



The James Hutton Institute

BOARD MEETING

The Board Room, Invergowrie

18th July 2012, at 09:00

Chair: Ray Perman (RP)

Board members: Brian Clark (BC) Allan Stevenson (AS)
 Laura Meagher (LM) George Thorley GT
 Wayne Powell (WP) Sandy Morrison (SM)
 George Salmond (GS) Alan Werritty (AW)

Apologies: David Boxer (DB)
 Julia Brown (JB)

Attendees: Iain Gordon (IG)
 Karen Shaw (KS)
 Catriona Blake (CB) (**Item 6.1**)
 Bob Ferrier (BF) (**Item 8.1**)
 Alison Cartwright (AC) (**Item 12**)

Secretariat: Anne Pack (AP)

	<p>Closed session Members of the Board. Performance Bonus Awards for 2011/12 for Band 2 Staff</p> <p>Following discussions the Board agreed the recommendations made by the Nomination and Remuneration Committee meeting of 17 July 2012.</p>
1	<p>Apologies Apologies were received from David Boxer (DB) and Julia Brown (JB).</p>
2	<p>Register of Interests There were none reported.</p>
3	<p>Minutes The minutes of the meeting held on 23rd of May were approved subject to one minor correction</p>
4	<p>Matters arising <i>Action Point 2: IG to prepare a paper on the institute's relationship to REF for the July meeting.</i></p>

	<p>IG said that this was in progress; that he was in conversation with colleagues, and that he needs to have a conversation directly with Scottish Government before a paper can be prepared. This will come to a future Board meeting.</p> <p><i>Action Point 6: IG to talk to Phil Taylor about closer engagement with the media.</i> IG said that this had been done. IG said that the Board will have received a media report by email, and will be aware that there is a lot of engagement with the media.</p> <p>Other action points were either completed or dealt with elsewhere in the agenda.</p>
5.1	<p>Chief Executive's report This report was provided for information.</p> <p><i>Scottish Government</i> IG reported recently attending a RESAS Strategic Research Programme Board meeting to discuss first year reporting on RESAS funded projects. There was a positive response from RESAS concerning delivery of research across the Research Programmes, Centres of Expertise, Strategic Partnerships and Underpinning Capacity. The only slight concern was in the socio-economic component. IG said that the recruitment of a new Head of the Social, Economic and Geographic Sciences Group (SEGS) was imminent. Additionally, five new appointments have been approved in SEGS.</p> <p><i>Upgrade of facilities at the Dundee site</i> Dr Rebekah Widdowfield, Scottish Government, has been provided with previously-prepared site plans of the Dundee site. Rebekah and IG will form a working group to draft up-to-date plans to support funding requests for the upgrade.</p> <p><i>Application to become a member of the Scottish Science Advisory Committee</i> IG reported that subsequent to his application, he had been advised that he had not been successful in this round, but would apply again next year.</p> <p><i>Development of new collaborations and partnerships with key institutions</i> SAC IG said that Matrix, business growth consultants, had revised their draft report following comments at the last Board meeting. IG and Bob Webb had a productive meeting to whiteboard potential options for closer collaboration which will be discussed at a wider, senior management group from the James Hutton Institute and SAC, in October. This will lead to an options appraisal that will be presented to the respective Boards of the two organisations. WP felt that this was a good opportunity for the institute. Action: IG to explore, with Bob Webb, future partnerships and collaboration with SAC.</p> <p><i>Universities of Aberdeen and Dundee</i> IG said that he would be having a telephone conference with Professor Ian Diamond the following day to move things forward for our joint engagement with the Universities of Aberdeen and Dundee. Professor Deb Roberts, an employee at the University of Aberdeen, will be interviewed on the 7th of August for Head of Social,</p>

Economics and Geographic Sciences Group as a joint appointment. The delay in interview is because Professor Roberts is going through the process of becoming a professor at the university and we did not want to jeopardise that.

Forest Research (FR) The Statement of Intent for the Strategic Partnership with FR is now complete. We are aiming to have a high profile launch in the autumn.

IG said that he was pleased to pass on the good news that Edgar Huitema and Jorunn Bos had been successful in receiving prestigious ERC Fellowships. The Board asked that congratulations be passed to Edgar and Jorunn on its behalf.

Action: IG to pass on the Board's congratulations to Edgar Huitema and Jorunn Bos on successfully receiving ERC Fellowships.

SM said that after receiving the BioSS Biennial Report at the last meeting he has since read it and asked that his congratulations be forwarded to BioSS for an extremely well written report. SM asked that positive feedback be given to David Elston and his colleagues.

Action: IG to pass on the Board's congratulations to David Elston for a very well written BioSS Biennial Report.

Director of Research Impact

As part of continued development of our European Strategy, a series of proposals for the forthcoming calls in the EU and KBBE are being developed with partners and collaborators. Mentoring is being provided in proposal preparation. Discussions have taken place with Scotland Europa to expand opportunities for the institute and commercial activities.

Professor Robbie Waugh has been appointed to the Board of the European Plant Science Organisation, an important and influential group. Professor Bob Ferrier has been appointed to the Science and Technology Board of the European Joint Programme Initiative on Water Challenges for a Changing World. Professor Derek Stewart is in negotiations to have a salaried position with Bioforsk, the Norwegian equivalent of the Scottish MRP system, thus facilitating access to substantial funds from the Norwegian research council.

The first cross-institute Research Planning exercise has just been completed. It has been a substantial task but will form the basis for planning and delivery of Institute research.

Director of Science Excellence

Publications have increased from 194 to 243 papers from the previous report. Nineteen papers were selected as examples of good quality papers, and listed in the Director of Science Excellence's report. GS said that he found it helpful to have the list. It gives a flavour for the productivity within the James Hutton Institute.

Science Group leaders have finalised Group implementation plans and the Farm

	<p>Managers have drafted the Research Station Implementation Plans. After review by the Research Management Group, the plans will go to the Board in September.</p> <p>An offer has been made to a further three students on the reserve list for joint studentships. The Post Graduate Studentship Committee considered feedback from the Board at its last meeting and will incorporate many of the ideas suggested, including greater contact and involvement with alumni, and ways to have more cross site meetings. At this year's annual inter-institute postgraduate student competition, the James Hutton Institute students faced stiff competition, and although none were placed, they performed very well.</p> <p>Thirteen positions have been approved for Voluntary Exit in the Science Groups. Several posts, identified in the Group Implementation Plans have been approved.</p> <p>The HR committee discussed the Institute's approach to the RSE Inquiry on Women in STEM. An internal Working Group will review and recommend the practices required to meet the Athena SWAN Silver Award as recommended by the RSE Report. IG said that the head of Athena SWAN was coming to the institute to talk about the process.</p> <p>Seventeen out of twenty promotion cases are going forward to the Scottish Promotions Panel.</p> <p><i>Head of Communications</i></p> <p>Communications reported a busy period during which the Institute hosted three major events, and participated in several others. Media interest gleaned, was included in the media report circulated to the Board earlier in the month. The Institute's presence at the Royal Highland Show was, for the first time, at the Institute's own corporate stand.</p>
5.2	<p>Chief Operating Officer's Report</p> <p>This report was provided for information.</p> <p>KS said that repopulation of the BES Divisions is almost complete. Within the last two weeks interviews took place for the Head of Research Support, and KS was happy to report that the position has been offered to, and accepted by, Caroline Crichton, who is a Senior Business Development Manager from the University of Dundee. She comes with a broad experience in research support.</p> <p>Four candidates were short-listed for the Head of Finance. One candidate withdrew the evening before interview. The three remaining candidates were all deemed appointable and the post was offered to Elizabeth Corcoran, a Chartered Accountant, and very familiar with the funding environment. AS asked KS to clarify her statement about her concerns over the resource requirements to repopulate BES. KS explained that there was an internal recruitment process to go through which disadvantaged BES in terms of expediency particularly because BES was still transitioning within the new Institute. IG said that the process actually protects BES, against criticism concerning the broader justification of new recruitments.</p>

The legal process for winding up the legacy institutes is expected to begin shortly with the aim of completing the process this financial year.

Purchase details of Lot 1, Berryhill Farm were discussed. SM said that he would have preferred a better contextual plan to facilitate a more informed decision by the Board, as there was no reference in the strategic plan that we had insufficient agricultural land to execute the agreed RESAS sustainability programme. SM also disliked the fact that there was no opportunity for the Board to interact with each other. Comments by individual Board members to the Chair, was not in SM's opinion, a good enough process. Tele-conferencing in future should be considered. RP explained that the opportunity to purchase the land had come between meetings and that a decision had to be reached quickly in these special circumstances. RP had canvassed Board members, who responded quickly, with the majority in favour of the purchase. RP said that he then expressed some concern with the way the process had been handled, and hoped that in future, the Board would receive adequate paperwork and longer to consider these things, so that an informed Board decision could be reached. GT said that he supports the process taken in this instance of approaching the Board between meetings, as on occasion happens. The Board was able to respond quickly, thus relieving the Management team of making such a decision.

The bid of £1,012,000 was accepted. The amount was later reduced to £1,009,500 due to a sales particulars error. RP made the point that no decision has been taken on financing the purchase. KS received an illustration from the Clydesdale Bank on what a mortgage would be for the full amounts, but we are hopeful of getting contributions which will considerably reduce that *e.g.* Gift Aid from MRS, which has been agreed by the MRS Board. A discussion has still to take place on whether to approach the Mylnefield and Macaulay Trusts, for a contribution, and also whether it is worth approaching outside trusts. RP urged caution in applying for funding for this relatively small amount from external charitable trusts, as we need to consider the possibility of applying for larger amounts to fund larger projects in the future, and whether this would jeopardise that. These details are currently being worked out and will be provided to the Board at its meeting in September. The deposit is likely to be due in October.

AS asked if the Board could be advised of the outcome of the review of farms/research stations, before we make decision about how we raise the funding for Berryhill.

IG said that Colin Campbell (CC) was expected to table the report on the review of the farms/research stations at the September Board meeting.

KS said that a plot of land we own at Lonsdale was being considered for sale, which would provide part of the deposit for Berryhill. KS said that Lonsdale was currently not being used, and was no longer fit for purpose. KS said that the institute seeks the Board's permission to instigate a sale. RP said that it would be helpful to have a professional opinion on how saleable that land is and what the expected price might be. KS said that this information had already been obtained from the land agents and that she believed the adjacent land owner was an interested buyer. The Board requested that there should not be a decision made about selling Lonsdale until the review of the farms/research stations was completed. IG stated that

	<p>Lonsdale will be included in the review of farms/research stations, as part of the estate. AS said that the institute had sufficient funds for the deposit to not have to rely on the sale of Lonsdale right now.</p> <p>IG said that the Executive team would find it helpful if the Board were to provide advice on what information is required in such circumstances in the future. SM offered to make a suggestion of things to be covered in future capital proposals, and that this should then be considered by the Audit & Finance committee to glean their advice.</p> <p>Action: details of the financing recommendation for the purchase of Lot 1, Berryhill Farm to go to the Board at its meeting in September and the implications for meeting the P&L targets.</p> <p>Action: CC to provide the review of farms report for the September Board meeting.</p> <p>Action: SM to send his capital proposal suggestion to KS.</p>
6	<p>Audit & Finance Report</p> <p>CB joined the meeting and spoke to the Management Accounts, which were tabled. CB asked the Board to note that the Finance Team are now working to a standard timetable which ensures accounts are available to the Executive Team by the 11th working day of the month, which is a major step forward. Period 3 accounts show a surplus to date of £30k, for the institute and £121k for the Group. The numbers are broadly in line with the budget to date, but there are variances under budget headings, notably income from external contracts and inter-company charges to MRS are tracking behind budget. On external contracts there are 16 major grants, mainly EU and research council grants which we have contracts for but which have not yet started. These are expected to generate between £600k and £700K this financial year. The Institute is on track to meet its external earnings budget target of £5.3m. The Board have however, repeatedly asked for a regular update of the overall picture of research grants (actual/budget) for the rolling 3 year period with the Quarterly Management Accounts. This was agreed.</p> <p>Action: CB/KS to ensure regular update of the overall picture of research grants (actual/budget) for the rolling 3 year period with the Quarterly Management Accounts.</p> <p>Expenditure – budgets for science non-pay and PhD students have all been phased to reflect lower levels of actual spend. On the subsidiaries, MRS Ltd has shown a net profit of £87k for the 3 months, ahead of budget. CB said that she would investigate the MRS Ltd figures because they are not consistent, nor as expected. MSC Ltd has delivered a small net profit, behind budget, but new overhead rates are being finalised, and that is expected to improve the bottom line.</p> <p>GT asked if the adjustments to MSC Ltd reflect an inconsistency in our charging out policy. CB said that it may be necessary to create a balance between charging overheads consistently, and taking account of category costs that don't apply to</p>

	<p>certain income streams.</p> <p>WP raised the question of VAT recovery which is available for research activity of farm business. AS said that zero rating VAT applied for certain farm activities, and that this required clarity. CB said that she would investigate VAT on farm activities.</p> <p>Action: CB to investigate VAT on farm activities.</p> <p>RP asked CB for an update on the statutory accounts. CB said that she and KS had met with Johnson Carmichael last week for an audit close meeting, at which they received the draft statutory accounts. All the emergent issues were either resolved at the meeting, or between Fiona Kennedy and CB since then.</p> <p>CB reported that the Institute is being permitted to carry forward into the next financial year, £500k of RESAS income.</p> <p>GS referred to the earlier discussion and highlighted the fact that we have a diverse research portfolio funded through a number of routes e.g. RC, EU. He recalled that we were on a time limit in our ability to apply to BBSRC funding and wondered when that would come to an end. IG said that Professor Louise Heathwaite is taking over as Scientific Advisor to the Environment and Agriculture portfolio at the Scottish Government. We are advised that Louise is the person who will negotiate on behalf of Scottish Government for our eligibility to apply for BBSRC & NERC funding. She takes up post in September. IG said that he has scheduled a phone call with her on Friday at which he will emphasise that this is a significant part of her portfolio as far as delivery for us as the MRPs are concerned. Additionally a meeting has been arranged between IG, Louise and Duncan William, Head of NERC to create a similar arrangement with NERC.</p> <p>GT queried the reserves target of holding sufficient net assets to cover four months' pay costs and wondered if that was an appropriate amount. RP advised asking the Audit & Finance meeting to consider and make a recommendation. AS said that in his experience, it varied. AS suggested that an adjustment be made to the balance sheet to show the net cash. RP said that this issue would go to the next Audit & Finance meeting and ask them to make a recommendation to the Board. RP gave his thanks to CB and the Finance department for their hard work in producing regular financial updates.</p> <p>Action: Audit & Finance Committee to advise on whether four months net current assets was an appropriate amount.</p> <p>Action: Audit & Finance Committee to discuss at its next meeting an adjustment to the balance sheet to show more detail under net current assets. A recommendation to be made to the Board at its next meeting.</p> <p>CB left the meeting.</p>
7	Advisory Committee on Science (ACS)

Science Reviews

BC reported that following the ACS meeting he would give a verbal update. Preparations for the review of Ecological Sciences are progressing well. For ease of reference, the Board is reminded of the panel's composition:

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

The review will take place 9 – 11 October at the Aberdeen site.

BC said that when the programme has been finalised the Board will be invited to a dinner to meet the panel, and possibly to the final deliberations. Professor Hunter has arrived in Scotland for a sabbatical. BC, IG and Colin Campbell will meet with him, soon, to provide further details on the objectives and desired outcomes of the review.

Action: BC, IG and CC to meet with Professor Mark Hunter, to provide further details on the objectives and desired outcomes of the review of Ecological Sciences.

The next Group to be reviewed is Environmental and Biological Sciences (EBS). At its meeting the previous evening, the ACS had agreed on who it would invite as a chair, with someone in reserve.

BC appealed to the Board to make suggestions for the following review, that of Cell and Molecular Sciences (CMS). BC said that most suggestions were for academics and that he would welcome suggestions in the non-academic arena.

Action: Members to provide suggestions, in the non-academic arena, as well as the academic arena, for potential panel members for the second review, of Cell and Molecular Sciences.

BC said the good progress was being made on the Post Graduate School.

The ACS also looked at metrics to measure the quality of the institute. This item requires wider discussion, and members of the full Board will be invited to such a dedicated meeting to discuss whether the existing system about what constitutes merit is the right one and how we can develop it.

Mentoring

BC said that the mentoring scheme was introduced in December 2011, and is therefore still in its infancy, but invited comment on the service to date. Several members reported having meetings and felt they had been helpful. IG said that he provided individual mentoring on a monthly basis to all Science Group, and Theme Leaders. He said that feedback on the Board's mentoring scheme had been positive, and staff were encouraged that the Board is taking an interest in their activities. BC said that formal feedback from both sides would be sought in the spring.

	<p>Action: feedback from both sides on the mentoring process to go to the March Board meeting.</p>
8	<p>Commercial subsidiaries</p> <p>8.1 Review of Commercial Subsidiaries</p> <p>AW suggested encouraging the Theme Leaders and Science Group Leaders to be more entrepreneurial, by building a skill base which cascades down the team. BF said that he was trying to help the culture within the organisation, by improving such internal processes. He added that a support system within the Themes is being implemented, in order to enhance income generation.</p> <p>GT asked what we were looking to Scottish Enterprise for that we can't supply ourselves. BF said the he welcomed the opportunity to co-construct a working relationship with Scottish Enterprise that was built on all of the Institute's potential, not just the legacy components.</p> <p>RP reminded the Board of JB's concerns over engaging Scottish Enterprise for an independent report such as this, because some large consultancies declined to offer their services to Scottish Enterprise. LM echoed these sentiments. BF said that he would discuss this with our proposed Scottish Enterprise client manager.</p> <p>RP said that Scottish Enterprise would provide a report, for which they would not charge, to BF, who will filter it, and submit a report to the Board.</p> <p>Action: BF to liaise with Scottish Enterprise on a strategy for the James Hutton Institute and to provide a synopsis to the Board meeting in November.</p> <p>BF left the meeting.</p> <p>8.2 MSC</p> <p>SM reported that MSC is doing well. It needs to find a way to offer added-value premier weekend services as it is missing out on potential revenue and strengthening relationships/services for oil and gas sector. MSC does not have a payroll staff, so is dependent on institute staff to do the work during normal working hours. IG acknowledged that the Institute Executive needs to assist in resourcing this opportunity.</p> <p>AS queried why we still had two subsidiaries, since he raised this a year ago. KS said the structure of the commercial subsidiaries would be looked at post-review.</p> <p>8.3 MRS draft Board minutes</p> <p>These were received for information.</p>

9	<p>Nomination & Remuneration committee</p> <p>This was discussed in the closed session at the start of the meeting.</p>
10	<p>Health & Safety</p> <p>IG said that at the last H&S meeting it was reported that the Breathing Apparatus (BA) was found to be faulty. Despite rigorous tests of the equipment assurance could not be given that the apparatus would not fail in future, so in consultation with the Fire Safety Service, it was decided to disband the team. The local fire service has been informed. The Institute no longer has a BA team.</p> <p>GT asked the Board to note the risk assessment form, which he said gives assurance to the Board.</p> <p>Action: Members were asked to note the risk assessment form.</p>
11	<p>Terms of Reference</p> <p>The paper, prepared by Alison Cartwright, Head of HR, aims to review the terms and conditions (T&C) of employment at the James Hutton Institute, so that they properly embody the agreed new set of values. The Board was asked to comment on the scope of the review. AS said that the T&C must be flexible, and remove as many barriers as possible to allow people to operate within employment law legitimately, but with freedom. Currently, constraints mean that the organisation is unable to respond to market needs. GT agreed with this point, and added that the T&C should be driven by the requirements of the Institute's business. Following discussion, it was agreed that the T&C should address these issues; be flexible, address opportunities, and include a more outcome-driven remuneration system.</p> <p>Action: IG to advise AC on the comments of the Board on the review of Terms and Conditions.</p>
12	<p>Our Future, Our Values</p> <p>AC joined the meeting. AC made a short PowerPoint presentation as an update on the Our Future, Our Values programme. She said that the process was almost complete and that the Facilitators are at the stage of converting the values into actions and behaviours. She added that the Facilitators have requested a facilitated session with the Board. This will be arranged around the turn of the year.</p> <p>BC expressed concern over the degree to which sceptics were having a bearing on the process. AC said that the aim was to get the majority to adopt the process, and that 100% adoption was unrealistic. IG said that the values are the voice of the organisation.</p> <p>Action: AC to arrange a facilitated session for Board members with the Facilitators.</p>
13	<p>Governance</p> <p>RP said that this is the third version of the document to the Board, and should be taken as read. AS asked for a minor amendment to be made.</p>
14	<p>AOB</p> <p>Board Feedback</p> <p>This paper was provided for discussion. IG asked that in the point about</p>

	<p>preparation of the agenda, that the CEO and the COO draft the agenda together. This was approved.</p>
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Executive Report

IG asked the Board if it was in agreement to receive a tabled copy of the Executive Report at future meetings.

The Board gave its approval.