

# MEDICAL RESEARCH COUNCIL



# 03A

Council: March 2017  
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## Minutes of the Council business meeting held at the Francis Crick Institute on 6 December 2017

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### Present:

<b>Council</b>	<b>Head Office staff</b>
Sir John Savill (CEO)	Ms Sam Bartholomew
Dr John Brown	Dr Rob Buckle
Professor Doreen Cantrell	Mr Hugh Dunlop
Professor Chris Day	Dr Declan Mulkeen
Professor Dame Janet Finch	Dr Tony Peatfield
Professor John Iredale	Mrs Helen Page
Mr Richard Murley (Chairing)	Dr Rachel Quinn
Baroness Onora O'Neill	Dr Frances Rawle
Professor Irene Tracey	Ms Susan Simon
Dr Pauline Williams	
<b>Observer</b>	
Ms Jenny Dibden (BEIS)	

### Apologies:

Mr Donald Brydon  
Professor Jonathan Bisson  
Dr Mene Pangalos

### 1. Announcements and apologies

Mr Murley welcomed members to the meeting and noted that apologies had been received from Mr Brydon, Professor Bisson, and Dr Pangalos. Mr Brydon had asked Mr Murley to chair the meeting in his absence

### 2. Register of declared interests

Mr Murley requested that members inform the secretariat of any updates to their declarations of interest.

**3. Minutes of the October Council meeting**

The minutes of the Council meeting which had been held on 4 October were approved as an accurate record.

**4. Matters arising**

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

Dame Janet provided an update on the key discussions at the CARAC meeting which had been held on 9 November.

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

Baroness O'Neill provided an update on the key discussions at the ERPIC meeting which had been held on 20 November. ERPIC had been informed that a governing board had been established for the Nuffield Council on Bioethics. The board would be chaired by Dame Sally Macintyre and, following interview, three members had been appointed:

- Vivienne Parry (public engagement)
- Stephen Holgate (science)
- Brian Scott (governance)

4C. Report from the Remuneration Committee

Dr Brown reported that although the Remuneration Committee had not met in person since its last meeting in March, members had agreed by correspondence to a performance award; the award would be noted and accounted for in the Remuneration Committee papers. The next Remuneration Committee meeting would take place in February 2018.

4D. Report from the October and December Strategy Board meetings

Sir John introduced this item and noted Professors Iredale and Tracey, and Dr Williams had attended the Strategy Board meeting held on 25 October.

A discussion regarding engagement between NERC and the MRC had been scheduled for the October meeting; however, Professor Duncan Wingham, CEO and Executive Chair Designate of NERC had been unexpectedly unable to join the meeting. In anticipation of a rescheduled visit, Strategy Board had discussed areas in which the MRC and NERC could work productively together, building on several recent bilateral and cross-Council initiatives focused on environment and health. Professor Wingham and Dr Caroline Culshaw (Head of Environment and Health, NERC) had attended the December Strategy Board meeting. The interaction had been very positive and Strategy Board had noted that NERC had made a £2m contribution to the UK Prevention Research Partnership and was also in discussions with the MRC and Health Data Research UK. Strategy Board had recognised the importance of engagement between NERC and MRC to address complex challenges in planetary health and the the current and future opportunities to work together to address issues of particular relevance to low- and middle-income countries (LMICs). However, the complexity of the issues made it difficult to find a tractable entry point for research and innovation and it was agreed a first step towards greater engagement could include workshops bringing NERC and MRC communities together to identify challenges where collaboration would be essential for progress.

All the research councils had made bids for a portion of a BEIS 'rapid spend' budget, which would need to be spent before the end of the current financial year. The MRC had been successful in receiving around 40 per cent of the available budget of which £10m

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would be allocated to catalyse the development of a mental health research platform by supporting data discovery and linkage to cohorts. Sir John highlighted that to boost the impact of this investment, Strategy Board had also supported committing an additional £5m for mental health research, utilising the remaining £3.98m of the 2017/18 Strategic Budget and £1m from NMHB underspend. This commitment would be directed towards accelerating the identification of causative biological mechanisms and validation of new treatment targets and in mental health, in line with the Therapeutic Target Validation (TTV) strategy. Strategy Board had agreed that target validation in humans rather than animal models should be a priority.

Strategy Board had also considered the updated MRC strategy triangle and noted that, although funding had been committed to progress all the priority areas, this was reduced in scale from original plans. However, the potential major budgets associated with the Industrial Strategy Challenge Fund (ISCF) Wave 2 challenges could either directly or indirectly benefit many of the strategic priorities.

Strategy Board had reviewed the landscape of the MRC Unit for Lifelong Health and Ageing (LHA) at UCL. The unit was preparing for its quinquennial review in 2018/19 and had a new director, Professor Nishi Chaturvedi, who had been appointed in early 2017.

Sir John noted that Professors Cantrell, Day, Iredale and Tracey, Mr Murley and Dr Williams had attended the Strategy Board meeting held on 4 December. In addition to the discussion with NERC, Professor Chris Whitty, interim Chief Scientific Adviser and Dr Louise Wood, Director of Science, Research & Evidence, Department of Health had attended the meeting to discuss opportunities for future engagement. There were many areas of common interest and topics discussed had included place/disease clusters, mental health, ageing and multimorbidities, and skills in clinical academia.

#### 4E. Cyber security update

Mr Dunlop introduced this item and reported that the Laboratory of Molecular Biology (LMB) and both head office sites had now achieved Cyber Essentials certification.

Gina Nason, the MRC's Head of IT, had visited GSK in October to discuss cyber security with the head of IT security

### 5. **CEO's report**

#### Management Board update

Sir John noted that Mr Bulger and Ms Nebhrajani had now left the MRC. Mr Bulger's deputy, Susan Simon, was now covering the role and Dr Rachel Quinn had joined the MRC as the interim Director of External Affairs until 31 March 2018, on secondment from the Academy of Medical Sciences. Both would attend meetings of Management Board and Council.

#### Prion Unit at UCL

The new Prion Unit laboratories in UCL's Courtauld Building were currently being commissioned to ensure compliance with specification and high-containment regulations. It was anticipated that the unit's transfer from Queen Square House would commence during January 2018.

#### Mill Hill site disposal

The planning application for the vacated Mill Hill site had been approved by the Mayor of London at a hearing at the Greater London Authority (GLA) in October. The Section 106 Agreement was currently being agreed with the London Borough of Barnet and the GLA,

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which would then lead to a six-week judicial review period. The sale of the property could be completed at the end of this period, and was now expected to take place in January 2018.

### UKRI

Sir John noted that formal responsibility for the transition programme now lay with Sir Mark Walport as Senior Responsible Owner (SRO) and the project remained on target to meeting 'day one' essentials.

Ms Dibden reported that the three main areas of activity that BEIS was currently focused were the Industrial Strategy, UKRI and Brexit. Restructuring was taking place within BEIS and 30 positions would transfer to the UKRI Strategy Directorate. BEIS would still be responsible for sponsorship of UKRI and would continue to have some strategy function.

### Industrial Strategy Challenge Fund (ISCF)

Dr Mulkeen reminded Council that in the second wave of ISCF Challenge bids, three health related bids had been shortlisted. One of these, addressing opportunities for new digital technologies in mental health, had been deferred to the third wave, to allow further development. The other two had received support in the Industry Strategy announcements on 27 November, and would now move forward to full business cases in January, and preparation for implementation in early 2018. They were: Turning health data into early diagnostics and precision treatments; and Healthy Ageing.

### National Productivity Investment Fund (NPIF)

Dr Buckle informed Council that the implementation of NPIF to an ambitious timescale had led BEIS to alert the research councils to a potential underspend in the ISCF programme for 2017/18. As a result, the MRC had secured £48m to invest as 'rapid spend' in support of strategic priorities that had resonance with the wider ISCF objectives. This funding would be used as follows:

- i) £15m to promote whole genome sequencing in a sample of the UK Biobank cohort;
- ii) £10m to accelerate the brain/body imaging project within UK Biobank, to provide two new regional imaging centres;
- iii) £10m to promote the establishment of a future Mental Health Research Platform, by providing delegated flexible awards to universities to undertake foundation/scoping studies that will realise new opportunities for data-driven research;
- iv) £5m to provide an additional Cryo-EM microscope for LMB;
- v) £5m to boost the MRC Confidence-in-Concept funding scheme; and
- vi) £3m to supplement the newly established MRC/BBSRC vaccine networks and help build a pipeline of new vaccine development.

In all cases, the delivery mechanism to be used would allow the MRC to spend this budget before 1 April 2018, while allowing the research activity to take place over a two-year period.

### Industry Strategy Skills and Talent Funding

The Industry Strategy had also promised additional investment in research and innovation skills. The MRC and EPSRC had been working with Innovate UK and other research councils to develop plans for new postgraduate support and new support for early career researchers. These had been supported by the UKRI Board and were now being developed as full business cases for implementation in early 2018.

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### Prion Unit Structural Biology Appointment

Interviews for the structural biology position had taken place on 10 October and an appointment had been made. This had taken much longer than expected. The successful candidate would take up the position at Readership level on 15 February 2018.

### LMB directorship search

A number of strong applications had been received for the LMB director role and the international expert advisory group had identified four candidates to invite for interview. Interviews would take place in January 2018 and it was expected the new director would take up the position in spring/summer 2018.

### UK Dementia Research Institute (UKDRI)

Dr Buckle reported that William Rucker (chief executive of Lazard in London) had been appointed as chair of UK DRI Ltd. The Board was currently being recruited with the expectation of full membership by February 2018.

### Announcements

Sir John drew members' attention to the announcements annex in his report and noted that:

- Sir Harpal Kumar had been appointed as innovation champion at UKRI. He would take on the role in addition to being a UKRI board member.
- Dr Ruth McKernan had announced that she would step down from her role as Chief Executive of Innovate UK in the spring following three years in the role.
- The Health Data Research UK (HDR UK) board had announced its first members who would include Jim Smith, Jonathan Montgomery, Alex Markham, David Zahn and Janet Thornton. Recruitment was ongoing with the intention to promote diversity.
- Patrick Vallance, president of research and development at GSK, had been appointed as the Government's Chief Scientific Advisor and would succeed Sir Mark Walport in spring 2018.
- Professor Baron Peter Piot, Chair of the MRC's Global Health Group, had been announced as the first Chair to lead the HMG Strategic Coherence of ODA-funded Research (SCOR) Board.
- Professor David Crossman, current Head of the School of Medicine at St Andrews University, had been appointed as chief scientist for health with the Scottish Government.

## **6. Finance report**

Mr Dunlop presented slides outlining the key factors that needed to be taken into account in setting the commitment budget. The proposed commitment budget for 2018/19 was £320m, with the expectation of £300m per annum in 2019/20 and £320m thereafter. This would produce small deficits from 2019/20 to 2021/22, but these were at manageable levels. Mr Dunlop highlighted that although overall funding had increased, there were certain elements of ring-fencing such as GCRF, DRI, Newton, NPIF and ISCF which meant that the amount of funding available to use flexibly had shrunk. He also noted that the allocations for 2018/19 to 2021/22 were indicative, pending set-up of UKRI and could be subject to change.

**7. Science commitment budget – initial discussion**

Dr Buckle introduced this item and informed members that the purpose of the discussion was to provide Council with an update on provisional plans for new commitments in 2018/19 prior to detailed proposals being brought to Council in March 2018. The commitment budget for 2018/19 was likely to be £347m (including the £27m allocation for the DRI); up from £335m in 2017/18 but below the £368m committed in 2016/17. Dr Buckle summarised the proposed distribution of the commitment budget to areas of MRC activity, the details of which had been included in the paper. He highlighted that the boards would have greater flexibility to support research grants in 2018/19 as the funding demand through unit QQRs would be low although this would increase again in 2019/20. He also explained that the MRC commitment budget for training and careers would see a minor reduction as the area had benefited from talent investment through the National Productivity Investment Fund (NPIF) and fellowship schemes would be able to access the £10m response-mode ODA budget. Sir John highlighted that new initiatives for supporting careers would be developed through UKRI which would relieve some of the pressure on the MRC as to how training and careers funding was deployed.

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. There was some discussion regarding the impact of UKRI on the MRC's plans. It was expected that the MRC would be given responsibility for making its own spending decisions within its budget allocation and there would additionally be strategic UKRI funds to bid for.

**8. Triennial pension scheme valuation**

Mr Dunlop presented slides outlining the results of the latest triennial valuation of the MRC Pension Scheme as at 31 December 2016. The main section of the scheme continued to be in surplus (by £159m) with assets exceeding liabilities and an on-going funding level of 113%. The surplus in the scheme was supporting a lower employer contribution at 14% than the net cost of accrual (currently 24.4%). The trustees had recommended a one percentage point increase in the principal employer's contribution rate from 14% to 15% and the participating employer's contribution to increase from 14.9% to 15.9%, both with effect from 1 April 2018. This was still well below the Civil Service Pension Scheme (24.5%) and the Research Councils' Pension Scheme (26%).

The scheme also had a university section which had been formed in 2014 to manage potential Section 75 debt as a result of the transfer of units to universities. This had been the first formal triennial valuation of this section which showed a surplus of £1.3m and an ongoing funding level of 106%. The accrual rate net of employee contributions was 39.5% and it was recommended that the participating employer contribution be increased from 14.9% to 15.9% in line with the main scheme and the MRC top-up be increased to 23.6% from 21.4%.

Council approved the trustees' recommendations and noted that there would be an additional cost of ~£0.6m p.a. for the main section and ~£0.7m for the MRC top-up to the university section.

**9A. University unit update**

Mr Dunlop provided Council with an update on the University Unit Programme.

**9B. MRC Toxicology Unit - Gateway 3**

Mr Dunlop provided Council with an update on transfer activities since Gateway 2 and the outstanding requirements ahead of legal transfer. Council approved the transfer of the MRC Toxicology Unit to the University of Cambridge to pass Gateway 3, and

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delegated responsibility for approving and signing the legal agreements to Management Board and Sir John Savill respectively.

**9C. MRC/UVRI Research Unit Uganda – Gateway 3**

Mr Dunlop provided Council with an update on transfer activities since Gateway 2 and the outstanding requirements ahead of legal transfer. Council approved the transfer of the MRC/UVRI Research Unit Uganda to the London School of Hygiene and Tropical Medicine (LSHTM) to pass Gateway 3, and delegated responsibility for approving and signing the legal agreements to Management Board and Sir John Savill respectively.

**9D. MRC Unit The Gambia – Gateway 3**

Mr Dunlop provided Council with an update on transfer activities since Gateway 2 and the outstanding requirements ahead of legal transfer. Council approved the transfer of the MRC Unit The Gambia to the LSHTM to pass Gateway 3, and delegated responsibility for approving and signing the legal agreements to Management Board and Sir John Savill respectively.

**10. Draft agendas for the March 2018 Council meeting**

Council noted that the 7 March meeting would be the last Council meeting prior to the transfer to UKRI. The meeting would take place at the Hurlingham Club and would be followed by an engagement event.

**11. Any other business and close**

Sir John informed Council that it was likely that the MRC Executive Chair designate would be announced before Christmas.