The James Hutton Institute
BOARD MEETING
Board Room, Dundee
18 May 2016, 09:00h

MINUTES

Chair: Ray Perman (RP)

Board members: Brian Clark (BC)                  Joan Macnaughton (JM)
                James Curran (JC)                  Laura Meagher (LM)
                Ian Gambles (ICG)                  Marian Scott (MS)
                Stephen Hall (SH)                  Allan Stevenson (AS)
                Deborah Keith (DK)                 Alan Werritty (AW)

Apologies: George Thorley (GT)

Attendees: Colin Campbell (CC)
          Beth Corcoran (BeC)
          Bob Ferrier (BF)
          Fraser Black (FB)
          Anne Pack (AP) [Minutes]

Closed Session

1 Apologies
Apologies were received from George Thorley.

2 Register of Interests
No new declarations were made.

3 Minutes of the meeting held on 23 March 2016.
The minutes were accepted as a true record of the meeting.

4 Matters arising
All actions were either completed or covered in the agenda.

5 Health and Safety
The paper provided by Head of Health, Safety, Quality & Environment was received for information. It was queried why 208 ‘days lost’ were showing in the column for 2015 as it was significantly higher than previous years. It was explained that this involved five people, three of whom were off for more than seven days, including one person who was off for 142 days.

Of note is the new Institute Health, Safety and Welfare manual, which has been a long term project and which is now available to all staff on the intranet.
6 Strategy Planning and Budget

6.1 2016/17 draft budget

The Group budget was presented to the Board for approval. It is a refined version of the budget from the one presented at the March meeting which had made high level assumptions and was showing a deficit.

The main current concern in expenditure is science pay. The Executive took the decision to stick to a 1% pay rise given the large pay rise imposed by BBSRC last year. Concern was expressed over unfilled vacancies and the risk of jeopardising science-critical research. It may be possible to redeploy to these posts as there is staff time unallocated to billable projects. Emerging vacancies will be identified in the HRIS (Human Resources Information System). For expected new contracts this year the HRIS will be examined for potential people to fill roles rather than go to external recruitment. Additionally, staff members with unallocated time will be instructed to use that time to write proposals and apply for contracts. New good news is that some of the younger members of staff are writing in full cost recovery to grant applications. These are small contracts but the message is positive and this is a demonstration of culture change. Similarly, it is important to get staff to understand the importance of keeping projects to time and avoid slippage. Further training will be offered to PIs on this issue.

BeC tabled two papers; the balance sheet and cash flow forecast updated from the papers previously reported to the Audit & Finance Committee.

It was agreed that for the July meeting a five-year balance sheet forecast and five-year cash flow forecast would be provided.

- BeC to provide cash projections and balance sheets for the next five years.

The budget was approved.

6.2 Development of Capital Plan

An executive summary was provided along with a copy of the Fixed Assets Summary Report and list of prioritised capital items submitted to Scottish Government (SG).

There was a discussion on the costs of buying vs leasing. This has been explored previously and the cost of leasing was found to be greater. It may be possible to get a low interest loan for buying capital items. The Farm Manager is currently preparing a document for the Executive’s consideration on the costs of replacing critical pieces of machinery. He is also looking into moving less critical items into less used areas of the farms.

Reference was made on spend to save schemes and it was suggested that the Institute look at this as a separate initiative regardless of what is currently being gleaned externally and that this be given priority.

- A paper on Capital Plan is to be provided to the Board in July.

6.3 Terms and Conditions Review
A paper on terms and conditions was presented. It provides preliminary information on the various pension schemes provided at the Institute. The biggest cost pressure to the Institute is its staff costs. The Executive are reviewing the Terms and Conditions in use across the organisation and looking at options. Staff have been made aware of the cost pressures, through Open House sessions, and although resistance to any change in arrangements is expected, there is a sense of realism about the situation amongst staff. The union has also been advised of the situation. It is understood that other research organisations have introduced new terms and conditions.

Once information has been received from pension providers an options appraisal will be prepared for the Board’s consideration.

- An options appraisal on T&Cs will be provided to the Board when all the necessary information has been gathered.

6.4 Corporate Plan Update
CC presented what he hoped was the final version of the Corporate Plan which had been revised to include comments received from Board members and staff members and which will be an internal document, to be used for planning purposes. Of note, the vision and mission have been refined, and the strategic objectives have been reduced to nine, from an original eighteen.

The Plan will be circulated to the Board when branding is complete. A soft launch is planned at the Royal Highland Show on Thursday 23 June, with the central theme being the Sustainable Development Goals (SDGs).

- The Corporate Plan will be circulated to the Board when complete.

6.5 Postgraduate School Update
An update on the Postgraduate School strategy was provided in response to an action at the March meeting. There was a discussion around the likelihood of the School being made cost neutral. It is thought that this is unlikely and that the qualitative benefits outweigh the costs as it adds hugely to the Institute’s scientific credibility. The Board accepted that these qualitative benefits were important, but nevertheless considered it a disappointing situation that the Institute was supporting post-graduate work at a material net loss, while the degree-awarding universities typically saw post-graduates as a profit centre.

A potential idea is to emulate the US market and introduce a summer school, and run courses for paying overseas students. This could be driven by James Hutton Ltd. Caution was urged over this idea as it may not resonate with the mission of the organisation. The Executive was asked to explore the potential further and bring back to the Board at an early stage for discussion.

- Explore the potential for introducing a summer school as part of the Postgraduate School strategy, and provide an early-stage discussion document to the Board.

6.6 International Barley Hub Update
Progress on the IBH project continues as reported in the update document provided. IBH is currently one of two major projects being considered by the TCD. The biggest threat to success is potentially other competitors. The next stage is critical; that of securing funding for the design stage. This is expected to cost in the region of £2-3m. Narrative is being developed and the Institute is working closely
with other City Deals in Edinburgh and Aberdeen which together provide a chain of complementary ideas for innovation centres around the food and drink sector. One of the benefits of such a large investment for the Institute is it will strengthen our case for European funding.

The Board expressed concern around the suggested appointment of an Interim Chair, CEO and supporting staff. It was explained that it was important to have these in place to take management responsibility. Board members said they were keen to be ambassadors for the project as required. Short term working groups on stakeholder liaison will provide reports in June.

A full paper on governance and financial flows was requested by the Board.

- A paper on governance and financial flows for IBH to be provided to the Board.

7 Regular reports

7.1 CEO Report
The CEO report was received for information. It included an update on the revision of the Corporate Plan which is in its final stages. It also reported on finances and efficiency savings and an overall relatively good financial performance in difficult circumstances. CC asked that thanks be recorded to FCS, Stores and finance staff for their efforts.

There were some good news stories in external income and in particular three large H2020 successes and a significant award in raspberry breeding

It was agreed that much of the information contained in the CEO report could be reduced to alleviate the administrative burden.

7.2 Management accounts and forecast
The management accounts and forecast were received for information. It was noted that a favourable outturn against the last forecast was expected.

8 Minutes of sub-committee meetings since last Board meeting

8.1 ACS
The draft minutes of the ACS meeting held on 22 March were received for information. A verbal report was given on the meeting held on 17 May. A presentation on the Research Ethics Committee (REC) was given by Deb Roberts, Science Group Leader, Social Economic and Geographical Sciences. Any project or research that involves human participants must be approved by the REC which was set up to foster and support research which is valid, safe and protects the dignity of participants.

There was a discussion about the next round of science quality reviews. This will be a major piece of work over the next five years and the approach to it will be further discussed at ACS.

Scot Ramsay, Scientific Assistant to the CEO, gave a presentation on publications, examining trends in quantity, quality and nature of publications as well as approaches for ongoing monitoring. All categories of outputs were noticeably reduced in 2015, possibly due to the aftermath of the VE process and partly due to time taken in ITGF preparation. A synthesised
version will come back to the main Board in due course.

David Miller, Knowledge Exchange Coordinator, gave a presentation on the Centre for Knowledge Exchange and Impact (CKEI). It is a new approach to knowledge exchange (KE) from previous programmes and RESAS has new expectations, bannersing “Team Scotland Research” to promote SG funded research internationally and in Europe. The Director of KE will be managed by the Directors Executive Committee (DEC) and be administered by the James Hutton Institute.

8.2 Audit & Finance
The minutes of the Audit and Finance Committee meeting held on 24 March 2016 were received for information. Attention was drawn to the review of reserves policy on page eleven and the importance of having reserves was emphasised. The finance team are currently busy with the auditors. The accounts will go to the July meeting for approval.

8.3 Nominations & Remuneration
JM provided a verbal update. The N&R Committee met on 17 May 2016.

New Terms of Reference for the N&R committee are being drafted and will be submitted to the Board for approval.

The committee considered the procedure for finding replacements for retiring Board members, including the chair. A paper will be presented to the July Board meeting setting out the process, and will provide names of search firms asked to tender. The Board and staff members will be invited to make suggestions for new members. The minutes of the N&R meeting held on 23 March 2016 will be provided by email to the Board.

• AP to circulate the N&R minutes of the meeting held on 23 March 2016, to the Board.

9 Other Reports
9.1 Media Digest
This report was received for information.

AOB
CC asked members to note the agenda planner which was tabled. A strategic meeting will have to be held to digest the outcomes of the spending review. A view will be taken at the September meeting with the likelihood of the strategic meeting being held in November.

• A Strategic Planning meeting to be arranged – circa November.

The Board were asked to note the amount of paperwork being produced per meeting and members were urged to accept electronic papers only if at all possible. Members agreed that some papers need not be supplied; that a few sample copies may be tabled.

• Dates of meetings in 2016:

July 20th Aberdeen
September 21st Dundee