different inflation scenarios and connected funding requests, from low- to high-risk.

Sweden asked to provide to Council a breakdown of the incurred and foreseen external risks split according to the different cost categories, as well as a clear breakdown of the earlier mentioned 88M€ that were of the assumptions of the re-stated funding request. Weissbach provided the breakdown explaining that the amount was a net effect from contributions, cash facility transactions, and expenditures.

The following discussion highlighted the agreed need to postpone to June the resolution on the re-stated funding request, taking out the 88M€ assumption, providing more detail on the external risks not as a separate input but more in terms of project contingency, and clarifying the approach to the re-balancing coming to a final correct share of the commitments.

Upon motion duly made,

Council

- **took note of the re-stated funding request;**
- **took note of the inflation risks 2023-27, some of which have already materialised;**
- **asked to postpone the decision on the funding request to Council.34 in June**

8. Update on the ESS Financial System

The Head of IT, Allan Mortensen, updated Council on the ongoing projects aimed at obtaining fit-for-purpose financial and administrative management systems. Financial processes and the business architecture needed to be optimised and requirements for the information systems

² Average monthly SEK-to-EUR rate for February 2023 = 11.1807 SEK / EUR

needed to be updated. This work covered all business areas. Looking at the different parts of the organisation involved (project, procurement, finance, HR), the assessment was that the systems used so far were adequate for the future. However, some of them needed upgrades and some capabilities were missing, e.g. a data warehouse to streamline reporting from multiple systems in an automated way as well as a proper HR system. The focus at the moment was on the project phase but the financial systems would also need to be geared towards steady-state operations (SSO) again and possibly require a new ERP before the onset of SSO. In the tentative timeline presented by Mortensen, this work would stretch over 2023 and 2024. The handling of foreign exchange effects going forward would be part of this effort and would be addressed first.

The new Administration Program Manager, Charlotte Hartelius Klaar, was introduced to Council. She had joined the organisation at the beginning of May and was going to coordinate several projects, including the one on cost control.

Council

- **took note of the planned upgrades to the ESS financial systems**

9. SSO Plan: Review Preparation and Panel

The Director General, Helmut Schober, explained that a review of the ongoing project for a Steady State Operations (SSO) Plan was foreseen in the autumn. For this reason there was an urgency to form a panel of experts with relevant experience from other facilities. A preliminary list had been submitted to Council and the delegations were invited to provide more names if deemed necessary. The Chair asked the delegations to get back to ESS within two weeks with proposals.

Council

- **took note of the first proposal for the members of the SSO Review Panel.**

10. Approval of the Contingency Drawdown for the CR TC-298 - Casks

The Project Director, Andrew Kimber, briefly introduced the Change Request that was the basis for asking for Council approval of the related contingency drawdown of 10.33M€.

Upon motion duly made,

Council

- **approved the contingency drawdown of 10.33 M€₂₀₁₃ for the Change Request TC-298 "Target Systems Cask Assembly Realised Manufacturing Costs"**

4. and 5. Closed Session: discussion on the Election of the Council Chair and Vice Chair

Present: Council delegations, Council Secretary.

11. Confirmation of Resolutions

Council

approved the resolutions as shown above.

12. AoB

UK reminded the assembly that the UK delegation would not be able to attend the Council.34 meeting in June due to a clash with the CERN Council. For this reason, they asked to be sent the Draft Resolutions in advance in order to be able to prepare beforehand their voting position.

There being no further business to discuss, the Chair brought the meeting to an end at 13:30.

Closure of the Meeting

Verified and approved by ESS Council at its 34th Meeting On 21-22 June 2023



Beatrix Vierkorn-Rudolph
Council Chair



Michela Dell'Anno Boulton
Council Secretary