Minutes of the Council business meeting held at The Francis Crick Institute on 14 December 2016

Present:

<table>
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<tr>
<th>Council</th>
<th>Head Office staff</th>
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<tr>
<td>Mr Donald Brydon (Chairman)</td>
<td>Ms Sam Bartholomew</td>
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<td>Sir John Savill (CEO)</td>
<td>Dr Rob Buckle</td>
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<td>Dr John Brown</td>
<td>Mr Sandy Bulger</td>
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<td>Professor Doreen Cantrell</td>
<td>Mr Hugh Dunlop</td>
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<td>Professor Chris Day</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>Professor Dame Janet Finch</td>
<td>Dr Tony Peatfield</td>
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<td>Baroness Onora O’Neill</td>
<td>Dr Frances Rawle</td>
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<tr>
<td>Professor Irene Tracey</td>
<td>Ms Angelica Datta, item 8</td>
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<td>Dr Chris Watkins, item 12</td>
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Observers

| Ms Jenny Dibden (BEIS)                         |
| Ms Hilary Evans, CEO Alzheimer’s Research UK |
| Mr Jeremy Hughes, CEO Alzheimer’s Society, via teleconference |

Apologies:

Professor John Iredale
Professor Paddy Johnston
Dr Mene Pangalos

1. Announcements and apologies

Mr Brydon welcomed members to the meeting and informed Council that two new members had been appointed with effect from 1 December, Professor Irene Tracey, University of Oxford and Professor John Iredale, University of Bristol; this meant that Council was now legally constituted in accordance with the terms of the Royal Charter. He welcomed Professor Tracey to the meeting and noted that apologies had been received from Professor Iredale; Professor Johnston and Dr Pangalos had also sent apologies. Mr Brydon also informed members that interviews had been held at the end of November for the industry and lay vacancies on Council and it was hoped the appointments would be made in advance of the March 2017 Council meeting.
Mr Brydon noted that it was Dr Mulkeen’s first meeting in his new role as Chief of Strategy; interviews had been held for the Chief Science Officer vacancy the previous day and Sir John would update members on the appointment later in the meeting.

2. **Register of declared interests**

The Chairman requested that members inform the secretariat of any updates to their declarations of interest.

3. **Minutes of the Council meetings held on 29 September and 5 October**

The minutes of the Council meetings held on 29 September and 5 October were approved as an accurate record.

4. **Matters arising**

4A. **Report from the Council Audit and Risk Assurance Committee (CARAC)**

Dame Janet updated members on the discussions at the CARAC meeting which had been held on 8 November. There had been a discussion regarding the establishment of the UK Institute of Health and Biomedical Informatics from a risk perspective and members had also met with the Executive Director of UK SBS, Jo Brigham, to discuss the current level of service provision and risks.

Dame Janet informed members that she had attended a meeting of audit chairs from all the bodies that would form UKRI to discuss how the audit function should be organised. The meeting had been productive and there would be further discussions. Consideration had been given as to whether UKRI should have one audit committee with subcommittees feeding in or whether each of the organisations forming UKRI should have their own audit committee. Dame Janet preferred the single audit committee model given that UKRI would have one accounting officer and this was similar to the model used in universities which was effective. Dame Sally highlighted that within the Department of Health, several audit committees fed in to one accounting officer and this model also worked well.

4B. **Minutes from the Strategy Board meeting held on 18 October**

Sir John thanked Mr Brydon for attending the Strategy Board meeting that had been held on 18 October and updated members on discussions at the meeting.

Professor Lawlor (Chair of the Population Health Sciences Group) had introduced the recent AMS-led report ‘Health of the Public by 2040’. Members had also received an update from Professor Piot (Chair of the Global Health Group) and Dr Mulkeen on the strategy and priorities for the Global Challenges Research Fund (GCRF) spend and progress with the cross-Council calls for Foundation Awards. Through the GCRF, the MRC had received an additional ODA spend allocation of £34m per annum from 2017/18 and could further benefit from unallocated funding though the RCUK Collective Fund.

Strategy Board had discussed a draft career framework for health and biomedical informatics research. The intention was to implement the framework in the development of the informatics institute and, if successful, use this as the basis to support informatics career pathways outside the institute. The framework would be discussed by the Training and Careers Group and there would be community consultation; the input of the new Director of the institute would also be essential to the further development and implementation of the model.
Strategy Board had also had strategic discussions to inform the quinquennial reviews (QQRs) of the MRC Biostatistics Unit (BSU), the MRC Metabolic Diseases Unit (MDU) (both University of Cambridge) and the MRC Protein Phosphorylation and Ubiquitylation Unit (PPU) at the University of Dundee. Finally, Strategy Board had discussed the QQR of the MRC Laboratory of Molecular Biology (LMB) which would be considered by Council later in the meeting.

5. CEO’s report

Sir John Savill introduced this item and provided updates on the following areas:

New appointments to Management Board

Sir John updated Council on the following new appointments to Management Board:

- **Deputy Chief Executive** – following the announcement in November that Dr Jim Smith would step down from his roles as Deputy Chief Executive and Chief of Strategy at the MRC, Professor David Lomas had been appointed MRC Deputy Chief Executive. Professor Lomas would be seconded from UCL on a part-time, fixed term contract from 1 January 2017 until 31 March 2018. He had recently finished four years as an MRC board chair and was an active and respected scientist, overseeing the largest group of medical researchers in the UK at UCL.

- **Chief Science Officer** – interviews had been held the previous day and the Panel had unanimously agreed that Dr Rob Buckle should be appointed as Chief Science Officer with immediate effect. Sir John welcomed Dr Buckle to the meeting and was joined by Council members in congratulating him.

Sir John had also recently consulted the Nominations Committee, and received unanimous support, for his proposal to include two additional roles on Management Board:

- **Director of External Affairs** – Sharmila Nebhrajani, Director of External Affairs, would join Management Board with immediate effect; she had previously observed at meetings. Her immediate focus would be to ensure the smoothest possible transition towards UKRI.

- **Director of Innovation** – Dr Chris Watkins (currently Director, Translational Research & Industry) would join Management Board as Director of Innovation. His immediate responsibility would be to drive forward the MRC’s translational research activities while overseeing MRC’s engagement with industry across the research portfolio. Dr Watkins would ensure effective knowledge exchange of MRC science and work with partners, including Innovate UK, on the Industrial Strategy and the Industrial Strategy Challenge Fund. His part-time secondment to the Crick was due to end on 31 July 2017.

UKRI

Sir John informed members that the first meeting of the new UKRI planning forum, which included the research councils, HEFCE and Innovate UK chief executives, and was chaired by Rebecca Endean (BEIS), had taken place on 9 November. Meetings would take place monthly as would meetings of the RCUK Strategic Executive. Discussions at the planning forum had included an update on progress with recruitment of the UKRI chief executive. There had also been a discussion regarding the need to identify and deliver the work that must be done; in particular the governance and IT systems, authorities and delegations that must be in place by 1st April 2018 to allow UKRI and its component bodies to function effectively, and to continue to deliver the research in the various research council institutes and facilities. Discussions had also turned to the need
to establish a process to identify underfunded priorities for the Industrial Strategy Challenge Fund. Council noted that once appointed the UKRI CEO would play a part in the process for 2017/18.

Sir John noted that in the Autumn Statement, the chancellor had also announced £100m for Innovate UK to extend and enhance the Biomedical Catalyst. Sir John highlighted that if the research councils received additional funding through these schemes, additional funds would also have to be allocated to HEFCE for QR.

The Gambia

Mr Minty updated Council on the situation in The Gambia following the presidential elections at the beginning of December. The MRC was closely monitoring the situation and had robust business continuity and evacuation plans, in the event of the political turmoil posing a risk to staff in the MRC Gambia Unit. Non-Gambian Unit employees had been offered extended Christmas leave and flight tickets could be extended if the situation remained unsettled. The MRC also employed ~1050 local staff in the country and staff had been advised to stay at home or within the MRC’s secure compounds.

MRC quarterly dashboard

Sir John informed Council that the MRC provided quarterly dashboard reports to BEIS which included a summary of financial, staffing, grant and risk information (top seven corporate risks), as well as some commentary on business critical activities and any relevant information about research outcomes and reviews that had become available over the last quarter. Management Board had recommended the regular inclusion of the BEIS dashboard in CEO’s report to Council, for information and comment.

The Crick

Mr Bulger informed members that the last planned moves from Mill Hill to the Crick would take place that week.

6. Finance report

Mr Dunlop presented slides outlining the key factors that needed to be taken into account in setting the commitment budget. Although the overall spending review had been favourable, its component parts made it less flexible than previous spending reviews and this had an impact on the commitment budget. Within the MRC’s allocation there was a large element of directly allocated GCRF (Global Challenges Research Fund) and funds for the Dementia Research Institute (DRI); these ring-fenced elements reduced flexibility. The reduction in IP income as a result of a patent expiry in 2015 was also a contributing factor.

The proposed commitment budget for 2017/18 was £290m with the expectation of £320m per annum thereafter. This would produce small deficits from 2018/19 to 2021/22 but these would be at manageable levels. There also would be ~£18m of capital available in 2017/18. Allocations for 2018/19 to 2020/21 were indicative pending the set-up of UKRI, and therefore could be subject to change.

Members highlighted that there could be an increase in demand for grant-funding post-Brexit. It was also noted that the MRC would be agile and nimble enough to respond to any additional money available as a result of the Industrial Strategy Challenge Fund.

It was noted that there was some scope for additional funding through the Global Challenges Research Fund (GCRF) common pot.
7. **Science commitment budget – initial discussion**

Dr Mulkeen introduced this item and informed members that the purpose of the discussion was to provide Council with an update on initial proposals for 2017/18 prior to detailed proposals being brought to Council in March 2017. He presented the initial thinking regarding the 2017/18 commitment budget and highlighted that the boards and training panels would face more pressure in 2017/18 as budgets available for new commitments would be at their lowest level. Council had agreed in May that response-mode funding should not fall below 90 per cent of 2015/16 levels in 2016/17 and 2017/18 after which it would increase. Fewer applications to the boards, down 20 per cent since 2014/15, meant that success rates were similar to those in previous years. Training and careers had received a degree of protection in the 2016/17 budget relative to the boards but this would not be possible in 2017/18.

Efforts had been made to rapidly grow the MRC’s global health portfolio in 2016/17 through GCRF foundation awards. The MRC planned to shift to larger and longer-term awards in 2018/19 with £30m-£40m in new commitment via boards and Strategy Board. An update would be provided in March on how this funding would be shaped in 2017.

The Industrial Strategy Challenge Fund announced in the Autumn Statement would provide funding for research and development to be spent between 2017/18 and 2021/22. The MRC and partners would work together to develop plans and calls early in 2017 in order to use the funds effectively.

Strategic options for 2017/18 would be limited and, as previously agreed by Council, there would be no scope for Strategy Board to support major new opportunities outside of GCRF before 2019. Plans would allow for small or medium-scale strategic initiatives in one or two areas such as experimental medicine, target discovery and validation programmes, technology touching life or food industry partnerships. Dr Mulkeen reminded members that, following a successful experimental medicine call which had completed in March 2016, the aim had been to run annual calls. However, in May, Council had noted that funds would only provide for a call in late 2017 with awards in 2018. Council had advised at the time that if funds became available sooner, the call should be brought forward. Dr Mulkeen suggested however that, this close to March, the current plan for the call should remain unchanged and it would make more sense to concentrate on the new target discovery and validation programmes and technology touching life initiatives.

Council supported the proposed approach and priorities and noted that a paper would be brought to the March Council meeting to discuss and agree allocations.

8. **Establishing the UK Dementia Research Institute (DRI)**

Mr Brydon welcomed Hilary Evans, CEO of Alzheimer’s Research UK (ARUK) and Jeremy Hughes, CEO of the Alzheimer’s Society (AS) to the meeting. He noted that Council had endorsed the appointment of the DRI Director, Professor Bart de Strooper, and the location of the Hub at University College London (UCL) at the extraordinary Council meeting the previous evening.

Dr Buckle presented slides outlining the next steps for establishing the DRI. The budget for the DRI was £250m (being provided by the MRC, AS and ARUK), plus an additional £40m capital subject to a value for money case. The DRI would be a charitable company working across several sites and would engage 400+ researchers by 2022. The DRI award to the hub and centres would be made via ‘Institute Agreements’ modelled on MRC university unit awards. To simplify the process, modular awards would be made to up to ten DRI professors (£3m over five years) and ten DRI fellows (£1.5m over five years) to lead programmes at the hub.

It was envisaged that there would be around four to five DRI centres each of which would receive £8m-10m resource over five years to initiate activity. Additional funding
would be provided through core funding for new programmes at the end of year one and growth funding to expand/initiate new activity from year three. At five years, the steady-state budget for centres would be ~£18m-£20m over five years. The proposed centre selection process was to select centres with a director and exemplar programmes to receive a “foundation” centre award to be topped up by the full core programme. Council noted that the proposed approach of site/centre director selection coupled to exemplar founder programmes would allow centres to start work rapidly and provide early visibility for the DRI across its various sites. The call for DRI centre proposals would be launched on 16 December and decisions would be announced by April 2017.

There would also be a separate process to identify a DRI centre focused on care research which would be initiated in 2018 following the recruitment of an associate director to lead this component of the DRI’s activity. There was flexibility as to whether the care research centre would be co-located with the hub or existing centres or based elsewhere.

Ms Evans highlighted that ARUK was very happy with the progress that had been made and with the appointment of an excellent director for the DRI in Professor Bart de Strooper. Mr Hughes noted AS’s gratitude to all involved and highlighted that the recruitment of an international director for the DRI signalled that the UK was open to research business.

Council congratulated Dr Buckle and the fantastic efforts of the small team at the MRC on the progress that had been made with the DRI.

Council agreed the importance of ensuring the communications for the DRI were well managed and accurately reported by the media. It was noted that a dedicated DRI communications manager had recently been recruited and would be responsible for the development and implementation of the DRI communications strategy.

Council noted that the bulk of the DRI’s research was to be provided through core programme-level investments, with the expectation that a significant number would be led by new researchers, and it was hoped that a significant number of the posts would be filled from overseas. Also as the DRI would be established as a company, there would be no future restriction on centres being located outside the UK if there was a strong scientific/strategic reason, although all initial centres would be UK-based.

Sir John informed Council that the as the DRI was in receipt of a significant amount of government funding it was undergoing the Gateway review process. Sir John had been nominated as the Senior Responsible Owner (SRO) for the project and the first Gateway review had taken place the previous week. The review had resulted in some useful recommendations and a Delivery Confidence Assessment of amber.

Council endorsed the plans for the Centre selection competition and associated core programme call. Mr Brydon thanked members for their input and for approving and agreeing to the process outwith the normal Council meeting schedule.

9. **Outcome of the quinquennial review (QQR) of the MRC Laboratory of Molecular Biology (LMB)**

Sir John introduced this item and informed Council that the LMB had continued to deliver outstanding achievements and scientific excellence over the past quinquennium. The Review Committee, which he had chaired, had comprised a powerful, diverse international panel and the review had been a very positive experience. The Committee had unequivocally given the institute a score of 10 for past work and future plans.

During the quinquennium, the institute had continued to build on strengths and excellence in a number of areas including the recent establishment of state-of-the-art cryo-EM facilities underpinning structural biology; the cellular neurobiology initiative; strengths in chemical/synthetic biology; and building on common interests with the
university clinical school occupants within the LMB building. In addition, the LMB was forging strong partnerships with industry, most notably with AstraZeneca which would complete their relocation onto the Cambridge Biomedical Campus by early 2017. The Director’s strategy for the next quinquennium proposed to further capitalise on cutting-edge technologies in electron and optical microscopy, together with expansion of capabilities in computational biology.

The LMB had requested a total resource budget of £201.7m\(^1\) for the next quinquennium (April 2017 – March 2022). The Committee had recommended a funding envelope of £190m and a capital allocation of £10m over the next five-year funding period, with an additional commitment to support the purchase of a third Titan Krios EM set-up (up to £5m).

Following the Committee site visit and consultation with LMB, Head Office had agreed that there were additional cost pressures amounting to £2m from operational ‘overheads’ which were largely beyond the LMB’s control. Strategy Board had approved the additional £2m request on Management Board’s recommendation, and recommended to Council a total LMB funding request of £192m which would represent a call on Strategy Board’s budget of £33.9m.

Sir John drew Council’s attention to the Committee’s concerns over gender balance. The LMB had made a commitment to achieve 25 per cent female programme leaders by the end of the forthcoming quinquennium (QQ). Strategy Board had also challenged the institute to deliver diversity in senior leadership positions and appoint a new female head of division by the end of the next QQ. Council agreed that this target was appropriate and discussed the need for LMB to change its culture in order to attract more females to senior leadership positions. There was some discussion regarding the LMB’s intent to deliver against the ambitions of Athena Swan although not to secure the formal award. Council noted that the key aim was for the LMB to adopt best practice rather than undertake all the requirements to achieve accreditation which could be very time consuming. Council agreed that they would like to receive an annual diversity report from the LMB to ensure they kept focus/momentum on this aim.

Council turned to the impact of Brexit on employment at LMB. It was noted that the MRC had been very active as an employer since the referendum result working hard to reassure and support staff, including the funding of applications for indefinite leave to remain. The MRC was also working with other funders on groundwork to help the Home Office to identify how many scientists would need to come to the UK each year to support the research base. Recent speeches from ministers had indicated that the importance of the research base and the need for international staff was being taken into account in Brexit considerations.

Council noted the final outcome of the review and approved: the strategic vision of LMB; the resource funding package of £192m - an 8 per cent (£14.2m) increase on level funding (£177.8m); and £10m of capital over the five years, with an additional commitment to support purchase of a third Titan Krios EM set-up (up to £5m) in addition to access to MRC’s annual capital prioritisation competition (for other new items which could not be afforded within the £10m). The first annual diversity report should be presented to Council in March 2018.

10A. University units update

Council noted the progress with the university unit programme which had been outlined in the paper.

10C. MRC Mitochondrial Biology Unit (MBU)- Gateway Three

\(^1\) excluding cost neutral transfer of MRC Centre contracts (£1.35m)
Council considered the progress update and the outstanding requirements ahead of the legal transfer of the MBU to a university unit within the University of Cambridge. Council approved progression through gateway three and delegated responsibility for approving and signing legal agreements to Management Board and Sir John respectively.

11. **White space: Council engagement with Strategy Board**

   Mr Brydon introduced this item and noted that Council had requested a review of the link between Council and Strategy Board. Council discussed ways of improving the interactions between Council and Strategy Board and considered that, overall, engagement was working well. Members agreed that it was extremely valuable to attend Strategy Board meetings where possible and supported plans to arrange for Strategy Board and Council meetings to take place on the same day where this was logistically possible. In addition to the annual joint meeting in December, the May 2017 Council and Strategy Board meetings would both take place on Tuesday 9th May. The office would also review dates for 2018 to identify where there was scope to arrange the meetings for the same day.

12. **Working with industry: principles, guidance**

   Dr Watkins introduced this item and highlighted that the purpose of the item was to give Council a sense of how and why the MRC worked with industry, to set general principles for working with industry. An internal office group was currently working on clear updated explanations for the MRC website as to why the MRC worked with industry, what the potential benefits to all parties and the risks were, and developing principles and guidance for MRC units and institutes. Council had previously agreed that the Ethics, Regulation and Public Involvement Committee (ERPIC) should be asked to advise on the development of clear policies and principles to address the potential reputational risks for working with industry and the food industry in particular; ERPIC would discuss the development of principles and guidance at its meeting on 11 January.

   Council discussed the principle that the results of activities with the commercial sector should be reported through conventional routes such as peer-reviewed publications and the expectation that researchers would be allowed access to data for academic research purposes. It was noted that the usual timeframe for results to be published and data made accessible was six months, although there could be occasions when longer was needed in order to protect intellectual property; this would be the exception rather than the rule.

   Members agreed that there were many benefits to working with industry.

   There was some discussion regarding the principle that MRC funding should not be used for the exclusive benefit of a single company without appropriate contribution from that company, and the benefit should only be in regard to commercial exploitation. Council noted however that there could be particular reasons to work with one company and the MRC had very good precedent in that regard.

13. **Board Chair Appointments**

   Sir John informed Council that the current terms of appointment for Professor Patrick Maxwell, Molecular and Cellular Medicine Board (MCMB) chair, and Professor Hugh Perry, Neurosciences and Mental Health Board (NMHB) chair, were both due to end on 31 March 2017. Interviews for their replacements had taken place on 4 October. The interview panel for the NMHB interviews had consisted of Dr Jim Smith, Dr Mulkeen and Professor Cantrell, and the interview panel for the MCMB interviews had consisted of Sir John, Dr Mulkeen and Professor Cantrell.
Council approved the appointments of Professor Anne Ferguson-Smith, University of Cambridge as the next chair of MCMB and Professor Patrick Chinnery, University of Cambridge as the next chair of NMHB.

Sir John highlighted that both candidates were based and the University of Cambridge and both Boards would require strong deputy chairs to stand in when conflicts of interest arose. This had been considered by Strategy Board and strong deputies were lined up.

14. **Draft agenda for March 2017 Council meeting**

Members noted the draft agenda.

15. **Any other business**

None raised.