Minutes of the Council business meeting held at MRC Head Office, One Kemble Street, on 1 October 2014

Present:

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<th>Council</th>
<th>Head Office staff</th>
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<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 Chris Day</td>
<td>Mr Bruce Minty</td>
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<td>Professor Patrick Johnston</td>
<td>Dr Declan Mulkeen</td>
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<td>Dr Ruth McKernan</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>Mr Ted Smith</td>
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<td>Observer</td>
<td>Mrs Carole Walker</td>
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<td>Sharon Ellis (BIS)</td>
<td>Dr Mark Palmer (item 5)</td>
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<td>Ms Pauline Mullin (item 8)</td>
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<td>Dr Ian Viney (item 10)</td>
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<td>Dr Heike Weber (item 10)</td>
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<td>Miss Claire Wyllie (item 10)</td>
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Apologies:
Professor Doreen Cantrell  
Professor Dame Sally Davies  
Professor Dame Janet Finch  
Professor Dame Sally Macintyre  
Dr Mene Pangalos  
Ms Vivienne Parry  
Professor Michael Schneider  

Council business meeting

The meeting began at 2.00pm.

1. Announcements and apologies

Mr Brydon welcomed members to the meeting and noted that apologies had been received from Professor Cantrell, Dame Sally Davies, Dame Janet Finch, Dame Sally Macintyre, Dr Pangalos, Ms Parry and Professor Schneider.

Mr Brydon welcomed the two new Council members present, Dr Brown and Professor Johnston, to their first Council meeting as members. Mr Brydon said he had asked each
of them if they would join the Remuneration Committee; both had agreed in principle and Council formally approved their appointments.

Finally, Mr Brydon welcomed Sharon Ellis and noted that she was observing the meeting for BIS.

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 10 July 2014

The minutes of the Council meeting held on 10 July were approved as an accurate record.

4. Matters arising

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

Mrs Walker updated members on the discussions at the Council Audit and Risk Assurance Committee (CARAC) meeting on 16 September. CARAC had discussed progress with the implementation of audit recommendations, the future of the MRC pension scheme and, at the request of Council, the level the MRC should be aiming for on the Risk Management Assessment Framework (RMAF). CARAC had agreed that the MRC should aim for level four in all areas as level five was excessively rigorous and would not necessarily add value. CARAC had also discussed the plans to bring peer review back to research council control from UKSBS. The RCUK Research Funding Programme Board had approved the plans and the project had a target implementation date of 1 April 2015.

4B. Report from the Remuneration Committee

Mr Smith provided an update on the discussions at the Remuneration Committee meeting that had been held that morning. The majority of the meeting had been spent discussing the ‘Awards to inventors’ scheme and how it could be improved. Use of the special award scheme was now encouraged to reward staff who had patented products or had high journal citation impacts.

The MRC scheme had been benchmarked against university schemes to see if it was as beneficial. This had shown that it was currently not quite as good as the University of Cambridge scheme. It currently benefited people who no longer worked for the MRC more than existing staff, and members had discussed how this imbalance could be addressed. Council members suggested that a possible solution to this would be to make the changes only relevant to new IP rather than existing IP, and it was agreed that this was an option that should be explored.

Mr Smith informed members that Rebecca Leigh, Head of Reward and Recognition at the MRC, had outlined the package of benefits that had been put together to reward staff given the pay constraints. These included a number of salary sacrifice and discount schemes which all added up to a reasonable amount of savings and were particularly appreciated by staff on lower salaries. A particular difficulty for MRC staff working in units was that often they were working alongside university colleagues who had continued to receive pay rises.

The Remuneration Committee had also dealt with one senior pay matter regarding a pay rise for a unit employee who had taken on additional responsibilities.
Finally, Sir John highlighted that while awards to inventors was very important, another incentive for staff at LMB had been earning money for the institute which could be reinvested back into research. This incentive no longer existed with the current Government-imposed constraints, and efforts were being made to restore the idea to the LMB and MRC units that they could corporately gain by engaging in translation and commercialisation.

4C. Update from the Strategy Board meetings held on 22/23 July and 10 September

Sir John Savill introduced this item and updated Council on discussions at recent Strategy Board meetings. The July meeting had been residential and had included a separate discussion session on medical chemistry on the 22 July. A number of guest speakers had spoken about the ways in which chemistry could enhance medical research and the research opportunities in medical chemistry. The speakers had included Professor Sir Peter Ratcliffe (Oxford), Professor Mark Bradley (Edinburgh), Professor Chris Haslett (Edinburgh), Professor Ashok Venkitaraman (Cambridge), and Dr Dave Allen (GSK). Dr McKernan had also attended the meeting both in a Council and industry capacity. The group had agreed that medical chemistry and target discovery and validation provided excellent opportunities for close collaboration between industry and academia thereby increasing the attractiveness of the UK as preferred location for companies. The concept of a UK target discovery network linking up complimentary centres of excellence across the UK and bringing together the multidisciplinary expertise required to further target discovery, validation in preclinical or experimental medicine settings, and medical chemistry approaches had been supported and further work would be undertaken to work this up as part of the MRC’s bid in the 2015 spending review.

No Council member had been able to attend the main Strategy Board meeting on 23 July. Discussions had included an update on an informal Strategy Board subgroup visit to the MRC-NIHR National Phenome Centre. The subgroup had been reassured by the visit and the progress made by the Centre. Strategy Board had also been updated on the consideration of Experimental Medicine Challenge grants by the research boards. Out of 23 full applications invited across the four boards, three awards had been made. An audit of 200 recent awards had found that only 50 awards made by the boards for response mode grants involved human-based research and 15 of these were experimental medicine grants. Strategy Board had agreed that there was a strong need to continue the scheme given the strategic importance of understanding disease mechanisms and therapeutic responses in humans despite the low award rate. Strategy Board had also agreed that experimental medicine should be included in the spending review as a defined priority.

The implementation plans for the delivery of a small number of high quality molecular pathology research and clinical care hubs (nodes) had been considered. Strategy Board had approved £10m from the strategic budget to support a Molecular Pathology nodes call and had noted that the call would provide start-up funding for the development of linkages between biological and clinical academic research, pathology services, and industry.

Mr Brydon and Dame Sally Macintyre had attended the Strategy Board meeting on 10 September. The preliminary results of the MRC’s careers and skills reviews had been presented and there had also been an update on the outcomes of the international panel meeting for the Clinical Research Capabilities and Technologies initiative; 23 awards worth £172m (capital) had been made to 18 universities and consortia across the UK. The British Heart Foundation and Cancer Research UK had contributed £2m resource, and £60m (capital and resource) had been leveraged from HEIs. Other topics Strategy Board had discussed included the award of the EMINENT (Experimental Medicine Initiative to Explore New Treatments) programmatic network, a partnership between GSK and the Universities of Glasgow, Newcastle, Cambridge, Imperial College and University College London.
The meeting had included an update on an interim review of investments in Uganda in order to build a perspective on the longer-term health research opportunities there. Strategy Board had also discussed the strategy for MRC methodology research funding. A key concern was lack of implementation of novel methodologies into routine practice, partly due to a disconnect between methodologists and other researchers. A new initiative to instil an ethos of closer working between methodologists and end users would be introduced. Sir John commented that the Clinical Trials Unit was a very good example of methodology being developed in real trials in connection with experts.

Council members commented that they were pleased to see the MRC-NIHR National Phenome Centre doing so well at this relatively early stage. Members also discussed the success rate for the Experimental Medicine Challenge Grants noting that the quality of the applications was good and the plan was to continue to stimulate interest and encourage people to think in bold and imaginative ways.

4D. Update on BIS flexibilities

Mr Minty introduced this item. Mr Minty then provided members with an update on progress with seeking flexibility in the way Treasury/Cabinet Office controls applied to the MRC in relation to procurement, senior staff salaries and commercial income. Additional flexibility with regards to procurement had been agreed. BIS had also approved the MRC’s request for delegated authority to appoint senior scientific staff/award pay rises for staff on salaries between £100k and £142k pa without prior BIS Senior Remuneration Oversight Committee (SROC) approval, subject to certain conditions including a requirement for SROC/BIS to be notified of each appointment.

Finally, the MRC had sought partial reinstatement of the Commercial Fund so that windfall income could be carried over in a centrally held fund. This would require Treasury approval. A formal response had not yet been received although indications were that approval was unlikely.

Miss Ellis confirmed that BIS would follow-up the issue of windfall income with the Treasury. However, a likely response was that the Treasury would not agree a blanket arrangement, but rather would offer to look at any specific request.

5. CEO’s report to Council

Sir John Savill introduced this item and discussed the following matters:

Scottish devolution

Sir John informed members that he had written to the Rt Hon Greg Clark MP, Minister of State for Universities, Science and Cities, regarding Scottish devolution and the need to maintain the integrity of the UK research base. In his letter, Sir John had highlighted that vital parts of the UK research base funded through BIS were situated in Scotland and it would be important to ensure the continued integrity of UK-wide research funding through the research councils.

Council members agreed that Mr Brydon should send a letter to the Minister highlighting Council’s unanimous agreement that research council funding should remain UK wide. Members also agreed with Sir John that he should discuss the matter with the CEOs of the other research councils to seek a unified position on the issue.

The Newton Fund

Dr Palmer provided a brief update on the Newton Fund. The MRC had secured £43.5m under the fund to run a number of specific calls and initiatives over five years. Joint calls with China, India and South Africa had been launched or announced so far. Further calls were under negotiation and Dr Palmer would report details of these to Council when they were launched.
Knighthood for Professor Colin Blakemore

Sir John reported that as agreed at the July Council meeting, he had written to Colin Blakemore to offer Council’s congratulations on his Knighthood. He drew members’ attention to Sir Colin’s response which had been included in the CEO Report.

6. **Finance report**

Mr Dunlop introduced this item and updated Council on the forecast outturn. There was a potential small surplus which would be allocated to rapid spend activities. £2m in the administration budget had been allocated for the IT transition and upgrade of Oracle migration, however there was a risk that these projects might slip resulting in an under spend at the end of the year.

With regards to the year-to-date results to 31 August 2014: programme resource expenditure was £0.4m higher than budget; administration expenditure was £0.4m higher than budget and capital expenditure including capital grants was £1.1m less than budget.

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

8. **Communications strategy refresh**

Ms Mullin attended the meeting and presented the draft MRC Communication and Engagement Strategy, 2014 to 2019. She informed Council that the Communication and Engagement Strategy had been revised to ensure it aligned with the refreshed MRC strategic plan ‘Research changes lives 2014-2019’ and to take into account changes in the external and internal environments in which the MRC operated, including recent developments in communications technology and practice. The strategy also addressed some of the recommendations from the Management Initiated Review of the Corporate Affairs Group. Given the breadth of the MRC’s research remit, the approach in the strategy was to focus on the priority areas where most impact could be made; these topics had been outlined in the paper. Better use would be made of the broader range of communications channels and the communications team had become more targeted in their media work. In order to extend the reach of MRC communications, the aim was to open up MRC channels to partners and to publish MRC content on partners’ communications channels. Ms Mullin explained that the strategy explicitly set out what the MRC was committed to and what the communications section would endeavour to deliver to help the MRC meet these commitments. The strategy also articulated what it was hoped the community would deliver in supporting the MRC. Finally, Ms Mullin informed Council that there was no reference in the strategy to the BIS strategic review of communications and the merge of various corporate functions as it was too early to include anything at this stage.

Mr Brydon noted that Ms Parry had sent her apologies for the meeting but had sent in her comments on the communications strategy. He reported that Ms Parry had been very supportive of the strategy but had highlighted the risks relating to BIS’ consideration of a central communications function for the research councils. Ms Parry had noted that research had shown that trust in scientists, such as those in MRC units, was much greater than for those in government. As much of BIS’ strategy for wealth and growth depended on there being trust in science, any move to bring research council communications into BIS threatened this. Ms Parry had suggested that a line should be added to the strategy in the public affairs brief which stressed the importance of independent scientists in creating trust in science issues.

Council agreed with Ms Parry’s comments and approved the Communication and Engagement Strategy, 2014-2019.
9. Estates – Asset and Project Management Strategy

Mr Bulger introduced this item and informed Council that the refreshed Estates Asset and Project Management Strategy was an update of the version approved by Council in October 2012. A summary of current projects and changes to the MRC estate had been included in the updated strategy. A key piece of work was the maintenance of the research facilities in the Gambia and Uganda. Highlights included a programme in Uganda to renew the electrical installations at the research facilities and the purchase of land to establish new clinical facilities, and one in the Gambia for a rapid upgrade of a clinic which was not compliant with current best practice. A project to re-house the Prion Unit was also underway as their present accommodation was at capacity and restricting the development of the science. University College London (UCL) had identified a building (the old Courtauld building) that could serve the unit’s requirements although it required a major refurbishment. The MRC was making a capital contribution to the project and UCL was contributing the rest of the funds.

The Crick project was of great importance to the MRC and would be a key focus of the MRC’s property strategy for the foreseeable future. The construction of the building was progressing in accordance to the programme and the project had achieved successive amber/green designations at Major Project Authority Assessment reviews. Another major project was the decommissioning and demolishment of the old Cyclotron Building at the Clinical Sciences Centre site at Hammersmith Hospital. The MRC would work with Imperial College London to find optimal use of the space for a new research facility when required. There had been a joint project with Imperial to establish new animal facilities; this was not currently progressing well as a result of changes to the science which meant that the requirements had had to be revisited.

Plans for asset disposals included the NIMR Mill Hill site and the former National Temperance Hospital, London. The Mill Hill site would be disposed of following the transfer of NIMR to the Crick. The sale would not be fully achieved until the site was vacant in 2016, although marketing had commenced in June 2014 and a preferred bidder would be selected by the end of the year. The proceeds from the sale would go towards funding the Crick. The former National Temperance Hospital had been purchased in 2006 to re-locate the new Institute from NIMR Mill Hill and it had now been sold to the Department for Transport/HS2.

Council noted that the lease on the MRC London head office was due to expire in September 2019. Government rules did not allow commercial leases to be renewed so it would be necessary to find alternative premises for the London office in due course.

Mr Bulger highlighted that the transfer of MRC intramural units to university units had also resulted in a lot of work for the small Estates team in supporting the transfers as any land, buildings or equipment owned or leased by the MRC had been transferred to the host university. The Estates team also worked closely with the intramural units. Each unit managed their own affairs in estates and maintenance with support and regular visits from the Estates team to ensure they had a visible presence.

Mr Brydon thanked Mr Bulger for the update noting that this was an excellent example of how a very small high quality team could manage a very wide-ranging estate. He noted that Mr Bulger was very well respected across the research councils which helped enormously.

Council approved the strategy and agreed that they would like to visit/hold a Council meeting at the Crick as soon as was feasible.

**Action:** Mr Bulger/Dr Smith to investigate when a Council visit/meeting could take place at the Crick.
10. Preparing for the next spending review

Dr Mulkeen provided Council with an overview of the MRC’s preparations for the next spending review. The 2015 spending review would be set against the background of a challenging economic climate and a well-argued case would be required to demonstrate the value of biomedical research and the MRC’s vital role as the leading funder of high quality basic to early clinical stage and population medical research. The MRC's bid would aim to strike a balance between continuity for ongoing activities and new ideas that would deliver in the future. There was also a need to show awareness of policy themes, such as stimulating growth across UK regions, and a need for a co-ordinated overall strategy encompassing capital and resource expenditure.

There were a number of key research themes being developed to build the MRC’s spending review bid – although by the time of the final bid there would be fewer themes. For some of these areas, thinking was at an advanced stage and followed on from investment in the current spending review period. This included areas such as antimicrobial resistance, dementia, proximity to discovery and molecular pathology.

Work had begun on new plans in three areas: target discovery and validation; developing new links between physical sciences and basic biomedical research with EPSRC and BBSRC; and work on skills gaps and careers, especially in computational life sciences and informatics. At an earlier stage of development, the MRC was currently reviewing the multi-funder prevention research initiative, and future needs for research council support in this area, as well as scope for cross-Council work on lifecourse health and/or urban living (which would include the population health aspects of urbanisation in developing countries).

Council members discussed the political background noting that the two main political parties both agreed on the importance of investment in science and research. The new Science and Innovation Strategy would be published later in the autumn and would provide context for the MRC’s bid.

Members highlighted the continuing threat posed by the draft EU Data Protection Regulation (EUDPR) and noted that the security sector would also be impacted by the regulation. Sir John informed members that he had attended a meeting with the Chief Scientific Adviser for the Ministry of Justice where the point had been made that the proposed amendments to the EUDPR amendments would actually benefit organised crime. Sir John reassured Council that the UK was not complacent about the risks posed by the EUDPR and work was underway to identify the potential costs and implications for research. Also, a meeting with the rapporteur for the Regulation, the German (Green) MEP Jan Philipp Albrecht, had been arranged for 4 December. As this clashed with the next Council meeting, Dr Catherine Elliott would be representing the MRC.

Council considered the benefits of the argument that investing in research could lead to reduced costs for the NHS as a result of more effective treatments. It was noted that the MRC had been making that case for some time. The argument had to be carefully articulated as the NHS budget in England was under a lot of pressure and there was some thinking that research could also result in more treatments that the NHS could not afford to implement. Therefore, when making the case for the spending review, it would be important to highlight examples of research which could directly lead to healthcare savings such as the development of new vaccines.

Council noted that the MRC had been very successful at brokering cross-institutional and cross-sector partnerships. Approximately 25 per cent of MRC funds were spent in partnership with other funders and partnership plans would form a key element of the MRC’s spending review bid. Members agreed that it would be necessary to ensure that the potential for the MRC to leverage additional funding through partnerships was strongly emphasised in the bid. Opportunities for attracting inward investment were expanding rapidly and Researchfish could provide specific data on inward investment that could be used to help make the case. However, relying too much on large complex partnerships could pose risks, and make the current mix of MRC themes, bi- and tri-
lateral partnerships and multi-funder partnerships, offered a balanced position at this stage in the process.

Council discussed whether there was potential for the MRC to seek input, support and perhaps opportunities for partnering from the investment community as well as from industry stakeholders. An increasing number of life sciences funds were able to engage in strategic discussion, and could prove to be more experienced and useful allies than in the past, as well as bringing some fresh ideas into the spending review discussions.

Dr Viney updated Council on the progress made with the MRC Economic Impact call for proposals which had funded six new studies focused on better understanding the link between research and impact. Most of the studies would generate some preliminary results in advance of the spending review. Demand had been lower than hoped for, and the economic impact panel had advised that this field was one in which there was limited high quality UK research capacity. A workshop would take place early in 2015 to bring together researchers across the social sciences, economics and medical disciplines, with the aim of shortlisting ideas for studies and establishing new collaborations to take forward high quality research.

Finally, Dr Mulkeen drew members’ attention to the Research and Training Portfolio Review for 2013/14 which provided consistent comparative data back to 2010 in most fields. This allowed the MRC to review large-scale changes in the pattern of investment over time and provided a quantitative starting point for discussion of future plans and strategy. Dr Mulkeen highlighted that MRC funding was becoming slightly more broadly spread, with more allocated outside the top six universities and more outside the top 15 - as the MRC supported more multidisciplinary and translational research. Figures on gender balance had also been included in the review. These showed that the success rate for male grant applicants was slightly higher than for female applicants. Further investigation had shown that below 40, the success rate was similar for men and women but in the older age groups both the numbers of female-led applications, and their success rates, declined. This gave universities and the MRC something to focus on.

Council supported the spread of themes being developed, and looked forward to further discussions as the plans, dialogue, and supporting evidence matured.

11. Research integrity annual report

Dr Rawle introduced the research integrity annual report. She informed members that this was a regular item as the MRC had particular responsibility under the Research Integrity Concordat to produce annually a statement on: actions taken to promote research integrity; provide assurance on the process for dealing with allegations of research misconduct; and provide a high level statement on scientific misconduct cases. A joint RCUK narrative statement had been produced to report to the Councils in a uniform way; the statement was included as an annex to the paper for Council’s approval.

Council approved the statement and agreed that the MRC should publish it with the other research councils. Council also noted that no anonymous allegations of research misconduct had been received in the last six months. A new open website had been launched where image manipulations etc. could be criticised and it was possible that people were posting their comments on the website rather than sending them to the MRC.

12. Draft agenda for the December Council and Joint Council/Strategy Board meetings

Council noted the agenda for the December Council and joint Council/Strategy Board meetings. Mr Brydon reminded members that the white space slot had been added to the agenda to allow members the opportunity to raise any topics of interest.
13. **Any other business**

Sir John informed Council that following a series of reviews (including the Triennial Review of the Research Councils, the Dodds Review and the Future Shape of BIS strategic review), and with continuing reductions to the administration budget, there was likely to be additional pressure to merge the back-office functions of the research councils. The research councils currently had separate retained finance and HR functions and there were on-going discussions with the other research councils as to how to achieve more efficient administration support. Council noted that Mr Bulger was serving part-time to help the BIS harmonisation project and Mr Minty had put forward good ideas about how to eliminate duplication in processes.

**Summary of actions**

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<td>Investigate when a Council visit/meeting can take place at the Crick.</td>
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