

MEDICAL RESEARCH COUNCIL



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Minutes of the Council meeting held at the Chelsea Harbour Hotel on 7 March 2018

Present:

Council	Head Office staff
Mr Donald Brydon (Chair)	Ms Sam Bartholomew
Sir John Savill (CEO)	Professor David Lomas
Professor Jonathan Bisson	Dr Rob Buckle
Dr John Brown	Mr Hugh Dunlop
Professor Doreen Cantrell	Dr Declan Mulkeen
Professor Chris Day	Dr Tony Peatfield
Professor Dame Janet Finch	Mrs Helen Page
Professor John Iredale	Dr Rachel Quinn
Mr Richard Murley	Dr Frances Rawle
Baroness Onora O'Neill	Ms Pauline Mullin (item 9a&b only)
Dr Mene Pangalos	
Professor Irene Tracey	Guests – item 8
Dr Pauline Williams	Nick Lemoine, Chair MRF Trust
	Angela Hind, CEO MRF
Observers	
Ms Jenny Dibden (BEIS)	
Professor Fiona Watt, MRC Executive Chair Designate	

1. Announcements

Mr Brydon welcomed members to the last meeting of the MRC Council as currently constituted, prior to the transition to UK Research and Innovation. He introduced Professor Fiona Watt, MRC Executive Chair Designate, and Professor Jonathan Bisson who was attending his first meeting since being appointed as a Council member in the summer.

He offered congratulations to those MRC-associated people whose achievements had been recognised in the New Year's Honours:

- *Sir Keith Peters*
Sir Keith, lately Regius Professor of Physic at the University of Cambridge, was appointed Knight Grand Cross of the Order of the British Empire (GBE) for services to

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the advancement of medical science. Interim director of the MRC's National Institute for Medical Research from 2006 to 2008, he was instrumental in the development of the original idea behind the Francis Crick Institute.

- *Dr Robin Lovell-Badge*
Dr Lovell-Badge, Senior Group Leader, Francis Crick Institute, was awarded a CBE for services to genetics, stem cell research and the public understanding of science.
- *Professor Christl Donnelly*
Professor Donnelly, Professor of Statistical Epidemiology, Imperial College London, was awarded a CBE for services to epidemiology and the control of infectious diseases.
- *Professor Andrew Morris*
Professor Morris, Director, Health Data Research UK, and Vice-Principal of Data Science at the University of Edinburgh, was awarded a CBE for services to science in Scotland.
- *Professor Philip Nelson*
Professor Nelson, Chief Executive Officer, Engineering and Physical Sciences Research Council (EPSRC), and Chair, Research Councils UK, was awarded a CBE for services to UK engineering and science.
- *Professor Margaret Frame*
Professor Frame, Director, MRC Institute of Genetics and Molecular Medicine (IGMM) at the University of Edinburgh, and Science Director, Cancer Research UK Edinburgh Centre, was awarded an OBE for services to cancer research.
- *Joan Flynn*
Joan Flynn, lately Senior Receptionist, MRC Head Office, has been awarded a BEM for services to the MRC.

He also informed Council that three of the four winners of the prestigious Lundbeck Foundation's Brain Prize, announced on 6 March, were based in the UK and funded by the MRC:

- **Professor Bart De Strooper**, Director of the UK Dementia Research Institute, UCL (and at Leuven)
- **Professor Michel Goedert**, Programme Leader at LMB
- **Professor John Hardy**, Chair of Molecular Biology of Neurological Disease at the Institute of Neurology, UCL
[**Professor Christian Haass**, Ludwig-Maximilians-University of Munich and German Center for Neurodegenerative Disorders]

2. Register of declared interests

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

3. Minutes from the December Council

The minutes of the Council business meeting and the joint Council/Strategy Board meeting which had been held on 6 December 2017 were approved as an accurate record.

4. Matters arising

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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 1 February. Members had been pleased to note that there were a number of topics where matters had improved including cyber security, funding assurance and audit processes. The final meeting of CARAC was expected to take place in June.

CARAC had reviewed the Organisational Assurance Report for the Crick which would feed in to the Establishment Review in due course.

4B. Report from the Remuneration Committee

Mr Brydon reported that the Remuneration Committee (RemCom) had met on 8 February and discussed a number of matters including:

- the new UKRI terms and conditions including the pension element; and
- the need for terms and conditions at MRC institutes to remain robust to continue to attract high calibre scientists and employees.

4C. Report from the December and February Strategy Board meetings

Sir John introduced this item and noted that Professors Cantrell, Day, Iredale and Tracey, Mr Murley and Dr Williams had attended the Strategy Board meeting held on 4 December. Professor Duncan Wingham and Dr Caroline Culshaw (Head of Environment and Health, NERC) had attended the meeting to discuss engagement between the MRC and NERC. 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 agreed that a first step towards greater engagement should include workshops bringing NERC and MRC communities together to identify challenges where collaboration would be essential for progress.

Strategy Board had also noted the outcomes of the 2017 Stratified Medicine Consortia call; discussed the Industrial Strategy white paper which had been published on 27 November and the plans for the Talent stream of the National Productivity Investment Fund (NPIF) Additionally, Strategy Board had considered the findings of the 2017 UK-wide Survey of Clinical and Health Research Fellowships which found that the number of fellowships supported at pre-doctoral and initial post-doctoral career stages had increased significantly since 2009, primarily due to increased NIHR investment. However, a decrease was observed in the number of fellows supported to transition to research independence or as established independent researchers. Members had agreed that the broad decline in UK clinical academic capacity was a cause for concern and that the position should be reviewed once the UKRI Future Leader fellowship programme was underway.

Finally, 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.

Sir John noted that Professor Iredale and Dr Williams had attended the Strategy Board meeting held on 8 February. Strategy Board had discussed a number of matters which would be considered by Council later in the meeting, including: the commitment budget for 2018/19; Industrial Strategy and NPIF updates; and Health Data Research UK (HDR UK). Strategy Board had also considered the mid-point review of the MRC/EPSC Molecular Pathology Nodes which had highlighted some early successes around addressing the issues of 'proximity', 'people' and 'path'. Collectively, the nodes were making very good progress with building the necessary diverse skill sets through a range of approaches targeted at different career stages, clinical and non-clinical.

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Finally, Strategy Board had discussed plans for a new MRC Strategic Delivery Plan following the publication of the UKRI Strategy in May 2018 and plans for the UKRI Strategic Priorities Fund (SPF). Three areas of discovery science were being proposed as suitable for the SPF: large multi-disciplinary programmes; national strategic priorities and emerging technologies and strategic cross-cutting R&D areas aligned with Government priorities. Councils had been asked to propose potential research areas to UKRI by March and the MRC was exploring programmes that were already established that might be suitable for SPF. Two of these areas were Antimicrobial Resistance and Prevention research. Strategy Board had agreed that AMR should be one of the MRC's priorities for the SPF and a collective submission with other Councils and clear alignment with government priorities would make it a competitive programme for support. The UK Prevention Research Partnership included ESRC and NERC as stakeholders and 59 applications had recently been submitted for its first call.

4D. MRC Shareholding Principles

Mr Dunlop introduced this item and reminded Council that, at its October meeting, members had agreed that the MRC should have a set of principles covering when it was appropriate to hold shares and how these should be managed. He explained that the MRC needed to ensure that the intellectual property (IP) generated by MRC employees within institutes and units, and owned by the MRC, was exploited and commercialised effectively. The MRC would take an equity stake (shares) in a company if this enabled the best route to translation of the scientific knowledge to exploitation and health or societal benefits. In those circumstances, the MRC intellectual property may be exchanged in return for shares in small existing companies, or start-up companies created for the purpose of exploiting the IP.

Mr Dunlop outlined four areas which could be used to form suitable guiding principles for the determination, management and governance of MRC shareholdings: Exploitation, Valuation, Protection of interests and Governance. He suggested that these principles should be incorporated into the Awards to Inventors (ATI) policy. The governance and protection aspects should also be encompassed in the Code of Conduct and Declaration of interests policy. In time, these should also be integrated into UKRI policies. Recruitment for a MRC Director of Partnerships and Industry was currently underway and this role would help to create a more cohesive internal governance structure and embed these principles within the business.

Council discussed the importance of seeking independent advice on whether shareholdings should be taken or not (deciding which was the best route) and that the decision should be documented either way for transparency. Independent advice would also be helpful in determining the worth of the intellectual property to be exchanged so that the equity stake taken was proportionate to that worth. Mr Dunlop agreed and noted that this was the kind of advice that Life Arc provided.

5. **CEO's report**

LMB gender balance

Sir John reminded Council that at the LMB's quinquennial review (QQR) in 2016 the subcommittee had raised concerns regarding the gender balance at the institute. Council had agreed that LMB should submit an annual report on gender balance. The report submitted demonstrated that the LMB's senior team were aware of the need to improve the gender balance and were taking actions to address it.

Council noted that the most obvious imbalance was at the senior group leader level but suggested that even if LMB addressed this, there was only a small pool of senior women

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to recruit from. Council agreed that the younger generation needed to be focused on and the pipeline improved.

Council also agreed that LMB should continue to submit an annual report to the new MRC Council under UKRI so progress could be reviewed.

HDR UK

Since the July 2016 Council decision to invest £37.5m to create a new UK-wide institute for health and biomedical data science, significant progress had been made towards establishing Health Data Research UK.

In addition to the MRC investment, partner contributions had been confirmed by EPSRC (£1m), ESRC (£1m), the health research departments of England (£5m), Northern Ireland (£0.25m), Scotland (£0.25m) and Wales (£0.25m); Wellcome (£6.5m) and the British Heart Foundation (£2m). This brought the total investment to £54m over the next five years. HDR UK had also received an additional £12.5m MRC award from the National Productivity Investment Fund awarded to 46 UKRI Innovation/Rutherford Fund fellows, to support UK and overseas early/mid-career post-doctoral health data science training fellows.

HDR UK had been incorporated as a company limited by guarantee, seeking charitable status, to support the institute's distributed research activities and act as single point of contact to facilitate the varied partnerships HDR UK would need to build, including with future investors and industry wishing to work with the institute.

HDR UK's Chair was Dr Graham Spittle CBE and following an open advertisement, other Non-Executive Director appointments included: Professors Sir Alex Markham, Jonathan Montgomery, Sir Jim Smith, Dame Janet Thornton; and Mr David Zahn. A further two to three appointments would be made which would focus on addressing the current gender imbalance within the board.

On 8 February 2018, the six research sites of the institute had been announced, these were:

- o Cambridge – Wellcome Sanger Institute, European Bioinformatics Institute, University of Cambridge
- o London – UCL, Imperial College London, King's College London, Queen Mary University of London, The London School of Hygiene & Tropical Medicine
- o Midlands – University of Birmingham, University of Leicester, University of Nottingham, University of Warwick
- o Oxford – University of Oxford
- o Scotland – University of Edinburgh, University of Aberdeen, University of Dundee, University of Glasgow, University of St Andrews, University of Strathclyde
- o Wales/Northern Ireland – Swansea University, Queen's University Belfast

Members noted that the Nuffield Foundation would shortly make an announcement regarding a new institute to examine ethical and social issues arising from the use of data. Council agreed it would be important to have one place where ethical questions could be considered by properly constituted groups and it could help with public opinion on data sharing in health and social care.

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 (Turning health data into early diagnostics and precision treatments; and Healthy Ageing) had received support in the Industry Strategy

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announcements on 27 November. Ministers were expected to announce decisions on wave two on 12 March.

Industrial Strategy Skills and Talent Funding

The Industrial 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 2018.

Dr Mulkeen reported that two main strands for new investment had been discussed within UKRI. The first strand was the UKRI Future Leaders Fellowship scheme. There would be six rounds over the next three years, typically awarding 200 fellows each year across UKRI's remit. The first round would be smaller and would be launched soon after 1 April with a second round later in the year. Awards would provide long term support (4+3 years) to provide fellows with the flexibility to tackle challenging research questions and explore new areas of research and/or innovation. Host organisations would need to commit up-front to co-funding new fellows and offer an open-ended position during the fellowship if it was successful.

The second strand was a programme of innovation scholarships in high priority areas – to provide more flexible opportunities for postgraduate research training and research skills development, tailored to meet different needs in different industry sectors. This would need more of an incubation period where smaller investments were made to assess how they could work and the scheme re-designed accordingly.

Members welcomed the proposed innovation scholarships and highlighted how innovative researchers at that stage of their career could be.

The Crick and Crossrail 2 (CR2)

Council noted that there had been no further advancement with this issue since the last Council meeting in December 2017. The technical information was reassuring that interference from CR2 should be manageable for the Crick.

Mr Dunlop highlighted that there was a risk of building work at the British Library impacting on the Crick due to vibration and noise, although as the shaft would be created inside the building this would limit the construction impact.

6. Finance report

Mr Dunlop informed Council that the allocations for programme and capital budgets for 2018/19 were largely as expected. The programme resource budget was £6m higher than 2017/18 and included £13m for NPIF Skills and Future Leaders and £18.2m for the UK Dementia Research Institute. With regards to capital, Mr Dunlop highlighted that £18m was expected in 2018/19 for the second tranche of receipts from the sale of Mill Hill; £13m of this was earmarked for investment in the Crick and £5m could be utilised for capital investment priorities. The administration budget had not yet been confirmed and was likely to be impacted by the UKRI set-up and centralising of corporate services.

The year-to-date results to January 2018 were slightly lower than forecast and budget but were expected to come in on budget by year end.

7. Science commitment budget 2018/19

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Dr Buckle introduced this item and informed members that the intentions and top-level allocations discussed by Council in December were unchanged. The commitment budget available for 2018/19 was confirmed as £347m, an increase of £12m from 2017/18, and the proposed allocation of the budget had been set out in the paper for Council's approval.

Dr Buckle highlighted that the total budget available through the boards in 2018/19 was £181m although this included a substantial ring-fenced element for ODA research. The allocations to each board had been calculated using an algorithm that took account of average grant demand, strategic funding plans and other factors such as Quinquennial Reviews. In 2017, all boards had continued the trend of falling numbers and values of grants requested which had kept the average success rate for grant funding close to 20 per cent, although there was some variation between boards. The Neurosciences and Mental Health Board (NMHB) and Population and Systems Medicine Board (PSMB) currently had lower success rates but were supporting all the proposals considered worthy of funding.

Board awards would continue to be supplemented with Experimental Medicine Challenge Grants and £10m had been allocated to support a call in this area in 2018.

The translational budget had been reduced more than other response mode areas in the last two years but it would be increased by ~10% to £50m now there was sufficient flexibility.

Training and careers had received a degree of protection in the 2016/17 budget but was reduced from £64m to £59m in 2017/18 in line with other areas. This reduction coincided with additional support for talent and skills through the NPIF. For 2018/19 the plan was to retain about the same budget level for fellowships in general, while encouraging more fellowships in global health areas and accessing extra ODA funds. UKRI plans for significant talent investment, especially Future Leaders fellowships, could begin to have some impact on demand for MRC fellowships and grants for early career researchers – although this would be later in the year. Therefore, initially, the intention was to manage within the budget available.

Finally, Dr Buckle explained that Strategy Board would be allocated a £20m budget in addition to the £27m for UK DRI, to provide scope to support one or more medium-scale strategic initiative in 2018.

Council approved the budget allocations for 2018/19 and discussed the success rates across the Boards. Council agreed that it was a complex landscape with a mixture of factors at play.

Council also discussed the issue of individuals unable to get follow-on funding after their first grant. Sir John agreed that this was an issue and activity should be focused on finding a solution to it.

8. The MRC's charitable foundation: past, present and future

Mr Brydon welcomed Professor Nick Lemoine, Chair of the Board of Trustees and Ms Angela Hind, Chief Executive of the Medical Research Foundation (MRF) to the meeting.

Professor Lemoine summarised the history of the MRF which had been outlined in the paper. He noted that the MRC had been able to accept charitable donations since its inception with the oldest known donation dating back to 1926. Over the decades, the Medical Research Foundation had benefited from generous bequests in the wills of the members of the public, those with a connection to sciences and medicine and in some cases a direct link with the MRC itself (researchers and the occasional member of staff). In the past decade, the MRF had focused its resource on areas of high clinical need with

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low research investment and had progressively increased its investment in new research each year to a budgeted £5.5m in 2018/19. This level of research funding had made an important contribution to the UK research landscape, including:

- First research grants/fellowships for mid-career researchers working on rare respiratory diseases, human herpes virus, motor neurone disease, asthma and next year more of these springboard awards in viral hepatitis, lupus research and for African researchers.
- Pilot funding for novel research on adolescent eating disorders and self-harm (with MRC (10%)) (total £1.2m) and a second £1.5m tranche of funding for pilot studies in 2018/19.
- A new annual £200k prize for emerging research leaders who were having an impact in underfunded areas of health research (Lupus in 2017/8 (from a restricted legacy for this purpose) and adolescent mental health in 2018/19).
- A unique dissemination scheme to ensure the results of MRC research reached beyond the scientific press to policy makers and healthcare practitioners.
- Sponsorship of promotion of science activities such as the MRC Centenary and the 'MRC The Next 105 years' event' which would take place following the Council meeting.

In order to continue providing funding for research at the current level, the Foundation needed to raise more voluntary income. The Trustees had approved the Foundation's first fundraising strategy aiming to engage and inspire individuals, communities and trusts and foundations with an interest in the power of high quality medical research to change lives.

At the suggestion of Mr Brydon, it was the MRF's intention to offer linked charity status to successful niche health charities or new charities with great potential and missions that complemented the Foundation's. Through this formal relationship, the Foundation could provide governance and infrastructure support and there would be a sharing of professional services and statutory reporting, thereby increasing the potential impact of the small charity, increasing efficiencies and expanding the reach of the Medical Research Foundation.

Council agreed that it was important that the MRF's priorities were aligned with the MRC's and Professor Lemoine explained that regular reviews of priorities with Sir John, Dr Mulkeen and Board Chairs had been helpful in identifying areas of common interest where the MRF could potentially make a difference.

Mr Brydon thanked Professor Lemoine for attending the meeting and providing Council with a clear picture of the work of the MRF.

9. Annual communications update

Ms Mullin introduced this item and explained that there were two associated papers. The first was an annual update which provided an overview and highlights of outputs and outcomes against the ten objectives set out in the *MRC Communications and Engagement Strategy*. The second was a mid-term review of the *MRC Communications and Engagement Strategy* and its aim was to provide assurance on progress against the commitments in the strategy.

Ms Mullin then outlined a few of the highlights from the annual update to illustrate how and where communications had added value. It was not just about gathering information and publishing content, it was also about delivering information in a way that increased the chances of it reaching and influencing the intended audiences. For MPs and peers, direct communication was still the most effective way of reaching them, and this had been done through a combination of taking MRC research to them in parliament and

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inviting them to come to MRC laboratories. Over the course of the year, more than 60 parliamentarians had been engaged in this way, with many more reached through MRC responses to consultations and enquiries and more indirect communications.

The communications team continued to do well in securing media coverage for the MRC and its research – over 2,500 articles with MRC mentions, and many more about MRC research but without a mention.

Social media meant that the communications team did not rely exclusively on mass media to get MRC stories out, and although MRC channels did not have the same reach as the press, non-specialists were engaging. In response to a survey carried out of MRC 'news and features' subscribers, 35% of just over 1,000 respondents had identified themselves as members of the public.

The aim was for communications to give a voice to MRC researchers, allowing them to tell their own stories, and this was achieved in a number of ways:

- the MRC Festival of Medical Research created opportunities for researchers to meet non-specialist audiences, and over 600 MRC researchers, support staff and students took part in the 2017 Festival.
- Content commissioned directly from researchers, for example through a series of blog posts 'from the community'
- The Max Perutz Science Writing Award encouraged MRC students to build communication skills early in their careers –112 students took part in 2017.

Ms Mullin concluded by making a few points relating to the second paper, the mid-term review of communications. She explained that in the interests of brevity the paper focused *only* on the commitments against which there has been partial or little progress, but this should not overshadow the fact that good progress has been made against 75% of commitments, with a further 21% in progress.

Mr Brydon thanked Ms Mullin for the update. He noted that the MRC communications group was going through a period of uncertainty regarding its future structure under UKRI. He highlighted the importance of ensuring the excellent work of the MRC Communications group was not hindered under the new arrangements.

10. University unit updates

Mr Dunlop noted that the university unit transfer programme was now complete and in total 23 units had successfully transferred to university ownership. The MRC remained the legal owner of only three research establishments: the MRC Laboratory of Molecular Biology (MRC LMB), the MRC London Institute of Medical Sciences (LMS) and the units within the MRC Harwell Institute (the MRC Mammalian Genetics Unit and the Centre for Macaques). The benefits realised from the transfer would be reported to Council in 2022 when there had been sufficient time to measure them.

11. Achievement of Council objectives for 2017/18

Dr Peatfield introduced this item which provided a report on delivery of Council's objectives for 2017/18. Members agreed with the assessment of Council's performance against its objectives.

12. Winding up the research councils after the launch of UKRI

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Dr Rawle introduced this item which outlined BEIS plans for the process of winding up the research councils and dealing with the 2017/18 accounts and other legacy issues after 1 April. She explained that the Higher Education and Research Act 2017 (HERA) made provision for the current research councils to continue to exist for a winding-up period of around six months after UK Research and Innovation (UKRI) became a legal entity and staff transferred to the new organisation on 1 April 2018. The new Councils would start working from 1 April but the “legacy Councils” would formally continue to exist until the Annual Accounts for 2017/18 have been laid and all remaining assets had been transferred. The Chairman and Council members (apart from Professor Day who had completed his maximum term) would stay in post until October 2018.

Council noted that in normal circumstances, the final scrutiny of the MRC Annual Report and Accounts was delegated to the Council Audit, Risk and Assurance Committee (CARAC) due to the tight timelines for National Audit Office and ministerial approval before laying the accounts before Parliament in July. Council agreed that responsibility for the approval of the Annual Report and Accounts for 2017/18 should be delegated to CARAC noting that there was unlikely to be any need for the legacy Council to meet.

Council also agreed that the Nominations Committee should be disbanded as it would no longer be required after 1 April.

There was some discussion regarding ethics. Members highlighted that the MRC would need to continue to receive expert advice on specific ethics and regulation issues that would not necessarily affect the other Councils. Council agreed that the Ethics, Regulation and Public Involvement Committee (ERPIC) should continue as an advisory committee for the new Council and Executive Chair until progress had been made on reviewing the need for ethical advice and how it should be obtained across the whole of UKRI.

11. Any other business and close

Mr Brydon noted that the meeting marked the end of Council in its present shape and thanked Council members for agreeing to continue as legacy Council members until October. Professor Day’s second term came to an end on 31 March and he thanked him for all he had done and would continue to do for the MRC. He also noted that Professor Lomas and Dr Peatfield would be leaving the MRC on 31 March and expressed his sincere thanks for their contributions.

Mr Brydon then turned to Sir John who would step down from his role as MRC Chief Executive at the end of March. He noted that Sir John brought a real sense of strategy to everything he did and was one of the most effective people Mr Brydon had worked with; his contribution to the MRC had been immense and he would leave an impressive legacy. His remarks were endorsed by all present.