



**The James Hutton Institute**  
**BOARD MEETING**  
Craigiebuckler Room, Aberdeen  
**20 July 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) [by phone] Allan Stevenson (AS)  
Stephen Hall (SH) George Thorley GT)  
Deborah Keith (DK) Alan Werritty (AW)

**Apologies:** Marian Scott (MS)

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

**1 Apologies**

Apologies were received from Marian Scott.

**2 Register of Interests**

The following new declarations were made:

Joan MacNaughton:

- Member, Strategic Advisory Board, Engie UK
- Member designate, Board of NGP

Deborah Keith:

- Non-exec director - RedAg Crop Protection
- Deputy Chair - UK Animal and Plant Health Science Partnership

**3 Minutes of the meeting held on 18 May 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 report was received for information. It was commented that it was a very clear and comprehensive

report. JC was confirmed as the Board champion for Sustainable Hutton as well as H&S.

## **6 Strategy Planning and Budget**

### **6.1 Statutory Accounts**

Changes to the accounts recommended by the A&F committee at its meeting on 8 July were turned around quickly in order to be included in the Board papers. Since the external auditors, Johnstone Carmichael (JC), were on holiday the work was done by the Institute's finance team. Thanks were given to them for this extra work.

The accounts were approved subject to minor amendments.

### **6.2 Annual Report of the Audit and Finance Committee**

The Report was presented for approval. The Board approved the report subject to minor amendments.

### **6.3 Capital Plan**

The draft Capital Plan was presented. It was reported that quotes for loans are still being received from the bank. The Institute has not borrowed before but may need to consider it for key investments in the future. There had been a long discussion on the Capital Plan at the A&F meeting and advice was sought from the internal auditors. It was suggested the asset list be split into different classes: time periods, and title, and that a strategic appraisal should be undertaken to identify what our core capital requirement is. The sum of £2.5m - £3m is needed annually for capital, without taking into consideration aspirations to grow. Any underused assets will be identified during the appraisal.

The Institute has approached other Trusts and Foundations in pursuit of funding but few will fund capital. Options are currently being explored for sharing large farm equipment with other MRPs. Proposals are being prepared in conjunction with partners for applications for City Deals by the submission date in January 2017.

**Action:** An updated Capital Plan will be provided for discussion at the September Board meeting.

### **6.4 Terms & Conditions**

A fundamental change in staff Terms and Conditions (T&Cs) would provide financial resilience and simplify administration if all staff were on the same T&Cs. There appears to be no financial penalties for withdrawing from the JSS pension scheme. The paper provided offered three options for the Board to consider, each listing benefits and dis-benefits. There was general agreement that Option One was preferred. This option is to implement consistent T&Cs from a specified date and will provide local control of costs. Provision of professional advice for all staff will be provided. The proposed date of implementation is April 2017. Early implementation will lead to the maximum financial benefit and help to make the Institute more resilient.

The Board approved Option One .

### **6.5 International Barley Hub**

A paper was provided for information. The Board was invited to note progress over the last two months and the updated risk analysis. Funding is required to take the project forward to the design phase. The team continues to pursue funding through the Tay Cities Deal which may support the project, but any delay could be damaging. A Steering Group is in place and there is evidence of positive participation from industry and a sense of collective ownership of the project.

## **7 Regular reports**

### **7.1 CEO Report**

The report was received for information.

The Corporate Plan was soft launched at the Royal Highland Show. Hard copies of the Plan were provided to the Board.

Support and positive feedback continues for the concept of creating a Hutton Foundation. Next steps are to review the options around governance and seek start-up funds.

Following Brexit staff have been given regular updates with assurance and the offer of the Institute's help through the situation.

There was a query about the high number of starters in May. It was explained that this was due to seasonal casual staff. In order to provide context, the Board should receive broader HR statistics periodically.

**Action:** Statistics on starters and leavers to be provided to the Board, in the context of wider HR information, periodically.

It was felt the Operational Plan whilst being very useful was still too process-heavy. It goes from establishing the Groups through planning engagement around key topics and holding workshops around the science quality reviews. It was felt there was no indication of what the key "must achieve" strategic research objectives/outputs actually were for the year.

The successful LEAF Marque accreditation of Mylnefield farm was noted and it was queried whether the intention was to seek accreditation across all farms. CC confirmed that this was the intention of Euan Caldwell (EC), Farm Manager, who also manages our glasshouse facilities and has taken a strategic approach to get the four farms and glasshouses to work as a team.

AS attended LEAF open day and commented on the obvious progress and investment on Balruddery since his last visit. He said that it had been a good day where the James Hutton Institute brand was well represented and demonstrated how long-term experiments translate to work in the field. Attendance in general was good, but there had been a low number of farmers possibly due to the good weather. CC asked the Board to note that EC has put Balruddery forward for a Nature of Scotland Award in the innovation category.

The Board requested a visit to Balruddery farm following lunch at the September Board meeting.

**Action:** AP to make arrangements for the Board to visit Balruddery farm on the afternoon of the September Board meeting.

The Board asked for an update on Hartwood in relation to the windfarm development. It was noted that an update is expected in August. A private developer has the option to develop the windfarm. Feed in tariffs have changed so they are re-evaluating their business case. If the developer decides not to go ahead this could be a good opportunity for the Institute to take up if funds could be raised.

It was reported that the previous evening's discussion included business and opportunities with India and China. A presentation on the Institute's international policy outwith EU was requested. It should include the financial as well as academic strategy. It was agreed that this would come to a future meeting.

**Action:** BF to present the Institute's international strategy to a future Board meeting.

## **7.2 P1 and 2 Management Accounts, forecast, cash projections and balance sheets**

There was little to observe in the P1 and P2 accounts. Variance in intercompany charges were noted and may be due to timesheets issues rather than a reduction in external income. There were no major over-

spends to report.

## **8 Minutes of sub-committee meetings since last Board meeting**

### **8.1 ACS**

The draft minutes of the ACS meeting held on 17 May were received for information. A verbal report was given on the meeting held on 19 July where a presentation was given on the Science Strategy Group (SSG), a new group within the revised proposed structure for which a broad Terms of Reference has been defined. This group will oversee the delivery of science challenges in the Corporate Plan. The Group will also advise the executive of the strategic directions of the Institute. This is a major new initiative and things are at an early stage. There was general consensus amongst ACS that this might be too ambitious and the committee wondered what the relationship between SSG and ACS would be.

The discussion on SSG led on to one on science reviews. ACS had a preliminary look at various options which will be considered and reported back to the next Board meeting.

There was a presentation on CREW, the Centre of Expertise on water, by Richard Allan, CREW Manager. It was a good presentation and well received. The presentation will be circulated.

**Action: AP to circulate the presentation made at ACS on CREW.**

An Economic Impact Study has been commissioned and Deb Roberts, SGL of SEGS, attended the meeting to speak to it. Specialist consultants, Biggar Economics, have been chosen to undertake the study which will look at the economic and social impact of James Hutton Institute. It will be qualitative as well as quantitative and will also look at the local impacts of the two main sites.

### **8.2 Audit & Finance**

The A&F committee met on 8 July at which the main agenda item was year-end accounts. It also looked at the internal audit reports finding no material concerns or compliance issues. It was decided that the Audit Plan for 2016-17 would include a review of the accounting treatment of the commercial income within James Hutton Ltd.

### **8.3 Nominations & Remuneration**

The meeting on 17 May discussed the updated Board succession strategy as reported to the Board. A new draft Terms of Reference for N&R was provided to the Board and feedback was invited.

A paper was provided on the recruitment of Non-exec Board members and chair positions and should be read in the light of ICG being appointed Chair Designate of A&F. The N&R is also looking to appoint a new Chair of the main Board.

It was agreed that the chair of James Hutton Ltd should be chosen from amongst the membership of the main Board. The main Board has a governance role to hold the James Hutton Ltd Board to account as a subsidiary of the Group.

Comments on the recruitment paper should be sent to JM.

**Action: Comments on the recruitment paper should be sent to JM.**

A paper was provided on options for recruiting new Board members using internal resources, or looking externally. Members were invited to make suggestions.

Whichever option is approved, the process for recruitment and a timetable will be drawn up and circulated to the Board. Panels will be formed to create a long list followed by a short list, then to conduct the interviews. The N&R recommendation is that entrepreneurial skills will be needed in order

to survive declining public sector funding. There will also be the requirement for a new member to be a Chartered Accountant (CA) who will also serve on the A&F committee under ICG's leadership. There was general agreement that a member of the farming community should be invited on to the Board given the strong agricultural-associated work and that identifying suitable candidates would require colleagues from the Board and the executive to encourage interest through informal channels and networks.

The Chair of ACS, which will become vacant in 2017, has not yet been included in the paper.

**Action: JM to liaise with CC over the process for recruiting new Board chairs and members.**

The chair said that he will circulate the annual Board effectiveness questionnaire to members of the Board and this will be discussed at the September Board meeting. One to one meetings will be arranged for each member with the Chair.

**Action: RP to circulate the annual Board effectiveness questionnaire to members.**

**Action: AP to arrange one to one meetings for members with the Chair.**

## **Other Reports**

### **9.1 Media Digest**

This report was received for information.

## **AOB**

### **2017 Board meeting dates.**

There was a discussion on whether to remain with the pattern of six Board meetings a year or revert to four meetings a year in line with the legacy institutes. It was agreed to remain with six Board meetings a year and for a new chair to reconsider if necessary. AP was asked to re-confirm the meeting dates.

**Action: AP to circulate the 2017 meeting dates to Board members.**

### **Dates of meetings in 2016:**

September 21<sup>st</sup> Dundee

November 23<sup>rd</sup> Aberdeen

### **Dates of meetings in 2017:**

January 25<sup>th</sup> Edinburgh

March 29<sup>th</sup> Dundee

May 31<sup>st</sup> Aberdeen

July 26<sup>th</sup> Dundee

September 27<sup>th</sup> Aberdeen

November 29<sup>th</sup> Dundee