



The James Hutton Institute

**BOARD MEETING**

Held at Norwood Hall, Aberdeen  
**22 September 2011, at 17:00h**

**Chair:** Ray Perman (RP)

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

**Apologies:** Alan Werritty (AW), George Thorley GT)

**Attendees:** Iain Gordon (IG)  
Karen Shaw (KS)

**Secretariat:** Anne Pack (AP)

1	<b>Minutes</b> The minutes were approved.
2	<b>Matters arising</b> RP said that the Action Points had either been completed or were covered elsewhere in the minutes. <i>Action Point 9:</i> IG said that he had discussed with Phil Taylor potential stories for the One Show; several had been submitted and we are awaiting the result.
3	<b>Register of Interests</b> No declarations were received.
4	<b>Reports</b> <i>4.1 Chief Executive</i> IG said that following the announcement of the government's budget review earlier in the week, he had had a phone conversation with Valerie Macniven. The funding pot for MRPs has been reduced to £58.7M for the next financial year. There are expected to be incremental decreases over the next few years. As yet there no decision has been made on how funding will be split between the MRPs, SAC and RBGE. IG said that this will be discussed in some detail next day at the Away Day. The facilitator, Dianne

Haley, has prepared several scenarios, including worst-case, for discussion. In order to make savings, it is likely that there will be a mix of voluntary exit applications, and redundancies. IG said that he would be meeting with MRP Directors and SG in separate meetings the following week, at which funding would be part of the agenda.

IG said that the science directors, Bob Ferrier and Colin Campbell, have done a good job in the last few months in ensuring that work continues within the science themes and groups. Bob and Colin recently held an Away Day for Theme and Group Leaders, where roles and responsibilities were identified. Until these are fully delegated, Bob and Colin will continue to shoulder most of the day to day responsibilities.

Bob's role, as Director of Research Impact, is outward looking for the organisation. He is currently working with Phil Taylor to develop a Knowledge Exchange Strategy, which Phil will eventually operationalize.

Bob is also working on an Income Generation Strategy, for which he is engaging with the Theme Leaders and the commercial subsidiaries.

As Director of Science Excellence, Colin is responsible for skills within the organisation to deliver excellent science. He is working with the Group Leaders to develop a manpower plan for the organisation. The Group Leader position of Social, Economic and Geographic Sciences Group was advertised recently.

Colin chairs the institute's student committee. He has collated the studentship stats across the organisation. We currently have 156 PhD students. SG funds studentships by £650k *p.a.* Colin is keen to discuss, with the Board, the possibility of establishing a Post-Graduate School, and how to administer it. The school will ensure students receive quality training, and can be used as a strategic resource in partnerships with other organisations to strengthen relationships. Some Collaborative Awards in Science and Engineering (CASE) studentships are funded by MRS. IG said that it had been decided that The James Hutton Institute would not be a CASE partner but that support may be provided by the commercial subsidiaries. WP suggested that the institute may wish to consider going down the CPD route.

IG said that Potatoes in Practice held on 11 August, one of the institute's main public events, had been well attended. He thanked those members of the Board who attended, particularly Allan Stevenson, who, along with Iain, gave the opening speech. IG said that these were important events, not least because they provided an opportunity for the institute to engage with the industry.

IG asked the Board to note the external funding matrix at the end of the report as he felt it was important to give a funding pipeline. RP asked if we were broadly on track to meet targets. IG said that receipt of funding was erratic but that we were on track. The Ebis system is being implemented slowly. When fully operational it will log details and track stages of each project. A discussion followed about the delay in full implementation of the system. KS explained that it was due to a combination of loss of expertise (with the departure of Caz Smith), workload pressures on the Finance

teams and also significant resistance from certain individuals but that this was now being addressed.

*Update on the Macaulay Development Trust (MDT)*

The Trust's remit is to perpetuate the vision of T. B. Macaulay. IG said that he and Colin attended the meeting of the Board of Trustees of the Macaulay Development Trust on 15<sup>th</sup> September, where they made a presentation about the Institute. It was well received and the meeting was very positive. Historically, MDT has had a relationship with the Macaulay Institute only, and was now going through a process to decide on how to disperse its funding more widely. The MDT chair, Janet Sprent, will discuss with IG some possibilities for a new strategic engagement between The James Hutton Institute and the MDT in due course.

*Update on Mylnefield Trust*

Historically the Mylnefield Trust had received gift aid from MRS. IG said that Nigel Kerby, Managing Director of MRS, used the Trust to finance training for plant breeders, in order to continue producing new varieties. No further money will go into the Trust from The James Hutton Institute. RP added that Ian Ivory, Chairman of the Scottish Society of Crop Research (SSCR) tried to merge SSCR with the Trust.

AS queried this on the basis this ought to be possible and offered to discuss this with Ian Ivory.

**Action: AS to have a discussion with Ian Ivory about the issue of merging SSCR with the Trust.**

*4.1 Chief Operating Officer's Report*

KS tabled a report. The electronic post-box where staff can register an expression of interest in voluntary exit will remain open till the end of October. To date expressions total £300k. It is expected that once leadership appointments have been made, there will be more interest in the scheme.

The Trade Unions are coming to the end of their consultations with members over harmonising working hours, terms of conditions *etc.* Discussions have been held with them over the restructuring of administration.

Professional advisors have been appointed on a one-year contract to negotiate deals on our behalf with energy suppliers. KS said that she would try to keep energy contracts to six months meantime because the rates are so variable.

KS said that she had spoken to Ian McWilliam, SG, about making a maintenance bid for the estate. This will be submitted shortly.

Capital funding of £1m will be released immediately to successful bidders to fund science kit. A further £400k is expected to be released by the end of

	<p>the year.</p> <p>KS said that she would be appointing a Director of Finance on a one-year contract, though may retain that person for longer. This role will provide support to KS. It will be a strategic role with leadership qualities in order to lead and support the financial team, which is currently over-stretched,. The interviews for the Director of Finance, Planning &amp; Governance are to be held on Friday 30th September. The Board asked whether the job had been advertised externally. KS responded that recruitment consultants and agencies specialising in interim appointments had been engaged and as a consequence, some high quality external candidates had been identified.. In addition to that, the incumbent Head of Finance had also been invited to apply.</p>
5	<p><b>Health and Safety</b></p> <p>The report was received for information. In her report, Frances Rowe, Head of Health, Safety, Quality &amp; Environment, requested that a Board member represent the Board on the Health &amp; Safety Committee. At the Board meeting in July, George Thorley volunteered to fill this post. This was approved.</p> <p><b>Action: IG to inform Frances Rowe that George Thorley will be the Board's representative on the H&amp;S Committee.</b></p>
6	<p><b>Human Resources</b></p> <p><i>Change Management</i></p> <p>Scottish Government have supported an organisational change programme in The James Hutton Institute to the value of £100k.IG said that Debs Slater and Alison Cartwright had tendered for change management consultants. A shortlist of 5 was drawn up and a company called Calabor was chosen. A meeting has been held with them to discuss our requirements. Calabor will tailor support and training for designated change champions in order to roll out an organisational change programme over the next 18 months, starting in October. This change programme will include the development of the values of the organisation that will be rewarded through the performance system.</p>
7	<p><b>Commercial subsidiaries</b></p> <p><i>MSC</i></p> <p>The MSC Board draft minutes were received for information. SM said that MSC was currently behind financial target and that by November will ask for a review to determine the full financial situation.</p> <p><b>Action: SM to request a review of MSC's finances.</b></p> <p><i>MRS</i></p> <p>The MRS Board draft minutes were received for information. MRS is currently on budget and on target. The Board expressed concern about its continued association with associate companies e.g. EnPrint. IG said that the Board will meet on 27<sup>th</sup> September at which this would be discussed. LM was queried about her comment in the minutes under No. 7; 2010/11 Final Management Accounts, about income generation</p>

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## **Other Committee Reports**

### *Audit and Finance*

AS said that the Audit & Finance Committee had met earlier in the day. There was representation from the external auditors, Johnson Carmichael and the internal auditors, Henderson Loggie. AS said that they wished to make a material change to our accounting arrangements, including harmonising our accounting policies, for which AS sought the Board's agreement. RP asked for a paper to be submitted to the next Board meeting in November for consideration.

AS said that the committee would not continue to revalue buildings and that £29m will be written off the balance sheet for land and buildings.

AS said that the risk register for the two sites had been drafted. This will go to the next Board meeting. He added that an audit needs assessment will be carried out, and that the assessor will consider the risk register. AS said that it would be useful to include an internal audit plan. Year 1 has already been agreed in terms of the accounting system, HR etc.

**Action: AS to prepare paper on new accounting arrangements to the Board meeting on 22<sup>nd</sup> November.**

**Action: AS to prepare risk register for meeting on 22<sup>nd</sup> November.**

### *Nominations and Remuneration*

GT had prepared a draft CEO performance objectives paper. The Board were asked to note it. RP said that he would appraise IG and make a recommendation to the Nominations and Remuneration committee.

### *Advisory Committee for Science*

BC reported a very positive response to the proposal for a 'buddy' system. The returns revealed a good spread of support across the themes. This will be discussed at the next meeting of the committee, which will hopefully be held within a month, after which a paper will go to the Board. BC proposed that Knowledge Exchange (KE) comes under the remit of ACS.

**Action: BC to prepare a paper on the 'buddy' system for the next Board meeting.**

AS suggested the Board looks at how it approaches quality of science in terms of audit. RP said that this was a risk area and that the internal auditors be asked how to address it. RP suggested the internal auditors and the chair of the Advisory Committee for Science have an annual meeting to discuss.

**Action: BC to arrange annual meeting with internal auditors to discuss quality of science risk.**

AS said that a corporate governance handbook had previously been discussed and that this needs to be put in place soon.

**Action: AS, KS and the internal auditors to meet to plan the contents of a corporate governance document for the JHI.**

GS asked the Board to note that the Scottish Science Advisory Council (SSAC) of which he is a Board member, had produced a large ecological

	and biological map of Scotland, which may be useful to the institute. IG said that Colin Campbell had made a bid to SG to fund a similar atlas.
9	<p><b>AOB</b></p> <p>IG reported that Kirsty Blackstock had recently been elected to Young Scientist of the Royal Society of Edinburgh. This is a very competitive field. The Board asked that its congratulations be conveyed to Kirsty.</p> <p><b>Action: IG to forward the Board's congratulations to Kirsty Blackstock.</b></p> <p>AP told the Board she was compiling a corporate calendar of board and corporate meeting dates. This will be included in the November Board papers.</p> <p><b>Action: AP to include corporate calendar in Board papers for 22<sup>nd</sup> November.</b></p>