

To: Management Committee members:

This paper has not been circulated  
to the Steering Committee

8th July, 1963

NI/63/13

NATIONAL INSTITUTE FOR RESEARCH IN NUCLEAR SCIENCE

GOVERNING BOARD

00919

Rutherford Laboratory Budget 1963/64

Note by T. G. Pickavance

1. A detailed review of commitments and expenditure, after the first three months of the financial year 1963/64, predicts a substantial overspend. The amounts, summarised below, are calculated on an arbitrary allocation of the £600,000 shadow cut originally incorporated in the total N.I.R.N.S. budget:

	Estimated out-turn	Allocation in grant
Non capital	£4.02 million	£3.39 million
Plant	£2.9 "	£2.3 "
Buildings	£0.68 "	£0.58 "
Totals	£7.6 "	£6.27 "
Predicted overspend	£1.33 million	

However, allowance has to be made for the predicted out-turn at the Electron Laboratory in relation to the same arbitrary allocation of the shadow cut. This is expected to be an underspend of £0.34 million. The important figure is therefore a predicted overspend of £1 million in the N.I.R.N.S. grant for 1963/64, as a result of activities at the Rutherford Laboratory.

2. I have taken the following action to minimise the actual overspend and, if possible, to remove it altogether:
- (1) A contract for building 20 houses in Chilton, which had been held pending planning permission has been cancelled.
  - (2) Building projects at the Laboratory, approved but not started, have been deferred. Instructions have been given to S.W.O. to slow down work on existing buildings (except Atlas) to the maximum extent consistent with contractual obligations.
  - (3) Attached staff and labour, engaged on running contracts, will be dispensed with as soon as possible consistent with contractual obligations.
  - (4) Recruitment has been suspended, except for people already offered appointments. Wastage will not be replaced.
  - (5) Requisitions for outside purchase, and new demands for services on running contracts, have been suspended.



3. These measures will of course seriously affect the work of the Laboratory and it is clear that we may have to seek a supplementary grant. However, the predicted overspend is so large that I felt bound to take this drastic action immediately, because of the effect on later years and the existence of the "2 per cent formula". First priority is being given to the completion of Nimrod and to keeping open the Laboratory stores. Nimrod commissioning, preparation for high energy experiments and the use of the P.L.A. are bound to suffer severely.
4. In previous years we have had difficulty in spending the grant, and except in 1962/63 we have had to surrender large sums during the year. The underspend has always been on capital, and has been caused by delays in deliveries and by slow progress generally on capital projects. On the other hand, non-capital estimates have regularly increased during previous years, although not so much as this time.
5. The increase on plant is caused by the major projects on beam equipment, on which a great deal of expenditure was delayed from previous years. Very rapid progress has been made on beam equipment in the last 6 months, partly because firms have become accustomed to our requirements and are delivering promptly. Progress on this work, on Nimrod commissioning and on the preparation for high energy research, has contributed considerably to the increase in non-capital items, through demands on materials and services.
6. It is very difficult to make a smooth transition from working as fast as possible, against a time scale on a major capital project, to working-to-rule to match an inadequate budget. We have failed to bring about this change until forced to do so by an imminent financial crisis.