



**AN BILLE UM FHORBAIRT TIONSCAIL (FONDÚIREACHT
EOLAÍOCHTA ÉIREANN), 2002
INDUSTRIAL DEVELOPMENT (SCIENCE FOUNDATION
IRELAND) BILL, 2002**

EXPLANATORY AND FINANCIAL MEMORANDUM

Purpose of the Bill

The Bill provides for the establishment of a body to be known as Science Foundation Ireland. The new body will be an agency of Forfás. The Bill also provides for the amendment of the Industrial Development Acts, 1986 to 1998, and the Shannon Free Airport Development Company (Amendment) Act, 1986. These amendments are mainly concerned with the updating of certain grant instruments and related financial limits.

Part 1

Preliminary and General

Section 1 is a standard provision which provides for the short title of the Act and the collective citation of the Act with other relevant Acts. It also contains standard commencement provisions.

Section 2 provides definitions of terms used in the Act. The new body, Science Foundation Ireland, is referred to in the Bill as “the Foundation”.

Section 3 provides that the Minister may by order appoint a day on which the Foundation will stand established — the establishment day.

Section 4 provides that the expenses incurred by the Minister in the administration of this Act shall, to the extent sanctioned by the Minister for Finance, be paid out of moneys provided by the Oireachtas.

Section 5 provides that the Minister may make regulations generally for the purpose of giving effect to this Act. The regulations may contain such provisions as the Minister considers necessary or expedient.

Part 2

Science Foundation Ireland

Section 6 provides for the establishment of Science Foundation Ireland (the Foundation) as an agency of Forfás and as a corporate body.

Section 7 sets out the functions of the Foundation. The main function of the Foundation is to promote and develop world-class research capability in strategic areas of scientific endeavour that concern economic and social benefit and long-term competitiveness. These areas include Information and Communications Technologies (ICT's) and Biotechnology. It is intended that the Foundation will attract research teams and individual researchers of a world-class standard to carry out research in Ireland.

Section 8 provides for the formation of the Board of the Foundation, its composition, and numerical constitution (12 members).

Section 9 outlines the procedures for rotation of the Board of the Foundation, reasons for dismissal or disqualification and subsequent replacement of members.

Section 10 provides for the term of office of the Chairperson of the Board (5 years), and eligibility for re-appointment.

Section 11 provides for the procedures to be followed by the Board in regard to chairmanship of meetings, voting and number of members required in attendance for a quorum (5).

Section 12 places certain strictures on elected officials in regard to their membership of the Board of the Foundation.

Section 13 provides for the appointment of a chief officer of the Foundation to be known as the Director General. It outlines the term of office and the functions of the Director General.

Section 14 provides for the Director General to give evidence to the Committee of Public Accounts or other Oireachtas committees when required to do so.

Section 15 provides for the establishment, by the Board, of committees to assist and advise it in relation to the performance of any of its functions and the rules governing such committees.

Section 16 provides for the disclosure of interests by members of the Board, committees of the Board, staff of the Foundation or any person engaged by the Foundation.

Section 17 places certain strictures on the disclosure of information (save as otherwise provided by law) acquired by persons on behalf of the Foundation and provides for penalties for such disclosure.

Section 18 provides for the acquisition by the Foundation of a seal by which documents may be authenticated.

Section 19 provides that the Foundation may appoint members of staff. Under the terms of the Industrial Development Act, 1993, Forfás is the overall employer of both its own staff and those of Enterprise Ireland and IDA. It is proposed to retain this approach in the Science Foundation Ireland context i.e. staff will be employed by Forfás and seconded to the Foundation. (This is provided for in section 34(h)). However, provision is also being made to allow the Foundation to assume the role of employer subject to Ministerial Order if this is considered appropriate at a future date.

Section 20 provides that staff seconded to the Foundation from Forfás may, by order of the Minister, be transferred to and become staff of the Foundation. This provision follows logically from the provisions of the preceding section whereby the Foundation would have

the power to employ staff. Staff thus transferred would have no diminution of their terms and conditions except where changes are negotiated by collective agreement with recognised trade unions or staff associations. It also provides that the superannuation benefits accruing to staff will not be adversely affected.

Section 21 provides the Foundation with the authority to prepare a scheme or schemes of superannuation for its staff.

Section 22 provides that the Foundation may engage consultants or advisers to assist it in the performance of its functions.

Section 23 provides that the Foundation is obliged to prepare a strategy statement every five years, the first such statement to be prepared soon after the establishment day. A work programme must be prepared at the end of each year on the activities proposed for the following year.

Section 24 provides that the Foundation must submit to the Minister an annual report of its activities after the end of each financial year and shall specifically comment on the oriented basic research being supported by the Foundation. (The annual report shall be laid before each House of the Oireachtas). This section also requires the Foundation to keep accounts of money received and expended by it. These accounts are required to be submitted to the Comptroller and Auditor General for audit.

Section 25 provides that the Foundation shall supply the Minister with information regarding its activities. It also provides that the Foundation and any committees shall supply Forfás with any information that it requires to exercise its functions.

Section 26 provides that the Foundation may build, purchase or lease the relevant land and buildings required for its functions. It may also dispose of any land or premises which are surplus to its requirements.

Part 3

Amendment of Industrial Development Acts, 1986 to 1998, and other Enactments

Sections 27 to 32 amend the provisions in the Industrial Development Act, 1986, relating to employment and research grants and raises the threshold levels in respect of those grants. It also raises the threshold for equity provision, investment aid and training grants in that Act.

Section 33 amends the Shannon Free Airport Development Company (Amendment) Act, 1986, by raising the threshold on the aggregate amount of grants made by the Minister to Shannon Development.

Section 34 amends the Industrial Development Act, 1993, on account of the establishment of the Foundation as an agency of Forfás. It also raises the threshold on the aggregate amount of grants made by the Minister to Forfás and its agencies (Enterprise Ireland, IDA and on the enactment of the Bill, the Foundation). This increase is necessary because the bodies in question are now nearing the existing statutory limit in respect of the total amount of moneys which the Minister may grant to the bodies for the exercise of their functions. This section also raises the threshold on capital grants.

Section 35 amends the Industrial Development Act, 1995, by raising the aggregate amount of grants made by the Minister to the County Enterprise Boards.

Section 36 amends the Industrial Development Act, 1998, to allow staff members in any one of the bodies (Forfás, IDA, Enterprise Ireland, NSAI or the Foundation) to apply for vacancies in any of the other bodies.

Exchequer and Staffing Implications

In the National Development Plan 2000-2006, €711 million has been committed to the Technology Foresight Fund to support research excellence in strategic technologies, particularly the development of world-class research capabilities in Information and Communications Technologies (ICT's) and Biotechnology. The Foundation is being set up as a mechanism for the management, allocation, disbursement and evaluation of expenditure from the Fund. The Technology Foresight Fund will cover not just the costs associated with establishing research teams, equipment, facilities and materials etc. required for research but also the setting up costs and the management costs connected with recruiting high level scientists and managers for the Foundation. The setting up of the Foundation will not give rise to costs outside of the Technology Foresight Fund.

*An Rionn Fiontar, Trádala agus Fostaíochta,
Nollaig, 2002.*