Minutes of the Council business meeting held at One Kemble Street on 12 May 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>Mr Sandy Bulger</td>
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<td>Dr John Brown</td>
<td>Mr Hugh Dunlop</td>
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<td>Professor Doreen Cantrell</td>
<td>Dr Declan Mulkeen</td>
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<td>Professor Dame Sally Davies (item 7 only)</td>
<td>Dr Tony Peatfield</td>
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<td>Professor Dame Janet Finch</td>
<td>Dr Frances Rawle</td>
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<td>Professor Paddy Johnston</td>
<td>Dr Jim Smith</td>
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<td>Professor Dame Sally Macintyre</td>
<td>Mrs Helen Page</td>
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<td>Dr Ruth McKernan</td>
<td>Mrs Kate Aylett (items 1-5)</td>
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<td>Baroness Onora O’Neill</td>
<td>Dr Rhos Walker (items 1-5)</td>
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<td>Dr Mene Pangalos</td>
<td>Mr Mike Stephens (item 9)</td>
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<td>Professor Michael Schneider</td>
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<td>Observer</td>
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<td>Rebecca Endean (BIS)</td>
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Apologies:
Professor Chris Day

Council business meeting

The meeting began at 10am.

1. Announcements and apologies

   Mr Brydon welcomed members to the meeting and informed Council that Professor Dame Sally Davies would be joining the meeting via teleconference for the science commitment budget discussion.

   Mr Brydon congratulated Mr Minty, on behalf of Council, for his appointment to a non-executive position on the Northamptonshire Healthcare NHS Foundation Trust from 1 April 2016.

   Finally, Mr Brydon noted that apologies had been received from Professor Day.
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 business meeting held on 2 March**

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

4. **Matters arising**

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

Dame Janet updated Council on the discussions at the CARAC meetings held on 31 March and 28 April. Dame Janet commented that the Corporate Risk Register had not changed much.

Council noted the formal CARAC annual report and Mr Brydon highlighted that the quality, structure and running of CARAC had gone from strength to strength since Dame Janet had been appointed as chair.

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

Mr Brydon informed members that the Nominations Committee had met via teleconference on 21 April to discuss Council recruitment. Stepping down would be Dr McKernan, Dame Sally Macintyre and Professor Schneider whose terms would end on 30 September (in addition to Ms Parry whose term had ended on 31 March).

NomCom had agreed that all four vacancies (two science, one industry and one lay) should be recruited to and had approved the role and person specifications for submission to Ministers. It was hoped that the new appointments would be made with effect from 1 October 2016.

Mr Brydon then updated Council on Committee membership. Dr Brown had agreed to replace Professor Schneider as Deputy Chair of CARAC and Professor Johnston had agreed to join the Nominations Committee to replace Ms Parry. Two of the new Council members would be asked to replace Ms Parry on ERPIC and Dame Sally on the Nominations Committee respectively.

4C. **Update on plans to establish a national health and biomedical informatics research institute**

Sir John introduced this item and updated members on the plans to establish a national health and biomedical informatics research institute. He reminded members that in December 2015, Council and Strategy Board had discussed and supported the vision to create a new institute, building on past investments, including the Farr Institute of Health Informatics Research and MRC Medical Bioinformatics awards. Dr Graham Spittle, Vice-President IBM, former Chairman of the Technology Strategy Board, and member of the Prime Minister's Council for Science and Technology (CST) was currently working with the MRC to provide independent strategic advice and lead the planning discussions for the new institute. A Scientific Leaders Team had been established to guide Dr Spittle’s considerations. Initial proposals for the new institute would be presented to Council for approval at the July meeting. The institute’s core activities were expected to
total £45m-£50m staff and project funding over five years (including some partner contributions).

Members highlighted the importance of 'talking across boundaries' with regards to data security, governance and ethics and highlighted the upcoming new legislation concerning data use for the intelligence services as an example of the fragmentation across government. Sir John agreed that this was an issue. He informed Council that in March, Strategy Board had discussed opportunities for engagement with the Alan Turing Institute (ATI) with the Chair and Director of the institute; Dr Spittle and Professor Andrew Morris had also joined the Strategy Board meeting and this had been amongst the issues discussed. He informed members that the UKCRC Board meeting would take place that afternoon following the Council meeting. At the meeting, Nicola Perrin (Head of Policy at the Wellcome Trust) planned to propose that an independent task force be established to deliver a step change in attitudes – across patients, the public and healthcare professionals – to allow better sharing of data for health.

Council noted that the EU General Data Protection Regulation (DPR) would be formally adopted at the end of May 2016 and come into force at the end of May 2018. Although the DPR included important exemptions for research, there were still a number of issues; the MRC would need to continue to work with the Wellcome Trust and others to address these during the implementation stage. Members highlighted that the phrase 'ethically robust data governance' was now in the public domain, although there were various interpretations between different groups as to what this meant. Council agreed that this was a more appropriate term to use than 'data protection'.

There was some discussion regarding how the new institute would address informatics as applied to pre-clinical models. Members also suggested that it would be useful to know how the catchment area for the new national informatics institute differed from the Farr. Finally, members discussed the importance of having industry representation on the advisory group for the new institute and it was noted that a group had recently been established across ABPI membership which would be informing discussions.

4D. Minutes from the Strategy Board meetings held on 23 March and 3 May

Sir John updated Council on discussions at the Strategy Board meetings that had been held on 23 March and 3 May and thanked Mr Brydon for attending the March meeting and Professors Cantrell and Schneider for attending the May meeting.

A key focus of the discussions at both meetings had been the implications of the spending review settlement for the MRC and the “rule book” for Official Development Assistance (ODA) funding.

Discussions at the March meeting had included an update on plans to recruit a new theme leader to develop the programme of non-communicable diseases in the MRC/UVRI Research Unit on AIDS in Uganda. Additionally, Sir Hugh Pelham (Director, LMB) and Professor Peter Rigby (Institute of Cancer Research, MCMB Subcommittee Chair) had attended the meeting in relation to the LMB Quinquennial Review and Sir Hugh had presented an overview of the research and future vision for LMB. A key area of focus included strengthening cutting edge electron and optical microscopy.

There had been a good discussion with Mr Covington and Professor Blake regarding opportunities for engagement with the Alan Turing Institute (ATI). The ATI had a central hub in London with centres across the UK and the ATI model had been used to illustrate what the Dementia Research Institute might look like. Dr Spittle and Professor Morris had also participated in the session and there had been a good discussion regarding potential interactions between the ATI and the new national institute for health and biomedical informatics.

There had been further discussion regarding the outcome of the spending review at the May Strategy Board meeting. SB had also received on update on the ‘Technology Touching life’ theme which had been developed jointly by the MRC, BBSRC and EPSRC as
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a potential grand challenge in response to the Maxwell report\(^1\). In light of the spending review outcome, there would be insufficient resources for a major funding activity in the near-term. Therefore the theme would be taken forward through a joint highlight notice to encourage applications in that area. The developing RCUK Data for Discovery theme was in a similar situation with the MRC unable to make direct funding contributions to the theme. However, there were a number of cross-cutting interests and opportunities for MRC alignment.

Strategy Board had discussed proposals for strengthening strategic input into the review of MRC units and other large investments in order to determine whether the mechanisms of support were most appropriate and to balance support for existing units with the need to support new areas. It had been agreed that strategic questions should be shaped by Strategy Board within the context of the wider research landscape. Strategy Board’s engagement would support the boards in taking difficult decisions where necessary.

Strategy Board had supported plans for a target discovery and validation initiative to maximise the translation of MRC discovery research. Two scalable activities that could be implemented to address these goals were:

- **Confidence in Mechanism** – rapid and flexible project-based funding, building on local capabilities at HEIs, aimed at increasing confidence in target or pathway to provide further evidence of therapeutic importance.
- **Target discovery and validation programmes** – large programmatic consortia bringing together complementary capabilities and skills and applying multidisciplinary approaches to enrich understanding of disease.

Strategy Board had also discussed the future strategy for experimental medicine and had agreed that it needed to be positively encouraged and embedded in UK research culture.

Lastly, Strategy Board had endorsed the plans for a £5m capital investment into biobanking and linked data in partnership with charities. The capital commitment had been made by BIS in response to the Government’s consultation for long-term capital investments, subject to treasury approval of an MRC prepared business case. The MRC intended to allocate funds for the creation or augmentation of between two and five human tissue biobanks with substantial charity engagement through an open call with a strong emphasis on strategic targeting.

Council was strongly supportive of the plans for a target discovery and validation initiative to maximise the translation of MRC discovery research. Dr McKernan highlighted that this was an area Innovate UK would be interested in working on with the MRC to connect up SMEs in the space.

There was some discussion regarding the ‘Technology Touching life’ theme and whether aspects of it had the potential to fall under the definition of ODA research. Members noted that EPSRC had been awarded a very small allocation of ODA funding in comparison to the MRC and they planned to use this in a similar way to the MRC’s discovery fund.

4E. Out of meeting decisions: MRC delivery plan and ARUK partnership in the Dementia Research Institute

Mr Brydon thanked Council for approving the [MRC Delivery Plan 2016-2020](https://www.epsrc.ac.uk/newsevents/pubs/the-importance-of-engineering-and-physical-sciences-research-to-health-and-life-sciences/) via email and reported that the delivery plan had been published on the MRC website on 4 May.

Mr Brydon also thanked Council for taking the decision via email to accept the offer from Alzheimer’s Research UK to become a second founding charity partner for the UK Dementia Research Institute (DRI).

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\(^1\) [https://www.epsrc.ac.uk/newsevents/pubs/the-importance-of-engineering-and-physical-sciences-research-to-health-and-life-sciences/](https://www.epsrc.ac.uk/newsevents/pubs/the-importance-of-engineering-and-physical-sciences-research-to-health-and-life-sciences/)
4F. **Report from the Remuneration Committee**

Mr Brydon informed Council that the Remuneration Committee had met that morning. It had been a routine meeting within nothing specific to highlight. Council noted that the Remuneration Committee was very constrained in the decisions it was able to take as a result of government pay restrictions.

5. **CEO’s report**

Sir John Savill introduced this item and noted that sadly Lord Walton of Detchant had died, aged 93, on 21 April. He had been a very important figure in academic medicine and an obituary was included in the annex to the report.

Sir John informed Council that his predecessor, Professor Sir Leszek Borysiewicz, currently Vice Chancellor of the University of Cambridge, had been appointed as Chairman of Cancer Research UK with effect from 1 November 2016.

**The Crick**

Mr Bulger informed Council that the Crick was currently undergoing a Project Assessment Review (PAR) by the Cabinet Office major projects team.

Although practical completion was still scheduled for 31 May, the current estimated completion date was 16 June. This extra delay would have minimal impact on the MRC; some of the larger items of equipment would be delayed in being located to the new building but it would not hold up the movement of researchers and laboratories to the building. The Mill Hill site sale completion was still expected to be achieved on schedule.

**Update on Nurse Review implementation**

Sir John informed Council that the CEOs of the research councils had discussed the implications of the implementation of the Nurse Review in detail. The CEOs had agreed that:

- Each of the research councils had a very strong brand which must not be lost;
- It was essential that each research council had strong scientific leadership to instil confidence in the community;
- Each research council should be guided by its own Council;
- Research councils should be allocated budgets that were defined long-term;
- Research councils should be able to operate institutes as they saw fit.

Ms Endean informed Council that the Government White Paper, "Success as a Knowledge Economy: Teaching Excellence, Social Mobility and Student Choice" would be published shortly and the Bill was expected to be announced in the Queen’s speech with the draft legislation published shortly afterwards.

**Global Challenges Research Fund (GCRF)**

Sir John reminded Council that the research councils had each received a direct allocation of the Global Challenges Research Fund (GCRF) to be used for Official Development Assistance (ODA) research in addition to cross-Council ‘common-pot’ GCRF. The MRC had launched a call for short-term Foundation Awards that would focus on non-communicable diseases (NCD) and strategic infections research to contribute to the rebalancing of the MRC’s global health portfolio towards NCDs. A Strategic Advisory Group would be established to advise on the strategy for the GCRF and oversee the activities implemented through the ‘common pot’ as well as the portions that had been allocated to the seven research councils. Dame Sally Macintyre had been nominated to represent MRC Council on the group.
Equal Pay Audit

Sir John informed Council that the MRC had undertaken an Equal Pay Audit in 2015 and the results had shown that the overall MRC gender pay gap at 1 April 2015 was 13.7 per cent. However, when comparing males and females doing work of equal value (e.g. by pay band) there were no significant pay gaps of note, and in many bands females on average earned more than males. The overall pay gap could be attributed to a lack of representation of females at higher levels within the organisation. This factor was noted and dealt with in the recommendations. The report had been discussed at length by the Remuneration Committee in January and members had welcomed the results and analysis. Their input had been included in the final version of the report which had been included as an annex to the paper.

UK Dementia Research Institute (DRI)

Sir John thanked Council for approving Alzheimer’s Research UK (ARUK) joining the DRI as a founding partner along with the Alzheimer’s Society (AS). ARUK would commit £50m over seven years (from 2018/19) towards the biomedical research strategy of the DRI, potentially including capital investment in the hub, and on the same terms as the AS partnership.

The advertisement and executive search for the director of the DRI had been launched at the beginning of May and interviews were expected to take place in September. Sir John would co-chair the interview panel with Professor Patrick Vallance (GSK).

Members expressed their support for the progress that had been made. Dame Janet commented that CARAC would work with the DRI team to identify the risks in the project. Ms Endean thanked Sir John and Dr Buckle for their sterling work. She highlighted that there was a lot of interest from Government in the DRI and that this would continue.

6. Finance report

Mr Dunlop provided Council with an update on the draft operating budget for 2016/17. BIS had confirmed that the MRC’s administration allocation for 2016/17 was £22.9m which was 7.3 per cent less than the 2015/16 allocation. RCUK’s allocation was £4.4m for 2016/17 compared to £2.8m in 2015/16 - an increase of 57.7 per cent. This was to cover the cost of change activities.

With regards to the provisional outturn for 2015/16, Mr Dunlop reported that programme resource expenditure was £0.5m (0.1 per cent) lower than forecast and budget; well within acceptable limits. Administration expenditure was £1.7m (7.3 per cent) less than forecast and £2.7m (11 per cent) less than budget, largely as a result of some planned IT projects and Oracle rectification work not taking place.

Capital expenditure including capital grants was £9.1m (4.7 per cent) less than forecast and budget. Prior to year-end, slippage of £8.7m had been agreed for the Clinical Research Infrastructure initiative. Discussions with Genomics England indicated that there was an opportunity to secure better value for money for the project by scheduling £8.7m of hardware and storage equipment in the next financial year at no loss to overall programme integrity. The Department of Health was in agreement and had exceptionally agreed to move £8.7m of funding into financial year 2016/17 in support of the project. This had also received approval from BIS. The remainder of the variance could be attributed to grants starting later than forecast and final payment adjustments.
7. Science commitment budget

Dame Sally Davies joined the meeting via teleconference for this item.

Dr Mulkeen introduced this item. The paper noted that following the spending review outcome, the Department for International Development (DFID) had indicated that it planned to reduce its contribution in areas supported in partnership with research councils, including reducing their funding for partnership grants already agreed as well as making a smaller contribution to future programmes.

As a result of the introduction of the Global Challenges Research Fund (GCRF) and the plans to restructure the research councils, the MRC’s commitment plans involved more uncertainties than usual. To manage this, Management Board would review progress with commitments on a quarterly basis and any significant issues would be reported to Council. Additionally, an early review of strategic priorities and financial headroom for 2017/18 and 2018/19 would take place in the autumn to allow discussion of any major changes in allocations that may be required.

The MRC’s total allocation for 2016/17 to 2019/20 was slightly above ‘flat cash’ when the GCRF allocation and funding for the DRI was included. The MRC was on track to spend the expected additional £13.8m on ODA relevant research in 2016/17, on top of the £50m per annum already spent on global health from the MRC’s baseline. From 2017/18 onwards the MRC was required to spend £84m each year on ODA research and rapid action would be required to achieve this. Arrangements had been made to complement normal board funding with shorter-term, largely response-mode ‘Foundation Grants’ coordinated with other research councils to widen the MRC’s portfolio of global health research and partnerships with low and middle income countries. Targeted calls were also planned for key gaps in global infections research. Larger programme development work would follow in 2017 and 2018 – supported via targeted calls and an expansion of global health work across the MRC’s main funding mechanisms.

Strategy Board and Management Board had given a lot of thought to priorities. The proposals included plans to give priority to the goals of maintaining strong institutes, developing informatics and computation in medical research, and forging industry partnerships. It was also important that response mode funding (boards, fellowships, translation) should not fall below 90 per cent of 2015/16 levels in any year, when foundation grants and new ODA “responsive” funding through existing boards and panels were included. Sir John and Dr Mulkeen had met with all the boards and panels to talk about the importance of prioritising carefully and taking difficult decisions.

The proposed commitment budget for 2016/17 was £368m and commitment targets had been set around £8m (two per cent) higher than this to reduce the risk of under-commitment. Dr Mulkeen then set out the specific allocations for 2016/17, with a breakdown provided in the supporting paper.

Council commended Dr Mulkeen for an exemplary job in putting the proposals together under the circumstances. Members agreed that the proposals had been well thought through and the correct priorities identified.

Members discussed training and careers and noted that it had been protected at £64m for 2016/17 but that this decreased slightly in 2017/18 and 2018/19. Dr Mulkeen explained that it was expected that GCRF ‘common pot’ funding would have a strong focus on capacity building and careers in the UK and developing countries, so the case for protected funding may be weaker in future years.

There was some discussion regarding the importance of funding for experimental medicine. Members noted that following a successful call which had completed in March 2016, the aim had been to run annual calls. However, the current plans would only provide for a funding round in 2018 but not in 2017. Members advised that this should
be a major priority for any new headroom available from savings or slippage as there was strong demand in the community.

Council discussed the importance of planning for the longer-term and it was noted that this was a key part of Strategy Board’s role. Sir John reminded members that the Strategy Board work plan diagram, which looked ahead to 2020/21, had been circulated with the papers for the March Council meeting.

Council approved the overall approach proposed for the next three years and the specific allocations for 2016/17. It was agreed that there were a number of issues for 2017/18 and 2018/19 that should be discussed again at Council as the landscape became clearer.

8. **MRC Pension Scheme – appointment of new Chair of Trustees**
   
   Mr Brydon informed Council that the process was underway to recruit a new Chair of Trustees for the MRC Pension Scheme. Interviews were expected to take place shortly.

9. **Safety, security and resilience annual report**
   
   Mr Stephens, Head of Safety, Security and Resilience (SSR), introduced this item.

   Council approved the Health and Safety Policy Statement.

10A. **University units update**

    Council noted the progress with the university unit programme which had been outlined in the paper. Mr Minty highlighted that Council had approved progression through gateway three for the Clinical Trial Service Unit at the March Council meeting. The date of transfer had been delayed slightly and this was now planned for 1 July 2016.

10C. **Institute of Hearing Research (IHR) - Gateway Three Review**

    Council considered the progress update and the outstanding requirements ahead of the legal transfer of IHR to a university unit within the University of Nottingham. Council approved progression through gateway three and delegated responsibility for approving and signing legal agreements to Management Board and Sir John respectively.

11. **Annual update on Freedom of Information requests**

    Dr Rawle introduced this item and updated Council on recent activity relating to the Freedom of Information Act (FOIA)/Environmental Information Regulations (EIR) and plans for the coming year. She informed members that the government had set up the Independent Commission on Freedom of Information to review the Freedom of Information Act 2000. The report had been published in March and while no substantial changes to the FOIA had been proposed, Dr Rawle drew Council’s attention to some of the recommendations which were likely to be of relevance to the MRC. These included greater transparency on senior pay and benefits and a requirement to publish FOI statistics and request responses.

    Dr Rawle also updated Council on the Queen Mary University of London (QMUL) appeal to First Tier (Information) Tribunal against the release of data from the MRC-funded PACE clinical trial which had been requested under the FOIA. The MRC had agreed to act as a witness to outline expectations around data-sharing for research and the implications of public disclosure of individual patient-level clinical trial data. The main hearing had been
held on 20-22 April. Dr Rawle had represented the MRC and given evidence to the Tribunal; a ruling was expected shortly.

Mr Brydon requested that Mr Dunlop provide data on what dealing with FOIA requests cost the MRC as an organisation.

11. **Renaming MRC Harwell**

Dr Rawle informed Council that the MRC Mammalian Genetics Unit (MGU) and the Mary Lyon Centre (MLC) until recently had separate directors, with different reporting lines, but had jointly used the “MRC Harwell” brand for several years. Now the MLC director Dr Sara Wells formally reported to Professor Steve Brown as director of MGU. It was proposed that the two entities become the MRC Harwell Institute (MHI) to help in terms of visibility and outreach. Management Board had agreed that no significant changes to the fundamental financial or governance structures or to the quinquennial review processes would be required as a result of the name change.

Council approved the proposal to rename the MGU and MLC the MRC Harwell Institute.

12. **Review of objectives 2015/16 and objectives for 2016/17**

Council agreed with the report on delivery of Council objectives for 2015/16 which had been included in the paper. Council also approved the proposed objectives for 2016/17.

13. **Draft agenda for July Council**

Council noted the draft agenda for the July Council meeting.

14. **Any other business**

Dame Sally Macintyre suggested that a future white space item for Council could be a discussion around the idea of the MRC developing a code of practice for working with industry.

Dr Smith highlighted that there was one slot left for a tour of the Crick with the architect the following morning if any Council members were interested.