Minutes of the Council business meeting held at the Baltic Centre for Contemporary Art, Gateshead, on 10 July 2014

Present:

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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>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>Mr Bruce Minty</td>
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<td>Professor Chris Day</td>
<td>Dr Declan Mulkeen</td>
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<td>Dr Richard Henderson</td>
<td>Dr Tony Peatfield</td>
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<td>Professor Paul Morgan</td>
<td>Dr Frances Rawle</td>
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<td>Baroness Onora O’Neill</td>
<td>Dr Jim Smith</td>
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<td>Dr Mene Pangalos</td>
<td>Mr Ted Smith</td>
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<td>Ms Vivienne Parry</td>
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<td>Professor Michael Schneider</td>
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<th>Guest</th>
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<td>Sir Hugh Pelham, Director of LMB</td>
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<th>Observers</th>
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<td>Mr Jeremy Clayton</td>
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Apologies:
Professor Dame Sally Davies
Professor Dame Sally Macintyre
Dr Ruth McKernan

Council session

The meeting began at 9.00am.

1. Announcements and apologies

Mr Brydon welcomed members to the meeting, which was being held at the Baltic Centre for Contemporary Art in Gateshead. He noted that apologies had been received from Dame Sally Davies, Dame Sally Macintyre and Dr McKernan.

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 meeting held on 7 May 2014**

The minutes of the Council meeting held on 7 May were approved as an accurate record.

4. **Matters arising**

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

Professor Arthur updated members on the discussions at the Council Audit and Risk Assurance Committee meeting on 25 June. He reported that the National Audit Office had confirmed the unqualified accounts for 2013/14 and the MRC Annual Report and Accounts 2013/14 had been laid before Parliament on 8 July. CARAC had also discussed the corporate and fraud risk registers and the details and lesson learnt from a recent information security issue. Additionally, Dr Rawle had provided CARAC with an update on how the MRC was managing the risks relating to the use of animals in research in light of the British Union for the Abolition of Vivisection (BUAV) infiltration at Imperial College in 2013. CARAC had been satisfied with the update.

4B. **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 24 June.

4C. **Report from the Nominations Committee**

Mr Brydon informed members that the Nominations Committee had met on 29 May. The Committee had agreed that additional finance expertise on Council would be beneficial and that a new Council member with finance and risk management experience should be recruited to take on the role of CARAC Chair. The recruitment process was now underway.

Mr Brydon added that Professor Dame Janet Finch had agreed to take on the role of Deputy Chair of CARAC when she began her term on Council in October.

4D. **Update from the Strategy Board meetings held on 1 May and 11 June**

Sir John Savill introduced this item and updated Council on recent changes to Strategy Board’s membership:

- Professor Fisher would demit from Strategy Board following the October meeting to focus on the CSC quinquennial review; Professor Anne Willis (MRC Toxicology Unit) would be taking over in December as representative of the intramural programme.
- Professor Johnston would demit from Strategy Board from August in the light of his promotion to President and Vice-Chancellor of Queen’s University Belfast and his appointment to Council. Professor Stephen Holgate (Southampton) would take over the Chair of the Translational Research Group (TRG) for two years; in the interest of gender balance it was expected that a female would lead the TRG thereafter.
- Professor Gavin Screaton (Imperial College) would take over from Professor Sir Steve O’Rahilly as representative of the extramural programme from September.
No Council member had been able to attend the May Strategy Board meeting. Discussions had included an update on five priority areas for the Infections and Immunity Board (IIB) comprising: antimicrobial resistance, vaccinology, global health, mycology (fungal disease) and immunology at the single cell level. Other topics Strategy Board had discussed included opportunities for engagement with Genomics England and opportunities for translational approaches to trauma research. Strategy Board had agreed that trauma remained a major health problem and recommended that a cross-board highlight notice in translational trauma research should be issued.

Sir John informed Council that Mr Brydon and Dr McKernan had attended the June Strategy Board meeting. There had been a major strategic discussion regarding data and informatics which had covered the Farr Institute, safe data and UK Biobank. Strategy Board had agreed that, in order to fully benefit from the substantial investments made in health informatics research, it would be essential to assure public trust in data governance following the issues with the NHS ‘care.data’ programme. The NHS was a key partner and rebuilding the trust of GPs and patients would be critical. Strategy Board members had welcomed the concept of safe data in safe havens and had liked analogy to a reading library (rather than a lending library) with branches across the UK. Strategy Board had agreed that the MRC should continue to work with partners to establish a vision for the scale and type of safe haven provision needed for UK research. Strategy Board had also received an update on the UK Biobank Lung Exome Variant (UK BiLEVE) study. The study had been funded through UK Biobank and as a result the cost was substantially lower than it would have been if it had been funded without using Biobank.

The meeting had also included updates on: the Experimental Medicine Initiative to Explore New Therapies programmatic network, a proposed collaboration between GSK and five UK universities; and the Government’s development of a UK Science and Innovation Strategy. A Ministerial Advisory Group, chaired by Sir John O’Reilly, had been established to advise Government on the future shape and scale of the UK’s science and innovation system to 2020. Sir John Savill and Professor Philip Nelson (EPSRC CEO) represented the Research Councils on the group.

Council members discussed the need for a clear understanding of what constituted a ‘safe haven’ and suggested that the MRC should work with other organisations to develop a definition that could be universally adopted. The principal audience for the definition had to be the public to ensure they had confidence in the concept. It would therefore be necessary to test the definition with the public to ensure they understood its meaning. Sir John agreed with the suggestion and noted that there was currently a lack of synchronicity across the UK. Scotland and Wales had held consultations and practitioners had an ‘opt-in’ approach, but England had approached it differently which had resulted in problems. Council members also highlighted that there was also a body of work to be undertaken in communicating with scientists regarding safe havens as some were not familiar with the term.

Members were interested to note that the cost of the UK BiLEVE study had been reduced as a result of the UK Biobank resource already being in place. Members suggested that the cost savings for all study’s funded through UK Biobank (ie compared with what they would cost without using Biobank) should be calculated; Sir John agreed that this was work that the Research Programmes Group should undertake.

**Action: Dr Mulkeen to ask staff in the Research Programmes Group to calculate the cost savings generated by funding studies through UK Biobank**

5. **CEO report to Council**

Sir John Savill introduced this item and thanked demitting members Professors Almond and Arthur and Dr Henderson for their support and valuable input to Council. He then discussed the following matters:

**Knighthood for Professor Colin Blakemore**
Sir John reported that Professor Colin Blakemore, a former CEO of the MRC, had been knighted in the Queen’s birthday honours for his research and for communicating the importance of often controversial science. Sir John agreed to write to Professor Blakemore on behalf of Council to congratulate him on his knighthood.

The Crick

Mr Bulger reported that, despite some delays, the revised completion date for the Crick of 3 November 2015 still looked to be achievable. There had been some positive changes to the Laing O’Rourke management team and they had given assurance that all was on track.

Management of controlled substances

At the May meeting, Council had noted that an internal audit report of the management of controlled substances had resulted in limited assurance and members had been concerned to learn that some MRC units may have been holding controlled substances without the required Home Office licence. Mr Minty outlined the background to the issue and explained that there had been a lack of clarity on the requirement for MRC institutes and units to obtain a Home Office licence as a result of conflicting advice from the Home Office, in part because universities were exempt. The MRC had taken its own legal advice and established that licences were required. The MRC had since applied for licences for all units that held controlled substances. The audit report had been submitted to the Council Audit and Risk Assurance Committee in February and all of the recommendations had been implemented. Council agreed that this was a good example of an effective audit process.

Council member involvement in quinquennial reviews (QQRs)

Sir John noted that at their recent appraisal meetings with the Chairman, members had expressed an interest in engaging more with MRC business. It was proposed that this could be achieved by including Council members as observers on unit/institute QQRs (one Council member per review). Council members welcomed the proposal and noted that the office would circulate the planned review dates so members could identify which reviews they would be interested in attending.

**Action: Council Secretariat to circulate planned review dates to Council members**

Demand for National Centre for Replacement, Refinement and Reduction of Animals in Research (NC3Rs) grants

Sir John reported that Professor Stephen Holgate, Chair of the NC3Rs’ Board, had written to him in February pointing out the very heavy demand on NC3Rs’ funding schemes, and Mr David Willetts had subsequently phoned Sir John to discuss the matter. Sir John had requested success rate analysis from the NC3Rs; this had shown that the NC3Rs was able to fund the very best applications with scores of eight or above, in keeping with the general experience of the MRC. There were also a relatively large number of applications outside the fundable range which suggested that the NC3Rs needed to introduce some demand management.

Council members highlighted the importance of demonstrating what good research looked like in a winning project and suggested that there should be examples of this on the NC3Rs website. It was noted that the NC3Rs had recently published a review of its work with the pharmaceutical industry over the last decade which included examples of good research and featured the CRACK IT funding competition, designed to commercialise 3Rs technologies and specifically address industry challenges involving the use of animals.
Sir John also informed Council that Mr Norman Baker MP, Minister of State for Crime Prevention and with responsibility for animals legislation at the Home Office, had visited the Centre for Macaques earlier that week and initial feedback indicated that the visit had been a success.

Amendments to Royal Charters

Sir John informed members that Sir John O'Reilly had recently written to the Chairs and CEOs of the Research Councils with proposed changes to the Royal Charters which followed from the Triennial Review. The proposed changes were to:

- separate the CEO and Deputy Chair roles;
- remove the requirement to consult with the academies on appointments; and
- revise wording on appointment terms.

Council confirmed they were happy with the proposed changes although members made the point that the ‘consideration’ for re-appointments should be a genuine consideration; there could be very cogent reasons for chairmen to recommend reappointments; one example would be to manage turn-over of membership efficiently. Members also commented that it could take time to become fully effective and a rapid turnover could result in not making the best use of members’ experience and a loss of corporate memory.

Members queried what the process would be for appointing Deputy Chairs and noted that this would likely be delegated to individual Councils to decide once the amendments to the Royal Charters had been finalised.

MRC review of the Mammalian Genetics Unit (MGU) and the Mary Lyon Centre (MLC)

Council noted that the MRC would be undertaking a review of its investments in the Mammalian Genetics Unit and Mary Lyon Centre in the coming year. The MRC was a founding partner in the International Mouse Phenotyping Consortium (IMPC) that aimed to deliver broad-brush phenotyping on knock-out mice for each of the ~20,000 genes. The review would take a broad view of the future direction of large-scale strategies for mouse gene function work.

Director of Public Affairs

Sir John informed Council that the interviews for the new Director of Public Affairs post had taken place in June. Baroness O'Neill and Ms Parry had joined Sir John, Dr Smith and Dr Peatfield on the interview panel. The role had been offered to one of the four candidates who had been interviewed and they were considering whether to accept.

6.Finance report

Mr Dunlop introduced this item and confirmed that the MRC Annual Report and Accounts for 2013/14 had been laid before Parliament on 8 July. Mr Brydon thanked the finance team for their excellent work in achieving this.

Mr Dunlop also updated Council on MRC shareholdings. He explained that MRC intellectual property (IP) was sometimes exchanged in return for shares in start-up companies, following recommendations from MRCT on the best/most appropriate commercial application of the IP. Details of the MRC’s individual holdings had been included in the paper. The MRC’s intention had always been to leave the investments to fund gaps in the capital budget and the current market value of shares in quoted companies was around £3m. However, the situation regarding BIS/Treasury permission to do this was unclear. Selling shares in unquoted companies was less straightforward and it had been more common to derive value through take over/ buy-out activity. Further research would be carried out in the next couple of months on the unquoted companies to establish more detail on the MRC’s holdings, rights and the company status. Analysis on the outlook for the more significant quoted investments would also
be commissioned. A strategy for managing these investments would then be developed.

With regards to the year-to-date results to May 2014: programme resource expenditure was £0.1m higher than budget; administration expenditure was £0.1m higher than budget and capital expenditure was £0.4m higher than budget.

Finally, Mr Dunlop informed Council that there would be a discussion regarding the MRC pension scheme at the December Council meeting which the scheme actuary would attend.

7. ‘White Space’ – Modelling science as a contribution good

As agreed at the May Council meeting, a ‘white space’ item had been added to each Council agenda to allow time for discussion of members’ suggestions for topics. Professor Schneider had suggested it would be useful for Council to discuss the possible threat posed by an economic model of science funding proposed by the (recently retired) University of Buckingham Vice-Chancellor, Terence Kealey, and Professor of Economic Organisation, Martin Ricketts, that questioned the role of Government subsidies for research. There was a risk that if the authors’ views were to gain traction in Government, there could be an existential threat to the research councils and higher education throughout the UK.

Members discussed the article and agreed that the proposed model ignored a number of key factors and was unlikely to gain mainstream support. Members also noted that Professor Kealey had been based at the University of Buckingham which did not undertake much scientific research.

Mr Clayton informed members that the BIS research base had been asked to look at the case for investing public money in research for the spending review and as part of the challenge process when reviewing European public funding; very little evidence had been found to support the discontinuation of public funding of research.

9. Draft agenda for October Council meeting

Sir John requested that an item on funding for the Crick be included under the ‘white space’ slot on the agenda.

10. Any other business

Mr Brydon noted that the meeting had been the last for Professors Almond and Arthur and Dr Henderson, who would finish their six-year terms on Council on 30 September. He was joined by Council members in thanking them for the excellent contributions they had made to Council over the years.

Summary of actions

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<td>Council Secretariat to circulate planned review dates to Council members</td>
<td>Ms Jacki Paton</td>
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<td>Research Programmes Group to calculate the cost savings generated by funding studies through UK Biobank</td>
<td>Dr Declan Mulkeen</td>
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