

**European Spallation Source ERIC**  
**31<sup>st</sup> Meeting of Council**  
**by video and on site, Lund, Sweden, 1-2 December 2022**

**Approved Open Minutes**

**Prepared by:** ESS Governance Office

**Meeting participants**

Beatrix Vierkorn-Rudolph	Chair of Council	
Kurt Clausen	Vice Chair of Council	
<b>Delegates</b>		
Ondřej Svoboda <sup>1</sup>	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 Rääm	Ministry of Education and Research	Estonia
Priit Tamm <sup>2</sup>	Research Council of Estonia	Estonia
Marie-Hélène Mathon	French Alternative Energies and Atomic Energy Commission	France
Sylvain Ravy	National Centre for Scientific Research	France
Andrea Fischer	Federal Ministry of Education and Research	Germany
Martin Müller	Helmholtz-Zentrum Hereon	Germany
Balázs Káplai <sup>2</sup>	Development and Innovation Office	Hungary
Aldo Covello <sup>2</sup>	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 <sup>2</sup>	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 Maria Aricha Yanguas <sup>2,3</sup>	Ministry of Science and Innovation	Spain
Lars Börjesson	The Swedish Research Council	Sweden
Elin Swedenborg <sup>4</sup>	Ministry of Education and Research	Sweden

<sup>1</sup> Deputising for Lukáš Levák at this meeting

<sup>2</sup> On Zoom

<sup>3</sup> Deputising for Inmaculada F. Rojas

<sup>4</sup> Deputising for the vacant Swedish delegate at this meeting

Christian Rüegg	Paul Scherrer Institute	Switzerland
Kevin Reymond	State Secretariat for Education, Research, and Innovation	Switzerland
Mark Thomson	Science and Technology Facilities Council	United Kingdom
Shabana Haque <sup>2</sup>	Dpt. for Business, Energy, and Industrial Strategy	United Kingdom

#### Experts

Line Bekker Poulsen	Danish Agency for Higher Education and Science	Denmark
Jean-Luc Biarrotte	French Ministry of Higher Education and Research	France
Susana Gota-Goldmann <sup>2</sup>	French Ministry of Higher Education and Research	France
Roberto Cimino <sup>2</sup>	Italian Ministry of Education, University and Research	Italy
Estibaliz Hernaez Laviña <sup>2</sup>	Basque Ministry for Innovation	Spain
Mario Perez	ESS Bilbao	Spain
Aleksandar Matic	Chalmers University of Technology	Sweden
Johan Holmberg	The Swedish Research Council	Sweden
Mikaela Rapp <sup>2</sup>	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

#### Advisory Committees Chairpersons

Marc Reichanadter <sup>5</sup>	PAC Chair
Michael Preuss <sup>6</sup>	SAC Chair
Robert McGreevy	IKRC Chair
Stéphanie Lê Vàn	AFC Chair

#### Guests

Paul Langan	ILL Director
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#### European Spallation Source ERIC

Helmut Schober	Director General
Agneta Nestenborg	Director Project Support and Administration
Andrew Kimber	Project Director
Carlo Bocchetta	Deputy Technical Director
Dimitri Argyriou	Associate Director In-Kind Management
Giovanna Fragneto	Science Director
Kevin Jones	Technical Director
Florian Weissbach	Interim Head of Finance and Business Support
Ivan Korunoski	Head of Internal Audit Function
Pia Kinhult	Host State Relations and Senior In-Kind Negotiator
Mark Robinson	In-Kind Program Manager

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<sup>5</sup> On Zoom, only for Item 6.b

<sup>6</sup> On Zoom, only for Item 6.b and 6.c

Karin Hélène	Senior Executive Assistant
Marina Giampietro	Senior Communication Business Partner
Michela Dell'Anno Boulton	Interim Governance Office Lead – Council Secretary
Elisabetta Romano	Governance Office Administrator
Maria Herbst	Governance Office Assistant

**Excused**

Inmaculada F. Rojas	Ministry of Science and Innovation	Spain
Lukáš Levák	Ministry of Research and Development	Czech Republic
Petr Lukáš	Nuclear Physics Institute of the CAS	Czech Republic
Ákos Horváth	Centre for Energy Research	Hungary

## 1. Welcome and Opening of the Meeting

The Chair called the meeting to order on 1 December 2022 at 09:00, welcomed the participants, and informed them of changes in the Council composition:

- Ondřej Svoboda was deputising as Council Delegate for the Czech Republic;
- Elin Swedenborg was deputising as Council Delegate for Sweden;
- Shabana Haque joined as the new Delegate for the United Kingdom;
- Roger Eccleston joined as the new Advisor for the United Kingdom;

She also welcomed the new Science Director, Giovanna Fragneto, who had just started her mandate at ESS.

The Chair noted that the 31<sup>st</sup> Meeting of Council had been duly convened and was quorate.

## 2. Adoption of the Agenda

Upon motion duly made,

**Council unanimously**

- **approved the agenda for its 31<sup>st</sup> Meeting.**

## 3. Approval of the Minutes of the 30<sup>th</sup> Meeting

Amendments were requested by Sweden and Switzerland on the Restricted minutes. A correction was made in the Open and Restricted minutes upon request from France.

The Chair informed Council that, in addition to publishing the Council minutes on the ESS webpage following the approved Transparency Policy, starting with Council.32 in February 2023 there would be a short press conference and a press release after every Council meeting.

Upon motion duly made,

**Council unanimously**

- **approved the Open and Restricted minutes from its extra-ordinary 30<sup>th</sup> Meeting with two amendments from Sweden and Switzerland and one correction from France.**

## 4. Matters Arising

The Council Secretary, Michela Dell'Anno Boulton, summarised the Council action items, both those proposed for closure at the meeting and those ongoing.

Upon motion duly made,

**Council unanimously**

- **closed the action items in Annex 1<sup>7</sup> as proposed.**

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<sup>7</sup> Annex 1 of the document Council.31.04.

## 5. Reports I

### 5.a Report from the Chair

In her brief report to Council, the Chair thanked Sweden for announcing the anticipated payment of their contributions, hence making the need for a third Cash Facility highly unlikely to happen and allowing ESS to avoid the related financing costs. She then invited the other delegations to also look into the possibility of bringing forward some contributions and/or have flat payment profiles. This could facilitate possible earlier repayments of the first and second Cash Facilities and would bring down the estimated financing costs.

#### Council

- **took note of the Report from the Chair.**

### 5.b ESS Directors' Report

The Director General, Helmut Schober, greeted Council reinforcing the importance of the meeting to confirm the financing of the new plan and give ESS the financial stability to complete the project. Since the PAC recommendation to Council in November 2021 to start working according to the new plan, schedule adherence and performance were key elements for the success of ESS. In his presentation, that was in addition to the second issue of the Directors' Report presented in written form to Council, Schober summarised both the recent project achievements and the technical challenges that had hit ESS during the summer, including the mitigating actions taken to win back schedule and invert the trend of contingency erosion. He reassured Council that, also thanks to the improvement of project data, ESS was now showing higher reactivity in the technical areas and the Project Directorate was looking into finalising the Project Execution Plan, which would be ready for the Council strategy meeting in February 2023. Further support in enhancing performance would come from organisational changes to be introduced from 1 January 2023. Amongst these, he mentioned the creation of the Operations and Infrastructure Directorate, with the very experienced Carlo Bocchetta as new Associate Director, steering the future transition towards operations; the hiring of project managers to support the sub-project leaders and the reduction of the number of line managers. Finally, the introduction of functional managers would facilitate movements towards a more task-oriented organisation while strengthening a culture based on competence, empowerment and accountability would allow agile and efficient ways of working. Schober praised the good discussion that had taken place during the Project Leadership session the day before, showing how In-Kind partners and ESS sub-projects were aligned in taking quality enhancing measures and showing a common aim to deliver according to the plan.

He then welcomed the new Science Director, Giovanna Fragneto, and remembered two members of the neutron scattering community who sadly passed away: Sébastien Bousson, valuable Accelerator collaborator from France, and Michael Steiner, pioneering researcher using neutrons to study magnetism and Chair of ENSA.

In the following discussion, the Host States showed appreciation to management for taking several measures to move in the right direction and encouraged the organisation not to lean back but to keep up the pressure.

Upon a question from Switzerland on the possible move of the Data Management and Software Center (DMSC) into DTU facilities, Schober explained that the ambition was to even

better connect DMSC to the academic environment, not limited to DTU but open to all Danish universities. An update would follow at the Strategy session of the Council.32 meeting.

Upon a question from the Chair on the Licensing process, the Technical Director Kevin Jones confirmed the ongoing positive dialogue with SSM, looking at two potential options for Beam on Dump.

#### **Council**

- **took note of the Directors' Report.**

### **5.c Risk Report**

The Project Director, Andrew Kimber, gave a presentation on the status of the project work in the area of risk management. He noticed that, partially due to lack of resources and to the fact that other project aspects had been given more attention, risk management was still under development and there was still a need to establish a proper process for the identification and organisation not just of risks but also related mitigations and opportunities.

Three main categories of risk were identified:

- a. ESS internal project risks, over which ESS has control and that are covered by contingency; they are split into parent (project level) risks and child (sub-project or work-package level) risks;
- b. external risks (inflation, currency fluctuations, supply chain problems, energy costs etc.); might be covered by contingency, not clear yet;
- c. In-kind risks. Risk carried by IK partners.

While the day-to day management of risk was good, the organisation had to act faster on mitigations and be more pro-active than reactive. ESS was currently looking for a Risk Manager and also into using external resources for risk management.

The UK delegation noted that a written risk report should in the future be given routinely to Council. Kimber confirmed that a very detailed risk register was available, already containing most technical risks, however more effort needed to be put in emphasising proactive mitigations so that adverse events would not happen. As soon as external help would be available, a high-level risk register will be made available.

Looking at staff turnover and long recruitments from the risk perspective, the organisation was currently experiencing problems with very slow procedures for VISA and work permits from the Swedish Migration Board. The topic had been brought up in a recent meeting with the Minister for Education.

#### **Council**

- **took note of the Risk Report.**

## **6. Report II**

### **6.a Report from In-Kind Review Committee (IKRC)**

The IKRC Chair, Robert McGrevvy, gave Council a summary of the main points from the IKRC.26 meeting that took place in October.

He highlighted the importance of continuous and active communication with the In-Kind (IK) partners and also of keeping committees up to date in between meetings. The IKRC had also spent time and effort on the topic of knowledge transfer in relation to IK deliveries,

encouraging ESS to make early plans and to not forget this key aspect for the future of the facility. A section on knowledge transfer would for the future be added to the final reports.

He finally reminded Council that in the general European landscape hit by inflation and rising energy prices, cost increases were impacting also the IK partners and it was important to make them aware that individual member states were to be consulted to address the situation.

**Council**

- **took note of the Report from IKRC.**

**6.b Report from the Project Advisory Committee (PAC)**

Mark Reichenadter, PAC Chair, presented an overview of the findings and recommendations from the PAC.10 meeting in September 2022.

Despite general good progress with the project during the challenging pandemic time and the clear improvement in the quality of project data, the loss of schedule float since the rebase line at the end of 2021 and the quality related issues with some key IK deliveries were of concern.

The PAC Chair encouraged the organisation to act quicker on root cause analysis and mitigation plans when facing technical failures. He further invited the project to not hesitate using contingency when necessary and recommended to give more authority to the Project Director.

ESS had already started to react to many of the PAC recommendations, also through the planned changes in the organisation .

Finally, PAC would give advice on the Project Execution Plan before Council.32 and report back on schedule performance after the PAC.11 meeting.

Several delegations thanked the Chair and the entire PAC for being a great advisory group to the management of ESS and Council and giving very fruitful feedback.

**Council**

- **took note of the Report from PAC.**

**6.c Report from the Scientific Advisory Committee (SAC)**

The SAC Chair, Michael Preuss, presented the Report from the latest SAC meeting. He thanked Andreas Schreyer, who left his position at ESS at the end of November, and greeted the new Science Director, Giovanna Fragneto.

SAC looked favourably at the improvement shown in the Detector Group since the nomination of the new group leader, Kevin Fissum, and deemed appropriate the scope assigned to the group. SAC would keep on monitoring the detectors' developments in the coming meetings. SAC also appreciated the progress shown by several instruments projects, expressing however concerns for possible delays in some of the later ones. NSS resources that had been moved to Target to support with electrical issues had now been returned back.

SAC was happy to endorse the ESS Data Policy and Guidelines, that essentially reflected policies and guidelines recently developed by other large-scale facilities, with a few wording amendments.

The Council Chair closed the item thanking the outgoing SAC Chair for his excellent work in leading the committee and supporting the Science Directorate.

**Council**

- **took note of the the Report from SAC.**

**6.d Report from the Administration and Finance Committee (AFC)**

The AFC Chair, Stéphanie Lê Vàn, summarised her report, already presented to Council beforehand in written form.

The Head of Supply, Procurement and Logistics reported positively from the latest ILO meeting. Regarding procurement statistics, however, AFC was still expecting more comprehensive reports, a procurement plan and a consultation procedure to approve contracts over 500k€.

The AFC Working Group on Financial Rules had finalised the version now proposed to Council for approval.

AFC was in favour of keeping indexation for Initial Operations at 2% p.a. until more refined inflation scenarios were prepared by ESS and reviewed by the committee and by Council during the first half of 2023, in preparation of a decision during the same year to allow the Members to take into account any indexation related changes in their respective budget plans.

With the interest rates rising, the estimated financing costs for the two cash facilities had increased significantly, compared to the period of negative interest rates. Avoiding a third cash facility with the connected costs and possibly making earlier repayment were steps in the right direction.

**Council**

- **took note of the the Report from AFC.**

**7. Financial Matters**

**7.a Financial Estimates**

The Director for PS&A, Agneta Nestenborg, and the interim Head of Finance and Business Control, Florian Weissbach, jointly presented this item.

Thanks to the better quality of data, a higher number of resources and well-working routines between the Project Directorate and Finance and Business Control, the Financial Estimates had witnessed a positive evolution. It had been decided to keep the current ERP system while the biggest ongoing activity was the implementation of the project structure and of the reorganisation in the system itself.

A new document, the Medium-Term Financial Estimates (MTFE), was introduced, following the same structure of the budget tables, but covering the next four years. For Council.31 the MTFE only contained the summary table, but the tables at the major activity / sub-project level would be prepared for AFC.21 and then be presented at Council.33. To be consistent with the budget document, it was decided to present the price levels as-year. The Overall Financial Estimates (OFE) document covered instead the entire duration of the project and included In-Kind in addition to the MTFE. The OFE structure had not changed significantly; the document is now prepared with the spreadsheet tool that allows versioning and creating inflation scenarios.



Upon a question from Sweden on the projection of the energy cost, Weissbach replied that Facility Management was looking into the numbers and a plan for ramp-up existed, however prices were still at assumption level. The exact number would be provided.<sup>8</sup>

**Council took note of**

- **the Medium-Term Financial Estimates 2022;**
- **the Overall Financial Estimates 2022;**
- **took note of the update on indexation;**
- **took note that the final budget proposal 2023 is still based on the current indexation schemes.**

### **7.b Cash Flow Status and CF**

Nestenberg presented this Agenda item. A new cash-flow planning process was in place based on inputs from monthly expenditure forecasts, semi-annual updates on contributions from the Member Contribution Sheets and annual updates on indexation.

Since the presentation of the status of cash flow at AFC.20, the major updates were:

- the news from Sweden on the earlier payments related to the additional contributions;
- the new Swedish payment profile had been included in the cash flow slides;
- the 2022 expenditures had gone down and the carry forward had been impacted accordingly.

Nestenberg stressed that any information on contribution profiles from the Members would be helpful to plan the cash-flow and continue the dialogue with the three banks.

**Council took note of**

- **the update on cash flow;**
- **was invited to provide ESS with indications of contribution profiles concerning the new commitments (427 M€<sub>2013</sub>).**

### **7.c In-Year Actuals 2022**

Nestenberg presented the In-Year Actuals 2022, which were following the new template and included milestones. She reminded Council that, starting with AFC.19, the In-Year Actuals were done against the consolidated 2022 budget.

Originally the consolidated budget expenditures amounted to 275 M€, after the re-baseline the forecast had gone down to 234 M€ and it was currently at 228 M€, including 8 M€ saving after settlement with Skanska, a smaller amount of contingency planned for 2022 compared to the first forecast and a higher productivity in certain areas.

On the contribution side, the information was consistent with the Member Contribution Sheets and the deviation from the budget was small. Several Members had provided early payments already in 2021. Hungary, on the contrary, informed ESS that the 2022 payments would not be provided that year and the cash was going to be injected in the IK contribution instead.

ESS was further analysing the cash flow and considering significantly reducing or not exercising the final draw-down on the second cash facility in the second half of 2023. More information would be made available to Council in the next couple of months.

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<sup>8</sup> The assumed average electricity price used for the 2023 budget is 1.50 SEK / kWh.

**Council took note of**

- **the second In-Year Actuals 2022.**

#### **7.d Final Budget Proposal 2023**

Nestenberg presented the Final Budget Proposal for 2023, recommended by AFC for approval by Council.

The budget was based on current commitments and indexation levels, and according to the new template as per the amended Financial Rules.

Upon motion duly made,

**Council**

- **took note that the Final Budget Proposal 2023 is fully based on current Member commitments;**
- **unanimously<sup>9, 10</sup> approved the Final Budget Proposal 2023, which comprises: expenditures of 232 M€ and income of 337 M€, including contributions of 234 M€, other income of 2 M€, a carry-forward estimated to 101 M€, a drawdown on the second cash facility of 81 M€ and a repayment of the first cash facility of 106 M€.**
- **took note that a final drawdown on the second cash facility is only possible in 2023.**
- **took note that ESS is exploring options to reduce the last drawdown of the second cash facility and / or to accelerate the repayments towards the first and the second cash facilities in 2023. ESS will report back to AFC and Council in 2023.**

#### **8. Closed Session**

##### **8.a Feedback from the Extra-Ordinary Session**

See separate document.

##### **8.b Discussion on recommendations from VR**

See separate document.

##### **8.c Formal Commitments and Sharing**

See separate document.

#### **9. Closed Session: Update from the Internal Audit Function**

No minutes taken.

#### **10. Steady-state Operations (SSO): Update from the Working Group**

The Director General gave Council an overview of the discussions he had conducted with the working group (composed of the Council Chair and Vice Chair, Council representatives of the

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<sup>9</sup> In favour: CH, CZ, DE, EE, ES, FR, HU, IT, NO, PL, SE, UK. Against: None; Abstained: None.

<sup>10</sup> DK in favour pending budgetary approval.

Host States and three more delegates with long experience from leading facilities) on the organisational aspects involved in the transition to operations and in the SSO phase. He emphasized the importance of informing and engaging the neutron community with science as the leading star, achieving over the lifetime of the facility a virtuous circle in which high level scientific output would promote the release of funding for innovation, upgrades and further improvements.

Upon questions from the French and Italian delegations, Schober confirmed that the working group had been used as an informal sounding board, in accordance to what was decided at Council.29, and exclusively on the organisational aspects of SSO, leaving all remaining topics such as costing, sharing and industrial involvement for a deeper analysis and wider discussions with the entire Council. The group had in particular supported the DG with comments in view of the creation of the Operations and Infrastructure Directorate.

While Sweden mentioned the WG set-up by Council back in 2016 and the need to update their report, the UK reminded that a model for SSO had to be ready by end of 2023.

**Council took note of**

- **the update from the WG on organisational aspects of the steady-state operations;**

## **11. Procedures**

### **11.a) Financial Rules**

The amended version of the Financial Rules, presented to AFC.20 by the relative Working Group and recommended by the AFC to Council for approval, were presented to Council.

Upon motion duly made,

**Council unanimously<sup>11</sup>**

- **approved the amendments of the Financial Rules.<sup>12</sup>**

### **11.b) SAC Chair and Vice-Chair**

Due to the end of the mandate of the current SAC Chair and Vice Chair, the Science Director, Giovanna Fragneto, presented to Council for approval the proposal for a new SAC Chair and Vice Chair.

Upon motion duly made,

**Council unanimously<sup>13</sup>**

- **appointed Victoria Garcia Sakai as SAC Chair for a first renewable three-year term starting on the 1<sup>st</sup> of January 2023;**
- **appointed Elizabeth Blackburn as SAC Vice-Chair for a first renewable three-year term starting on the 1<sup>st</sup> of January 2023.**

<sup>11</sup> In favour: CH, CZ, DE, DK, EE, ES, FR, HU, IT, NO, PL, SE, UK. Against: None; Abstained: None.

<sup>12</sup> Annex 1 of the document Council.31.11.a

<sup>13</sup> In favour: CH, CZ, DE, DK, EE, ES, FR, HU, IT, NO, PL, SE, UK. Against: None; Abstained: None.

### 11.c) Approval of the In-Kind Agreements

The Associate Director for In-Kind Management, Dimitri Argyriou, provided the delegates with a summary of the In-Kind agreements previously recommended for Council approval by IKRC. He also announced that a Written Procedure would be started after the meeting for the approval of one In-Kind Contribution Agreement and five Technical Annexes with Lund University, previously approved by the IKRC also through written procedure.

Upon motion duly made,

#### **Council unanimously**

- **approved two Technical Annexes, three Amendments to Technical Annexes, and one Final Report**

### 11.d) Member Contribution Sheets

The current Member Contribution Sheets (MCS) contained updated data as per end of August 2022 and had been reviewed by AFC.

Upon request of the Swedish delegation, and in agreement with the Danish one, during the first half of 2022 ESS had created a modified format of the financial part of the Sheet to present in a clearer, more consistent and more transparent way the contributions that the Host States had so far provided outside the statutory obligations.

AFC.20 recommended to Council for approval the proposed changes to the MCS.

Upon motion duly made,

#### **Council**

- **took note of the updated data on the Member Contribution Sheets;**
- **unanimously<sup>14</sup> approved the proposed changes to the Member Contribution Sheets.**

### 12. Confirmation of Resolution

The Council Secretary, Michela Dell'Anno Boulton, presented to Council the list of resolutions for Council.31.

**The resolutions were approved as shown above.**

### 13. Any other Business

The UK delegation confirmed participation in Council.33 in June 2023 would be difficult following the change of Council date. This is due to a clash with the CERN Council meeting which has the same UK delegation as ESS. The Chair confirmed that they will explore whether new dates can be found, however acknowledged that this might be difficult as it is intended for ESS Council to participate in planned events in Lund on the occasion of the Swedish Presidency of the European Union.

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<sup>14</sup> In favour: CH, CZ, DE, DK, EE, ES, FR, HU, IT, NO, PL, SE, UK. Against: None; Abstained: None.

Rüegg, in representation of the Swiss delegation, announced that PSI would be glad to host the Council.34 meeting in December 2023.

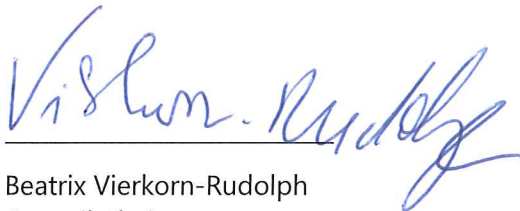
**Council**

- **took note of the items under A.o.B.**

There being no further business to discuss, the Chair brought the meeting to an end at 12:05.

**Closure of the Meeting**

Verified and approved by Council at its 32<sup>nd</sup> Meeting on the 20<sup>th</sup>- 21<sup>st</sup> of February 2023.



Beatrix Vierkorn-Rudolph  
Council Chair



Michela Dell'Anno Boulton  
Council Secretary