Minutes of the Council business meeting held at MRC Head Office on 4 December 2013

Present:

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<th>Council</th>
<th>Head Office staff</th>
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<td>Mr Donald Brydon (Chairman)</td>
<td>Ms Sam Bartholomew</td>
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<td>Sir John Savill (CEO)</td>
<td>Mr Sandy Bulger</td>
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<td>Professor Jeffrey Almond</td>
<td>Mr Hugh Dunlop</td>
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<td>Professor Michael Arthur</td>
<td>Dr Wendy Ewart</td>
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<td>Mr Tony Caplin</td>
<td>Mr Bruce Minty</td>
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<td>Professor Dame Sally Davies</td>
<td>Dr Declan Mulkeen</td>
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<td>Dr Richard Henderson</td>
<td>Ms Jacki Paton</td>
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<td>Professor Dame Sally Macintyre</td>
<td>Dr Tony Peatfield</td>
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<td>Dr Ruth McKernan (via teleconference for item 13 only)</td>
<td>Dr Frances Rawle</td>
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<td>Baroness Onora O’Neill</td>
<td>Mr Ted Smith</td>
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<td>Dr Mene Pangalos (via teleconference for item 13 only)</td>
<td>Ms Anne Dixon (item 7 only)</td>
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<td>Mrs Vivienne Parry</td>
<td>Ms Pauline Mullin (item 9 only)</td>
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<td>Professor Michael Schneider</td>
<td>Dr Chris Watkins (item 13 only)</td>
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Observers

| Mr Jeremy Clayton               |
| Dr Helen Bodmer                 |

Apologies:

Professor Chris Day
Professor Paul Morgan

Council session

The meeting began at 10.30am.

1. Announcements and apologies

Mr Brydon welcomed members to the meeting and introduced Dr Helen Bodmer, Head of the MRC and Health Research Team at BIS, who would be observing the meeting.

Mr Brydon informed members that he had had a productive and interesting visit to the Harwell campus in October with Professor Almond and Mr Caplin. He had also visited the MRC unit in the Gambia with Sir Keith Peters in November and noted that it was a very interesting and positive place. Additionally, he had recently met with MRCT’s Chief Executive, Dr Dave Tapolczay. Members noted that MRCT’s governance model would be discussed at a Council meeting in the near future.
Finally, Mr Brydon noted that apologies had been received from Professor Chris Day and Professor Paul Morgan. Dr Ruth McKernan and Dr Mene Pangalos were unable to attend the meeting in person but they would participate via teleconference for item 13.

2. Register of declared interests

The Chairman requested that members inform the secretariat of any updates to their declarations of interest. It was noted that Professor Almond had been appointed as a director of a consulting company in the biotech area and his declaration of interest form would be updated accordingly.

3. Minutes of the Council meeting held on 2 October 2013

The minutes of the Council meeting held on 2 October were approved as an accurate record.

One of the actions from the October meeting had been to develop a rapid screening process for dealing with anonymous allegations of scientific misconduct. Dr Peatfield reported that the MRC had received increasing numbers of anonymous allegations recently. There were plans to establish a small panel of experts to consider anonymous allegations and advise which allegations should be investigated further. In the longer-term the MRC would meet with other parties affected by the allegations such as publishers and other funders to develop a strategy going forward.

In response to queries from members, it was confirmed that the employer of the individual against whom the allegations had been made was responsible for the investigation, though the MRC had a duty to consider allegations against an individual if he/she were an MRC employee at the time of the alleged misconduct. As a funder, the MRC had an interest in protecting its scientific investment; the Universities UK (UUK) Research Integrity Concordat acknowledged RCUK requirements for the investigating employer to notify the funder if an investigation was under way and subsequently, the result of the investigation.

Members raised the possibility that if those making the allegations did not feel that they were being taken seriously their next course of action might be to approach the press, with a risk of damage to the MRC’s reputation. Therefore it was suggested that it would be prudent for the MRC to have a communications plan prepared in advance.

4. Matters arising

4A. Report from the Council Audit and Risk Assurance Committee and the Council Finance Committee

Council noted the report from the Council Audit and Risk Assurance Committee (CARAC) and the Council Finance Committee (CFC) meetings held on 5 November 2013.

4B. Report from the Remuneration Committee

Mr Smith provided an update on the discussions at the Remuneration Committee meeting held on 30 October. Earlier in the year, the Remuneration Committee had commissioned a review of MRC senior scientific salaries to determine whether the MRC’s perceived lack of pay and remuneration was having an impact on science. The results of the review had been discussed at the meeting. The MRC’s senior scientific pay and benefits had been compared with those offered elsewhere in the UK. The report had found that the salaries the MRC could offer were making recruitment in competition with universities difficult. Two-thirds of MRC appointments failed at the first attempt meaning that those posts had to be re-advertised. With regards to retention, the MRC was doing
well in retaining staff, partly as a result of measures that had been brought in to acknowledge superior sustained performance over a period of time. These included promotions from band two to band one and a retention allowance for key players who had made significant progress.

The results of the review had been discussed with MRC unit and institute directors and there were plans to re-evaluate the way the top MRC pay bands worked in order to attract the best scientists. A small group of directors would form a working group to look at how this could be put in place and also to consider how the programme leader track role could be improved.

Mr Smith noted that the university units were now free of the MRC’s pay constraints and had started to appoint new staff using the university pay scales; this would clearly help the situation for those units in the future.

Sir John highlighted that while the actual pay gap between the MRC and universities was not large (approximately three to four per cent), there was a still strong perception that the MRC did not pay well in comparison to universities. This was partly because the MRC was not using its pay scales as intelligently as it might. Competition was intense for early career researchers and they were being appointed a couple of grades higher at universities than the MRC. The directors’ working group would look to restructure the entry level to the MRC early career pathway.

Council members welcomed the MRC’s ability to be flexible in recruitment but highlighted that comparability to staff already in post could become an issue if new recruits were appointed at a higher level. This point was acknowledged, but Sir John pointed out that the report had not found retention of staff to be an issue at the MRC due to the work the HR team had undertaken to improve the overall pay and benefits package. Additionally, Mr Smith reported that the recent staff survey had shown an increase in the proportion of MRC employees who were proud to work for the MRC and would recommend it as a place to work. In-year bonuses had also been introduced to reward people at the top of their band where appropriate.

Members highlighted their ongoing concern that the MRC was at a disadvantage compared to the other research councils and universities as it was not a contractual requirement for MRC employees to move up the incremental pay scale on an annual basis. Additionally, the longer that MRC pay was constrained, the harder it would be to bring MRC pay up to a level playing field with competitors. Mr Smith informed members that A to B promotions within pay bands had been introduced to help address this issue and there were now plans to introduce an additional C section for people who could prove more than three years excellence in the B section of the band.

Members noted that it had been suggested at the previous Council meeting that the Remuneration Committee should discuss whether there would be value in improving the awards to inventors scheme for intellectual property income generated by MRC researchers. Mr Smith confirmed that this would be considered at the next Remuneration Committee meeting.

Finally, members discussed the proposed pay scales at the Crick. The proposed scales had not yet been published but it was known that Sir Paul Nurse intended that they would be very competitive and about twenty per cent higher than NIMR salaries (though with a less attractive pension than the MRC offered) in order to attract the best scientists from across the world. This would be a risk for the Crick as the MRC would not provide additional funds to support the higher salaries. Therefore it was possible that the Crick would end up employing a smaller number of very brilliant scientists to deliver the science programme.

4C. Report from the Nominations Committee
Mr Brydon informed members that the recruitment process was underway to find replacements for Dr Henderson and Professors Almond and Arthur. The vacancies had been jointly advertised with the other Research Councils in mid-November and the deadline for applications was 16 December 2013. Interviews were currently scheduled to take place on 18 February 2014.

The Nominations Committee had met that morning, discussed Dr Jim Smith’s appointment and agreed that their terms of reference should be revised to include oversight of Management Board appointments. The revised terms of reference would be presented at the March Council meeting for approval.

Mr Brydon was pleased to report that Professor Day’s reappointment for another term on Council to 31 March 2018 had been formally approved by the Minister for Universities and Science. This would be formally announced in a press release at the same time as the new Council appointments in 2014.

4D. Report from the Ethics, Regulation and Public Involvement Committee (ERPIC)

Baroness O’Neill provided an update on the discussions at the ERPIC meeting held on 13 November. Members had discussed public and patient involvement and noted that membership of the public panel was neither very lay nor representative of the population. Members had considered whether social networking could be used as a way to engage with younger people who would be more representative of those likely to benefit from the outcomes of MRC basic research. It had also been suggested that the public panel should be used for specific projects such as commenting on lay summaries to help improve their quality.

An update on the EU Data Protection Regulation had been provided to ERPIC. Amendments to Articles 81 and 83 recently approved as the European Parliament’s formal position gave rise to serious concern. The exemption from the requirement for specific consent for use of pseudonymised data was too narrow and no use of identifiable data without specific consent would be allowed. Baroness O’Neill reported that there appeared to be no variance of views within the UK that the standards of consent for use and re-use of data had been raised to an unachievable and ethically unsound level. There was not a good mechanism for rigorous ethical governance of data. These amendments would seriously hamper cohort based and public health research in Europe, and would undermine recent UK investment in e-health, cohort studies, and research using administrative datasets, for instance by making the broad consent model currently used for most UK cohort studies illegal.

It was noted that the Ministry of Justice was convening a cross-government meeting on the 10 December to discuss the issue. Council members suggested that it could be highlighted that the proposed regulation could be a barrier to some future dementia research.

There was some discussion about the situation in the United States of America. It was noted that the USA would not be affected in the same way as Europe; however, the proposed regulation would significantly impede international collaborations.

Council then discussed what more could be done to address the situation. It was noted that major European funders and research groups that would be affected by the Regulation and which held the same view as the UK needed to be identified and encouraged to contact their governments to highlight the risks to research of the proposed regulation. Science Europe was running a campaign in this regard. Additionally, Sir John informed members that the Office for Strategic Co-ordination of Health Research (OSCHR) Board had discussed the issue and Sir John Bell planned to write to the Rt Hon Chris Grayling MP, Secretary of State for Justice, and cite research that would be affected.
Minutes from the 24th October Strategy Board meeting

Sir John Savill introduced this item and thanked Dame Sally Macintyre, Professor Schneider and Professor Almond for attending the October Strategy Board meeting. He noted that four members of Council were now welcome to attend each Strategy Board meeting to improve joined-up working, and efforts were being made by the Strategy Group to circulate agendas well in advance of the meeting.

Sir John reported that Strategy Board had discussed the impressive progress with the UK Dementias Research Platform (UKDP). Strategy Board had endorsed the funding of UKPD Stage 1, the epidemiological core of the dementias platform; Stage 1 would be announced at the forthcoming G8 summit. Plans for the second stage of the UKPD were underway to establish a programme of experimental studies in partnership with industry; a standard joining fee of £1m per company was anticipated. A proposal on behalf of six NIHR Biomedical Research Units/Centres in Dementia could form UKPD Stage 3. This was an innovative model and Sir John would keep Council informed of developments.

Strategy Board had also discussed the clinical research infrastructure initiative to deliver investment of £150m of Department of Health-derived capital. BIS had given the MRC approval to bring in £12.5m of additional capital from future years. Discussions were also underway with four major research charities and the research and development systems of the devolved nations regarding their involvement in the initiative.

Sir John reported that there had been a lengthy discussion regarding the MRC’s participation in the Global Alliance to enable the Responsible Sharing of Genomic and Clinical Data. Strategy Board had also considered the MRC’s Strategic Review of UK Population Cohorts. An impressive 2.5m people had participated in UK cohorts and this would be highlighted in Sir John Bell’s letter to Chris Grayling regarding the EU Data Protection Regulation.

Finally, Sir John informed members that Strategy Board had discussed plans to develop the MRC’s strategy to tackle antimicrobial resistance including a suggestion that a platform-based approach might be considered similar to those pursued in dementias and regenerative medicine.

Dame Sally Davies thanked the MRC for its work on dementias and antimicrobial resistance both of which were government priorities. Council members highlighted that a big issue in the field of antimicrobial resistance was the economics of developing new antibiotics and how to facilitate the industrial progression in an environment where hospitals and GPs often prescribed the cheapest drug. Dame Sally acknowledged this issue and confirmed that extensive modelling was being undertaken to identify a solution before taking it to an international forum.

5. CEO report to Council

Sir John Savill introduced this item and discussed the following matters:

The Francis Crick Institute progress report

Sir John drew members’ attention to the Francis Crick Institute progress report including the outcome of the Gateway ‘0’ review which had awarded the project an Amber/Green ‘delivery confidence’ assessment. There had been a tragic on-site accident on 6 November when an operative from CMF, a Laing O’Rourke (LOR) sub-contractor, had been killed whilst installing a section of steel staircase in the basement levels. The incident was being investigated by the Health and Safety Executive (HSE) and the Crick Executive was being kept up to date with progress. The media were being closely monitored; there had been very little adverse publicity to date, although this could change when the HSE report came out.
Council members discussed the risks to the Crick of the CrossRail2 (CR2) project. It was noted that Mr Caplin had a potential conflict as Chair of the Public Works Loan Board which would potentially be lending money for CR2. Current plans indicated an underground station very close to the south side of the new building which would affect sensitive equipment due to vibration and electro-magnetic interference. The Crick had prepared a detailed report to explain the impact, and the Secretary of State for Transport had written to BIS to provide assurances that the Crick would be protected. Council members noted that if CR2 went ahead as currently planned, it would have a significant impact on the Crick; a redesign of the basement of the building would be required or some of the affected science would need to be carried out elsewhere. The Chairman reassured members that the MRC and the other Crick partners were working hard to ensure that current CR2 plans were revised.

Spending Review 2015/16

Sir John reminded members that the science base had been broadly awarded flat cash in the 2015/16 spending review; however, with the loss of £9m commercial income this would result in less than flat cash for the MRC. Mr Clayton informed members that the outcome of the spending review and other policy decisions had placed large budgetary pressures on BIS for 2014/15 and 2015/16. Discussions would continue over the next few weeks, and decisions on the allocations to the research councils would likely be taken in the New Year. Members noted the update and highlighted that the delays to the decisions on allocations made it very difficult for finance directors to plan ahead.

Appointment of Dr Jim Smith as MRC Deputy Chief Executive and Chief of Strategy, in succession to Dr Wendy Ewart

Sir John informed members that Dr Ewart would retire from the MRC on 31 March 2014; the March Council meeting would be her last. Dr Jim Smith, Director of the National Institute for Medical Research (NIMR), would take on the role of Deputy Chief Executive and Chief of Strategy from 1 April 2014. He would do this on a two-year secondment from NIMR, while retaining his directorship of the institute. He would delegate aspects of the day-to-day duties of the director to senior staff within NIMR. There was a potential for conflicts of interest and a paper would be prepared setting out what these might be and how they would be managed.

6. Finance report and medium-term outlook

Mr Dunlop introduced this item and informed Council that the forecast outturn for the year was included in the paper and had been discussed at length by the Council Finance Committee at their meeting in November. The year-to-date results to the end of October had also been included in the paper and showed that the MRC was roughly on budget in the major areas.

Mr Dunlop then turned to the medium-term outlook and informed members that factors that would need to be considered in setting the 2014/15 commitment budget included: uncertainty over the level of income in the next spending review; the risk of over-committing if there was a reduced settlement; and the ability to achieve an increased level of investment if there was a more favourable settlement. A flat cash settlement at current baselines would mean that a commitment budget of £310m for 2014/15 would be affordable. However, a cut in the settlement for 2015/16 could lead to a reduced allocation in the next spending review if a lower baseline was used, and therefore an alternative base case needed to be considered. If there was a three per cent cut in 2015/16, the commitment budget would need to be £20m per annum less over the period. With this in mind, Mr Dunlop recommended to Council a commitment budget of £290m for 2014/15.
Council members discussed the recommendation and noted that the impact of the commitment budget on grant success rates would be discussed under the science commitment budget item. There was some discussion about the estimate of future IP income which showed a significant decrease post 2015/16. Members expressed concern that this would not help make the case to government that investment in science produced a good return, although it was acknowledged that commercial return was only a small fraction of the overall economic return from science and that the MRC did not own IP generated by grants or university units. Members noted that Researchfish would be used to capture the IP generated by all research funded by the MRC in order to demonstrate payback from all forms of funding. Sir John informed members that in preparation for the next spending review, the MRC would use Researchfish to identify prospects with IP and produce forward projections about the value of those to the nation. Additionally, the MRC was in the second phase of the Economic Impact Highlight which if successful would fund projects to investigate the economic return from medical research. Members also suggested that the MRC should consider the strategic value of investment in the Development Pathway Funding Scheme (DPFS) and Confidence in Concept schemes as future generators of IP income.

Council approved the commitment budget of £290m and noted that, although cuts to the MRC’s allocation now looked to be a possibility, overall science had done very well in the 2015/16 spending review in comparison to other areas.

7. The 2014/15 science commitment budget: initial discussion

Dr Mulkeen introduced this item and informed Council that the purpose of the paper was to agree high level considerations for setting the commitment budget for 2014/15. As the spending review outcome for the MRC for 2015/16 was not yet known, specific allocations would be agreed at the March Council meeting. Dr Mulkeen presented slides which showed the activities driving resource spend in 2014/15 and highlighted the balance between support for units and institutes, PhD level training, response mode grants, translational managed programmes, and major partnership programmes such as in informatics and stratified medicine.

He stressed that if the MRC faced a two-to-three per cent cut in budget from one year to the next, the challenge of achieving a sudden reduction in spend without undermining existing multi-year programmes could be met in large part by freezing most “rapid spend” initiatives - although there was a strong case for keeping the “Confidence in Concept” programme of rapid spend for translation.

Nevertheless, the MRC would still need to reduce each year’s new commitments to long-term awards by perhaps 10 per cent for two-to-three years. While major partnership and strategic programmes had seen strong funding over the last few years, and might therefore be seen as areas where new commitment could now be cut for a while, they were also the MRC’s best way of drawing in extra funds from partners to align with the MRC. Moreover, in heading into a future spending review, the MRC would need the flexibility to make (at least) “seeding” investments in new priority areas

A substantial number of the MRC’s units and institutes (including university units) would be reviewed over the next two years and the outcomes of these reviews would be critical in shaping the limited pot of money. Award rates at the research boards were currently approximately 24 per cent by value and 20 per cent by number, and were expected to remain around 20 per cent or slightly lower (by value) if there was a cut in the budget, though this would of course be affected by any changes in the level of demand. If the MRC did face a budget reduction in 2015/16, there would be a continued need for new strategic headroom and a need to review/reprioritise existing strategic commitments in units, multi-year programmes and translation. A modest rebalancing of Board budgets would also be required, but they should not take a disproportionate hit. Support for early and intermediate career stages should be protected.
Council members cautioned that if the award success rate dropped much below 20 per cent the confidence of the academic community could be lost, so it would be important to keep the award rate at or above this level as far as possible.

Beyond this, members suggested that it would make sense to focus on maintaining strong support for three areas where the MRC made its most distinct contributions:
- innovative strategic initiatives that brought together partnerships of funders and improved cohesion in UK research
- units and institutes providing a long-term focus
- early stage research careers.

If necessary, members suggested that more senior level career award schemes could be put on hold for a while.

Members raised concerns that the MRC was being too cautious in preparing for a possible three per cent cut. It was agreed that although it was important for the MRC to be prepared for a cut, the case should continue to be made about the importance of investment in science to stimulate the economy.

There was some discussion about research boards’ budgets and the feasibility of assessing quality across the boards to help with budget setting. It was noted that there did not currently appear to be much variation in quality between the boards.

8. Council workplan and business cycle and draft agenda for the Council meeting on 12 March 2014

Dr Peatfield informed members that following Council’s discussion in October of its effectiveness review, members’ suggestions for future topics had been added into Council’s workplan for 2014/15. The draft agenda for the March 2014 Council meeting had also been included for comments.

Council approved the workplan and agenda noting that an item on MRCT governance would also be discussed at the March or May Council meeting.

Members highlighted the value of the Council open meetings; these would continue to take place on an annual basis at a different location around the United Kingdom so Council could engage with local stakeholders. Additionally, members commented that the unit/centre director presentation sessions were also of great value.

9. MRC Public Engagement and Communication Update - 2013

Pauline Mullin introduced this item and updated members on key public engagement and communication projects undertaken during 2013. This included addressing public engagement and communication topics identified by Council in the recent effectiveness review as issues to be discussed as part of its workplan. She informed members that the Centenary Programme had formed a large part of the communication section’s workload during the year and a paper on this would be presented to Council in March 2014.

Ms Mullin presented a summary of some of the communications work which had been undertaken during the year in the following areas: neurodegeneration (including dementia); animals and openness; public engagement; group (internal) communications; and communication channels and audiences. She also outlined the proposed changes to public engagement assessment in quinquennial reviews (QQRs).

There was some discussion about Researchfish and how it could help to reduce the burden on researchers. It was noted that the MRC was in discussion with universities to see if it would be possible to develop a way to upload data from university information management systems directly to Researchfish. A large number of funders now used
Researchfish which had led to a massive reduction in the workload of researchers in submitting information. Additionally, researchers could now upload to Researchfish from Europe PMC.

Members noted that in terms of public engagement regarding the use of personal data for research, the communications team had worked with the e-health centres which were part of the Farr Institute to help improve their understanding of what good public engagement would be. The team would continue to work with the e-health centres to plan engagement work and provide advice.

Members congratulated the communications team on their excellent work in the Centenary year and in particular the support they had provided to units regarding their involvement in science festivals. Members also endorsed plans to work closely with communication teams in partner universities to deliver public engagement activities.

Members discussed the recommendations for refreshing the QQR process for public engagement. Ms Mullin clarified that under the proposed public engagement assessment process, programme leaders would not be asked to produce extensive reports on public engagement work as Researchfish would be used as the main data-gathering tool to help minimise extra reporting burden.

Members commented that the MRC needed to promote understanding and awareness of the importance of working with industry; this was something that industry could not easily do for itself. It would also be important to convey the message that the MRC was innovative and doing great things. One way to help achieve this could be by using positive word association; the communications team could work to embed one or two positive describing words in people’s minds which they would always associate with the MRC.

It was also suggested that it would be useful for the MRC to make journalists familiar with the outcomes, outputs and impacts of research held on Researchfish as a source of material. This could be done via Gateway to Research which was open to the public, though it was noted that the information would not be timely for news stories. Journalists could then trawl through the outputs and outcomes of research to identify interesting stories. As journalists also used Twitter to find stories, the MRC could consider doing a couple of tweets a day about different research outputs from Researchfish for journalists to pick up on. Members noted that one of the likely outcomes of the Triennial Review would be the need for the Research Councils to demonstrate that they were meeting their Charter objective to engage with the public; webpage views and the use of social media, such as Twitter, would be a good way to generate interest on the web and allow the MRC to measure active engagement.

10. Corporate risk review

Council noted the corporate risk register as at the end of September and the detailed information on the management of the very high risks. Members highlighted that the risk relating to the proposed EU Data Protection Regulation would need to be kept under close scrutiny.

11. The MRC 2016

Mr Minty introduced this item and informed Council that the purpose of the paper was to demonstrate the impact the university unit programme and the NIMR transfer to the Crick could have on the structure of the MRC by 2016.

Mr Minty outlined the potential change in the number of staff directly employed the MRC by 2016.
There was some discussion about whether any savings made from the reduction in directly employed staff could provide more headroom for investment in science. It was noted that the MRC was still funding the university units, just through a different route. The direct costs of funding the university units would actually increase slightly and the university units would also require additional support from RPG to help them engage with their partner universities. Members noted that the university unit programme board would carry out a benefits realisation exercise to determine whether the strategic objectives for university units set by Council were being met.

12. University Units – update on progress

Dr Ewart updated Council on the current status of the university unit programme. The university unit programme board had dedicated time to ensure that everything was going well from an operational perspective for those units that had already transferred, including close communication with directors in the immediate aftermath of the transfers. Additionally, Dr Ewart would be visiting each university unit director on an informal basis over the next three months to see how things were progressing post-transfer.

The MRC currently retained nine intramural units in the UK as well as two overseas units.

Members suggested that there could be merit in postponing the initiation of the second wave of transfers until some of the new university units had had their next quinquennial review (QQR). There were other issues to consider as well, such as how the closure of a university unit would be managed and the logistics of possibly moving a university unit to another university. Sir John confirmed that the two university units at the WIMM at Oxford University had both had QQRs since their transfers and no issues as a result of the university unit status had been identified. Additionally, at the recent biannual MRC directors’ meeting, university unit directors had been generally positive about the transfers and they were seizing the opportunities presented. Dr Ewart added that the QQR process was the same as for intramural units and although in partnership with the university; the MRC remained in control of the review process. A university was unlikely to oppose closure of a unit that did not meet the scientific rigour of the QQR.

If a university unit was closed, the fact that the staff were university employees may make it easier for them to find other opportunities within the university.

In light of Council’s comments, the Chairman requested that if a university unit was closed in the future, Council should be provided with a report on the closure process and any issues that had arisen so that knowledge could be built up for the future.

13. Industry engagement

Drs McKernan and Pangalos joined the meeting via teleconference for this item.

Dr Watkins introduced this item and provided an overview of the MRC’s engagement with industry including the Biomedical Catalyst and emergent ‘Proximity to Discovery’. The Biomedical Catalyst was an integrated translational programme jointly run by the MRC and the Technology Strategy Board (TSB) which provided support for projects ranging from feasibility/’confidence in concept’ through to late stage research and development including early phase two clinical studies.

Dr Watkins presented members with an overview of the portfolio of projects supported in the first three rounds of the Biomedical Catalyst. Proposals were being rigorously evaluated by committees with experts from the academia, industry, business development and investment sectors. This combination was leading to good, robust decisions. The number of collaborative proposals bringing together SME business expertise and academic scientific excellence had been lower than expected. Industry
projects with good academic links were more successful than average and the MRC and TSB were considering ways to make the process more iterative and improve feedback on areas for improvement in proposals.

Dr Watkins then presented Council with an overview of the new ‘Proximity to Discovery’ concept. This ‘P³ model’ for discovery partnership with Pharma and Biotech was intended to promote, enable and facilitate pre-competitive collaboration:

- Pre-competitive scientific excellence
- Partnership for target discovery
- Proximity to critical mass

The P³ vision was for discovery teams to engage with MRC-funded, pre-competitive world-leading academic discovery environments resulting in a step-change in the quality of interaction between discovery academics and research scientists in Pharma and Biotech, and the wider Life Sciences sector, both in the UK and more widely. The MRC could play a key role in providing information on opportunities to companies and universities, including identifying centres of excellence in specific disease areas; facilitating engagement between the company and the university; and providing opportunities for a range of collaborative funding mechanisms to allow universities to engage productively with companies. A key partner in this work would be UK Trade and Investment (UKTI) and the MRC would work closely with UKTI to promote the concept globally, as a way of helping the UK to capitalise on the quality of the discovery science and encourage inward investment.

Members thanked Dr Watkins for the update and considered what the measures of success might be for the Biomedical Catalyst. The overall goal of the scheme was to bring innovative solutions closer to the market and to speed up that part of the process. It was noted that there had been no substantive outputs yet from the projects that had been funded, as the first funding announcements had only been made in August 2012. An interim indicator of success was the extra £185m the Government awarded to TSB in the 2013 Spending Review, part of which was for an extension of funding for the Biomedical Catalyst beyond the originally planned three-year allocation; this indicated the confidence the Government had in the scheme. Additionally, the scheme had been given strong endorsement by the biotech companies themselves and there had been increasing instances of businesses citing their Biomedical Catalyst Award as being a key factor in securing further private investment. Members agreed that third party non-government investment was an excellent measure of success.

Members approved of the efforts to make the process more iterative to allow applicants to seek advice from either the academic or commercial sectors. It was noted that sometimes companies could be blinkered as to the opportunities that working with academics could provide, such as innovative solutions or clinical trial methodologies that could help companies get more definitive answers at a lower cost.

There was some discussion about access to venture funding and how this could be improved for UK companies. It was noted that there was evidence of increasing access to money, with funds beginning to appear in certain geographical areas, particularly in South-East England. It was also noted that some members of the venture fund community were on the Biomedical Catalyst assessment panels and the TSB had been involved in active outreach to promote what had been funded and highlight the opportunities.

Members suggested that efforts should be made to bring academics and SMEs together in informal environments so they could identify synergies. In some cases, the potential for interaction between industry and academia would be obvious and would not necessarily need additional encouragement, but there would be great advantage in helping to identify less obvious synergies. A subset that would be useful to target would be the generic technologies, for instance, bringing SMEs in certain areas to the academic investigator who had identified a target but needed help taking it through to development. Medilinks, an organisation which aimed to connect the academic, business
and clinical sectors, was suggested as an example which could be used to help facilitate this. The UK BioIndustry Association (BIA) was another organisation which aimed to connect individuals and organisations to deliver the best possible environment for growth and innovation. It was noted that the BIA was a vocal supporter of the Biomedical Catalyst.

Members then discussed ‘Proximity to Discovery’. Council warmly endorsed the overall concept, considering it to be a welcome enhancement of MRC’s and other relevant stakeholders’ activities to promote the UK life sciences capabilities. Members supported the idea of putting some funding behind the model, such as making small and medium sized equipment in many disciplines available for use by SMEs. This could also be a way to secure additional capital funding for the MRC on the basis that companies would get access to the equipment. Members agreed that in general the UK was not communicating well internationally about the value of its discovery research, and the ‘Proximity to Discovery’ model would help to address this gap. It was agreed that UKTI was a key delivery partner, alongside the relevant research councils and Technology Strategy Board, and every effort should be made to coordinate with other on-going activities. Members looked forward to being updated on progress in due course.

14. Any other business

No other business was raised.