

MINUTES OF THE EIGHTY NINTH MEETING OF THE MANAGEMENT COMMITTEE OF THE ARMAGH OBSERVATORY AND PLANETARIUM HELD ON 21 JUNE 2013 AT 11.30 A.M. IN THE BOARD ROOM ARMAGH OBSERVATORY

Present: Archbishop Clarke (Chairman), Professor A. Hibbert, Mr E. Donnelly, Mr B. Hannam, Professor T. Ray, Dr M. McKay, Mrs P. Wilson

Apologies: Professor M. Merrifield, Professor R. Oudmaijer, Mr A. Peoples

In attendance: Professor M. Bailey, Dr. T. Mason, Mr M. Cory (DCAL Observer) and Miss H. Hughes

1. CONFLICTS OF INTEREST

No conflicts of interest were declared.

2. MINUTES OF THE MANAGEMENT COMMITTEE MEETING HELD ON 10 APRIL 2013

The minutes of the meeting of 10 April 2013 were reviewed, approved as a true and accurate record of the meeting and signed by the Chairman.

3. MATTERS ARISING FROM THE MINUTES

3.1 A New Library, Archives and Historic Scientific Instruments Building – Members discussed a report prepared by Mrs P. Wilson entitled “A new Library/Archive for Armagh Observatory and Planetarium”. Mrs Wilson thanked the Directors for their assistance with this report. The Observatory has an extensive specialist library and archives and collection of historic scientific instruments, all of which require safe and environmentally correct storage as well as a facility in which to display the material to visitors. It is expected to progress this project in the first instance through an application to the Heritage Lottery Fund (HLF). Members also discussed the proposal in the framework of recent developments in education provision in Armagh, in particular the plans for an educational “village”. Members agreed that the new Library/Archive would be well matched to fit into these plans and approved the principle of the new Library/Archive project. A specialist sub-committee, to be chaired by Professor A. Hibbert, was appointed to progress the project between Management Committee meetings. The Chairman commented that a sub-committee was the appropriate way forward at this time because the Directors are currently carrying out a heavy additional administration burden owing to the absence of staff. The projected timescale of the project is 8–12 months for a first-round application. If the application is successful, it will receive a stage 1 pass, however funding would have to be in place in order to progress to the next stage of the process. Members queried the likelihood of success of the stage 1 application. Mrs Wilson advised that she believed that there was a good chance of success for access to the next round; it would increase public access to the Observatory’s archives, and link in with the planned new educational village in Armagh. The Chairman proposed that the sub-committee should progress the HLF application with additional help to be sought as required in progressing with the strategy. Members also recommended that the sub-committee should write to organizations to nominate persons to be on the sub-committee. Mrs Wilson suggested that someone with a high public profile should be involved, perhaps also with strong north-south links. Members also discussed other options, and the need for a small budget to start the process, the amount to be decided. Professor Hibbert suggested that letters of invitation should come from the Chairman of the Board of Governors, and this was agreed. The Management Committee also agreed to look at a small budget to move the project forward, for example travel expenses and the possible need to employ someone to complete the initial application. The Chairman concluded that while the process will require business consultants and the need to make budget provision, we cannot establish the budget now. There will be a more accurate picture after the sub-committee first meets, with results to be discussed at the next Management Committee meeting. The Board agreed with this. The Chairman thanked the Directors, Mrs Wilson and Professor Hibbert for the initial work involved.

MINUTES OF THE MEETING OF THE ARMAGH OBSERVATORY AND PLANETARIUM MANAGEMENT COMMITTEE

21 June 2013

Page 2

- 3.2 Professor Hibbert informed Members that the Annual Governance Assurance Statement had been signed off. He also updated Members regarding the Observatory's draft Strategic Plan, which had been amended to include comments received since the previous Management Committee meeting. Professor Oudmaijer, for example, had recommended including a research strategic plan. Based on these suggestions, Professor Hibbert had considered preparing a separate Strategic Plan for Research, but then there would be two plans for different audiences. Professor Bailey advised that research must be recognized as part of the Observatory's forward look, as it represents one of the most significant parts of the Observatory's outputs. Members agreed that it would be very useful to identify different aspects of the research work of the Observatory and where it is leading, though research outputs can often be difficult to predict. It was concluded that a research component of the document should be prepared as an appendix to the main Strategic plan with references to the research document included throughout the Strategic Plan and tied into its wider objectives.

4 CHAIRMAN'S BUSINESS

The Chairman updated Members that he had recently undertaken a tour of the Planetarium and Observatory, and thanked the Directors for facilitating this. The Chairman advised that he had found the visit to be very useful, and had gained a much better picture of the organisation, noting that he had found it most valuable and informative to meet staff and see some of their work. As a result he was appreciating the distinctiveness of the two sides of the organization. He also thanked Professor Hibbert for his work, and his ideas for governance and direction.

5 DIRECTORS' INTERIM REPORTS AND REVIEW OF RISK REGISTERS AND QUARTERLY ASSURANCE STATEMENTS

- 5.1 Professor Bailey presented his interim report for the Committee, which he stated was much shorter than usual owing to the limited timescale for discussion at Management Committee meetings. Professor Bailey drew attention to the section on Performance monitoring and the trends of Key Performance Indicators (KPI) over past number of years (Report ref. 6.2 Figure 1). The number of refereed journal publications during 2012, namely 66, was a record, illustrating the exceptionally strong performance of the research staff during the year. Media citations recorded during 2012 were also above target. However external grant income has decreased owing to the difficulty of obtaining external research grants; this also results in less support for running costs. Staff absence levels are well below DCAL targets, though increasing. In-year results for 2013/2014 (Report ref. Table 3) show that Astropark visitor numbers are much lower than expected. It was suggested that this might be a result of changing the counter in the Astropark and the reason for the decrease in the numbers of recorded visitors needs to be investigated.
- 5.2 Professor Bailey gave a brief update of progress with two capital projects (Report ref. page 10), the Armagh Robotic Telescope (ART) and the Advanced Technology Solar Telescope (ATST). Armagh Observatory and QUB have jointly submitted a statement of interest to STFC for £1.9M to support the ATST in Northern Ireland, with the outcome of this Phase 1 application expected in the coming weeks.
- 5.3 Professor Bailey discussed the Observatory's Business Plan for 2013/2014 (Report ref. page 11). Whilst there is (and has been for many years) a budget line to develop the proposed new Library, Archives and Historic Scientific Instruments building, there is currently no budget set aside for the project and the draft Business Plan is projecting a deficit of approximately £35k. He added that the Observatory is seeking to minimize this projected deficit by minimizing expenditure (for example delaying the recruitment of essential staff), whilst he expects to apply for additional grants in-year and for further funding from DCAL through in-year monitoring rounds. With regards to Staff Movements (Report ref 6.3. page 13), Professor Bailey updated Members regarding: staff in-service training; students successfully obtaining their PhDs; the recruitment of new PhD students and other

MINUTES OF THE MEETING OF THE ARMAGH OBSERVATORY AND PLANETARIUM MANAGEMENT COMMITTEE

21 June 2013

Page 3

staffing issues. Professor Bailey thanked the administrative staff, the agency accountant, and the groundsman for their work over the past number of months. In addition, he drew the Committee's attention to the fact that the Computer Systems Manager continues to cover for the vacant post of Hardware and Software engineer, a post that also had responsibilities for health and safety. There followed a full discussion of the Observatory's funding position and the associated risks that are currently being managed.

- 5.4 Professor Bailey also discussed the recurrent savings being made from the new arrangement, in force since March 2013, for the collection of the Observatory's outgoing mail; the list of Visiting Astronomers and Research Associates (Report ref. p.14), and expressed his particular thanks to his PA and Group Secretary, Mrs Aileen McKee, for her excellent work maintaining the Observatory's UKBA records in good order.
- 5.5 Noting that significant elements of the Observatory's work, notably Research, Library and Archives and the ongoing programme of Science in the Community had been omitted from the report for this meeting for logistical reasons, Professor Bailey next turned to the issues surrounding Governance and Accountability. The Equal Pay Compensatory Payment Claim (Report ref. point 4, page 44) is still ongoing. In a letter from NIPSA, dated 7 March 2013, following consideration of NIPSA's test cases in the County Court, it was announced that the judgement dismissed all the test cases and in subsequent correspondence with members NIPSA has decided not to appeal the decision. The Court case, however, hinged on the extent to which the PSNI and DOJ had a delegation to negotiate their own salaries. In the case of the Governors of the Armagh Observatory and Planetarium there is no such delegation. Thus, there remains a possibility that the affected staff in the Observatory may take the matter directly to the Board of Governors for review, supported in this case by their union, UNITE, as the precise legal position for Armagh Observatory and Planetarium staff has not been clarified. The total amount at issue, for both the Observatory and Planetarium, is of the order of £80k and at this stage it may still be prudent to include this amount as a contingent liability in the organizations' respective accounts (c.£50k Observatory; c.£28k Planetarium). The Department's view is that members of the Observatory staff are not entitled to the compensatory payment. The Observatory will continue to work with DCAL and the affected staff to obtain a resolution of this exceptional situation in the fairest way to staff and the most cost-effective way to the public purse.
- 5.6 Whole of Government Accounts (WGA) (Report ref. point 5 page 45): It was noted that both Armagh Observatory and Planetarium are defined as Minor Bodies for WGA purposes. This eliminates further work for the finance and administration staff with regards to consolidation. The CG03 Minor Bodies forms have to be completed and returned by 31 July 2013.
- 5.7 Professor Bailey also noted that the Observatory and Planetarium have started to use the HMRC Real Time Information (RTI) system (Report ref. point 7 page 46) with no issues to date.
- 5.8 Professor Bailey updated Members that the outstanding Health and Safety issues are being progressed. The most important remaining issue concerns fire safety, as it has been identified that the doors in the Observatory are not as efficient as they should be, the doors in the kitchen need to be replaced, and the wiring to fire alarms has to be upgraded. These are significant issues, which will require estimated funding of approximately £70,000. Professor Bailey had previously met with the local NIEA Area architect, Helen Hossack, as specialist advice is required regarding the listed building.
- 5.9 The draft Strategic Plan is advancing. Professor Bailey thanked Professor Hibbert for his work on moving this forward.
- 5.10 Finally, Professor Bailey discussed recent letters received from the Department. One process to be implemented is Zero Based Budgeting; this may prove to be difficult for a research organization to

MINUTES OF THE MEETING OF THE ARMAGH OBSERVATORY AND PLANETARIUM MANAGEMENT COMMITTEE

21 June 2013

Page 4

carry out, as objectives need to be aligned with new Departmental priorities. With regards to the increased risk assessment level, the report in question had been overlooked by a member of staff and the return had subsequently been significantly delayed. The Director had completed the report and submitted it to the Department in May, however it remains the Department's view that the organization's risk has increased owing to the absence of a senior member of staff.

- 5.11 Members queried if the figures for external grant income (Report ref. Figure 1) accounted for inflation; Professor Bailey advised that these figures are presented in cash terms, and effects of inflation are not included. Also not recorded in financial data is the value "in kind" of the Observatory's use of international telescope facilities, which would amount to an estimated figure in excess of £1M per year.
- 5.12 Mr Cory asked the Management Committee whether it thought it was appropriate to approve a deficit in the draft Business Plan for 2013/2014, which in effect was to agree AOP to overspend its budget. Professor Bailey explained that this figure, approximately £35k, is caused in part by increased costs for an agency worker to cover the absence of a senior member of staff as well as reduced external income. The Observatory is to bid for additional funding from the Department. The alternative is that the Observatory may have to reduce existing programmes, and Professor Bailey discussed the significant implications that this would have for staff and students. The Observatory is a vibrant research institute, with a significant ongoing programme of science in the community and a unique library and archives; this and future projects could be put in jeopardy if programmes were cut. The Observatory has in fact made savings by reducing the number of core-funded students. Professor Bailey also highlighted the additional funding provided by DCAL over the past number of years (Report ref. Table 1 page 5); unlike some other organizations, both the Armagh Observatory and the Planetarium depend on their success in obtaining external grants and other external income. Members highlighted that part of the financial difficulties, which relate to the absent member of staff, are beyond the immediate control of AOP; this is causing significant additional costs. Professor Hibbert updated Members that he is expecting a report on the situation shortly.
- 5.13 Professor Bailey then turned to the Observatory's Risk Register and Quarterly Assurance Statement, both of which had been considered by the meeting of the Audit and Risk Management Committee (ARMC) earlier in the day. He advised that the Risk Register for the Observatory had not been changed since the previous meeting and was to be reviewed with possible revision for the next Management Committee and ARMC meeting. Professor Bailey welcomed comments from Members. Turning to the QAS, Professor Bailey provided Members with an updated Observatory QAS for the quarter ended 31 March 2013. This had been revised following recent correspondence from DCAL recommending that a number of changes be made. Professor Bailey discussed these changes, the first of which referred to Risk Management. A number of financial and other returns had not been completed on time owing in part to an oversight by the relevant staff member or to a staff member's absence. Professor Bailey also explained that the variance in resource and capital drawdown in the last quarter of 2012/2013, highlighted as a deficiency in the DCAL letter, was due to the award of end-year monitoring funds allocated to the Observatory during March 2013. In part as a result of these deficiencies the Department has increased the risk assessment level for AOP. Professor Bailey also highlighted the fact that AOP is currently awaiting the outcome of a review of ALBs by the Department and that a planned review of the Observatory's administrative and support structures needs to be expedited. There were also been a number of other difficulties noted in the DCAL letter, which can be traced to inadequate resources for the organization. Professor Bailey highlighted the small funding shortfall for 2012/2013 and noted that end-year funding had been provided by DCAL and expressed his appreciation for this. He also stated that he wished to thank DCAL staff, especially Gillian McAfee and Clodagh Rodgers, who had provided helpful assistance regarding the Resource Consumption returns and whom he thought now understood more clearly the complex situation that exists in AOP. Professor Bailey explained to members that over the past

**MINUTES OF THE MEETING OF THE ARMAGH OBSERVATORY AND PLANETARIUM
MANAGEMENT COMMITTEE**

21 June 2013

Page 5

number of months he has had to become much more closely involved in the finances of the Observatory, which are substantially more complex than those of the Planetarium, mainly due to the quantity and details of external grants. As a result of this closer involvement in the workload of the Accounts staff, he advised Members that he believes that the Accountant role in AOP should be at Staff Officer (SO) grade rather than Deputy Principal (DP) grade. He also stated that in his view AOP should not put all the key responsibilities for finance, administration and personnel matters in the hands of a single postholder, as it increased the risk of single-point failure. Instead, and in the longer term, he suggested that on risk-management grounds these responsibilities should be split, proposing the introduction of a new post of General Operations Manager. Members discussed potential HR implications of the proposed restructuring and asked whether the workload of the post had increased during the past number of years. The Directors advised that the demands of the job have increased very significantly over the past five year, and that the large number of information requests from government is disproportionate for a body the size of AOP. Mr Cory advised that there has indeed been a significant increase in administration over the past 4–5 years, with the objective of achieving a minimum level of governance and accountability standards. The Department needs assurance that Boards are exercising their responsibilities efficiently, and the requirements on AOP are no more demanding than on any other ALB. DCAL are aware of the current administration difficulties and wish to reduce the burden by introducing combined business plans and returns for AOP. However, there is also a need to address the structural requirements in the longer term, although it is the responsibility of the Board of Governors and the Management Committee to run AOP. Mr Hannam advised that the ARMC had discussed the updated QAS and were content with the proposals being put forward. The ARMC had also discussed the timetable of the DCAL quarterly assurance cycle, suggesting the need to align more closely the dates of the ARMC and Management Committee meetings with the DCAL assurance cycle going forward. Following further discussion, the Management Committee formally approved the QAS.

- 5.14 Members queried the implications of AOP being moved to higher level of risk. The Directors advised that the DCAL proposals included: an increased number of DCAL Accountability meetings during the year; combined financial returns for the Observatory and Planetarium; and a combined corporate plan for AOP. The Directors advised that these proposals would increase the administrative burden significantly, for example there would be an additional at least 7 or 8 meetings with DCAL staff during the year, the likelihood of increased bureaucracy, and a further significant time commitment required to complete these requirements. Mr Cory advised that the change in the risk assessment rating had been caused entirely by the current situation where a senior member of staff has been unable to work for a number of months. The Department has concerns over the impact of this, and the proposed monthly meetings are for the Department to gain increased assurance. Members agreed that the absence of a member of staff has created difficulties and advised the Directors to deal with these matters on an interim basis.
- 5.15 Professor Bailey discussed the new “zero-based” method of budgeting. The Department wishes to realign the spending profiles of its ALBs so as to closely align with Ministerial priorities. The new funding methodology provides various funding opportunities, for example to support the Observatory’s programme of Science in the Community, its programme of school and university work experience and summer programme, and so on. However the Observatory’s primary function, namely the pursuit of frontline astronomical research, might be more exposed. In short, there are a number of opportunities to align the Observatory’s activities with the Department’s new spending priorities, and any resulting additional income might help to support the running costs of Observatory and eliminate any projected deficit. In contributing to the Department’s social programmes, staff and students will also have the opportunity to develop further skills of value in underpinning their research. Mr Cory advised that AOP should link its spending proposals where possible with the underpinning legislation to make the strongest possible case for support. It is important to note that it is likely that the result of this exercise will inform the Observatory’s future budget settlements for 2015/2016 and beyond.

**MINUTES OF THE MEETING OF THE ARMAGH OBSERVATORY AND PLANETARIUM
MANAGEMENT COMMITTEE**

21 June 2013

Page 6

- 5.16 Dr Mason discussed the interim report for the Planetarium. Work on the zero-based budget is in progress, however this will be difficult to achieve. There are opportunities for good new programmes. Considering the extensive recent renovation of the Planetarium, Dr Mason proposed to assist in bringing visitors to the Planetarium; he suggested that subsidising travel costs would make a big difference.
- 5.17 Dr Mason discussed the KPIs for the Planetarium. General public and school events have been very successful. Outreach has not been carried out in 2013/2014 to date owing to the absence of the staff member in charge of the programme; other staff have not been able to be allocated to this project.
- 5.18 The Visitor satisfaction survey shows good results, with the exception of the café, which is to be rebranded and reopened shortly.
- 5.19 Dr Mason highlighted that the space industry is thriving (Report ref. page 18). This could be an area for growth, and Mr Robert Hill has provisionally agreed to assist the Planetarium in meeting “STEAM” obligations and promote them.
- 5.20 Dr Mason informed members that he is currently looking into the technology to improve access to telescopes for all visitors to the Planetarium such as children.
- 5.21 The Planetarium’s Summer program has seven shows including three new shows. The Planetarium uses the very latest cutting edge technology and is the only Planetarium in the UK to have the Digistar 5 software.
- 5.22 With regards to advertising and marketing, the Planetarium has applied for further advertising funding as part of the disability programme. A problem that has been encountered is that of encouraging tourists to come to Armagh. Other bodies such as Armagh City and District Council and Groupon have assisted with advertising and the Planetarium has recognized a change in the demographic of visitors.
- 5.23 Dr Mason suggested that the Planetarium needs a complete review of staffing structure, proposing changes in the job titles, but not grades, of a number of staff, in order to reflect more accurately the nature of their work. In discussion Members stressed the danger of addressing this in an informal way, which may have unforeseen consequences. Professor Hibbert emphasized that certain staff positions in the Observatory should also be considered as part of any wider review. In the case of the Planetarium Theatre manager position, Dr Mason highlighted the difficulty of obtaining working time in the theatre, noting that as a result he had agreed to change the working pattern on a temporary basis. There was an urgent need either to extend this arrangement or to discontinue it and revert to the original working time of the post. It was understood that the postholder was content to continue the new arrangement. Professor Hibbert proposed that the postholder be allowed to continue to work her current work pattern. The Chairman emphasized that this was a very complex area, and that there was a danger of conflating three issues: the changing nature of a post, the job title, and the correct grade and rate of pay for the post. Professor Bailey emphasized the importance of following the Management Statement and noted that in his view there were staff in the Observatory too who were performing at a significantly higher level than their current job descriptions. It would be important to obtain agreement about these matters and the procedure (if any job review were to confirm this view) about how to move forward. He would be very cautious about promoting staff and changing job titles in the absence of clarity on these issues. The Chairman proposed to delegate the decision on any possible wider review of posts to the Employment Conditions and Remuneration Committee; this was agreed by Members.
- 5.24 Dr Mason next discussed the Planetarium’s Risk Register and Quarterly Assurance Statement. Both had been approved by the ARMC for recommendation to the Management Committee, in the case of the Risk Register the only change being the issue of staff overtime rates. The QAS to 31 March 2013

**MINUTES OF THE MEETING OF THE ARMAGH OBSERVATORY AND PLANETARIUM
MANAGEMENT COMMITTEE**

21 June 2013

Page 7

now included all the changes required by the DCAL. The Management Committee formally accepted the two documents.

5.25 Concluding his interim report, Dr Mason confirmed that the Planetarium's Health and Safety officer is prepared to assist in the Observatory until such time as a new officer is in place.

6 EXTERNAL AUDIT OF 2012/13 ANNUAL REPORT AND DRAFT ANNUAL ACCOUNTS

Mr Hannam, Chair of the ARMC, noted that he had received the two draft Report to those Charged with Governance (RTTCWG) letters, which recommended a clean audit opinion from NIAO. He expressed his thanks to the Directors and accounts staff, stated that there were no recommendations to be brought forward and recommended that the Accounts for 2012/2013 be adopted and the Directors approved to sign them as soon as practically possible, following some immaterial changes still to be made. This was agreed.

7 ANY OTHER BUSINESS

On the case of the absent member of staff, Professor Hibbert noted that he was expecting the Investigating Officer's report within next few days, and he would make a decision on the way forward in the light of that evidence. It was agreed that were it necessary to convene a Disciplinary Panel then that Panel (and any subsequent Appeals Panel) would have the authority to make a decision. Professor Hibbert also noted that he had received correspondence from an astronomer concerning the impact of the lack of an Administrator on the organization's ability to provide HR support, and that he was aware of separate correspondence regarding another personnel issue involving a former member of the Planetarium staff.

The Chairman expressed his thanks to Professor Hibbert for taking on these duties, and to the directors and members of staff all of whom are all having to take on additional work.

8 DATE OF THE NEXT MEETING

It was agreed that the next meeting will be on 18 October 2013 at 11.30 am in the Planetarium Cassini Room, preceded by a meeting of the ARMC.

The meeting ended at 3.15pm

Signed as a true record of the Meeting

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(Chairman)

Dated: 18 October 2013