



The James Hutton Institute

BOARD MEETING

Held at Craigiebuckler
23rd May 2012, at 09:00

Chair: Ray Perman (RP)

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

Apologies: Alan Werritty (AW)

Attendees: Iain Gordon (IG)
 Karen Shaw (KS)
 David McKeran (DM), Graham Young (GY), MATRIX (**Item 5**)
 Catriona Blake (CB) (**Item 6**)
 Colin Campbell (CC) (**Item 7**)

Secretariat: Anne Pack (AP)

	<p>Closed session Following a presentation by GT on a draft Performance Management Framework for the CEO for 2012/13 (previously circulated) the Board agreed the Framework subject to a number of alterations in emphasis and authorised RP and GT to hold an early meeting with the CEO to outline the Board's CEO Performance Framework for 2012/13</p>
1	<p>Minutes The minutes were approved subject to one minor correction.</p>
2	<p>Register of Interests There were none reported.</p>
3	<p>Matters arising <i>Action Point 9: IG to meet with organisations that provided feedback on the strategy.</i> IG said that he had met with all concerned and that their comments would be incorporated in the strategy document which would be made available on the intranet.</p>

	<p><i>Action Point 14: Revised Corporate Governance paper to be submitted for approval at May Board meeting.</i></p> <p>RP said that he was still receiving comments and would present that paper to the July meeting.</p> <p>Action: RP to present Corporate Governance paper to July meeting.</p> <p><i>Action Point 19: Farms – updated risk assessment.</i></p> <p>AS said that the point had been marked as ‘done’ but that he had received no report on it . IG added that Frances Rowe had been round all farms to conduct audits on them.</p> <p>KS said that a farm risk register will be created that will feed into the corporate risk register.</p> <p>Other action points were either completed or dealt with elsewhere in the agenda.</p>
<p>4.1</p>	<p>Chief Executive’s report</p> <p><i>Scottish Government</i></p> <p>IG said that we were still in the final stages of the VE scheme. Eleven staff have been accepted for VE, at a cost of £240K, resulting in future savings of £516K. JB asked that of the number of scientists who requested VE, how many were accepted and did this constitute the majority. IG said that 3 or 4 were declined for various reasons, including loss of a range of skills, or that those members of staff already had other jobs lined up. IG confirmed that the vast majority who requested VE, were successful.</p> <p>The replacement for Maggie Gill has been appointed. Professor Louise Heathwaite from Lancaster University, who starts in September, is already known to us as she was part of the Visiting Group to the Macaulay Land Use Research Institute in 2003. IG said that he had sent congratulations to her.</p> <p>Professor Ian Boyd, has been appointed Chief Scientific Adviser to Defra. He takes up post in September and is currently at St Andrews University. IG, who has known Professor Boyd for some years, said that he and CC met with him last week. IG reported that Professor Boyd will be pushing for a more joined up approach by Defra.</p> <p>IG said that it was important for the institute that he forms such relationships in order for us to be involved in helping set the agenda for any new strategies that are to be developed and ensure that they align with our corporate strategy where possible.</p> <p><i>Development of new collaborations and partnerships with key institutions</i></p> <p><i>Aberdeen University and Dundee University</i></p> <p>Discussions continue with the Universities of Aberdeen and Dundee, but there is nothing to report in relation to the Environmental and Food Security Initiative due to one of the key people involved in Aberdeen being on sick leave following major surgery. She has only recently returned so the initiative will shortly begin to progress. Howard Davies, Bob Ferrier, Colin Campbell and Steve Albon are involved in that initiative. We are still waiting for finalisation of two joint positions between ourselves and Dundee University. They will be on a 50:50 basis.</p>

Forest Research (FR). We now have a final Partnership Agreement in place with FR. This will be signed off by IG and James Pendlebury, CEO at a suitable event. Individual scientists at the institute are already engaged with FR. We felt it was important to formalise a partnership with FR as it is the prime engagement mechanism between UK and EU as far as forestry research is concerned.

WP asked if there were any conversations taking place about the Research Excellence Framework. IG said that was not the case at an institutional basis but was being done on an individual by individual basis.

IG said that he would prepare a paper for the July meeting.

Action: IG to prepare a paper on the institute's relationship to REF for the July meeting.

PEER (Partnership for European Environmental Research) is a coalition of the largest European research institutions involved in environmental research. We have been asked to make a case for membership at their next Board meeting, in October, at the Centre of Ecology & Hydrology (CEH). Currently CEH is the only UK member.

Our Future Our Vales (OFOV)

IG reported that the programme is going very successfully. External consultants have been working with staff to develop values. There have been a number of workshops including two big workshops at the beginning of May. Over 250 staff were involved. Five values have been adopted for the institute:

- *We respect and value our people and the people we engage with*
- *We want to make a difference*
- *We strive to be excellent in everything we do*
- *We lead by example*
- *We foster creativity and innovation*

Alison Cartwright (AC) will work with the Facilitators to develop a programme for getting values to the organisation. IG said that he would ask AC to make a presentation to the Board

Action: IG to ask AC to make a presentation on OFOV to the Board in July.

RP asked about the amount of interaction taking place between sites and how is that integration going with regards to culture. There is a lot more engagement now between sites and that will continue to grow, though not everyone will be involved. IG said that the OFOV process has brought people together. IG said that he believed the process has been good for staff morale. IG added that we would create processes and procedures to develop ways of translating the values into behaviours and actions.

The seed corn projects and studentship projects also bring people together and would help cement longer term relationships. In June the Dundee site is holding three consecutive Open Days; one of which will be purely for staff.

Bonus awards

IG said that BBSRC are currently awaiting guidance from BIS on senior staff bonus awards, and until that time, we cannot begin to build a case. GT said that we were

scheduled to report on bonus awards at the July meeting.

Action: A report on Bonus Awards will be presented at the July meeting.

Director of Research Impact

As part of research management procedures, a big effort is currently going into research planning, particularly for RESAS funded research. The information in the plans will aid with project management at Theme level and resource allocation at Group level. Research Plans are being consolidated to manage the delivery of RESAS programme more effectively and to identify staff resources that do not receive RESAS funding.

JB sought reassurance on the connection between the commercial subsidiaries and current resource planning as she had concerns that things are getting out of kilter. The Theme Leaders are having conversations with Nigel Kerby and Bill Donald (in Bill's case also Andy Midwood who is the Environmental and Biochemical Sciences Group Leader) on how we can most effectively engage with the commercial subsidiaries to deliver our Income Generation Strategy. A review of the commercial subsidiaries, which will take place later in the year, has to sit within where we want to go as an organisation and to deliver our science.

IG said that Bob is currently attending Green Week in Brussels. The focus is on Water, and Bob is the Director of Centre of Expertise (CoE) for Water. Scotland has a big water agenda and we have recently provided a response to the consultation on the Government's HydroNation Bill.

Director of Science Excellence

IG said that publications remain consistent, with a number of different submissions in high impact journals *e.g.* Nature. IG said that CC would give a presentation on the Postgraduate School, later in the meeting. IG thanked LM for spending two days helping with the Postgraduate student competition recently. Four of the winners will go forward to represent the institute at the national Main Research Providers' student competition hosted by SAC in June.

GS suggested that IG may wish to provide a short document for each Board meeting that included a small sample of the titles of any high quality, recently published papers from the institute, perhaps highlighting key features /impact. This type of simple short report was used in other institutes and Board members might find this quick summary very informative as it would regularly flag up our "best" paper outputs and reflect the scientific health of the institute.

Action: IG to identify sample papers to include in future Board meeting.

Head of Communications

IG said that we would reduce the frequency of the internal newsletters due to the increased pressure on the time of staff in the Communications team over the summer period. The 8-page supplement in the Courier and Press & Journal, to celebrate the first anniversary of the institute, was very well received and gleaned

	<p>many favourable compliments from out-with the institute. It was regrettable that it coincided with a negative report in the Press & Journal and the Courier, based on an email from KS to all staff that was leaked to a reporter. IG said that he, RP and Phil Taylor (PT) had a good meeting with the directors of D C Thomson. It transpired the press feel they are not engaged enough with the institute and plans are being developed to reverse this impression. IG to ask PT to increase engagement between the institute and members of the press.</p> <p>Action: IG to ask PT to increase the institute’s engagement with the press.</p> <p>IG gave a distillation of the events surrounding the leaked email for the benefit of Board members and it was agreed that a copy of the email, newspaper report and rebuttal would be circulated.</p> <p>Action: AP to circulate a copy of the leaked email, newspaper report and rebuttal to Board members.</p> <p>IG said that he had reported the matter before it was published, to SG, who were not concerned. IG said that staff were in the main upset that someone had chosen to leak the email.</p> <p>LM requested that copies of press articles be sent to Board members as a matter of routine, so that they were aware of such reports. RP asked that this be done on a monthly basis.</p> <p>Action: IG to ask PT to prepare a monthly press article leaflet for Board Members.</p> <p>Action: AP to arrange for monthly press articles to be circulated to Board members.</p>
4.2	<p>Chief Operating Officer’s Report</p> <p>KS invited questions on the report. JB asked if there were timelines for the recruitment issues. KS said that Claire MacLeod of Active Executive Capital - recruitment consultants had been retained to undertake a candidate search and to advertise the posts involved. The deadline for application is the end of May. Interviews will take place on or after the 9th July. KS said that she was forming the interview panel and would be grateful to have Board representation on the panel.</p>
5	<p>Report on SAC consultation</p> <p>The Board had a discussion of a consultation document describing the pros and cons of the Institute forming a closer working relationship with SAC on research and KE.</p> <p>RP asked IG to prepare a proposal, after discussion with the Executive, that meets the Institute’s objectives, and to bring the proposal to a future Board meeting.</p> <p>Action: IG to prepare a discussion document on the working relationship with SAC, which will be consistent with our strategy, for a future Board meeting.</p>

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Audit & Finance Report

CB joined the meeting. KS introduced CB and said that she had joined us as Interim Finance Director for a minimum of 3 months and maximum of 6 months, with a remit to deliver the 2011-12 year-end audit outcomes, provide a 2012/13 budget and to get us to a state of monthly management account reporting.

CB introduced the budget commentary paper and two appendices, containing details of the revised draft budget, and comparative figures for the provisional 2011-12 out-turn and the original and revised 2012-13 draft budget. CB said that this has been a very difficult year end, as expected. Year-end adjustments are still being made, so the 2011-12 figures are provisional. CB said that she had made changes to the layout and terminology of the budget that was presented to the Board in March, making it cleaner and simpler. The main body of the budget is for the main James Hutton Institute Company, with subsidiary figures separately, with a total for the Group.

Most significant substantive changes are in pay costs and in external contracts. Following VE departures, the April payroll was stable and has therefore been used to derive pay budgets. In total the pay budget is £3.5m higher than the original budget, with the increase mainly under the science heading. The science non-pay budgets are £3.2m lower than those stated in the March figures (consumable and other non-pay items). This latter figure is a risk area and CB said that she would meet with BF and CC and work through where they want to allocate that non-pay budget to and put in place strong control and monitoring processes to ensure we stay within the overall envelope. Problems will be reported back to the Board through the management accounts.

External contract income has been set lower than in the original 2012-13 budget and has been set at last year's level. Inter-company income has also been set at last year's level. An overhaul of the overhead recovery mechanism will take place in the next few months.

The draft budget has a surplus of £95K in the James Hutton Institute Company and £253k in the James Hutton Institute Group. CB said that the outturn figure for 2011-12 should be around breakeven. CB added that it is currently difficult to get management information out of the financial system because the coding system hasn't yet settled down.

RP asked if we were getting a paper on cost savings. KS said she felt that it was too soon to do that.

RP asked when it was expected that the audit would be complete. CB said that the meeting of the Audit & Finance committee originally scheduled for the 18th of June, was expected to be delayed, but would expect the audit to be complete by late June.

RP asked when the provision of regular monthly management accounts was

	<p>expected. CB said that Period 2 management accounts, including commercial subsidiaries, (though not fully detailed) would be provided by late June.</p> <p>The Board approved the budget, with a degree of concern, due to the ongoing uncertainties still with the Finance Department.</p> <p>IG said that CB and the finance team have worked incredibly hard to get to this point and that that should be acknowledged. The Board added their thanks to the finance team.</p>
7	<p>Advisory Committee on Science (ACS) <i>Science Reviews</i></p> <p>BC invited CC to speak to the first of the science reviews, for Ecological Sciences, and present the plans that he and AP had prepared for the scheduling of the suite of reviews. BC said that it had taken longer than anticipated to begin the process, mainly because of the difficulties in securing the services of a senior ecologist to chair the review panel. BC reported that the panel is now in place, namely:</p> <p>Professor Mark Hunter (chair) University of Michigan Professor Tim Benton, University of Leeds Professor Alan Watt, CEH Prof dr ir. Wim H. van der Putten, Wageningen</p> <p>The review will take place 9 – 11 October at the Aberdeen site.</p> <p>CC gave a brief presentation of the detailed arrangements that are in place for the first review, what it will cover, and who will be involved. CC also gave outline arrangements for the rest of the reviews. It is planned to complete the process of review by the end of 2013, in advance of the RESAS mid-programme review during the summer of 2014.</p> <p><i>Post Graduate School</i></p> <p>CC gave a brief update on the rationale, current status, and funding options for the proposed Post Graduate School. Such a school would provide training skills and disciplines central to our strategic objectives, and would help to fill skills gaps in areas of socio economics and bioinformatics, where there is huge demand. Further, it would augment existing areas, adding value to them. It would provide useful networks, through universities, co-supervisors and through alumni. Former PhD students are in important positions around the globe. Early career scientists will have opportunities to gain experience of supervising and developing students. GS suggested inviting previous students to give a seminar, and talk to current students as exemplars of successful Institute alumni who had gone through the Post Graduate school (or the equivalent in the legacy institutes)..</p> <p>The institute currently has 121 students registered for a PhD, with some in the</p>

	<p>process of writing up. We have a 100% completion rate. Of those students, 51 are based off-site. Invergowrie had 49 students on-site, and Craigiebuckler has 10, demonstrating that the Macaulay institute was not investing in students pre-merger.</p> <p>CC said that the well balanced PhD committee, of which he was Director, reported to IG, then the Governing Board. The committee comprised membership drawn from student representatives, staff from the science groups, an administrator, and postgraduate liaison officers offering pastoral care. It costs £88K to administer the Post Graduate studentship programme. CC provided details of funding models.</p> <p>BC asked for critical questions to be sent to him for greater discussion at the ACS in the afternoon.</p> <p><i>Mentoring</i> This was held over till the July meeting.</p>
<p>8</p>	<p>Commercial subsidiaries</p> <p>The MSC paper was received for information.</p> <p>The MRS minutes were received for information. RP said that MRS was having had a good year. A Strategy away day is planned for September.</p> <p>Review of subsidiaries will take place in the summer, in advance of the Away Day. SM raised concern that the FEC exercise to determine current cost allocation should be completed before the review of subsidiaries takes place.</p> <p>RP said that he would leave it to IG’s judgement to arrange the date of review. IG said that he would discuss this with KS and CB and come to a decision.</p> <p>Action: IG/KS and CB to discuss the timing of the review of the commercial subsidiaries.</p>
<p>9</p>	<p>Health and Safety</p> <p>GT said that he met with Frances Rowe (FR) the previous day. FR provided GT with a long list of issues, all of which had been generated by individuals, thus demonstrating the health and safety concept is well embedded in the culture of the institute. None of the issues was outstanding. GT asked to see only the outstanding issues in future, reflecting a risk register approach. GT said that he was keen to see a risk register showing the 350 assessments, with risk ratings, and evidence of actions taken to reduce that rating. To prevent litigation our processes and procedures must demonstrate that we have taken the necessary precautions, by, e.g., providing training for staff on safe practices.</p>
<p>10</p>	<p>Land purchase</p> <p>RP said that Euan Caldwell had made a good case on why the land near Balruddery would be a good purchase on a science basis but would have preferred that the report included a cost-benefit analysis. AS suggested engaging a land agent to prepare a proper assessment. RP said that we should explore the case further by</p>

	<p>engaging a land agent to give a detailed assessment of the land with a guide on price, the results of which will be circulated to members before the next meeting. By the next board meeting it is intended to have a business plan with rationale, and funding suggestions. There have been 10 notes of interest in the land. It was agreed that the institute should go through due process rather than rushing into a purchase.</p> <p>Action: KS to engage a land agent to find out cost of the land.</p> <p>Action: KS to develop a business case with pros and cons, financial terms and suggestions as to how the purchase can be funded, if it was deemed worth buying.</p>
<p>11</p>	<p>AOB</p> <p>SM reiterated previous concerns that the institute is investing in a brand, yet internally and externally, it was consistently being misused by abbreviating it to JHI. He requested an executive direction on how to address this. IG said that he would ask PT to communicate this wish effectively.</p> <p>Action: IG to ask PT to ask his team to communicate the message that the use of the acronym JHI is destroying our brand.</p> <p>RP commended the BioSS report to the Board.</p>