

COPY

Mr. A. E. Drake, O.B.E.
Finance and Programmes Officer,
U.K.A.E.A.,
11 Charles II Street,
LONDON, S.W.1.

Dear Drake,

Rutherford Laboratory Budget 1963/64

My note to the N.I.R.N.S. Board (NI/63/13) was intended simply to inform the Board of the budgetary crisis, and to report the immediate action which I had taken. I could not at the time quantify the savings likely to result or the minimum supplementary grant necessary to pursue a reasonable programme for the rest of the year. However, the Institute will probably wish to seek more funds, and the Board will need information on which to base their decision. I shall bring this to the meeting, but in the meantime some figures will help you to brief Sir Alan Hitchman. The following is my present assessment:

The savings likely to result from action already taken amount to £577,000. As a result, the amount available for R. and D. spend in the whole of 1963/64 is £1.648 million. We deduct £0.270 m. for university agreements, leaving £1.379 m. for the R.E.E.L. This is £0.950 m. less than the planned expenditure.

From £1.379 m. must be deducted the estimated carry-over into this year of R. and D. commitments undertaken in previous years (capital projects having already been allowed for). In a steady or expanding state this carry-over can of course be neglected because it is balanced by sums carried out of the current year. Clearly, in the present situation it has to be taken into account. The total is estimated to be £770,000, leaving £609,000 to spend on R. and D. for the year. £480,000 has already been committed to be spent this year.

We should seek additional funds to permit reasonable R. and D. budgets for materials and minor plant (stores withdrawals and outside purchases) and for demands for services on contract, for the most important items in our programme. All of these, except stores withdrawals, have been suspended.

The estimates for the whole of 1963/64 for these items (including University agreements) before I suspended R. and D. budgets were:

- | | |
|--------------------------------|-----------------------------------|
| 1. Purchases | £1.249 million |
| of which | £0.330 million has been committed |
| 2. Service demands on contract | £0.852 million |
| of which | 0.183 million has been committed |
| 3. Stores withdrawals | £0.484 million |
| of which | £0.069 million has been committed |

(If these items had continued they would of course have been subject to carry-over into next year - principally on items 1 and 2).

We estimate the following 1963/64 spend figures, from new money, to be the minimum necessary to maintain reasonable progress on the most important parts of the programme; I ignore the distinction between stores, purchases and services for simplicity and give only totals:

<u>Project</u>	<u>Amount</u>	<u>Remarks</u>
1. AERE cyclotron	£31,000	An obligation to AERE
2. Electrostatic Generator for Oxford	£15,000	An obligation to Oxford University
3. Commissioning and operation of Nimrod	£220,000	Provides adequate support for commissioning, but with slightly slower progress than previously planned.
4. Operation and use of P.L.A.	£155,000	Provides for 3 shift operation as at present but not for machine and apparatus development. Preserves presently approved experiments.
5. Experiments on Nimrod	£248,000	Provides for a slower but still effective start on experiments. Fewer beam lines than planned.
6. Administration	£100,000	
Total	£769,000	
Deduct	£129,000	Already available (see above)
Net total	<u>£640,000</u>	

A breakdown of this additional sum into capital and non-capital (and indeed a new breakdown into these headings for the whole grant) has yet to be done. This is hardly likely to concern the Board, but will be done within the next few days.

I am sending copies of this letter to Sir Alan Hitchman and Millen.

Yours sincerely,

T. G. Pickavance