

Minutes of the Council meeting held on 8 February 2011

Those Attending:

Professor Sir Tom Blundell FRS (BBSRC Chair)
Professor D Kell FSB (BBSRC Chief Executive and Deputy Chair)
Professor Sir David Baulcombe FRS
Professor J Coggins OBE FRSE
Professor A Dell CBE FRS
Professor P Fryer
Mr D Gregory
Professor K Lindsey
Professor Q McKellar CBE FRSE
Professor C Pollock CBE
Dr A Richards
Dr J Stageman

Also present:

Mr S Visscher
Mr J Neilson
Professor J Allen FRSE
Dr P Burrows
Dr C Caulcott
Mr P Gemmill
Mr D Parfrey
Mr P Swinburne
Miss K Okonska
Miss J Rutherford (secretary)

Courtesies

1. Apologies were received from Mr Jim Godfrey, Professor Peter Grindrod, Dr David Lawrence and Professor Malcolm Weir.
2. Chair informed Council that this would be the last meeting for Professor Quintin McKellar as his appointment was due to come to an end on 31 March 2011. On behalf of Council he thanked Professor McKellar for his contribution over the last six years as a valuable Council member and in his role as Audit Board Chair. The appointment for Professor Malcolm Weir would also come to an end on 31 March 2011. On behalf of Council, Chair thanked Professor Weir for his contribution as well as in his role as a member of the Remuneration Board.
3. On behalf of Council Chair congratulated the following on their honours in the New Year's Honours 2011:
 - Professor Quintin McKellar - Commander of the Order of the British Empire
 - Professor Maggie Gill - Officer of the Order of the British Empire (Strategy Advisory Board Member)

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- Professor Adrian Smith FRS – Knight Bachelor (Department for Business, Innovation and Skills)
4. He also congratulated the following who were associated with BBSRC:
- The Earl of John Roundell Selborne KBE – Knight Grand Cross of the Order of the British Empire (former Chair of Agricultural and Food Research Council, Chair of Living with Environmental Change Partners Board)
 - Professor Christopher Lowe – Officer of the Order of the British Empire (University of Cambridge, former BBSRC grant holder)
 - Ms Vivienne Parry – Officer of the Order of the British Empire (former member of BBSRC Bioscience for Society Strategy Panel)
 - Mr Timothy Key – Member of the Order of the British Empire (Member, BBSRC Institute for Animal Health Corporate Trustee Team)
5. At its last meeting Council had been informed that, due to reorganisation in BIS, Mr John Neilson would no longer deal with BBSRC and therefore no longer attend its Council meetings. However, the reorganisation had not yet been fully implemented so Mr Neilson would continue to attend BBSRC Council meetings for the foreseeable future.
6. Chair asked members to check, and amend if necessary, their entries in the Council conflict of register.

ITEM 1: MINUTES OF THE COUNCIL MEETING HELD ON 14 DECEMBER 2010 (BBSRC 01/2011)

7. The minutes from the last meeting were **AGREED**.

ITEM 2: MATTERS ARISING (BBSRC 02/2011)

Chair's and Chief Executive's Business

8. A Strategic LoLa had been awarded to the John Innes Centre, the University of Nottingham, the University of Aberystwyth, the National Institute of Agricultural Botany, the University of Bristol and Rothamsted Research for enhancing diversity in UK wheat through a public sector pre-breeding programme. Council had asked at its last meeting that BBSRC ensure that any ISPG outline submitted from the John Innes Centre did not request funding for the same project.
9. Council was informed that there had been a ISPG outline submitted from the John Innes Centre in the same area but that this had been intentional as the award of the Strategic LoLa (although not explicitly stated) was related to the submission of the ISPG so the funding of the work continued after the Strategic LoLa ended. The timing was such that there was no overlap between the two awards.

ITEM 3: CHAIR AND CHIEF EXECUTIVES BUSINESS (ORAL)

Chair's Business

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10. Since the last Council meeting the Science and Research budget allocation for 2011-2015 had been announced. The allocation represented a small, 3% fall in BBSRC's programme budget to £351M in 2014/15 compared to its baseline of £362M in 2010/11. Chair thanked the BBSRC Executive for the work it had undertaken with BIS and external stakeholders that had resulted in this modest decrease, which had been well received. It was recognised that the ~50% cut in capital spending (the ring-fence for the Pirbright 'DP1' redevelopment had been preserved) would prove challenging.
11. Chair went on to update Council with a number of events he had attended and visits he had made since its last meeting. These included the BBSRC Excellence with Impact Judging Panel on 13 January 2011. The conclusion was that the competition had been a successful way to get a range of HEI departments involved in the impact agenda. Chair had visited BBSRC Swindon Office on 20 January which he had found to be helpful and gave an opportunity to meet BBSRC employees that he would otherwise not typically meet. Chair had also attended a Foundation for Science and Technology meeting on the outcomes of the CSR settlement where Professor Adrian Smith had spoken. The closure of Pfizer's Sandwich site had been announced the previous day, and the continuing importance of networking and interaction between universities, small biotechs and large companies in the UK was stressed.

Chief Executive's Business

12. Professor Kell updated Council with a number of visits that he had attended since the last Council meeting. This had included his attendance at the House of Lords Select Committee on EU Agriculture and Innovation where there had been a series of questions regarding current barriers to innovation.
13. Professor Kell said that regular updates could be found in his Blog on the BBSRC website at <http://blogs.bbsrc.ac.uk/>.

Institute Governance

14. *This item relates to work in progress and is therefore recorded separately due to its Protect: Policy security marking.*
15. The pension issue had not yet been resolved. BBSRC had proposed that current Institute employees should remain in the existing pension scheme, however this needed approval by H M Treasury which had not yet been received. BIS was assisting BBSRC in acquiring this approval. Potentially problems could arise if the 1 April 2011 deadline for governance changes was not met as BBSRC's administration allocation had been agreed without the inclusion of costs for Institutes apart from IAH. Although the planned TUPE transfer of staff could not be completed by 1 April 2011 other constitutional changes to the Memoranda and Articles were on track.
16. *This item relates to work in progress and is therefore recorded separately due to its Protect: Policy security marking.*

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Institute Conference

17. Dr Caulcott confirmed that the BBSRC Institute Conference would be held on 5-7 July 2011 in Norwich. The John Innes Centre lecture hall would be used with accommodation provided at the UEA student residence.
18. The proposal to hold the conference had originated from the most recent Hitchin meeting of Institute Directors and the Executive. Its aim would be to provide an opportunity for networking and sharing science across Institutes. To ensure Institute collaborations the sessions would focus on themes rather than being organised by an individual Institute, for example industrial biotechnology, epigenetics, KEC, national capabilities. Any suggestions for additional themes were welcome. All Institutes and the Swindon Office had a set number of places and it was anticipated that a variety of staff would be invited, including PhD students, BBSRC-funded Fellows, Council members amongst others.
19. The July Council meeting would follow on the afternoon of the 7 July 2011 where there would be an opportunity to discuss the outputs from the conference. Further details would be sent to Council members shortly.

ITEM 4: BOARD APPOINTMENTS (BBSRC 03/2011)

Mr Paul Gemmill and Mr Peter Swinburne declared conflicts of interest as members of the IAH Corporate Trustee Team, however, they remained in the room for discussion of this item but took no further part.

20. Council was invited to approve a number of appointments to BBSRC boards.

Remuneration Board

Council:

- (i) **NOTED** the current membership of the Remuneration Board
- (ii) **APPROVED** the reappointment of Professor John Coggins to the Remuneration Board from 1 April 2011 until 31 March 2012.
- (iii) **APPROVED** the appointment of Professor Peter Grindrod to the Remuneration Board from 1 April 2011 to 31 March 2013.

Strategy Advisory Board

Council:

- (iv) **NOTED** the current membership of the Strategy Advisory Board
- (v) **APPROVED** the reappointment of Professor Maggie Dallman for the Strategy Advisory Board from 1 April 2011 to 31 March 2012.

Audit Board

Council:

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- (vi) **NOTED** the current membership of the Audit Board
- (vii) **APPROVED** the appointment of Dr Andy Richards as Chair of the Audit Board from 1 April 2011 until 31 March 2012.
- (viii) **APPROVED** the appointment of Mr David Gregory as member of the Audit Board from 1 April 2011 until 31 March 2014.
- (ix) **APPROVED** the reappointment of Mr Mike Samuel to the Board for a further year until 31 March 2012.

Institute for Animal Health Corporate Trustee Team

Council:

- (x) **NOTED** the current memberships of the Institute for Animal Health Corporate Trustee Team
- (xi) **APPROVED** the appointment of Professor Quintin McKellar to the Corporate Trustee Team from 1 April 2011 until 31 March 2014.

ITEM 5: ANALYSIS OF COMPREHENSIVE SPENDING REVIEW BUDGET AND OPTIONS FOR ALLOCATION (BBSRC 04/2011)

21. *This item relates to work in progress and is therefore recorded separately due to its Protect: Policy security marking.*

ITEM 6: ANNUAL APPRAISAL OF COUNCIL (BBSRC 05/2011)

22. Chair introduced this item which provided Council with the report of members' comments on the performance of Council over the past year. A total of 14 Council members were invited to complete the form with 12 members responding. The Chair and the Chief Executive did not participate in the exercise.
23. The overall appraisal of Council's performance was favourable. However, a number of themes in the responses needed further discussion. It was acknowledged that during the last year Council had been rather 'responsive' due to the need to produce iterations of the CSR proposals and the Delivery Plan, often on short timescales and the way in which it had worked with the Executive meant that information had not always been readily available due to a constantly changing environment. This was recognised not to be the norm.
24. One theme was the time available for discussion of substantial items. In addition the structure of Council meetings, which were brief and in which coffee and lunch breaks was used for individual assessments, did not allow for the Chair to take part in informal conversations with Council members to understand some of their concerns. To aid this it was **AGREED** that where appropriate some of the Council meetings would commence mid-afternoon followed by a dinner where the discussion of major items could continue. This would also provide an opportunity for less formal networking opportunities between the meeting and dinner with the Chair, Council members and BBSRC Executive. It was acknowledged that Research

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Councils were required to reduce their administration spend so the cost of holding meetings in this form would have to be considered and savings still made where necessary, for example generally seeking to keep the meeting to one day so overnight accommodation was not routinely required.

25. Another area for improvement was the amount and level of information that Council received between Council meetings. To improve this the use of the CouncilNET would be increased so that regular updates and information was provided, for example copies of presentations made by BBSRC staff, briefing from visits and new contacts formed. Council members were also invited to visit BBSRC Swindon Office as a follow-up to their induction day at the start of their appointment.
26. With regard to the relationship between Council and Strategy Advisory Board (SAB). It was generally considered that the role of the Board should be to identify key strategic issues and present Council with considered thoughts and recommendations for it to discuss and agree the way forward. However, it was **NOTED** that there was an Executive Working Group (Professor Allen, Drs Burrows and Caulcott) that was considering the role of SAB and Council. It was also **AGREED** that those members of Council who were currently members of SAB, or had previously been members, would provide suggestions to this Group on how this could best be achieved and how interactions between the two bodies could be improved. A list would also be drawn up of the strategic areas Council wished SAB to consider over the next 18 months.
27. Council **ENDORSED** the establishment of the Executive Working Group to review the operation of Council and SAB and **NOTED** that it would report its findings and make recommendations to a future Council meeting.

ITEM 7: FINANCIAL REPORT (BBSRC 06/2011)

28. Mr Parfrey introduced this item.
29. Council had been informed at its last meeting of advice from the National Audit Office (NAO) regarding the need to consolidate Institutes' accounts into those of the BBSRC. NAO had advised that the accounts of two institutes should be consolidated with BBSRC's as their Memoranda of Association still gave authority in some aspects to BBSRC and it could not therefore be argued that they were independent from BBSRC. After careful consideration, and with the support of the Audit Board, and approval of the Accounting Officer, BBSRC decided not to proceed with consolidation. The resources required to consolidate were not available, and making them so was not considered to be an appropriate use of public funds considering that the result would not provide information above what would already be available via the publication of BBSRC Annual Accounts and the separate publication of the Institutes' Accounts.
30. The NAO recognised that their recommendation to BBSRC was made late in the day and they understood the decision taken by the BBSRC not to accept the advice provided. On this basis, the accounts for 2009/10 would be qualified by the NAO on a technical point. The NAO had stressed that there was no question over the robustness or integrity of BBSRC accounts or control systems - this was confirmed by the Audit Board. In addition,

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assurance had been provided by NAO that this was a minor technical point and would not be expected to present a reputational risk to the BBSRC. It also agreed that public interest and transparency was undamaged by BBSRC's decision not to consolidate. Once the necessary signatures had been received the qualified Accounts would be published along with the Annual Report.

31. *This item relates to work in progress and is therefore recorded separately due to its Protect: Policy security marking.*
32. Council:
- (i) **NOTED** the position regarding BBSRC statutory accounts for 2009/10 and **ENDORSED** Accounting Officer's decision not to consolidate Institutes;
 - (ii) **NOTED** BBSRC's projected outturn for the financial year 2010/11 and that BBSRC expenditure was on target to meet projected budgets;
 - (iii) **NOTED** BBSRC's financial planning for the future years and that further modelling had been carried out on SR2010 funding/expenditure

ITEM 8: UNDERWOOD AND WAIN ACCOUNTS 2009/10 (BBSRC 07/2011)

33. Council was presented with the 2009/10 Underwood and Wain Annual Report and National Audit Office (NAO) audit completion document.
34. A decision had been taken by Council in 2001 to reduce the amounts in the accounts resulting in the closure of both Funds. Miss Rutherford informed Council that the final fellowships awarded from the Funds were now finished and the final reports received. Before the Funds could be closed the remaining money (approximately £18,000) needed to be transferred, and in accordance with guidelines from the Charity Commission, to a charity who would use the Funds for a similar purpose as they were originally intended. The Charity Commission had approved BBSRC's suggestions that the Funds be transferred to the John Innes Centre for a project between JIC and the Ministry of Science and Technology of the Socialist Republic of Vietnam on the genomic sequencing of a defined collection of Vietnamese rice varieties.
35. Council, as Trustees of the Funds, **APPROVED** this transfer of Funds and **AGREED** the recommendation from NAO that the Accounts for 2010/11 did not require auditing.

ITEM 9: MINUTES OF THE AUDIT BOARD MEETING HELD ON 6 JANUARY 2011 (BBSRC 08/2011)

36. Professor McKellar, as Chair of the Audit Board introduced this item. He informed Council that due to unforeseen circumstances the last Audit Board meeting had not been quorate and the minutes had been written to reflect the need for decisions to receive approval from those members not present before they could be actioned. This approval had subsequently been received.

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37. Council noted that the risk from Business Critical Projects for Post Shared Service Centre and Pirbright Redevelopment had been decreased to amber. It also noted the Audit Board decision that, following the implementation of governance changes, it would no longer receive assurances on risks associated with Institutes and that these would now be the responsibility of the Institutes' own Audit Committees. Institutes would be informed of the decision by the BBSRC Executive.
38. Council **NOTED** the minutes from the Audit Board meeting held on 6 January 2011.

ITEM 10: APPRAISAL OF AUDIT BOARD (BBSRC 09/2011)

39. The Audit Board was invited annually to appraise its performance as a Board and Council was provided with this year's report. The report had been considered by the Audit Board at its meeting on 6 January 2011 where it agreed that no further action as required.
40. Council **NOTED** the report.

Council Secretariat
February 2011