



The James Hutton Institute
BOARD MEETING
Board Room, Dundee

16 July 2014, 09:00h

Chair: Ray Perman (RP)

Board members: Julia Brown (JB)
Brian Clark (BC)
Ian Gambles (IG)
Laura Meagher (LM)
Sandy Morrison (SM)
Wayne Powell (WP)
Allan Stevenson (AS)
George Thorley GT)
Alan Werritty (AW)

Apologies: Bob Ferrier (BF)

Attendees: Iain Gordon (IJG)
Colin Campbell (CC)
Beth Corcoran (BeC)
Mark Sinclair (MDS)

Secretariat: Anne Pack (AP)

Closed Session

1 Apologies

Apologies were received from Bob Ferrier.

2 Register of Interests

LM has been contracted by RESAS to review their Impact and Knowledge Exchange.

LM is a Trustee of Macaulay Development Trust.

RP is a Director of the David Hume Institute.

IG is a Director of the Forestry Commission

3 Minutes of the meeting held on 21 May 2014.

The minutes were approved as a true record of the meeting.

4 Matters arising

All matters were either discharged or dealt with in the agenda.

5 Minutes of sub-committee meetings since last Board meeting

5.1 ACS – 20 May 2014

The minutes of the ACS meeting held on 20 May were received for information.

ACS – 15 July 2014

BC gave a verbal report of the meeting held on 15th July.

Group reviews

ACS considered the response of BioSS to the recommendations of the Group Review report. The relationship between BioSS and James Hutton Institute was discussed. There is a strong potential benefit for increased interaction between BioSS and the ICS Group and this will be explored by ACS and the Executive.

ACS considered the response of SEGS to the recommendations of the Group Review report. The Group is now at critical mass and is now making a bigger contribution to the institute since the merger.

The ICS Group Review Chair has not been able to provide a report, so the extensive feedback notes will be used to prepare one. Agreement will be sought from the other two panel members on its content.

With all Group review reports received, CC will begin the process of synthesising them into overall conclusions and lessons learned.

BC gave thanks to CC, Anne Pack, Liz Stewart, Lorraine Robertson and their colleagues involved in the review process for their hard work.

The Science Group reviews will be repeated at an interval to be decided by ACS. This process of external peer review provides the Institute with assurance and confidence in its science .

There will be regular provision of bibliometric analysis going forward as the Institute now has harmonised databases.

Themes review

Professor Robert Goodman has accepted the invitation to chair the panel. A further 5 or 6 international panel members will be engaged to conduct the review which will take place in February 2015.

Science Strategy

A foresighting exercise will take place in November. This will involve ACS, a selection of others from our Honorary Emeritus Fellows, representation from the Science Group Review panels, and representation from the Groups/Themes. A draft strategy will be sent to several externals for comment.

Postgraduate school

CC presented the Postgraduate school strategy. Alumni of the school will be invited to help raise the school's profile and to engage with current students. The question 'what added value to the institute does the school provide?' is being explored.

5.2 Audit & Finance

The annual report of the Audit and Finance (A&F) Committee was received. The committee has two vacancies for members, following JB's step down last year, and SM's as of the 16th of July 2014. At the recent A&F meeting there was a recommendation to invite Ian Gambles (ICG) to join the committee. IG accepted and will attend the next meeting of A&F. It is anticipated the remaining vacancy will be filled by a new Board appointment with the appropriate skills and knowledge of the business.

The accounts have been recommended for approval by A&F and will be dealt with under 9.3.

Although not included in the annual report, A&F recommended that Johnston Carmichael (JC) be re-appointed as external auditors for a further three-year term. AS explained that JC were appointed external auditors through the tender process at the time of the merger. Although it is policy not to appoint internal auditors for more than two three-year terms, A&F recommended that JC should be re-appointed, just as Henderson Loggie (HL) had been reappointed as internal auditors for a second time at the last Board meeting. The Board approved the re-appointment of JC as external auditors for a second three-year term.

The risk register, prepared by the Executive, is reviewed by A&F on a regular basis. AS commended the Executive on paring down the risk register, to focus on key and high risks. The risk register forms part of the input to the internal auditors scoping and needs assessment that they carry out three-yearly.

5.3 Nominations & Remuneration

The Nominations & Remuneration (N&R) committee has not met since the last Board meeting.

Board membership

The replacement process for Board members who have stepped down means that there are potentially three vacancies to fill, which would provide a complement of twelve members, the optimum number agreed at a previous Board meeting. GT reported on a discussion about appointing head-hunters to source Board members on our behalf for consideration. MDS said it had been agreed at the last Board meeting the Institute would move to a head-hunter solution. FWB has been appointed, and they have sent a list of potential businesses and organisations that they wish us to consider recruiting from. Following the Institute's response, the headhunt will commence based on required skills and competencies. GT had canvassed Board members on skills of new Board members. GT reminded the Board that the majority of Board members would be stepping down in less than three years and it was important to replace key skills.

Voluntary Exit (VE) scheme

The committee has been kept fully informed about the VE scheme, and this is dealt with under 9.1.

Honorary Fellows

IJG said that he had been asked by N&R to look at the Honorary Fellows programme. IJG recommends to the Board that two categories of Fellowships be created: Honorary, and Emeritus.

Emeritus Fellowship is for life and would apply to someone who has an employment link with the Institute or one of the legacy Institutes, and held a senior position. Honorary Fellowship is a five-year term and would apply to someone without an employment link, but with whom the Institute would like to be associated, and whose skills would be beneficial. Currently there are 16 Fellows. The intention is to have approximately 10 Honorary Fellows on a five-year term. IJG recommended that a Fellowship Fund be established to finance Fellows acting on behalf of the Institute.

Nominations for Fellowship are made to the N&R who then make recommendations to the Board.

The Board approved the two categories of Fellowship and the setting up of a Fellowship Fund.

6 James Hutton Ltd

The Board received an update on James Hutton Ltd which was created as a new company on 2nd April 2014. AS was appointed Chair to oversee the interim Board. The inaugural meeting was held in April. A number of Directors were appointed from external non-executives from the Boards of MSC and MRS. The first full meeting was held on 10th July 2014. The meeting was constructive, and highlighted the challenges ahead. Between now and March 2015 there will be three more Board meetings. There will be the development of what the commercial subsidiary will do, how it is managed and by whom, as well as the formation of the organisational structure. The key milestones are:

September 2014 – decide what the commercial subsidiary will be doing. Branding will be established.

December 2014 – the project will be completed.

By the time of the January Board meeting there will be a clear view of the outcomes of the work streams, and what the final decisions that need to be taken, are.

The Board were asked to consider the process as a fundamental root and branch reform of a number of areas of not only the commercial subsidiaries, but also the whole group and is also extremely important for the Institute's development at this time.

Although the project is due for completion by December, cultural change can take years and staff have to be supported through it. The new HR strategy incorporates supporting culture change.

James Hutton Ltd will run synergistically with the James Hutton Institute. In terms of building the brand, Phase 1 of the income generation review revealed that customers and collaborators engaged with the Institute because of the Hutton brand, and this will be built on.

7 MDT

MDT is a charitable trust, which was set up by MLURI in 1994 to hold the assets of the Institute. The Institute has a good relationship with MDT, which supports a number of projects. Currently we are collaborating with them on several including a joint application to Aberdeen City Council to develop a piece of land owned by the Trust, near the Institute.

8 Regular Reports

8.1 Chief Executive's report

This report was received for information.

IJG said that the long-term has to be about having a strategy that allows us to bring in enough money to be able to cover the requirement for the Institute to be a world-leading organisation.

The VE scheme will remain open for one more month. At the Executive meeting on 14th July a further two applications were approved bringing the total to 12. Awareness-raising sessions are taking place for staff. It was unlikely we will cut out complete areas of research, but rather reduce the capacity in certain areas where they are currently over-subscribed. Other measures to help achieve the desired 70 posts loss, is the outsourcing of services and redeployment. Staff have been made aware of the likelihood of moving to a compulsory redundancy scheme. It is hoped to complete the process by the end of December.

We received a letter from SG informing the Institute that as of 1st January 2015 an order will be implemented making the Institute subject to Freedom of Information (FOI) legislation.

We are developing a training programme for staff and identifying resource requirements. We can request that the commercial subsidiaries and commercially sensitive information are excluded from the FOI requirements.

Action: To ensure that the commercial subsidiaries are excluded from the FOI requirements.

GT said that he found the KPI table at the end of the CEO report helpful. Additional metrics will be included in future reports, on pre-tax profit, and cash generation, to provide relevance for targets.

Action: To include additional information in KPI table in future CEO reports to the Board.

8.2 Finance Report

Period 2 accounts were presented. There was very little movement in April and May. Income of £23,988k is RESAS money already agreed. This is for revenue, programme research, centres of excellence, science costs, consumables and related overheads. External contracts have been increased by 15%.

VE savings will be reported throughout the year, as they are achieved. The Board were informed that Johnston Carmichael have agreed to review the 2014/15 budget and the first quarter Management accounts.

8.3 Media Digest

This was received for information.

8.4 Health & Safety

This was received for information.

9 Strategy Planning and Budget

9.1 Statutory Accounts

Group

The main change is in the strategic report for the year, which is forward looking. The James Hutton Institute has reported on the gender mix of staff. Of note is the achievement of Athena Swan Bronze award. When last year's accounts were lodged with Companies House, the media picked up on some of the good news items in the strategic report.

9.4 Partnerships

Due to time constraints this was not discussed. RP said that he would re-order the agenda for the September meeting to allow for Strategy, Planning and Budget items to be discussed earlier in the meeting.

Action: RP to re-order the agenda with AP for the September meeting.

9.5 Research Farms Review

CC introduced the paper by saying the review was originally commissioned by the James Hutton Institute jointly with the Chair of SRUC. The focus was to identify synergies between the two organisations. The document has been circulated widely to RESAS, ENFOR, BBSRC and EU. CC explained that there is currently huge interest in research platforms. The next step will be a SWOT analysis across the entire network.

AOB

Dates of meetings in 2014:

- 17th September, Aberdeen (accommodation in Norwood Hall)
- 19th November, Dundee (accommodation in Apex City Quay)

Dates of meetings in 2015:

There was a discussion on how the Board can reduce costs in keeping with the overall cost reduction programme (12% savings). Options on the costs of meetings and number of meetings *e.g.* dropping the January Board meeting will be prepared by IJG/BeC and submitted to next board for consideration.

Action: Options on the costs of meetings and number of meetings *e.g.* dropping the January Board meeting will be prepared by IJG/BeC and submitted to next board for consideration.