



The James Hutton Institute

**BOARD MEETING**

Held at Craigiebuckler  
17 May 2011 at 09.00h

**Chair:** Ray Perman (RP)

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

**Apologies:** George Salmond (GS)

**Attendees:** Iain Gordon (IG)  
Karen Shaw (KS)  
Caz Smith (CS) (Item 5)  
Carla Kydd (CK) (Item 5)

**Secretariat:** Anne Pack (AP)

	<b>Opening remarks.</b> RP welcomed everyone to the first board meeting since the launch of The James Hutton Institute.
<b>1</b>	<b>Minutes of meeting held on 16 March.</b> The minutes were approved subject to the correction of a typo.
<b>2</b>	<b>Matters arising</b> RP said that the joint launch on the 1 <sup>st</sup> of April at both sites had gone very well. The launch on the 5 <sup>th</sup> April in Edinburgh was very successful and was well attended. Since purdah was in operation, no politicians were present. Arrangements will be made for the Chair and Chief Executive to engage with the appropriate Minister when he or she is appointed. IG updated the Board on the Potato Genome Sequencing project which scientists from the Dundee site have been involved with. The results are expected to be published in Nature in Late May/Early June. RP said that JHI would build up publicity around that. This is part of the aim to produce newsworthy story lines for specific projects. <b>Action: IG to arrange publicity for the publication of the Genome Sequencing results.</b>  <i>Balruddery Farm.</i> RP spoke with Mr Smith, former owner of Balruddery Farm. They

had an amicable exchange in which Mr Smith waived his right of pre-emption. Consent is required from SG Ministers for the transfer of Balruddery to JHI. RP is required to execute the transfer documents on behalf of the Board.

*Update on the lease of the Mylnefield site*

SG has withdrawn the six-months notice condition, and the rent reviews have been modified to our satisfaction.

Maintenance work has been done on the buildings at Mylnefield. It is planned that the lease will be signed by the end of the month, which completes any outstanding leases.

*MSC*

RP reported that agreement was reached in April in respect of MSC. A method of claw-back has been agreed. The Macaulay Development Trust transfer agreement document has been signed by all Trustees. RP will complete the process by signing the document on 31<sup>st</sup> May in order to be co-terminus with the accounting period, after which JHI will own MSC completely. All profits for the current year will come to JHI.

*Mylnefield Trust (MT).* RP said that he had not yet met with the Chair, Ian Ivory but hopes to soon. MT currently has assets of £1m. MRS Ltd made a Gift Aid contribution of £100k to SCRI last year. RP said that MT was set up as a tax-efficient way of transferring funds and that this arrangement is not necessarily in the best interests of the JHI going forward. All future profits from MT will go to JHI.

**Action: AP to arrange meeting for RP with Ian Ivory.**

*Transition carry-over.* RP and Dianne Haley met with SG recently. SG has given permission for the surplus of £250k from the Transition budget to be carried over to JHI for use for restructuring. SG will contribute the same amount, giving a total of £500k to be spent in the current financial year.

*Maintenance fund.* RP said that there is a maintenance fund available to all MRPs for building work. JHI will submit a bid soon for some of the money.

*Change Management programme.* JHI can bid for funding from SG of up to £100k over two years for change management activities. IG reported that Alison Cartwright, on behalf of Debs Slater, was currently working on the change management programme.

*Honorary Fellowship.* RP said that Richard Aspinall and Peter Gregory had both accepted the offer of Honorary Fellowship of JHI.

*Induction for Board Members*

AS asked for an update on when an induction exercise for the Board would take place. KS replied that she was currently working with the HR team to prepare the programme, which would include governance training.

*Lewis Endowment*

AW asked if any decision had been made about administration of the fund. It was reported that the fund is being administered by the finance team at Craigiebuckler.

*Institute-wide event on 8<sup>th</sup> June*

IG said that the HR teams had put in a lot of work to organise this event which will take place at the Aberdeen Exhibition Conference Centre (AECC). Both he and KS

	will make presentations to the staff, who will be advised where they are being placed in the matrix.
<b>3</b>	<b>Science Strategy and structure</b>
	<p>3.1 Science vision and strategy</p> <p>IG said that at the last Board meeting there was agreement on a broad structure of the strategy. IG circulated a leaflet 'Making a Difference through Science' which had been prepared for the launch packs and which included brief details of the strategy. BC and the Communications team had proposed the strategy details contained within the leaflet. It includes the Vision and Mission statement, as well as listing the proposed Research Themes and Research Groups. The Research Groups will maintain the scientific excellence, which will have impact through the Themes. Board members who did not attend the launch did not have a copy of the leaflet. AP will send a copy to members.</p> <p><b>Action: AP to send launch documentation to Board members</b></p> <p>IG said that he had had a strategy meeting on 25<sup>th</sup> April with a group of younger scientists from both sites, during which he received a very positive response to the strategy. There was some concern expressed over where people would be positioned in the staff matrix. IG said that all projects currently funded would be placed in the matrix.</p> <p>IG said that the next phase would be to work with the two Science Directors to develop the revised strategy document. The science strategy and the implementation plan will be discussed with Scottish Government at a meeting on 1<sup>st</sup> of June.</p> <p>WP asked about the density of skills across the Research Groups. IG said that it varied from group to group. For example in the molecular group there was a bias towards the Dundee site, and in the social, economic and geography group there was a bias towards the Aberdeen site. The others were more evenly mixed.</p> <p>WP asked how the two institutes were being brought together. IG replied that he had used staff from both sites to create the strategy. Although there is bias in some Themes, the skill set will be drawn from both sites.</p> <p><i>3.2 Structure and management</i></p> <p>IG said that the first two science appointments had been made. From Monday 23<sup>rd</sup> May, Dr Bob Ferrier will be the Director of Research Impact and Professor Colin Campbell will be Director of Science Excellence. There had been four applications for each post; three from Aberdeen and one from Dundee in each case. BC had sat on the interview panel for the 'Excellence' post and LM had sat on the panel for the 'Impact' post. IG said that it was made clear to the panel that the appointment would be made based on the best candidate for the post.</p> <p>WP said that he was perplexed that both Science Directors came from the same site, and wondered what the implications would be for change management. IG said that this was a risk management issue. Both Directors will split their time between sites with the initial emphasis on Dundee. IG added that he and KS have made a huge effort to be based at two sites and that the arrangement was working well</p>

	<p>BC said that it was morally indefensible to appoint the wrong person. There was unanimous agreement that appointments should be made on merit alone.</p> <p>AS enquired whether the Science Directors would be present at Board meetings. It was agreed that they would not. AS said that he was not making a case for it but said that it was important staff had close engagement with the Board. RP said that this would be fulfilled through regular presentations by staff members to the Board prior to each meeting and a tour of facilities after the meeting.</p> <p>IG said that advertisements are in place for Theme and Group leaders positions, and that he anticipates a strong team. WP said that these key posts must be managed effectively.</p> <p><i>3.3 Future engagement with ACS</i></p> <p>BC said that the ACS had a short inaugural meeting prior to the Board meeting. It was agreed that a longer meeting was required to flesh out the strategy and to explore methodologies for reviewing the science. The meeting will take place, physically or virtually, by the end of the June/beginning of July, and in time to report to the July board meeting.</p> <p>AS asked if a CEO report could be included in the main board agenda. It was agreed that this would be included in future. RP added that the aim is to evolve towards a structured agenda. He said that it was also good practice to publish portions of the minutes on the website.</p> <p><b>Action: AP to agree with Chair and CEO which portion of the minutes can be uploaded to the website.</b></p>
4	<p><b>Support Strategy Proposal</b></p>
	<p>KS presented the Support Strategy Proposal for information, apologising for its lateness, explaining that everyone was working to tight deadlines. The proposal sets out plans for support services at JHI. There will be unitary administration, called Business Enabling Services (BES) developed from the legacy administrations, across two sites. There is a clear need for leadership in all functions. The leadership team is expected to be in place by the end of September. The first post to be advertised will be Head of HR.</p> <p>AS said that we must ensure the finance appointments are suitably qualified. RP reminded the Board that all staff were TUPE'd to JHI and every effort should be made to place current employees in available posts. KS agreed that JHI had a moral obligation to offer employment, where possible, to staff members, but that ultimately appointments will be made on merit.</p> <p>IG said that he had an Executive team in place which meets weekly, comprising himself, KS, Howard Davies, Bob Ferrier and Phil Taylor. From Monday 23<sup>rd</sup> of May Colin Campbell will join the group. The Senior Management Group with a membership of approximately 30 people meets monthly. This group will be reduced in size but will still represent all functions.</p> <p>The Head of Estates and Facilities will be required to operate between sites. WP said that JHI had an extensive estate and that the successful candidate must be able to strategically manage all units. RP said that JHI needed to take stock of its dispersed estate and decide which parts should be kept and which, if any, released.</p>

	<p>KS said that the role of each member of the functional teams would be clearly aligned with a need to support both the science and the corporate endeavors. Line management would be retained within BES but in some circumstances, it may be better to colocalise BES staff with science groups and themes. Business opportunities, such as that of the Soils Database must happen through the themes. [not sure of context here- can omit probably]</p> <p>SM said that some organisations outsource support services. RP said that JHI was quite clearly exploring the options and a first step is in trying to provide centralised support services. KS said that there were definite opportunities to obtain economies of scale and scope through external sharing of services where we have limited expertise e.g. EU funding administration.</p>
<p><b>5</b></p>	<p><b>Financial</b></p>
	<p>Caz Smith and Carla Kydd joined the meeting.</p> <p><i>5.1 Final 2010-11 outturn for MLURI and SCRI</i></p> <p>Caz apologised for the lateness of the papers. The final outturns for MLURI and SCRI were contained within the tabled report from Henderson Loggie. At 31<sup>st</sup> March 2011 MLURI had a surplus of £434k and SCRI, £571k. These amounts went forward as the basis for the JHI budget.</p> <p><i>5.2 Draft budget 2011-12</i></p> <p>Caz summarised the main points of the supporting documentation. The draft one-year budget is based on those of MLURI and SCRI. Funding of £23.4m from Scottish Government (SG) will provide a sustainable first year financial position. Funding will support Themes 0-8, Underpinning Capacity, Centres of Expertise and Strategic Partnerships, and enough funds to allow for continuity of business for the first three months. £1.441m has been set aside for capital expenditure. External funding is budgeted at £2.429m, of which 50% has been confirmed. On the expenditure side, 60-65% of expenditure is expected to go on salary costs. The JHI procurement policy is expected to glean savings. Existing contract arrangements will shortly go to tender and more favourable terms will be negotiated. IG said that he and KS had recently visited Glensaugh and Hartwood research stations. He said that a review of the research stations needs to be undertaken in the near future.</p> <p>The budget predicts a surplus of over £300k.</p> <p><i>5.3 Development of five year plan</i></p> <p>The next step is to prepare a five year budget plan. As a matter of priority a five year business plan will be prepared to underpin the budget. It should include a plan for establishing savings on salaries. Growing income is not enough to sustain the institute. An integral part of the plan must be to restructure based on a five year vision.</p> <p>IG said that the Executive Team would build the Business Plan. CK said figures in the budget are likely to change due to the new science structure. AS said that JHI must accept financial uncertainties in this transition period. RP suggested the Audit and Finance sub-committee should have a role in looking at the new budget. AS did not think this was practical. RP asked Members to note the papers and draft budget. He requested third quarter accounts be presented to the Board at its meeting in July, along with the budget for the year.</p> <p><b>Action: Executive Team to build the Business Plan.</b></p> <p><b>Action: AP to request annual budget and first quarter accounts for Board meeting in July.</b></p>

	<p><i>5.4 Maintenance schedule and funding bid to RESAS</i>  RP said that a bid would be forwarded to RESAS which took account of our needs across both sites. The bid is in preparation.</p> <p>Caz and Carla left the meeting.</p>
<b>6</b>	<b>Human Resources</b>
	<p><i>6.1 Update on change management programme</i>  KS said that the change management process will be initiated by the event on the 8<sup>th</sup> of June. Debs Slater is currently drafting the change management programme with Alison Cartwright. The emphasis will be on delivering change internally.</p> <p><i>6.2 restructuring programme/possible RESAS funding</i>  £500k is available for one year for restructuring. It is important that KS has Heads of Support Departments in place by the end of September, after which voluntary redundancies will be considered.</p>
<b>7</b>	<b>Commercial subsidiaries</b>
	<p><i>7.1 MSC purchase and future development</i>  It was agreed to support the contract for this going forward. RP will sign the transfer on 31<sup>st</sup> May. There is to be an MSC meeting after the Board meeting.</p> <p><i>7.2 MRS Business Plan</i>  This was tabled, along with the MSC business plan, for information. RP said that he and JB would be attending their first MRS Board meeting soon.  JB asked who is responsible for bringing money into the institute. IG replied that all staff are responsible as well as the two commercial subsidiaries. Theme leaders are responsible for achieving targets. LM warned against staff becoming bogged down in the administrative process whilst being proactive in sourcing funding.  KS said that her intention was to appoint to the Science Support Co-ordinator role in order to remove as much of the administrative burden from the scientists as possible . During a discussion about the internationalisation of research, KS added that support for internationalisation should be embedded within the remit of all BES staff by default and that we should leverage specific expertise from elsewhere as appropriate. For example, the University of Dundee had a strong European team which we may be able to tap into.  IG said that we must ensure that the business plans of both commercial subsidiaries do not compete against each other.  IG said that we must deliver impact and relevance when it comes to international development. He said that he and the other MRP directors share international opportunities with each other. He said that he would identify where the different MRPs work together internationally.  <b>Action: IG to identify where MRPs work together internationally.</b></p>
<b>8</b>	<b>Committee reports</b>
	<p><i>8.1 Audit and Finance</i>  AS said that the Audit and Finance sub-committee met the previous day to consider tenders for the internal and external audit. It was their unanimous decision to appoint Johnson Carmichael as the external auditor and Henderson Loggie as the Internal one. AS recommended to the Board that it approve both companies as auditors to JHI. The Board gave its approval.</p> <p><i>8.2 Remuneration and Nomination</i>  GT said that the function of the committee would be to consider appeals, and</p>

	<p>structure of remuneration for the CEO. He said that the sub-committee would be holding its first meeting that afternoon.</p> <p>BC said that it would be helpful to have the minutes of the MRS and MSC Boards, tabled for information. This was agreed.</p> <p>It was agreed to have a Health and Safety update, to include that of Risk Register at each Board meeting. The Risk Register will be reviewed annually by the Board.</p> <p>SM requested each item be marked 'for information', 'for discussion', 'for approval' etc</p> <p>AS asked that a structure of governance be put in place, whereby decision-making can be made by sub-committees which will flow through to the Board, thus bringing comfort to the rest of the Board.</p> <p><b>Action: AP to request copies of MRS and MSC Board minutes in advance of future Board meetings.</b></p>
<b>9</b>	<b>Governing Board Handbook/Board Code of Conduct</b>
	<p>RP said that the Handbook should be reviewed by the Audit and Finance Committee. KS will prepare a draft Handbook and Code of Conduct to go to the Audit and Finance Committee then to the Board at its meeting in September.</p> <p><b>Action: KS to prepare a draft of the Handbook and Code of Conduct</b></p>
	<b>AOB</b>
	<p><u>Away Day in September</u></p> <p>IG circulated a draft programme for the Away Day in September. He invited comments from Members.</p> <p><b><u>Action: Members to give comments to Karen Shaw on the Away day draft programme.</u></b></p> <p><u>Publication of the Hutton papers</u></p> <p>AW said that he was progressing well with the process of preparing the unpublished Hutton papers. He said that 1,000 pages had been transcribed by a US geologist.</p> <p><u>Board member contracts</u></p> <p>KS said that to ensure legal compliance, she will be circulating individual Board member contracts and asked that they be signed and returned. JB commented that she was unaware that any Board members were being remunerated. RP said that a year ago the then Chairs of the Macaulay and SCRI decided that the Chair and Sub-Committee chairs would be remunerated. KS advised the Board that there would be a change in the mileage payment for private cars in line with BBSRC policy. It would now be 45p a mile. RP asked to see the BBSRC policy document.</p> <p>Action: KS to circulate draft contracts and the BBSRC Employment Code to RP relating to reimbursement of expenses</p>
	<p><b>Date of next meeting:</b>  <b>21st July</b>  <b>Dinner will be held the evening before in Norwood Hall.</b></p>

